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С. КАЧМАРЧИК

НАВЧАЛЬНО-МЕТОДИЧНИЙ ПОСІБНИК

«English for Economic Cybernetics and Digital Economics»
для студентів ОС «Бакалавр» спеціальності 051
«Економіка (Економічна кібернетика)», 051 «Економіка
(Цифрова економіка)»

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Навчально-методичний посібник «English for Economic Cybernetics and Digital Economics» призначений для студентів ОС «Бакалавр» 051 «Економіка (Економічна кібернетика)», 051 «Економіка (Цифрова економіка)».

Мета навчально-методичного посібника – розвиток комунікативних навичок з фаху, навичок читання та перекладу іншомовних джерел. Добір навчального матеріалу націлений на розвиток у студентів навичок та вмінь в основних видах мовленнєвої діяльності і реалізуються як у письмовій так і в усній формах.

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Витяг з протоколу засідання вченої ради ГПФ № ___ від _____

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НАВЧАЛЬНО-МЕТОДИЧНИЙ ПОСІБНИК

**«English for Economic Cybernetics and Digital Economics» для студентів
ОС «Бакалавр» спеціальності 051 «Економіка (Економічна
кібернетика)», 051 «Економіка (Цифрова економіка)»**

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Київ – 2021

Unit 1. CAREERS

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

Reports of the death of the traditional career have been greatly exaggerated. Despite the growth of **outsourcing** (buying in services that were previously performed by a company's employees from outside the organization) and **teleworking** by freelancers working from home communicating via the Internet, most professional people still go to what is recognizably a job in a building that is recognizably an office. The average **tenure**, the length of time that people spend in a particular job, has remained unchanged (at about seven years) for two decades.

From the point of view of the **human resources (HR) department** of a large company, managing people's careers can still be seen in the traditional activities of **selection procedures** and **recruitment**, managing **remuneration** (how much people are paid), and working with department managers on **performance reviews**: annual or more frequent meetings with employees to tell them how well they are doing and how they may progress further on the career ladder. The HR department will also be involved with **training** and **professional development** of the company's staff.

A company's HR department may also be involved in making people **redundant**. Redundancies may be the result of an economic downturn with reduced demand for the company's goods or services, but they may follow a decision by a company to **de-layer** (to reduce the number of management levels) and **downsize**. It may offer **outplacement services**, advice to people on how they can find another job, perhaps after some **retraining**.

A manager made redundant in this way may become what Charles Handy calls a **portfolio worker**, offering their services to a number of clients. Some managers describe themselves as **consultants** but would prefer to be working in a salaried job in an organization like the one they have been forced to leave.

Others may enjoy their new-found freedom and embrace the **flexibility** that it offers. (Companies too may talk about flexibility when they use the services of **freelancers** in this way, rather than relying on salaried employees.) Freelancers have to maintain their degree of **employability** by keeping up with the latest trends and skills in their profession or industry, for example by attending short courses. They may complain that working outside an organization gives them fewer opportunities to learn these new skills. For many salaried employees, on the other hand, developing one's career in an

(enlightened) organization is a process of give-and-take – the environment they work in allows them to keep their skills up to speed.

A CAREER IN RETAIL BANKING

Before you read

Can you name some of the major retail banks in your country? What special skills do you think you need to work in a bank?

Reading

Read the article from the *Financial Times* and answer the questions.

Retail banking: Appeal of the softer side of the business

Clare Gascoigne

Retail banking used to be an aspirational career. But as the banks have changed, so has the attraction. 'Graduates have to be led into thinking about retail banking,' says Terry Jones of the Association of Graduate Career Advisory Services. 'They think first about the investment banks or accountancy – they think retail is not as interesting as working on mergers and acquisitions or trading.'

He may be right. High-street bank managers are no longer as respected as they used to be. Staff are much more concerned with selling products and financial services, and much of the customer contact has moved to big call centers or the Internet. 'The work feels relatively low status,' says Mr Jones.

However, the banks don't feel the same way. 'We are looking for people who are customer driven, who can form good working relationships and lead sales teams,' says John Morewood, senior manager for graduate recruiting at HSBC. 'We look for graduates who have had experience of working with customers.'

HSBC is typical of the high-street banks in running two main graduate schemes. The executive management scheme is a two-year development program that aims to put graduates into a leadership role. It takes between 25 and 30 every year. 'These people have the potential to go very high,' says Mr Morewood. 'We are looking for strategic thinkers.'

The second scheme, which is more concerned with retail and commercial banking, takes between 120 and 150 people a year and gives graduates responsibility much earlier.

FINANCIAL TIMES

1. Choose the correct meaning for the word in *italics*.

- a) 'Banking used to be an *aspirational* career' means people
 - i) wanted to work in that sector because it was highly respected.
 - ii)knew they would get excellent training in that sector.
- b) A *call centre* is where customers can
 - i) meet employees.
 - ii)speak to staff on the phone.
- c) 'The work feel relatively *low status*' means
 - i) it is not considered to be very important.
 - ii)the job is easy to do.
- d) 'We are looking for *strategic thinkers*' means people who
 - i) can make decisions quickly.
 - ii)are able to make top-level decisions.

2. True or false?

- a) Retail banking is not as attractive as it used to be. _____
- b) Graduates prefer to work in other financial areas. _____
- c) Retail banking staff have to sell products and financial services. _____
- d) Banks are not interested in recruits with customer experience. _____
- e) The executive management scheme lasts three years. _____
- f) This scheme is training people for high-level positions. _____
- g) More people are recruited on HSBC's second scheme. _____

Over to you

Do you think that working in a bank is a high- or low-status kind of job?
Is it important for bank managers have a degree from a good university?

TRAINING ON THE JOB

Before you read

Do have apprenticeship schemes in your country? What are the advantages of working your way up through a company? What benefits do you think there are for the employee of doing an apprenticeship?

Reading

Read the article from the *Financial Times* and answer the questions.

Cost-effective route to create future managers

Andrew Taylor

Mike Turner, chief executive of BAE Systems, Europe's biggest defence company, and a member of the Apprenticeships Task Force, is a prime example

of how starting at the bottom of the corporate ladder can lead to a top job. 'I began my working life as an apprentice,' said Mr Turner, who argues that apprenticeships remain one of the most cost-effective ways of filling skill shortages, as well as developing managers of the future.

According to the Task Force's report, published today, BAE expects to save up to 1m pounds a year by training apprentices rather than hiring and retraining outside workers, 'as apprenticeships cost per cent less than training non-apprentices'.

It is 'much more attractive to recruit young people as apprentices, as recruitment costs are lower, staff turnover is lower and apprentices quickly identified with company values', according to the Task Force. BT, the telecommunications group, for example, had 'calculated a benefit of over 1,300 pounds per apprentice per annum when compared to non-apprentice recruitment'.

Companies, even in industries such as construction and engineering, where training costs were high, found that young people in the later years of their apprenticeships were making 'a high contribution relative to their wage costs', said the Task Force.

Honda had reported that it took two years to retrain someone trained by another car manufacturer. Apprentices by contrast 'quickly understood their [Honda] company values and practices'.

Apprenticeships were also a 'cost-effective way of replacing an ageing workforce and ensuring the effective transfer of knowledge', Xerox, the office equipment group, told the Task Force.

FINANCIAL TIMES

1. Match the words to form expressions from the article.

- | | | |
|--------------|--------------|-------|
| 1. prime | a) life | _____ |
| 2. corporate | b) shortages | _____ |
| 3. working | c) values | _____ |
| 4. skill | d) ladder | _____ |
| 5. staff | e) turnover | _____ |
| 6. company | f) example | _____ |

2. Answer these questions.

- Who is Mike Turner?
- How much does BAE expect to save by training apprentices?
- What three major advantages of recruiting apprentices are mentioned in the task-force report?

- d). How much did BT save?
- e). When do apprentices make a productive contribution to a company?
- f). Why does Honda like apprentices?
- g). What are the two main benefits of apprenticeships, according to Xerox?

Over to you

Do you think experience on the job is more important than qualifications?

TELEPHONING: MAKING CONTACT

1. Correct these telephoning expressions. One or two words are wrong in each expression 1-10. Replace the words that are wrong with the same number of words.

- 1 Can I talk on Beryl Yang, please? _____
- 2 I'll like to speak to Beryl Yang, please. _____
- 3 Just a moment. I'm putting you up. _____
- 4 Just a moment. I'll join you. _____
- 5 Are you Beryl Yang? _____
- 6 Beryl Yang talking. _____
- 7 Hello. I am Andres Solano, from Solano and Associates.

- 8 I'm phoning on the proposal you sent us.

- 9 The reason I'm call is that we want to discuss it further.

- 10 We've lost your e-mail address. May you give it to me?

2. Student A is Andres Solano, Student B is Beryl Yang and Student C is the operator. Role-play this telephone conversation, using correct versions of the expressions above.

- A: Say hello and say who you want to speak to.
- C: Ask A to wait. Then say you will put A through.
- A: Thank C.
- B: Say hello, but don't give your name.
- A: Ask who you are talking to.
- B: Give your name.
- A: Say why you are calling – about a proposal for a new office building.

B: Say you understand what A is talking about.

A: Say you want to discuss it further.

B: Agree. Say you have lost A's e-mail address. Ask A to give it to you.

(This situation is continued in Unit 7.)

List of words and phrases to be learnt

Ambitious, research and development department, sales and marketing, administration and personnel, superior, career move, career break, career plan, career opportunities, to go trekking, to make a fortune, to make a living, to get progress, to get a promotion, to earn a bonus, to do a part-time job, to do research, to make mistake, to do one's best, to take early retirement, to work flexitime, to work overtime, staffing and recruiting services firm, to get ahead in career, short- and long-term goals, to master skills, opportunities to broaden skills, to socialize, to accept challenges, to force, to deserve a promotion, to be disappointed, significantly, to increase, to reach a goal, to evaluate one's progress, request, ability, offer, phone is engaged, to call back, appointment, staff turnover, subsidiary, confident, outgoing, academic background, experience, to involve, strengths and weaknesses.

Topic for rendering

Ten ways to improve your career

1. Make a list of your priorities and outline the tasks for the day. Write down your short- and long-term goals, evaluate your progress frequently and stay focused.
2. Are you really present? You may physically be at work, but are you there mentally?
3. Learn how to work through others. Delegating tasks is an important skill to master at any level.
4. Always look for opportunities to broaden your skills. For example, you can attend professional development seminars.
5. Socialize with colleagues. This will help you learn about what's happening in other departments.
6. Create your own goals. Determine where you want to be professionally and what skills you need to reach that goal.
7. Be comfortable with being uncomfortable. Accept challenges that force you to try something new.
8. Be clear about what you want. If you believe you deserve a promotion, ask for one.
9. Take time off and relax.

10. Seek satisfaction. If you're disappointed by your current career, look for ways to transform your job into more of what you want.

If you follow this advice, you will significantly increase your opportunities to earn more money, get promoted sooner and move ahead faster.

Unit 2. SELLING ONLINE

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

The world of **e-commerce** moves fast. The **dotcom frenzy** of the late 1990s, with companies raising vast amounts of money from investors, for example just to sell dog food over the Internet, came and went, and some organizations removed the dotcom suffix from their names, so much did it become a synonym for failure.

E-commerce courses in business schools are no longer oversubscribed and no longer preaching that ‘everything has changed’. Companies look more at how e-commerce can be used in conjunction with other methods of selling: in retailing this means **clicks and mortar**, combining traditional retail outlets with online operations, rather than **pure e-tailing**. Some **old-economy** companies, like the UK supermarket company Tesco, have made a success of e-commerce by combining it with their existing operations, rather than investing in a whole new expensive **infrastructure**. Webvan, a pure online groceries company in the US, fell down on the hurdles of logistics: **warehousing** and **delivery**.

Amazon is now almost the only **pure-play** (exclusively) online seller of goods that has any sort of brand recognition. The range of goods it offers is becoming ever broader, and its **e-fulfillment systems** (order processing and delivery) are renowned for their efficiency. But its long-term profitability is still not clear.

However, in services, low-cost airlines like EasyJet and Ryanair are reporting that more than 90 per cent of ticket purchases are now made online. This bears out the prediction made a few years ago that online sales would develop fastest where there are no goods that have to be **physically delivered**.

And then there is **business-to-business e-commerce**. Competing companies, for example in the car industry, have set up networks where they can get suppliers to do this. Orders are placed and processed, and payment made over the Internet, hopefully with massive cost reductions through the elimination of processing on paper. An allied area is **business-to-government**, where companies can bid for government contracts over the Net.

FILM DEALS ONLINE

Before you read

Have you ever visited the Amazon website? Have you bought anything from Amazon? Why do you think the company has been so successful?

Reading

Read this article from the *Financial Times* and answer the questions.

Amazon goes to Hollywood with film deal

Joshua Chaffin and Jonathan Birchall

Amazon, the largest online retailer, is going to Hollywood after striking its first deal for the film rights to a best-selling novel.

It is expected to team up with a Hollywood studio and producer after it acquired the screen rights to *The Stolen Child*, a fantasy tale by first-time author Keith Donohue. As part of the agreement, Amazon pledged that it would market the film and its subsequent DVD on its website.

The deal comes during speculation that Amazon is poised to broaden its film ambitions by introducing a new video download service in conjunction with major Hollywood studios.

Amazon said it did not intend to co-finance the film, but that the company's brand, retail expertise, and customers around the world could make it 'an extremely valuable partner in the marketing and distribution of this film'.

Amazon has this year increased its involvement in video programming on its site, launching a weekly interview program with artists and authors. In 2004, the company also produced five short live-action films on its website, featuring famous actors, which it used to promote its credit card and the range of goods available on its US site.

Another asset Amazon could bring to the film-making process is the consumer research compiled by its website. Based on its sales data, for example, Amazon would be well positioned to target the film at customers who have read the book and others like it, or bought similar DVDs from the site.

The deal also reflects the growing presence of non-traditional producers in Hollywood.

FINANCIAL TIMES

1. Match the words and expressions (1 – 9) with their meanings (a – i).

- | | | |
|------------------------|---------------------|-------|
| 1. striking | a) collected | _____ |
| 2. acquired | b) ready | _____ |
| 3. pledged | c) bought | _____ |
| 4. subsequent | d) following | _____ |
| 5. poised | e) extend, widen | _____ |
| 6. broaden | f) promised | _____ |
| 7. in conjunction with | g) using, including | _____ |

8. featuring _____
 9. compiled _____
 h) making, signing _____
 i) together with _____

2. True or false?

- a). Amazon has bought screen rights to *The Stolen Child*. _____
 b). The author has written several other books. _____
 c). Amazon may provide a new video service. _____
 d). Amazon will invest a large amount in the film. _____
 e). Famous actors have been used to advertise Amazon products. _____
 f). Amazon will be able to target potential customers easily. _____

3. Complete the different forms of these words from the article. The first has been done for you.

NOUN	VERB
expectation	expect
a) agreement	
b)	feature
c)	grow
d)	intend
e)	launch
f) speculation	
g) involvement	
h)	promote

Over to you

Have you ever downloaded a film onto your computer? Do you think eventually people will stop going to the cinema? Why (not)?

ONLINE ADVERTISING

Before you read

Do you pay attention to the advertisements online? Do you like them or do they annoy you? Do you think they are more effective than traditional advertising media?

Reading

Read the article from the *Financial Times* and answer the questions.

Online advertising

The volatility of Internet stocks says a lot about what is expected from them. It says rather less about the true health of the online advertising market.

Carat, the media buying group, expects Internet advertising worldwide to grow by 25 per cent this year. In developed markets, growth rates are even faster. US first-quarter online advertising growth, for example, was 38 per cent, and there remains plenty of room for further rapid expansion. Credit Suisse expects US online spending to grow at an annual rate of 22 per cent over five years, but that still leaves it with a total market share of about one-tenth.

Demand from advertisers, however, is strengthened because people believe that online advertising generates a high return on investment. Measurement is never easy, but based on survey data from TNS Media Intelligence, online currently enjoys a return on investment of 26 per cent, compared with 17 per cent for magazines, the next closest category.

Online offers the opportunity for manufacturers to reach a larger number of consumers. A recent study found that US food companies are increasingly using the Internet to target children with interactive games and commercials, which is a concern for anti-obesity campaigners, but an example of the potential of 'rich media'.

With expected overall advertising market growth of only 4 to 5 per cent this year, traditional media continue to lose share. In the UK, for example, print media advertising shrank 5 per cent last year, while online grew by almost two-thirds. Share prices of Internet stocks will continue to fluctuate greatly, but it is traditional print media companies that face the toughest future.

FINANCIAL TIMES

1. True or false?

- a). This year, Internet advertising is expected to increase by a quarter. _____
- b). In some markets, the increase will be lower. _____
- c). Credit Suisse predicts spending in the US to fall below 22%. _____
- d). Online advertising in the US enjoys approximately 10% of the market share. _____
- e). The return on investment of online advertising is higher than for other media. _____
- f). Experts say that traditional media continue to lose market share. _____
- g). In the UK, online advertising has grown by 5%. _____
- h). Internet stocks should become more stable in the future. _____

2. Choose the alternative that best explains the words in *italics*.

- a) the *volatility* of Internet stocks
 - i) amount
 - ii) unpredictability

- iii) attraction
- b) online advertising generates a high *return on investment*
 - i) amount of money earned from the investment
 - ii) amount of money budgeted for the investment
 - iii) amount of money spent on the investment
- c) *Anti-obesity campaigners* are people who are
 - i) fighting against weight loss.
 - ii) always going on diets.
 - iii) trying to reduce the number of overweight people.
- d) 'Stocks will continue to *fluctuate*' means they will continue to
 - i) remain stable
 - ii) go up
 - iii) go up and down

Over to you

Do you think there are any products which should not be advertised or sold online?

If you produce or want to sell a product, would you advertise it on the Internet? Why (not)?

NEGOTIATING: REACHING AGREEMENT

1. A businesswoman is talking about a negotiation that she recently took part in. Match the negotiating tips (1-7) with the things she says (a-g).

- 1. Be friendly. _____
- 2. Prepare carefully before you negotiate. _____
- 3. Have a lot of options. _____
- 4. Never be the first to make an offer. _____
- 5. Ask a lot of questions. _____
- 6. Pay attention to the other side's body language. _____
- 7. Summarize often the points you agree on. _____
 - a) I waited for the other guy to name his price. I didn't tell him what my objective was.
 - b) I asked him exactly what his requirements were, who his current partners were and how long it would take him to reach a decision.
 - c) Every half hour, I tried to say what we had agreed on and what remained to be negotiated.
 - d) Before the negotiations, I spent days working on the figures.

- e) I knew if he didn't accept my first option, we had two cheaper options to propose.
- f) When the customer arrived, I asked if he'd had a good flight and offered juice and coffee.
- g) I asked if that was his final offer and he went red in the face.

2. Student A is a buyer for a large bookstore chain. Student B is the sales rep for a publisher. They negotiate the discount on a new thriller.

- A wants between 5,000 and 20,000 copies. The more copies A orders, the bigger the discount they want but, of course, B wants to limit the discount given.
- Negotiate the number of copies to be bought by A and the discount to be given.
- During the role-play, you should try to use all the expressions on your role card.

Student A	Student B
<i>Discount objectives</i>	<i>Discounts you can offer</i>
1,000 – 4,999 copies: 25% discount	1,000 – 4,999 copies: 20% discount
5,000 – 9,999 copies: 30% discount	5,000 – 9,999 copies: 25% discount
10,000 – 19,999 copies: 35% discount	10,000 – 19,999 copies: 30% discount
20,000 copies and above: 40% discount	20,000 copies and above: 35% discount
<i>Expressions</i>	<i>Expressions</i>
<ul style="list-style-type: none"> • Do you agree to ... • As long as ... • How about... • Absolutely. • Maybe you're right. • Agreed! 	<ul style="list-style-type: none"> • Mmm, I don't know. • I can offer... • That sounds reasonable. • Will you agree to ... • We'd prefer...

List of words and phrases to be learnt

To refund, discount, to return, to dispatch, to purchase, storage, warehouse, bargain, cooling off period, credit card details, method of payment, interest free credit, out of stock, money back guarantee, after sales service, to enquire, to integrate, online shopping, web shopping, internet shopping, offline

shopping world, bricks-and-mortar retailers, traditional stores, physical shop, cut-throat, a dilemma, dual pricing, a margin, to shop about, to encourage, to bear the cost of running a physical shop, a rival, CEO, purchase, to maintain margins, urgent report, to face problems, demand, to appeal to, destination, accommodation, insurance, to negotiate, promotion, to get money in advance, joint venture.

Topic for rendering

Keys to success in online selling

The key to success is to treat the customer as a single individual, and not to treat customers as online customers or store customers. The most important thing is to understand that customers use websites for lots of different reasons. Some people are coming to a website to actually buy something on that day; other people are coming to a website to acquire information either about the product or about the retailer. The key to selling online is to understand or recognize what the customer wants when they are on the website and try and provide that information. The keys are providing good images and good information – technical information on all of the products that are sold; being very clear about the price of the product and any promotions that are running alongside those products; being very clear to the customer about what the delivery options are for each individual product; and then, allowing them to find all of that information and then buy once they're ready.

Unit 3. COMPANIES

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

Multinationals are the most visible of companies. Their **local subsidiaries** can give them global reach, even if their **corporate culture**, the way they do things, depends largely on their country of origin. But the tissue of most national economies is made up of much smaller organizations. Many countries owe much of their prosperity to **SMEs** (small and medium-sized enterprises) with tens or hundreds of employees, rather than the tens of thousands employed by large **corporations**.

Small businesses with just a few employees are also important. Many governments hope that the small businesses of today will become the multinationals of tomorrow, but many owners of small companies choose to work that way because they find it more congenial and do not want to expand.

And then, of course, there are the **sole traders**, one-man or one-woman businesses. In the professional world, these **freelancers** are often people who have left (or been forced to leave) large organizations and who have set up on their own, taking the expertise they have gained with them.

But in every case the principle is the same: to survive – the money coming in has to be more than the money going out. Companies with **shareholders** are looking for more than survival – they want **return on investment**. **Shares** in the company rise and fall in relation to how investors see the future profitability of the company; they demand **shareholder value** in the way the company is run to maximize profitability for investors, in terms of increased **dividends** and a rising **share price**. **Publicly quoted companies**, with their shares **listed** or **quoted** on a **stock exchange**, come under a lot of scrutiny in this area. Some large companies (often family-owned or dominated) are **private**: they choose not to have their shares openly bought and sold, perhaps because they do not want this scrutiny. But they may have trouble raising the capital they need to grow and develop.

Profitability is a key. Formulas for success are the subject of thousands of business courses and business books.

1. multinational _____
2. local subsidiaries _____
3. corporate culture _____
4. small and medium-sized enterprises _____
5. corporation _____

6. small businesses _____
7. sole trader _____
8. freelancers _____
9. shareholder _____
10. return on investment _____
11. share _____
12. shareholder value _____
13. dividends _____
14. share price _____
15. publicly quoted companies _____
16. listed or quoted on a stock exchange _____
17. private companies _____
18. profitability _____

COMPUTER COMPANY SUCCESS

Before you read

What do you know about Hewlett-Packard? Have you ever used or bought any HP products? How competitive do you think the computer technology market is?

Reading

Read the article from the *Financial Times* and answer the questions.

HP beats forecasts and raises outlook

Kevin Allison

Hewlett-Packard, the world's second-biggest computer maker, continued to benefit from its \$1.9bn cost-cutting drive, after it reported higher profits for the third quarter and raised its outlook for the year. HP reported net earnings of 48 cents a share – sharply higher than the 3 cents a share reported one year ago.

Mark Hurd, who launched the company's \$1.9bn restructuring after he became chief executive last year, said: 'We remain focused on growth and continue to perform well in the market.' He said HP was on track to close its latest cost-cutting round by the end of the year, although he added that the company would 'always be looking for ways to optimize' costs.

Sales grew 6 per cent to \$21.9bn as HP expanded in growing Asian markets and saw renewed activity in its core US market. HP shares rose 1.3 per cent to \$34.43 ahead of the announcement.

Mr Hurd said that the company's personal computer division saw margins of 4 per cent – the highest since HP bought Compaq, a rival personal computer

maker, for \$21bn in 2002. 'We continue to see a competitive environment [in PCs], but I would not call it an extraordinarily difficult [environment],' he said.

HP, which makes products ranging from laptop computers to printers and servers that power corporate data networks, said revenues in the Americas grew 8 per cent year on year to \$9.7bn.

Asia also experienced strong growth, with revenue up 7 per cent. Sales in Europe, the Middle East and Africa were behind, however, with revenues up just 2 per cent.

FINANCIAL TIMES

1. Match the numbers (1-11) with what they refer to

- | | | | |
|----|----------|----|---|
| 1 | \$1.9bn | a) | revenue increase in Asia |
| 2 | 48 cents | b) | sales turnover in past year |
| 3 | 3 cents | c) | cost of buying Compaq |
| 4 | 6% | d) | current share value |
| 5 | \$21.9bn | e) | share price rise before announcement |
| 6 | 1.3% | | |
| 7 | \$34.43 | f) | percentage increase in sales |
| 8 | 4% | g) | margins on computer sales |
| 9 | \$21bn | h) | amount saved by HP in its
cost-cutting drive |
| 10 | 7% | | |
| 11 | 2% | i) | current net earnings per share |
| | | j) | revenue increase in Europe, the Middle
East and Africa |
| | | k) | last year's net earnings per share |

1____, 2____, 3____, 4____, 5____, 6____, 7____, 8____, 9____,
10____, 11____

2. Complete the sentences below with a preposition.

for from on of

- The company benefitted _____ increased investment in R&D.
- The outlook _____ the next year looks very bright.
- Our strategy focuses _____ bringing the customer the best quality for the least money.
- We are always looking _____ ways to improve our products.
- We work hard to stay ahead _____ the competition.
- They bought the company _____ \$2bn last year.

g). Prices of our products range _____ \$5 to \$5,000.

Over to you

Why do you think sales were slower outside the USA? What is important to you when buying a computer?

CHANGE FOR SUCCESS

Before you read

Do you think that company structures (business models) need to change frequently? Why (not)? Do you think companies have to operate internationally to grow?

Reading

Read the article from the *Financial Times* and answer the questions.

A foreign way to avoid dying at home

Jonathan Moules

Tony Jones has made his money by fixing things, including changing his business model to cope with a 'dying' UK manufacturing industry.

He created Advanced Total Services (ATS) in the 1990s, a business that repaired the electronics on industrial machinery. He sold ATS for 4m pounds in 1998, but soon started a new company, Lektronix, operating in the same market as ATS, but which aimed to expand faster by modifying the business model.

ATS had eight offices across the UK so local people were near factories. However, Lektronix only had three, focusing on the larger manufacturers. Consequently, Lektronix generated the same sales volume as ATS with a third of the number of customers and significantly lower operating costs.

Lektronix faced two big challenges. Firstly, it had created its own competition, ATS, and secondly it was dealing with a smaller market as British manufacturers either closed or moved abroad. Overseas expansion was attractive, because in many markets there was no competition. The main problem was Mr Jones's lack of experience in international expansion.

His first target market was the Czech Republic. He decided to test the market by visiting potential customers. He spent three days visiting 20 companies, and his first local recruit was one of his cab drivers who had a background in sales. The rest of the Czech team was found through a local employment agency run by a Briton who spoke Czech.

The most difficult part was taking the first step, according to Mr Jones. 'Once you commit to doing it, you will meet people who know people who can help.

FINANCIAL TIMES

1. Use the correct form of words from the article to complete these sentences.

- a). If a machine breaks down, you have to r _ _ _ r it.
- b). An industry which is disappearing is said to be d _ _ _ g.
- c). If you c _ _ _ _ e a company, you start or set one up.
- d). When sales are falling, we say your market share is d _ _ _ _ _ _ _ g.
- e). We m _ _ _ _ y a plan or system when the situation changes.
- f). A difficult situation can be called a c _ _ _ _ _ _ _ e.
- g). A company needs to r _ _ _ _ _ t good staff if it wants to succeed.
- h). People who might be your customers are known as p _ _ _ _ _ _ _ _ l customers.

2. True or false?

- 1. ATS is owned by Tony Jones. _____
- 2. Lektronix provides a similar service to ATS. _____
- 3. Mr Jones set up Lektronix in exactly the same way as ATS. _____
- 4. Lektronix has far more customers than ATS. _____
- 5. Lektronix's operating costs are not as high as those of ATS. _____
- 6. Many manufacturers in the UK have closed down. _____
- 7. The market in other countries is very competitive. _____
- 8. Mr Jones went to the Czech Republic to see what he could set up. _____
- 9. Mr Jones employed most of the staff there himself. _____

Over to you

What potential risks do you think companies face when they set up in another country for the first time?

PRESENTING YOUR COMPANY

1. A company boss is presenting his company to potential investors. The presenter does *not* follow the usual tips for presentations and irritates the investors. Match the tips (1-6) that the presenter does not follow with the audience's reactions (a-f)

- 1. Find out about your _____ a) This is no time for jokes.

- audience and adapt your presentation accordingly.
2. Introduce yourself.
3. Use humour carefully.
4. Outline the structure of your talk.
5. Vary the tone of your voice.
6. Use clear visual aids.
- b) Is he still in his introduction or is he on to the main part?
- c) He's talking to us as if we were his customers, not potential investors.
- d) His slides contain too much information – all those boring figures!
- e) Who is this guy anyway?
- f) I'm falling asleep. He talks in the same tone the whole time.

1 _____, 2 _____, 3 _____, 4 _____, 5 _____, 6 _____.

2. Three human resources directors make presentations about their companies at a business school recruitment day. You are one of the HR directors. Use the notes below to make a presentation about your company.

	Futuropolis Parks	Austro Insurance	Smart-mart stores
Head office	Toulouse, France	Vienna, Austria	Peoria, Illinois
Activities	Theme parks about the future	All insurance products: life, property, car, etc.	Everything from food to clothing to furniture
Customers	Europeans, mainly middle class families with children aged 5 to 15	Businesses and consumers around the world	Consumers of all classes, all incomes
Annual turnover	1 billion Euros	11 billion Euros	250 billion Euros
Annual net profits	250 million Euros	1.5 billion Euros	7 billion Euros
Operations	2 parks in France, 1 each in Spain, Italy and Germany	Thousands of brokers (= independent insurance sellers) in Europe, the US and	200 stores in the US, 55 in Europe, 30 in Latin America, 20 in Asia

		Asia	
Strengths	Good future for leisure industry in general, especially theme parks	Insurance has seen 10% growth a year over last ten years. Growth set to continue	Very low prices – other stores find it very hard to compete. 10 – 15% annual growth expected to continue
Future plans	Opening a park in Florida next year – English-speaking managers needed. Great career prospects!	Developing Latin American activities – Spanish- and Portuguese-speaking managers required. Great career prospects!	Developing further in Asia, especially China. Chinese- and English-speaking managers required. Great career prospects!

List of words and phrases to be learnt

Construction, share price, subsidiary, workforce, profit, turnover, market share, head office, employee, employer, percentage, cash flow, valuable asset, supplier, provider, manufacturer, user-friendly packaging, to expand, innovation, shareholder value, community commitment, charity, to appreciate, to be customer-focused, changing priorities, to be satisfied, respondent, impartial advice, to advertise externally, to employ, to achieve record sales, headquarters, sales rep, ranking, contribution, fleet of cars, objectives, to reduce competition, to break down, raw chocolate, bar of chocolate, to set up a company, benefit, career opportunities, annual turnover, net profit.

Topic for rendering

Students have to make a presentation about any company they choose using Useful language.

Unit 4. GREAT IDEAS

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

Resistance to new ideas is well known. In organizations, the best way of killing an idea may well be to take it to a meeting. The very things that make companies successful in one area may prevent them from developing success in new activities. Early work on personal computers at Xerox was dismissed by its senior managers because they considered that the company's business was copying, not computing. Company leaders talk about **corporate venturing** and **entrepreneurship**, where employees are encouraged to develop **entrepreneurial** activities within the organization. Companies may try to set up structures in such a way that they do not stifle new ideas. They may put groups of talented people together in **skunk works** to work on **innovations** – development of the PC at IBM is the most famous example. Skunk works are outside the usual company structures and are less likely to be hampered by bureaucracy, in-fighting, and so on.

When innovators go to large companies with new designs for their products, they face similar problems. The inventor of the small-wheeled Moulton bicycle could not persuade Raleigh to produce it, so he set up his own company. But a single innovative **breakthrough** is not enough. There has to be **continuous improvement** and **market response**. The current winners in bicycle innovation are producers of mountain bikes, who have taken the original bicycle design and eliminated its irritations, revolutionizing an old concept by providing relative comfort, easy gear changes, a 'fun' ride, and so on.

The initial idea for a car will be turned into a series of **prototypes** and tested. In software development, the final 'prototype' is the **beta version**, which is **beta-tested**. Pharmaceuticals go through a series of **trials**. Even the most brilliant entrepreneurs will not have the resources to go it alone in industries like these, as the investment and experience required are enormous. Cars, software and pharmaceuticals are examples of industries dominated by giants. The 'rules of the game' are well established, and newcomers are rare, unless they can find a small **niche** unexploited by the giants. There may be more opportunity for innovation where the rules of the game are not yet established. This may involve selling and delivering existing products in new ways: think, for example, of selling books and airline tickets on the Internet.

One thing is certain: business will continue to benefit from the creativity of individuals and organizations that can develop great ideas and bring them to market.

IDEAS FROM CONSUMERS

Before you read

Can you think of some recent innovative products which are on the market?

Reading

Read the article from the *Financial Times* and answer the questions.

How ordinary people generate great ideas

Simon London

Working out where great ideas come from is one of the big puzzles of modern management. Corporate research laboratories and in-house product development groups are only part of the answer. Innovative products and processes can come from start-ups, competitors, university campuses and ordinary employees.

Eric von Hippel, a professor of management of innovation at the Massachusetts Institute of Technology, has spent three decades studying the role played by customers in shaping new products. The results are nicely summarized in *Democratizing Innovation*, a useful book on what he calls 'user-centered innovation'.

For example, people who do extreme sports such as windsurfing or ice-climbing, play a significant role in the development of equipment which is then mass-produced by manufacturers. Surgical equipment companies are often led towards new products by surgeons who operate using the equipment.

Users are often the first to develop many, and perhaps most, new industrial and commercial products. For example, 3M, the industrial products group, has programs in place to collect ideas generated by key users. Von Hippel found that these products at 3M were likely to be more innovative, enjoy higher market share, have greater potential to develop into an entire product line.

Mass-producing products developed by key users is only one possible approach. Alternatives include selling toolkits with which customers can build their own creations. For example, International Flavors & Fragrances supplies customers with the tools to design their own food flavors. Users themselves develop the products.

These examples revolutionize the traditional division of labor between producer and consumer. *Democratizing Innovation* shows that the flow of ideas and expertise is more complex.

FINANCIAL TIMES

1. True or false?

- a). Most new ideas come from in-house research. _____
- b). It took Eric von Hippel three years to write his book. _____
- c). People who go windsurfing have helped to create new products. _____
- d). Surgeons are unlikely to be involved in product development. _____
- e). 3M uses consumers' ideas to create new products. _____
- f). Von Hippel believes that user-led products are often better than those developed inside a company. _____
- g). Some companies use toolkits to design their products. _____
- h). The division of labour between product and consumer has changed. _____

2. Choose the correct alternative for the word in *italics*.

- a). A *puzzle* is something which is
 - i) difficult to understand.
 - ii) very interesting.
- b). A *decade* is a period of
 - i) five years.
 - ii) ten years.
- c). A *key user* is
 - i) an important consumer.
 - ii) the market leader.
- d). If you *revolutionize* something, you
 - i) modify it a little.
 - ii) change it completely.
- e). If something is *complex*, it is quite
 - i) complicated.
 - ii) big.

Over to you

Work in small groups and think of a product you would like to improve. Discuss how you can improve it, explaining:

- why you think it needs changing
- what idea(s) you have

- what benefits the change(s) will bring

IDEAS FROM R&D DEPARTMENTS

Before you read

How important do you think it is for big companies to invest in Research and Development? What do you know about General Electric (GE) and its products?

Reading

Read the article from the *Financial Times* and answer the questions.

GE keeps innovation under control

Francesco Guerrera

General Electric's Global Research Centre covers 550 acres, employs 1,000 PhDs, and has \$500m a year in funding. GE's scientists have to develop new products for one of the world's largest companies, with interests ranging from jet engines and nuclear power stations to microwave ovens and wind turbines.

The research center's past achievements remind companies they need to keep innovating in order to keep growing. The light bulb, lasers and special glass for optical lenses were all historical breakthroughs when GE researchers developed them. Today, consumers and producers take them for granted.

With globalization and the emergence of low-cost manufacturing in Asia and elsewhere, companies around the world have discovered that growth only comes from selling better, more advanced products.

Thomas Edison, one of GE's forefathers, would have been proud: a GE research project for jet fighters resulted in an invention which revolutionized the way doctors recognize illnesses.

During the 1980s, scientists at GE's global research center were looking at ways to improve aircraft controls used by aircraft pilots. Years later, one scientist, who had also worked in a related medical program, suggested applying the technology to X-rays. By the mid-1990s, GE was studying 'digital X-rays', which give a more accurate view of organs and bones than was previously possible. In 2000, the company began marketing the first digital X-ray machine. The technology is currently used in less than 10 per cent of the one million radiology procedures done every day, but GE believes that it will eventually replace traditional equipment.

GE believes more of its inventions will find uses outside their intended sectors.

1. Match the words and expressions (1 – 8) to their meanings (a – h).

- | | | |
|---------------------|----|-----------------------------------|
| 1. microwave oven | a) | important new discovery |
| 2. wind turbine | b) | a machine to cook food quickly |
| 3. achievement | | |
| 4. remind | c) | someone who started the |
| 5. breakthrough | | company a long time ago |
| 6. take for granted | d) | success |
| 7. emergence | e) | not recognize the value of |
| 8. forefather | | something |
| | f) | machine which uses wind to |
| | | make energy |
| | g) | the appearance or arrival of smth |
| | h) | help remember |

1____, 2____, 3____, 4____, 5____, 6____, 7____, 8____

2. Answer these questions.

- a). How big is GE's Global Research Centre?
- b). What kind of products does GE produce?
- c). Which three products pioneered by GE are mentioned?
- d). Who was Thomas Edison?
- e). Give two examples of how research in one field lead to innovation in another.

Over to you

How difficult do you think it is to invent something completely new today? Should companies around the world work together to develop new ideas?

SUCCESSFUL MEETINGS

Correct the one word that is wrong in each of these useful expressions for meetings. The correct word begins with the same letter as the word that is wrong. (The headings in brackets are all correct.)

Chairperson

- 1** Can we state, please? (Beginning the meeting) _____
- 2** The main arm of this meeting is to ... (Stating the purpose of the meeting) _____
- 3** How do you fill about this? (Asking for comments) _____
- 4** Let's mobilize on now to ... (Changing the subject) _____

- 5 Sorry, I don't quite understand. (Clarifying) _____
- Participants*
- 6 I'm in favor of... (Giving opinions) _____
- 7 Perhaps will should ... (Making suggestions) _____
- 8 I totally agreed. (Agreeing) _____
- 9 I don't know around that. (Disagreeing) _____
- 10 Held on a moment. (Interrupting) _____

List of words and phrases to be learnt

To take advantage of an opportunity, to raise somebody's status, to enter a market, to extend a product range, to meet a need, to make a breakthrough, to generate, customer research, an award for innovation, brainstorming, business correspondence, 'out of the blue', to troop, to admire, to charge fee, to intend, to claim, to range from...to..., to observe, a sharp drop, wheat, soil, in comparison with, diversification, local officials estimate, showroom, potion, nobility, apprentice, dazzle, watch strap, network of sales offices, to propose ideas, concept, report, feature, to launch, to interact, access, to be in favor of, leaflet, to promote, new space, an unfulfilled need, target, sale outlet, gap in the market.

Topic for rendering

There are two types of innovation. The first type of innovation is where somebody has a wonderful idea that is apparently out of the blue. I think this happens very rarely. The second sort of innovation is where somebody takes an idea and moves it into a completely new space. I think eBay is particularly effective, because it took the idea of auctions – buying and selling things that people could do in their own location – and it made it accessible to anybody with access to the Internet. It also addressed an unfulfilled need, so something people wanted to do but had no way of doing in the past. And that was to get rid of all the things that they really didn't need to use any more, and to make money at doing it as well.

Unit 5. STRESS

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

People like work that is **rewarding** and gives them **satisfaction**. For this, a reasonable amount of pressure may be necessary: many employees want work that **stretches** them, to have the feeling that it can sometimes be difficult, but that it is also **stimulating** and **challenging**. This is necessary if one is to have pleasant feelings of **achievement**.

But when **pressure** builds up, it's easy to feel **overwhelmed** by work, and this can produce feelings of **stress**. It is possible to become **stressed out** through **overwork** or other problems. People can burn out, become so stressed and tired that they may never be able to work again. The general consensus is that most jobs have become more demanding, with longer hours and greater pressures.

More and more people want to get away what they call the **rat race** or the treadmill, the feeling that work is too competitive, and are looking for the **lifestyles** that are less **stressful** or completely **unstressful**. They are looking for more relaxed ways of living and working, perhaps in the country. Some people choose to work from home so as to be nearer their families. People are looking for a better **quality of life**, a healthier **work-life balance**. Perhaps they are looking for more **quality time** with their partners and children. Choosing to work in less stressful ways is known as **downshifting** or **rebalancing**.

A whole **stress industry** has grown up, with its **stress counselors** and **stress therapists** giving advice on how to avoid stress and on how to lessen its effects. However, other experts say that stress levels today are lower than they used to be. They point to the difficult working conditions and long hours of our great-grandparents. Perhaps the answer is that the material advantages of modern times give us the illusion that we should have more control over our lives. Like lottery winners who quickly become accustomed to the idea of being rich, we become 'spoilt' by material comforts and start to worry when we think we are losing even a little control over events.

Whatever the truth, people love to talk about the stress of their work. In the language classroom there should be no shortage of students willing to talk at length about the stress they are under. This stress might even be part of their **job satisfaction**.

INVESTING IN STRESS-FREE COMPANIES

Before you read

How big a problem is stress in the workplace? What are some of the main causes of stress?

Reading

Read the article from the *Financial Times* and answer the questions.

Investors are turning up the heat on stress

Alison Maitland

Workplace stress is attracting shareholders' attention. In a report, Henderson Global Investors, which manages 66.5bn pounds (\$117bn) of assets for individuals and institutions, asks companies to do more to deal with the causes of stress and reveal its costs.

A survey of 22 leading UK companies finds that most companies recognize stress as a potential risk to workers' health, but more than one-quarter have no system to assess this risk. Stress has become the biggest cause of sickness absence in Britain. It accounted for 36 per cent of days lost in 2004/05.

Jane Goodland, author of the report, says Henderson wants to understand how companies in which they invest are tackling this issue. She believes that preventive approaches to stress management can lead to business benefits.

To highlight the potential costs to individual companies, Henderson created two models – one for the transport and communications sector and another for the retail sector. It calculates the cost of stress-related absence in the transport and communications sector at 18m to 24m pounds a year for a company with 100,000 employees. A retail company of the same size can expect annual costs of 5m to 6m pounds. Previous research shows that larger workplaces appear to experience more stress-related absence per employee than smaller ones.

The BT group has recognized the seriousness of the problem. BT reports that 40 per cent of its work-related ill health is due to stress and mental illness. It has reduced sickness absence and saved costs in three ways: by reducing the sources of stress; identifying early signs; and helping individuals who are suffering or recovering from stress.

FINANCIAL TIMES

I. True or false?

- a). *Assets* are things of value which belong to a company. _____
- b). If you *reveal* something, you hide it from someone. _____

- c). When you *assess* something, you calculate the value of it. _____
- d). *Absence* means sickness. _____
- e). If you are *tackling* a problem, you are dealing with it. _____
- f). When you want to stop something from happening, you take *preventive* action. _____
- g). If you *highlight* something, you draw attention to it. _____
- h). The *source* of a problem is the result of the problem. _____

2. Number the paragraph headings in the correct order.

- a). One company's method of decreasing absence and costs
- b). Majority of companies are aware of the problem
- c). Examples of savings which could be made
- d). Companies should tell investors the cost of stress
- e). Companies who deal with stress will have advantages

Over to you

Do you think it is the responsibility of companies to reduce stress? How would you deal with stress in the workplace?

TECHNOLOGY – HELPFUL OR STRESSFUL?

Before you read

Do you think technological developments always make life easier?

Reading

Read the article from the *Financial Times* and answer the questions.

Freedom or slavery?

Alan Cane

Early morning in California, and Elizabeth Safran, a public relations consultant, is dealing with a huge number of e-mails. Everybody in the small company works from home and relies on e-mail and instant messaging to stay in touch. Elizabeth worries about her work-life balance and thinks that technology 'makes us more productive, but everybody is working all the time – weekends, evenings. It's too much.'

Five o'clock Friday afternoon in the UK, Paul Renucci, managing director of a systems integration company, switches off his computer. He now works at home and is off to pick up his children. In the past, it would take him two hours to get home from the office.

Ms Safran and Mr Renucci represent different sides of a modern problem: the capabilities of the latest communications technologies, such as e-mail, text, instant messaging and videoconferencing, make it difficult to draw the line between work and leisure and raise important questions about the nature of 'flexible working' – where employees can work where and when they choose.

There are three issues here. First, does the rise of portable, networked devices such as the Blackberry and Palm Treo really damage an individual's work and life? Second, what is the effect of these devices on traditional workplace relationships? And third, how do individuals manage them?

A Microsoft survey found that where flexibility had increased, so had productivity and employee morale, together with lowered stress levels and staff turnover.

However, individuals can suffer technology-related stress as work moves into their free time and from the complexity of the gadgets they must use, such as mobile phones where manufacturers try to persuade customers to upgrade more frequently.

FINANCIAL TIMES

1. True or false?

- a). The staff in Elizabeth Safran's company all work in the head office. _____
- b). Elizabeth is happy with the way she works. _____
- c). It takes Paul Renucci a long time to get to work. _____
- d). It is sometimes hard to separate work and free time. _____
- e). Technology means that people can work wherever they want. _____
- f). A Microsoft survey reported that everyone benefits from flexible working. _____
- g). Technology can be stressful for individuals. _____

2. Use the word or expression from the article to complete these sentences.

- a). If a company depends on someone, it r _____ on that person.
- b). When you ask someone to stay in t _____, it means you want to see or speak to them again.
- c). The c _____ of a machine is what kind of things it is able to do.
- d). F _____ w _____ describes when you can work where and when you want.
- e). If you can carry a piece of equipment, it is described as p _____.
- f). A d _____ is a small machine which helps you do something.
- g). Everyone needs to do more work – the company wants to improve p _____.

h). The way staff feel about the company and their work is described as staff m
-----.

PARTICIPATING IN DISCUSSIONS

Three advertising agency managers are having a meeting about the problems of keeping their offices in London. Group the expressions (a-h) that they use under the headings (1-4).

1 Making suggestions 2 Giving opinions 3 Agreeing 4 Disagreeing

- a) How about introducing special payments to help younger staff buy a house in London? _____
- b) I agree with you when you say that London is a very expensive place to live. _____
- c) I feel that we are not being as productive here as we could be in a quieter place. _____
- d) I'm convinced that staying in London is absolutely necessary. _____
- e) I'm not sure I agree. I think with e-mail and the Internet we can have enough contact with the outside world wherever we are. _____
- f) We could offer to help staff with their travel costs. _____
- g) What about asking all employees to vote on where they would like the company to be based? _____
- h) Why don't we offer higher salaries to attract and keep the right people? _____

List of words and phrases to be learnt

Being stuck in a traffic jam, to queue, to negotiate, deadline, to make mistakes, society, to do research, to do yoga, to make a presentation, solicitor, lifestyle, workaholic, workload, flexitime, to work under pressure, to be convinced, open-plan offices, merger, redundancy, job security, to resign, Human Resources Department, salary payments, staff cuts, to solve the problems, heavy workloads, cause of stress, to focus on, to make the effort, demotivating, to suffer from headache, overcrowded offices, to send out a questionnaire, to slow down, perks, to cope with, hotspots, to identify problem, to prevent.

Topic for rendering

The most common causes of stress at work

Usually it's a combination of things rather than one cause. Some combinations are worse than others. For example, a very bad combination is where someone is under a lot of pressure, but they also feel that they have no control and they feel unsupported. That combination can cause severe stress and depression. People in that situation often feel helpless – that nothing they can do will make any difference, and that's a very bad feeling. In order to deal with stress, firstly one should investigate causes of stress, what we call stress risk assessment. The idea of this is to identify problem areas, hotspots, where the risk of stress is high, Secondly, we train managers by raising their awareness of stress and giving them skills to prevent and reduce stress at work.

Unit 6. ENTERTAINING

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

It has been said that when two American businesspeople meet, they are there **to do a deal**, but in Asia they are there **to establish a relationship**. Entertaining in Asia is often used to ‘size up’ a potential **business partner** – partner in the sense of future supplier or joint venture associate. Asians will want to know more about their guest, their background and their contacts before going ahead and doing business. This is an essential part of the business process, not just polite **etiquette**.

Relationship building takes different forms in different places – invitations to karaoke evenings in Japan or the yacht on the French Riviera are not to be refused. The demand for **corporate hospitality** in the UK has been criticized for making events such as Grand Prix racing or Wimbledon more expensive for ordinary people. But **corporate sponsorship** of sport and culture brings in large amounts of money, and many such events benefit from this overall.

Entertaining in the form of invitations to your host’s home exists in some cultures but not others, where work and private life are kept entirely separately.

Cultural awareness of norms in these and other areas can lead to better communication and avoidance of misunderstandings. Companies are spending more time and money these days on **cross-cultural training**, often but not always in tandem with language training, in order to facilitate better **social interaction**.

Socializing in another language is not easy. There is more focus than in business discussions on the language itself. Learners, rightly, demand formulaic expressions for particular situations. This is often called **small talk**. But to refer to it as ‘small’ undervalues its importance. Language learners see it as a minefield of potential problems and, inevitably, **gaffes**. People have their favorite stories about such mistakes, perhaps ones they made themselves. Telling these stories can be a useful; form of ice-breaking activity in the classroom when working on this much-demanded **social English**.

ENTERTAIN IN STYLE

Before you read

How important do you think entertaining clients is? Should companies also reward staff in a similar way?

Reading

Read the article from the *Financial Times* and answer the questions.

Yachts: Business and the ultimate pleasure

Jill James

In a world where corporate hospitality and staff incentives are big business, yachts are chartered by many companies. Miriam Cain of Camper & Nicholsons, a company which hires and sells yachts, says companies use them because they offer high levels of security and privacy.

They are like six-star, self-contained private resorts, complete with business and conference facilities and entertainment and relaxation amenities. Their controlled environment is a key selling point, but at 90,000 Euros a day they may seem too expensive for most companies.

It is important to get professional advice when chartering a yacht. Edmiston is one of the best-known names in the yachting world, with offices in London, Monte Carlo, Los Angeles, Golfe Juan and Mexico. Their expertise and specialist knowledge of large yachts has led to partnerships with such companies as Netjets, Boeing Business Jets and Premier Automotive Group, owners of Aston Martin, Land Rover and Jaguar.

Attention to Detail is the brand name of the company' that manages corporate charters for Edmiston's. They will not say who individual clients are, except that a lot of Attention's business comes from the telecommunications and motors sectors. The company can arrange anything the client wants, including celebrities, guest speakers, music and entertainment.

Yacht company Moody does a lot of business for conferences in Cannes, especially during the film festival. Companies use the yachts for accommodation, meetings and presentations. They also specialize in charters for the Monaco Grand Prix. These are mostly for companies wanting to entertain or impress clients and reward successful employees.

1. Match the words to make expressions from the article.

1 corporate

a). facilities

2 staff

b). advice

- | | | |
|----------------|-----------------|-------|
| 3 conference | c). knowledge | _____ |
| 4 professional | d). hospitality | _____ |
| 5 specialist | e). incentives | _____ |

2. True or false?

- a). People like using yachts because they are more secure than other venues. _____
- b). Some yachts can cost up to 90,000 Euros a week. _____
- c). Edmiston charters are managed by a company called Attention to Detail. _____
- d). Their clients are mainly famous musicians. _____
- e). Moody organizes the Cannes Film Festival. _____

3. Use the correct form of the words from the article to complete these definitions.

- a). If you want to encourage someone to do something, you may offer them an i _____ e.
- b). When you want to hire a plane or boat for your own use, you c _____ r it.
- c). It's important to have good s _____ y so that no one gets into a building without permission.
- d). A town, usually near the sea, where people go for holidays is known as a r _____ t.
- e). A _____ s are the facilities which are offered by a hotel, for example.
- f). When someone has a lot of knowledge and experience, we say they have e _____ e.
- g). If you make a p _____ n, you give a talk to people about a specific subject.
- h). When someone does a job well, it is nice to r _____ d them with a gift or bonus.

GOLF SPONSORSHIP

Before you read

Why do some big companies sponsor major sporting events? Can you think of any examples?

Reading

Read the article from the *Financial Times* and answer the questions.

How golf appeals to blue-chip sponsors

Jill James

The current popularity of golf is matched by the number of companies who want to sponsor the game. Banks and motor manufacturers are two big business sectors that have invested billions of dollars in sponsorship.

Honda, Ford, Chrysler, Buick, Nissan and Mercedes all sponsor PGA tournaments. BMW and Volvo feature on the European Tour. Elsewhere, HSBC, Barclays and RBS (Royal Bank of Scotland) have all built on their initial involvement and sponsor either Asian or European tour events.

Even smaller companies are getting involved. OKI Printing Solutions, sponsors of Portsmouth Football Club, decided to enhance its profile in the golf market by announcing a sponsorship of the OKI Castellon Open de Espana Senior on this season's European Seniors Tour.

Buick created one of the biggest splashes in sponsorship history in 1999 when it signed Tiger Woods for a reported \$20m to \$25m for five years. And that was mainly to have its company name on his golf bag. The company says it was definitely worth the money and is sponsoring his current contract.

Businesses sponsor golf competitions for publicity and to attract certain client groups to their products. Golf is still a game played by relatively wealthy people. And that is the main commercial attraction for most companies.

RBS says: 'Research has shown golf to be the closest to our key target audience of executive-level business people in our geographic priorities of the US and the Europe/UK, and more recently the Asia Pacific countries. Golf was chosen as the only "global" sport that, cost effectively, targets this audience on both sides of the Atlantic'

FINANCIAL TIMES

1. Match the words (1 – 6) with their definitions (a – f).

- | | | |
|--------------|--------------------------------------|-------|
| 1 popularity | a) a way to attract public attention | _____ |
| 2 initial | b) most important things | _____ |
| 3 enhance | c) first | _____ |
| 4 profile | d) big interest | _____ |
| 5 publicity | e) improve | _____ |
| 6 priorities | f) image | _____ |

2. Complete these sentences with the correct word from the article.

a) Several British banks are involved with _____ and _____ golf tournaments.

- b) Smaller companies can improve their _____ by sponsoring golf.
- c) Buick felt that sponsoring Tiger Woods was _____ doing.
- d) People who play golf are usually quite _____, which attracts companies.
- e) RBS chose to sponsor golf because it _____ clients in both the USA and Europe.

Over to you

Imagine your company wants to sponsor a sporting event. In small groups, discuss:

- which sport would be best for your company
- which event you should sponsor
- who you should invite to the event.

List of words and phrases to be learnt

Food, location, friendly atmosphere, cozy, welcoming, to be in a convenient location, to charge reasonable prizes, fair prizes, delicious food, tasty, memorable shared experience, ask for the bill, to book a table, to make a reservation, to leave a tip, to order a starter, to have an aperitif, to have the main course, spicy, annual general meeting, dish, to taste, reminiscent, authentic, in response to tennis tournament, to turn up, to take out, to look around, to look forward to, to take part in, to take up, to turn down, to put off, to accept, to entertain, to hold a conference, participants, to allow, cost, peaceful, venue, subsidiary, questionnaire, workshop, to confuse, to break down barriers, purpose, to split up, to be full of trepidation, spacious, reasonable, arrivals and departures, access, essentials, to come up with, to reckon, disastrous, airport shuttle.

Topic for rendering

How to choose the venue of the conference successfully

Organizing a conference is very significant for any company, especially for a start-up. It is a key event that will affect the image of the company, that's why you have to be careful while choosing the venue. So, you have to put heads together and try to come up with a list of essentials. It's certainly got to have a spacious conference room as well as we'll need access to a number of seminar rooms because the participants will have to split up into special interest groups. Also I'd like to admit that the venue has got to be with reasonable distance of an international airport. And not to forget about fun, of course. All work and no

play makes managers dull conference participants. So, the venue's got to provide a wide choice of leisure activities. That's very important. The conference program's really intensive, so the delegates will need to relax.

Unit 7. MARKETING

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

‘We must be smarter at devising packages of services that our customers want and pricing them attractively. Set the marketing department free to shape new packages. Don’t confine it to coming up with cute names for offerings designed by engineers and accountants’.

This sums up the position of marketing in many companies, where it is often seen as a fancy name for selling or advertising. But, as the quote shows, marketing people should be involved not just in promoting sales but in all aspects of the marketing mix:

- **product**: deciding what products or services to sell in the first place;
- **prices**: setting prices that are attractive to particular groups of customers (**segments**) and that are profitable for the company;
- **place**: finding suitable distribution channels to reach these customer groups;
- **promotion**: all the activities, not just advertising, used to support the product – everything from pre-sales information to after-sales service.

There are the **four Ps** of the marketing mix, the ‘levers’ of a company’s marketing machine, levers that it can adjust in different ways for different products and different buyers.

Another way of looking at this is from the point of view of customers, with the **four Cs**. From this perspective, the marketing mix is expressed in terms of:

- **customer solution**: offering the right product to satisfy particular **customer needs**;
- **customer cost**: the price paid directly by the customer to buy the product, including the ‘price’ involved in not buying another product of the same or another type;
- **convenience**: distributing the product in the way most suitable for each type of customers;
- **communication**: exchanging information with the customer. Customers are informed about products through advertising, sales literature and so on. But customers also communicate with the seller, for example through **customer helplines**. This is a good way for sellers to find out more about customers and their requirements and to change or improve their **offer**.

Thinking of the marketing mix in these terms helps sellers maintain a **customer orientation** – a focus on customer needs.

LUXURY BRANDS

Before you read

What do you consider to be luxury products? Does luxury always mean better quality?

Reading

Read the article from the *Financial Times* and answer the questions.

Advertising: Tried and tested or tired formula?

Claire Adler

If you studied the advertisements in any glossy magazine with the logos and company names covered up, how easily could you identify the brands?

In reality advertisements for most luxury brands are depressingly similar. According to Mark Tungate, author of *Fashion Brands: Branding Armani to Zara*, many brands are owned by huge corporations with demanding shareholders, so they can't afford to take risks.

Luxury brands are expert at creating word-of-mouth advertising through fashion weeks, events and PR. Milton Pedraza, chief executive of New York's Luxury Institute, however, believes selling reputation and tradition is not enough. He says luxury brands should train their marketers to focus on customer needs through research and testing, as Procter & Gamble does.

Recently, brands have started using specialist luxury advertising agencies. Dawn Coulter, managing director of McCann Erickson's Luxury Box, whose clients include Gucci, says a new approach is being driven by the restructuring of many luxury organizations. Furthermore, there is a greater interest in luxury goods from consumers who mix and match luxury with cheaper products.

In luxury advertising, LVMH is the biggest player. 'The advertising spend of LVMH alone 2bn Euros this year – represents more than half the luxury industry's spend,' says Antoine Colonna at Merrill Lynch. He predicts a move towards more frequent campaigns, to prevent losing share of this difficult market. According to Simon Sylvester, the main differences between advertising luxury goods and consumer goods are 'in the luxury market, the benefits and features of a product are not as important as making sure who has them and who doesn't.'

FINANCIAL TIMES

1. Who says what? Match the following statements (a – f) with the person (1 – 5) who made them.

- a). Luxury brand companies will advertise more often.
- b). Several luxury brand companies are changing their organization structure.
- c). Companies owning luxury brands are reluctant to use innovative advertising.
- d). The advertising focus on luxury brands is on the customer, not the product.
- e). More ordinary consumers are buying luxury products.
- f). Luxury-brand marketing people need to concentrate more on what the customer wants.

- 1 Mark Tungate _____
- 2 Milton Pedraza _____
- 3 Dawn Coulter _____
- 4 Antoine Colonna _____
- 5 Simon Sylvester _____

2. Match the words (1 – 8) with their meanings (a – h).

1. _____, 2. _____, 3. _____, 4. _____, 5. _____, 6. _____, 7. _____, 8. _____

- | | | |
|-----------------|----|---------------------------|
| 1. glossy | a) | status or position |
| 2. depressingly | b) | concentrate |
| 3. demanding | c) | method |
| 4. reputation | d) | looks shiny and expensive |
| 5. focus | e) | miserably, sadly |
| 6. approach | f) | stop or avoid |
| 7. predict | g) | difficult, tough |
| 8. prevent | h) | forecast |

Over to you

Do you think that luxury-brand advertisements are all the same?

If you wanted to sell a luxury product, how would you advertise it?

FOOD AND DRINK COMPANIES

Before you read

Does the way a soft drinks company advertise its products encourage you to buy them? Do you think people prefer to buy 'healthy' drinks these days? Why (not)?

Reading

Read the article from the *Financial Times* and answer the questions.

Marketing: Investors adapt to consumer trends

Jenny Wiggins

When the world's biggest soft drink company starts changing its marketing tactics, investors should ask why. Coca-Cola, which has traditionally promoted itself via the Coke brand, using slogans such as 'Coke is it', now wants to inform consumers that Coke is not the only drink it sells. Its most recent campaign, called 'Make every drop count', says: 'You've always known us as Coca-Cola, the soft drink. Now it's time you knew us as Coca-Cola the company.'

The television, print and Internet advertisements in the UK come at a time when consumers are ditching foods and drinks that are perceived as unhealthy (such as sugary fizzy drinks and salty crisps) for products that appear to offer some kind of health benefit.

Coke is using the new campaign to impress upon consumers the fact that it sells all kinds of drinks, including bottled water, juices and teas. The campaign is important for the company; because it risks losing money if it does not sell the kinds of drinks consumers now want to buy.

Analysts say that growing demand for healthier kinds of foods and drinks is not a fashion, but a long-term trend that increasingly affects corporate profits. Companies which benefit are those that already produce the kinds of products consumers want, or companies that are taking steps to adapt existing products. These include Danone, the French company, as well as Swiss food company Nestle, which has made nutritional foods a core strategic focus.

Companies that do not meet consumer needs are suffering. In March, Asda took the juice drink Sunny D (previously known as Sunny Delight) off its shelves after finding its customers did not want to buy it

FINANCIAL TIMES

1. Number the paragraph summaries in the correct order. Two of the summaries are not used.

- a) Companies need to change, as health foods are here to stay. _____
- b) Coke needs to inform customers about its whole product range. _____

- c) Unfortunately, if companies do not change, they will find it very difficult to survive. _____
- d) If customers fail to recognize Coke's whole range of products, the company will face financial problems. _____
- e) Advertisements for healthy products are very popular. _____
- f) The campaign is well timed, as people want more healthy products? _____
- g) Many companies are benefiting from a bigger market share. _____

2. Match the words and expressions (1 – 8) with their meanings (a – h).

- | | | |
|-----------------|--|-------|
| 1. tactics | a) seen or believed to be | _____ |
| 2. slogan | b) make someone understand smth | _____ |
| 3. ditching | c) change or modify something | _____ |
| 4. perceived as | d) the centre or heart of smth | _____ |
| 5. impress upon | e) a saying to catch your attention in an ad | _____ |
| 6. adapt | f) doing badly, failing | _____ |
| 7. core | g) approach | _____ |
| 8. suffering | h) dropping or rejecting | _____ |

Over to you

Do you think that advertisements are enough to change people's ideas about a product range? Do you always believe everything you see and hear in advertisements? Why (not)?

TELEPHONING: EXCHANGING INFORMATION

Student A is Andres Solano, a client, and Student B is Beryl Yang, an architect. Role-play their telephone conversation. (This is a continuation of the conversation in Unit 1.)

A: Suggest meeting on Wednesday next week at 2.00 at your office. B: Ask for the address.

A: 32nd floor, 625 Seventh Avenue. Tell B to ask for you at reception. B: Agree.

A: Ask about the number of architects at Yang Associates.

B: 25 architects, including seven senior partners.

A: Ask about turnover last year.

B: Sales of 20 million Euros in architects' fees.

A: Ask about important clients.

B: Clients: important companies such as JPG, AEI, KLQ and HRTZ. Say you can e-mail pictures of buildings you have designed for these companies.

A: Agree.

B: Ask for A's fax number in case there is a problem with e-mailing the pictures.

A: Your fax number is 212 563 9864. You are in a hurry. Say you look forward to seeing B on Wednesday at two. Say goodbye.

B: Confirm you look forward to seeing A. Say goodbye.

List of words and phrases to be learnt

Marketing mix, promotion, to persuade, marketing campaign, market research, market segment, market share, consumer behavior, consumer profile, consumer goods, product launch, product life cycle, product range, sales forecast, sales figures, sales target, advertising budget, advertising agency, to advertise, percentage, income level, to endorse, fragrance, average shelf life, to regain the top spot, responsibilities, ultimate luxury, chief executive officer, a shift, market niche, consumer survey, request, employed, to take into account, slogan, to improve sales, to target, failure, to queue, expensive, cheap, high quality, long-lasting, business data, to motivate, assets, capabilities, passionate curiosity, to pick up, marketer, trend, to affect.

Topic for rendering

Keys to successful marketing

Keys to successful marketing are:

- 1) to have a passionate curiosity for the customer;
- 2) to get a deep understanding of their needs and their behavior;
- 3) to analyze all the business data and market research constantly;
- 4) to have a strong business sense;
- 5) to have an instinctive understanding of how your company makes money.

As a marketer, you have to have really great communication skills because you're often responsible for things like profit or pricing. You have to have great sort of influencing skills, to get people to understand what's behind the strategies, but also to be motivated to deliver them for you and for the business. A good marketing strategy is based upon a real understanding of customers, but beyond that, being able to group customers, to understand who are the most attractive to your company and who are least attractive; and then being able to target your offer and design your offer to meet the needs of the most attractive groups better than your competitors do.

Unit 8. PLANNING

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

Planning is about resource allocation, the way that individuals and organizations deploy their (by definition) limited resources such as time, money and expertise.

In the case of individuals, you could say that there is a worldwide planning industry, with its calendars, diaries, electronic personal organizers and **time management** training. These (often very expensive) courses tend to sort out some fairly obvious advice.

- Make lists of things you have to do. Classify them in terms of urgency and priority.
- Pursue tasks single-mindedly. Do not allow yourself to waste time through distractions and interruptions.
- Delegate. Do not try to do everything by yourself.
- Do not try to be a perfectionist in everything. Do each task so that it is 'good enough' for the circumstances.

But all these things are easier said than done.

For complex projects involving many people and tasks, the **Gantt chart** is the tool of choice. This is a diagram that shows the different stages of a project, indicating the tasks that can be done at the same time as others, and those that must wait until other tasks are completed. Originally conceived about 100 years ago, Gantt charts are now produced using computer software. Other computer-based **project management tools** have been developed by particular companies or are available commercially.

Companies also have to plan for events that they do not want, such as disasters. **Contingency planning** is designed to prepare for the worst, with specific plans of action for **disaster recovery**, including handling of the media and protecting, as far as possible, the company's reputation.

Organizational planning in its grandest form is one element of **strategy**, where companies make long-term plans about the future development of their activities. Here, they have to anticipate competitors' activities as well as trends in the general economic and political **environment**. Very large organizations have teams of **scenario planners** trying to predict how this environment may change and how they might prepare for and perhaps influence this change.

EXPANSION PLANS?

Before you read

Do you prefer shopping in a supermarket or small shops? Why? How easy or difficult do you think it is for supermarkets to move into other countries?

Reading

Read the article from the *Financial Times* and answer the questions.

Tesco plans to open Las Vegas supermarkets

Jonathan Birchall and Elizabeth Rigby

Tesco's unusually low-profile US expansion strategy is about to take it to Las Vegas, one of the fastest growing cities in the US, in addition to its plans to open stores in the Los Angeles and Phoenix areas next year.

Tesco is the UK's biggest supermarket chain, and retail analysts predict it will become Britain's biggest non-food retailer by the end of the year, overtaking Argos Retail Group.

The US push is part of Tesco's plan to expand in its domestic market and abroad. Tesco is looking for sites in Las Vegas for its planned Fresh & Easy range of mini-supermarkets.

Tesco announced its US plans in March, after conducting comprehensive market research that included a trial store in a warehouse in Los Angeles that looked like a film set. Tesco has not said how many stores it plans to open in the US and declined to comment on its strategy for Las Vegas.

The company said in March it would invest 250m pounds (\$476m) a year to fund its US expansion, a budget that should enable it to open as many as 200 stores a year. Las Vegas, with 1.7m people, is in Nevada, the fastest-growing state in the US. There is intense competition there for new customers between its existing traditional supermarkets – dominated by Kroger and Safeway – and Wal-Mart, the largest US retailer, which now has about 20 per cent of the overall US grocery market.

Tesco's strategy is based on creating a range of small stores on sites of about 14,000 sq ft similar to its Tesco Express concept in Europe.

1. Match the words (1 – 8) to their meanings (a – h) as they are used in the article.

- | | | |
|---------------|---------------------------|-------|
| 1. predict | a) doing or carrying out | _____ |
| 2. conducting | b) idea or design | _____ |
| 3. trial | c) expect or forecast | _____ |
| 4. declined | d) test | _____ |
| 5. witnessing | e) experiencing or seeing | _____ |

- | | | |
|--------------|---------------|-------|
| 6. intense | f) controlled | _____ |
| 7. dominated | g) refused | _____ |
| 8. concept | h) strong | _____ |

2. True or false?

- a) This year, Tesco plans to open a store in Phoenix. _____
- b) Tesco is already UK's largest non-food retailer. _____
- c) Tesco has plans to expand both in UK and abroad. _____
- d) Tesco is planning to make films in the USA. _____
- e) Tesco will open up to 200 stores in America. _____
- f) Wal-Mart has more of the US grocery market than Safeway. _____
- g) Tesco's strategy is to have large food stores in America. _____

Over to you

Do you have any foreign supermarkets in your country? If so, have they been successful? Why (not)?

SURVIVAL PLANS

Before you read

How important is planning for a company? How often should companies revise their plans?

Reading

Read the article from the *Financial Times* and answer the questions.

Ford restructuring plan shifts up a gear

Doug Cameron

Ford will unveil its accelerated restructuring plan at the end of next month as the US car-maker tries to halt losses and adapt to a huge change in domestic demand. Mark Fields, president of Ford Americas, yesterday said it would speed up the 'Way Forward' plan announced in January in response to the changes in buying habits caused by high fuel prices and market trends.

Ford suffered from the fall in demand for large pick-up trucks and utility vehicles, once its most profitable segment, in the face of \$3-a-gallon petrol prices. It has also been hit by the poor performance of its luxury car segment and has hired advisers to explore a potential sale of non-core assets.

Mr Fields outlined a range of future product launches, including an addition to the luxury Lincoln brand. 'I can confirm that our plans do include more new products and quicker and deeper cost-cutting,' he said. They may have

to add to the 14 plant closures and 12,000 job cuts outlined in January. 'Acceleration doesn't mean a new plan. It means a new timetable.'

Mr Fields said Ford's own new product line-up had seen it gain market share in the light-truck sector and maintain the steady share in the car segment, despite being overtaken in July sales by Toyota, the first time the Japanese auto-maker has claimed the second spot in the US market behind GM.

Ford is also considering plans to invest \$bln at its plants in Michigan to improve flexibility and boost research and development to keep up with changing consumer tastes.

FINANCIAL TIMES

1. Which of these are part of Ford's plans?

- a). increasing exports _____
- b). building new factories _____
- c). launching new product in Lincoln brand _____
- d). further cost-cutting _____
- e). restructuring _____
- f). laying off staff _____
- g). investing in existing factory _____
- h). producing new truck designs _____

2. Choose the correct definition of the word in *italics*.

- a). If you *unveil* a plan, you
 - i) show it to people.
 - ii) keep it secret.
- b). When a company *adapts to* something, it
 - i) agrees to do something.
 - ii) it makes necessary changes.
- c). We *speed up* when we need to go
 - i) faster.
 - ii) more slowly.
- d). *Non-core* assets of a company are ones which are
 - i) the most important.
 - ii) the least important.
- e). 'He *outlined* a range of future plans' means he
 - i) showed diagrams of the plans.
 - ii) described them briefly.
- f). If something *boosts* sales, it means that sales are
 - i) up.

- ii) down.
- g). If a company *keeps up with* changing consumer tastes, it
 - i) makes changes according to consumer tastes.
 - ii) is always changing product designs.

Over to you

What would you advise Ford to do next?

MEETINGS: INTERRUPTING AND CLARIFYING

Find the missing words in these expressions. There is one word missing in each of them.

Interrupting

- 1. Could just say something?
- 2. Could I just comment that?
- 3. Hold on minute.
- 4. Sorry interrupt but...

Clarifying

- 5. How you mean exactly?
- 6. What exactly do mean by...?
- 7. Are saying ...?
- 8. So you're saying is that...

1.____, 2 ____ , 3 ____ , 4 ____ , 5 ____ , 6 ____ , 7 ____ , 8 ____

List of words and phrases to be learnt

To estimate costs, to forecast sales, to do research, to collect information, to consider options, to rearrange, to keep within a budget, a deadline, report, schedule, unfortunately, however, recently, leasing, loan, a government grant, a business angel, an equity partner, external funder, a template, to refine plan, tip, to involve, assets, to account for, to renovate, to spring up, to boost, vehicle, to employ, to intend, chief executive, renovation, appreciate, efficiency, notably, skilled workforce, crossroads, attraction, retail center, to expand, sales target, to broadcast, traffic jam, to revise, start-up, goal, mission statement, vision, destination, to carry out, concern, to shape, small and medium-sized business, to ensure, staff, personal contribution.

Topic for rendering

Planning in business

It's important to have a clear idea about your business goal. You need to know where you want to get to. Choose the structure for your business very carefully, and don't reinvent the wheel. There is a good guide out there in the marketplace. This structure will then lead you logically and sequentially through all the activities that you need to do. Planning is very important for start-up businesses, new businesses, you can make your mistakes on paper; and for

established businesses embarking on new projects, the same applies. One particular tip: desktop market research is great and is very valuable, but research carried out talking to real clients who really want to buy your service or your product breathes life into any plan. So use your clients to market test your ideas and help you to refine your plan. And again, this applies to both start-ups, new businesses, and established businesses; and with established businesses, it is always worth undertaking independent research.

Unit 9. MANAGING PEOPLE

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

In the 1960s, Douglas McGregor, one of the key thinkers in this area, formulated the now famous **Theory X and Theory Y**. Theory X is the idea that people instinctively dislike work and will do anything to avoid it. Theory Y is the more enlightened view that everyone has the potential to find satisfaction in work. (Others have suggested Theory W (for 'whiplash'), the idea that most work since the beginning of human society has been done under conditions of total coercion, i.e. slavery).

In any case, despite so much evidence to the contrary, many managers still subscribe to Theory X, believing, for example, that their **subordinates** need constant **supervision** if they are to work effectively, or that decisions must be **imposed** from above without **consultation**. This, of course, makes for **authoritarian** managers.

Different cultures have different ways of managing people. Some cultures are well known for the consultative nature of decision-making – all members of the department or work group are asked to contribute to this process. This is management by **consensus**. Many western companies have tried to imitate what they see as more **consensual** Asian ways of doing things. Some commentators say that women will become more effective managers than men because they have the power to build consensus and common goals in a way that traditional male managers cannot.

A recent trend has been to encourage employees to use their own **initiative**, to make decisions on their own without asking managers first. This **empowerment** has been part of the trend towards **downsizing**: reducing the number of the management layers in companies. After **delaying** in this way, a company may be left with just a top level of senior managers, **front-line** managers and employees with direct contact with the public. Empowerment takes the idea of **delegation** much further than has traditionally been the case. Empowerment and delegation mean new forms of **management control** to ensure that the overall business plan is being followed, and to ensure that operations become more profitable under the new organization, rather than less.

Another trend is **off-site** or **virtual management**, where teams of people linked by e-mail and the Internet work on projects from their own premises. Project managers judge the performance of the team members in terms of what

they produce and contribute to projects, rather than the amount of time they spend on them.

GIVING STAFF MORE FREEDOM

Before you read

What kind of manager do you think you are / would be? Do you think it's better to work for a manager with strong opinions or one who asks staff for their ideas?

Reading

Read the article from the *Financial Times* and answer the questions.

Secrets of the maverick cobbler

James Wilson

Fifteen years ago, Mr Timpson bought out his partners in the shoe-repair business that bears his family name. In 1995, he bought Automagic, the shoe-repair and key-cutting chain. Since then Timpson has turned to key cutting, watch and jewellery repairs and engraving, acquired two big high-street rivals and broken through 100m in annual sales. Still only Mr Timpson owns shares.

'We are committed to being 15 independent. I'm not interested in a deal that involves equity being given to anybody,' says Mr Timpson, who is company chairman, while his son James is managing director. To some, the company style might seem rather old-fashioned, with holiday homes for staff, training schemes and newsletters with personal input from Mr Timpson.

Tight control of the business ensures the company's commitment to what Mr Timpson calls 'upside-down management': giving power to those a long way from head office in Manchester. Mr Timpson believes that the most important staff are those who cut customers' keys and reheel their shoes. Everyone else, from area managers to the boardroom, is there to serve the shop staff, who are given plenty of freedom as long as they prioritize customers' needs.

'I think it would be difficult for some professional manager to come in and do it our way. I don't expect other people to come up with the ideas. That is my job or James's job. But I can't then tell them what is going to happen. I have got to persuade them. My form of management is a lot of communication. It won't work unless they approve of it,' says Mr Timpson.

FINANCIAL TIMES

1. True or false?

- a) Timpson's repairs watches and jewellery. _____
- b) There are several family shareholders. _____
- c) Employees can use holiday homes owned by the company. _____

d) Mr Timpson believes that only people in head office can make decisions. _____

e) People who work in his shops are very important. _____

f) The most important thing is to look after customers. _____

g) Management's job is to support staff in the shops. _____

h) Mr Timpson encourages staff to come up with ideas. _____

i) Communication is a key factor in Mr Timpson's management style. _____

2. Choose the alternative that best explains the words in *italics*,

a) A *cobbler* (headline) is someone who makes

- i) keys
- ii) shoes
- iii) jewellery

b) In business, a *rival* is a

- i) competitor
- ii) supplier
- iii) sub-contractor

c) If a company is *committed* to doing something, it means it has

- i) negotiated to do it
- ii) promised to do it
- iii) refused to do it

d) If you *persuade* someone to do something, you

- i) stop them from doing it.
- ii) make them believe it is a good idea to do it.
- iii) keep telling them to do it.

3. Complete these sentences with the correct preposition.

a) The company is committed _____ listening to what customers say.

b) Mr Timpson is not interested _____ selling any of his shares.

c) It can be difficult _____ some people to take responsibility.

d) Mr Timpson does not expect his staff to come up _____ new ideas.

Over to you

Would you like to work for a boss like Mr Timpson? Why (not)? What do you think is the most important quality or skill a manager should have?

IMPROVING THE WORK ENVIRONMENT

Before you read

Do you think that companies should have social events to bring everyone together? If so, what sort of events do you think work best?

Reading

Read the article from the *Financial Times* and answer the questions.

Bonds that keep workers happy

Alison Maitland

Many people would laugh at the idea that the workplace can be a relaxing place. With their mobiles, laptops and BlackBerries, they would be more likely to complain about the way their work takes over their private lives.

The employees of Europe's best workplaces take a very different view, however. One noticeable theme to emerge from this year's survey is the strong attraction that many employees feel to their work and the personal bonds they have with their colleagues and managers.

At Confinimmo, a small Belgian property investment company in this year's European top 10, employees go on a paid team-building trip each time a new person joins their department. Celebrations and informal lunches are another way of bringing employees and managers together. 'Although the company has seen strong growth, it keeps its feeling of a small, familiar team,' says one employee.

At Boehringer Ingelheim, a family-owned Danish drug company that has been in the top 100 since the survey began four years ago, there are social events and celebrations all year, often attended by employees' children. Champagne and chocolate are brought out to mark achievements. 'Our managing director knows everyone by his first name,' says one member of the 132-strong workforce.

It is, of course, easier to create a family feeling in a small business. But bonding is also a feature of the smaller European offices of Microsoft, which is in this year's top 10. The employees of the software giant in Norway, for example, go mountain-hiking together and recently climbed seven of the highest mountains in southern Norway to symbolize their seven business goals.

FINANCIAL TIMES

1. Match the words and expressions (a – 5) with their meanings (a – e).

- | | | |
|--------------|-----------------------|-------|
| 1. bonds | a) represent | _____ |
| 2. theme | b) come out of | _____ |
| 3. emerge | c) links, connections | _____ |
| 4. giant | d) topic | _____ |
| 5. symbolize | e) huge company | _____ |

2. True or false?

- a) Employees of Europe's best workplaces think the workplace can be like home. _____
- b) At Confinimmo, every new person has to pay for a team-building trip. _____
- c) Confinimmo feels like a smaller firm than it is. _____
- d) This is the first time the Danish company has been in the top 100 companies. _____
- e) Employees' children are welcome at the social events. _____
- f) The MD knows the first name of all his employees. _____
- g). Bonding is easier in a small company. _____
- h). Microsoft has failed to rank in the top ten this year. _____

SOCIALIZING AND ENTERTAINING

A business visitor from abroad has been invited to dinner at his host's house. Match the subjects (1 – 5) to the visitor's questions (a – e).

- | | |
|--|--|
| 1 Being on time | a). Should I wear a tie? |
| 2 The way people dress | b). What should I take? Flowers, chocolates, a bottle of wine? |
| 3 How to address people | c). Should I shake hands with him again? We already shook hands this morning. |
| 4 Giving gifts | d). Should I arrive at the time I was given or should I get there 15 or even 30 minutes later? |
| 5 Shaking hands/
kissing/hugging/
bowing | e). Should I call their partner by their first name? |
- 1 _____, 2 _____, 3 _____, 4 _____, 5 _____

You are one of the people below. You meet one of the other people, a business contact. Use the information given to make small talk about what you do in your spare time. Add your own ideas to the notes, as in this example.

Marie: What do you usually do after work, Ingvar?

Ingvar: I play a lot of tennis, indoors of course, and some evenings I go cross-country skiing just outside Stockholm, where I live. How about you, Marie?

Marie: Well, there's a lot to do in Paris, and I like to go to the theatre or go out for dinner somewhere. I have five weeks' holiday a year, so I take three weeks in August and go somewhere exotic. Last year, I went to Thailand.

Ingvar: Really!

	Winter	Summer
Ingvar – Stockholm	indoor tennis, cross-country skiing (just outside Stockholm)	house in the country, sailing (islands near Stockholm)
Marie – Paris	restaurants and theatre in Paris	travel abroad (five weeks' holiday a year, three in summer)
Len – London	sport on TV (most evenings)	play cricket (local team)
Raisa – Moscow	skating (lake near Moscow)	house in the country (100 km from Moscow)
Domenico – Milan	go to watch InterMilan play (every match, home and away)	sailing (lakes in the Alps)
Susan – Edinburgh	walking (Scottish highlands)	travel (June or July), go to Edinburgh festival (August)

List of words and phrases to be learnt

To make suggestions, to reflect, to respect, to reduce, superficial, to respond to, to listen to, to deal with, to delegate to, to believe in, to communicate with, to invest in, to report to (on), to apologize for (to), to talk to (about), to agree with (on), to argue about (with), to lose someone temper, to recognize, to win support, to build credibility, challenge, stakeholders, to have confidence, weaknesses, mentor, to be aware of, career path, to be under pressure, to crack, draw on the experience, over-confident, to select, delivery date, basic salary, early delivery, staff customer loyalty, to perfect, concern, to get driven out, to take for granted, assumption, hospitality.

Topic for rendering

A Manager

No company is able to exist without managers – as a company appears, immediately there is a need to manage it. Therefore, we can say that the profession of a manager is one of the most needed and paid in the modern economic world.

A manager is a specialist in planning, organizing, motivating and controlling his subordinates' work. He must perform such functions as administrative, strategic, consultative, communicative etc. His main task is to create conditions for the most comfortable work. To become successful, a manager should be hard-working, flexible, disciplined, initiative, careful, persuasive, persistent, know how to reach his aim and to use time and resources effectively, to have strong will power and an adequate self-esteem, to be good at psychology in order to understand people he works with. A manager is a person responsible for supervising and motivating employees and for directing the progress of an organization.

To be a good manager, you need to understand that there are things that motivate everyone and these are some very familiar, common themes like, people care about their families, people – everybody wants to make a difference, everybody needs to be respected. But the most difficult thing is to understand how everybody is unique and different. Also you need to perfect the art of asking questions and listening to people.

Unit 10. CONFLICT

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

Conflict may well be productive in some cases. In any business situation, there are often a number of different ideas about the way to proceed. Usually only one way can be chosen, so conflict is inevitable. Ideally, airing the different ideas in discussion will lead to the best one being chosen. But the process may become political, with an idea being defended by the person or group putting it forward after it has become apparent that it is not the best way to go. Those defending a long-cherished idea are unwilling to lose face by abandoning it. There may be conflict between different levels in an organization's **hierarchy** or between different departments, with hostility to ideas from elsewhere – the **not-invented-here syndrome**.

Examples of unproductive conflict include disputes between colleagues or between managers and subordinates that go beyond ideas and become personal. Companies can spend a lot of time and energy resolving these disputes. In countries with high levels of **employee protection**, dismissing troublesome employees can lead to a long process of consultation with the authorities and even litigation, for example where an employee sues their company for **unfair dismissal**. Defending an action like this is of course costly and a distraction from a company's normal business.

Labor-management conflict in the form tactics such as **strikes** and **go-slows** can also be very expensive and time-consuming. The goodwill of a company's customers, built up over years, can be lost very quickly when they are hurt by such a dispute. But there are sometimes cases where the public sympathize with the employees and don't mind the disruption. Both sides may put a lot of effort into presenting their case and gaining public sympathy with the use of advertising, public-relations firms, and so on. Many countries have legislation with compulsory **cooling-off periods** before strikes can begin, official procedures for **arbitration** between the two sides, and so on.

In dealing between companies, **supplier-customer relationships** can generate into conflict. Conflict seems to be endemic in some industries, for example construction, where contractors are often in dispute about whether the work has been performed properly or whose responsibility a particular problem is. This can lead to protracted legal proceedings.

More and more companies in the US are specifying in contracts that any disputes should be settled using alternative **dispute resolution (ADR)**, avoiding

expensive legal wrangling. Specialized organizations have been set up to facilitate this.

BETTER LEADERSHIP

Before you read

What do you think can cause conflict in the workplace? Do you think that managers should be trained to deal with conflict?

Reading

Read the article from the *Financial Times* and answer the questions.

Understand your team and the rest is easy

Richard Donkin

Mark Gerzon, author of *Leading Through Conflict: How Successful Leaders Transform Differences into Opportunities*, has noticed that most things in life involve conflict.

Some of these conflicts emerge when people come together from different backgrounds where views, cultures and beliefs may not be shared by their colleagues. Today some 63,000 companies are operating internationally, employing 90 million people and responsible for a quarter of the world's gross national product.

'We simply cannot manage a whole company, a whole community, and certainly not a whole planet, with leaders who identify with only one part,' he writes. He therefore believes that future corporate leaders will need to be experts in mediation rather than the controlling style of leaders which was apparent during the 20th century.

These controlling leaders always blamed someone else for failures and achieved success only because employees were frightened of losing their jobs. Sadly such methods still exist in some companies.

Similarly, people who question management in companies where employee morale is very low are seen as trouble makers and are often dismissed by the company. But suppose they have a point? Trouble makers are likely to respect a leader with good mediation skills because they feel that someone is listening to their complaints.

One problem with mediation in leadership is that it takes time, something this highly competitive world has little of. That is why the most competitive teams need individuals who are all capable of leadership. People need to talk all the time about their various tasks and work towards the same objective, and any

conflicts should be managed in a way that does not disrupt the harmony of the team

FINANCIAL TIMES

1. True or false?

- a). Mark Gerzon believes that conflict exists in nearly every part of life. _____
- b). Conflict can occur when people work together. _____
- c). Leaders need to understand only one part of the company. _____
- d). Twentieth-century leaders rarely accepted responsibility for their mistakes. _____
- e). People who disagree with management feared they will lose their jobs. _____
- f). Good mediators are likely to be respected by staff. _____
- g). Using mediation to resolve conflict takes time. _____
- h). A competitive team needs one good leader. _____

2. Choose the correct alternatives.

- a). If a manager is good at *mediation*, she/he
 - i) makes good decisions.
 - ii) is able to resolve conflict.
- b). To *blame* someone is to
 - i) say they are responsible for a mistake
 - ii) apologise to them for a mistake
- c). If employee *morale* is low, staff are
 - i) motivated.
 - ii) unhappy.
- d). A *trouble maker* is someone who
 - i) solves problems.
 - ii) causes problems.

Over to you

What sort of mix of people do you need to make a good team? What different types of leader do you think there are?

OUTSOURCING CONFLICT

Before you read

Why do companies outsource? What kind of problems might there be with outsourcing?

Reading

Read the article from the *Financial Times* and answer the questions.

Misunderstanding and mistrust be devil contracts

Andrew Baxter

A catalogue of mistakes and misunderstandings is revealed today in a global study of IT outsourcing deals which helps to explain why there is much mistrust and tension between clients and suppliers. The study, by PA Consulting Group, includes the views of all parties in an outsourcing relationship – clients, suppliers and the lawyers who mediate between them.

The problems it reveals are both surprising and disappointing, because over the past 15 years, many North American and European companies have benefited hugely from moving large parts of their IT operations to external service suppliers, either 'onshore' or in countries such as India.

In this mature market, says PA, outsourcing deals should not go wrong. But deals do fail because buyers and suppliers of outsourcing do not have a clear idea of each other's objectives.

Poor communication of objectives results in big differences between what clients want and what suppliers think they want. Meanwhile, clients are not putting sufficient time and effort into planning the outsourcing process.

The study says misunderstandings are created when the relationship between clients, suppliers and lawyers is built on undeclared assumptions which create a climate of mistrust.

For example, only a fifth of the suppliers questioned felt clients effectively communicated their objectives, and two-thirds of clients thought they should have verified their suppliers' ability to deliver.

Poor investment in three key areas is preventing the evolution of IT outsourcing as a way to transform an organization: the sourcing strategy is ill-conceived, creating a gap between client and supplier; the program is not tailored to the needs of the organization; and the internal team for managing the relationship with the supplier is inadequate.

FINANCIAL TIMES

1. Which of these things are mentioned as causes of conflict?

- a). The involvement of lawyers
- b). Poor language skills
- c). Weak management teams
- d). The failure of parties to understand each other

- e). Lack of planning
- f). Failure to check suppliers ability to do the job
- g). Lack of investment in suppliers

2. Use the correct form of words from the article to complete these statements.

- a). The car company will r _ _ _ _ l its new model at the motor show.
- b). A well-developed market is called a m _ _ _ _ e market.
- c). The aims of a company are called its o _ _ _ _ _ _ _ _ s.
- d). When you think something is true, but do not have all the facts, you make an a _ _ _ _ _ _ _ _ n.
- e). If you have to check that a deal is good, you need to v _ _ _ _ y the details.
- f). Another word for development is e _ _ _ _ _ _ _ _ n.
- g). If you have a product or service just for you, it is t _ _ _ _ _ _ d to your specifications.
- h). If something is lacking, you can say it is i _ _ _ _ _ _ _ _ e.

List of words and phrases to be learnt

To check-in a queue, neighbor, to intervene, flexibility, mediator, personnel, to handle conflict, to appear, to explore, argument, perception, conclusion, consistent, patience, calm, weakness, credibility, consistency, sympathy, formality, enthusiasm, creativity, issue, employer, to negotiate a suitable solution, to give priority, to persuade, to ensure, thoroughly, benefits, to grapple, management attitude, to accept, to warn, to lead to a strike, proposal, to contribute.

Topic for rendering

The most common causes of disputes at work are: the first, is realistic expectations about what a contract can deliver, lack of flexibility, when expectations are not being met – business people can be not as flexible in circumstances; lack of communication – communicating badly or not communicating at all; genuine differences of view about how a commercial arrangement is meant to work; a change in personnel, change of management structures; simply, a component in a piece of machinery failing; a specification not being sufficiently thought through; many, many reasons. As a mediator, you have to exercise patience and you have to work skillfully with the parties to get a full understanding of not just the history, but particularly the benefits of resolving the dispute for the future.

Unit 11. NEW BUSINESS

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

A recent TV advert for an airline shows an executive receiving and e-mailed presentations from a potential supplier and then quickly forgetting about it when another potential partner walks into the room and gives his presentation in person. The advert is trying to persuade businesspeople of the merits of **face-to-face contact** in drumming up new business. Flying to meetings is still the preferred way of doing things: companies worldwide spend \$3 billion on video-conferencing equipment every year, but US companies alone spend \$410 billion a year on business travel. **Road warriors** (even if they often travel by plane) will probably be necessary to gain new business for some time to come. Clients and suppliers refer to each other as partners to underline the fact that they are in a **relationship** with mutual benefits: the supplier is making money out of helping the client to make money by providing products or services to customers. Some cultures give great importance to getting to know potential partners before working with them. There is some truth in the idea that Americans walk into a room expecting to reach a deal immediately; Asians, to build a relationship that may later lead to a deal.

In the past, companies often worked with large numbers of suppliers. Car manufacturers, for example, worked with numerous component suppliers, perhaps playing them off against each other to demand lower and lower prices. The tendency now is to work more closely with fewer suppliers. This is a necessary part of **just-in-time (JIT) delivery** and **total quality management (TQM)**. It is much easier to make improvements in these areas when dealing with fewer organizations. This means that it is difficult for new suppliers to break into the privileged circle and get new business.

Another form of new business is **start-ups**. At one end of the scale, there are one-person operations, often started by people who have gained expertise as salaried employees in organizations, and then struck out (or been forced to strike out) on their own. At the other end, there are **serial entrepreneurs**, who are gifted at transforming ideas into businesses, and who found a number of start-ups, moving on when each business becomes viable. Their talent lies in combining ideas with people and finance, and they may be less interested in the more mundane activity of running established operations.

Breaking into new markets is another form of new business. A company may try to break into **e-commerce** and may often spend large amounts of money

before making any. Likewise, a company trying to establish itself in a country where it has not been present before can make large losses before seeing any **return on investment**. It may be necessary to have local partners who are already familiar with the market and are willing to invest in a **joint venture**.

NEED FOR FAST EXPANSION

Before you read

Would you like to set up your own business? Why (not)? What sort of problems do you think new businesses face in today's business world?

Reading

Read the article from the *Financial Times* and answer the questions.

Hippychick completes first steps and prepares for growth

Jonathan Moules

Julia and Jeremy Minchin, entrepreneurs, are learning that small businesses grow fast. Julia founded Hippychick, an upmarket parenting products business, in 1999. She had already worked in a start-up as marketing head at Cobra Beer and was keen to start a business of her own.

Hippychick's launch product was the Hipseat, a baby carrier which is strapped to the user's waist. The company now sells a range of items, from baby boots to mattress protectors, many of which are distributed under licence through Mothercare, Early Learning Centre, Boots, John Lewis and about 500 independent toy shops. 'We are not inventors, but we are very good suppliers,' Julia says. They also export successfully to 45 countries. The Hippychick workforce consists of just eight people, but the Minchins are under pressure to expand as the business hits a period of high growth.

Turnover for the past financial year was \$1.2m and is expected to hit \$2m during the current 12 months of trading. In three years, the Minchins expect turnover to be \$5m.

Getting the right product mix is crucial, and Julia, who oversees marketing in the business, would like to have more Hippychick-branded products. However, she is reluctant to expand into some areas, such as clothing, because it is such a difficult market.

Operations have moved to a 6,000 sq ft warehouse, and they are now considering taking a 3,500 sq ft space next door. Renting the additional space would cost another \$15,000 a year, but Jeremy believes that doing nothing is not an option.

1. Match the numbers (1 – 10) to what they refer to (a – j).

- | | | |
|-----------------|---------------------------------------|-------|
| 1 1999 | a) size of potential warehouse | _____ |
| 2 500 | b) the past year's turnover | _____ |
| 3 45 | c) the year the company was founded | _____ |
| 4 8 | d) predicted turnover in three years | _____ |
| 5 \$1.2 million | e) cost of renting additional space | _____ |
| 6 \$2 million | f) expected turnover for current year | _____ |
| 7 \$5 million | g) number of countries exported to | _____ |

2. Choose the best answer to complete each sentence.

- a). Julia has a background in
- i) baby products.
 - ii) marketing.
 - iii) farming.
- b). Some of HippyChick's products are
- i) produced by Mothercare.
 - ii) sold in HippyChick's own shops.
 - iii) distributed through toy shops.
- c). According to Julia, she and her partner
- i) are very good at supplying products.
 - ii) come up with brilliant ideas.
 - iii) are trying to invent new products.
- d). The turnover of the company
- i) doubled last year.
 - ii) should be 2m this year.
 - iii) will increase by 5m next year.

PROBLEMS OF SUCCESS

Before you read

How difficult do you think it is to spot a gap in a market? Have you ever thought of a product/service which you'd like to see on the market, but which doesn't exist at the moment?

Reading

Read the article from the *Financial Times* and answer the questions.

The gains from growing pain

Alicia Clegg

The best start-up ideas are often the simplest. But entrepreneurs often need to experiment with business models as their ventures grow. For young retail companies, one of the biggest challenges is getting the right mix of outlets as they perfect their products. Christian Rucker, founder of The White Company, which made pre-tax profits of \$2.2m the year before last, is a classic example.

While working as an editor at fashion magazine *Harper's*, Ms Rucker spotted a gap in the market for stylish white bed linen and accessories priced midway between designer labels and mass-market lines. After finding \$20,000 from a local government grant and shares inherited from her grandmother, she launched her business in 1994, initially through mail order. Last year, The White Company made sales of \$49.5m, up by almost \$10m on the previous year.

'Offering choice is part of great customer service,' says Ms Rucker, whose company owns 14 shops, plus space in department stores and franchises in Dubai. 'One channel feeds another. Someone might see something in a store then place an order online. Customers will spend more because you are making it easy for them.'

Having survived the early days, the entrepreneur must find ways of sustaining growth in future, without sacrificing the individuality that attracted their customers in the first place.

Ms Rucker, who aims for sales of \$110m by 2011, believes the solution is to improve quality. 'There comes a point when it's easy to drop the quality a little and take a higher profit margin. But, as the quantity goes up, you can actually afford to buy slightly better materials but keep the price [for customers] the same.'

FINANCIAL TIMES

1. Complete this summary with the correct figures from the article.

Ms Rucker started her business in **a)** _____ with just **b)** _____.
The year before last, her profit before tax was **c)** _____. And last year, turnover increased by **d)** _____ to reach **e)** _____. She has set a sales target of **f)** _____ by 2011.

2. True or false?

- a) Young retail companies have problems finding the right place to sell their products. _____
- b) Ms Rucker works for a fashion magazine. _____
- c) She used a bank loan to set up her company. _____
- d) She believes that customers like choice. _____

e) It is important to keep a product's unique features when a company expands. _____

f) Ms Rucker says that quality can only be improved when a product is profitable. _____

3. Match the words (1 – 8) with their meanings (a – h).

- | | | |
|-------------------|----------------------|-------|
| 1. experiment | a) at first | _____ |
| 2. venture | b) giving up, losing | _____ |
| 3. outlet | c) shop | _____ |
| 4. classic | d) try new things | _____ |
| 5. midway between | e) activity | _____ |
| 6. initially | f) keeping | _____ |
| 7. sustaining | g) typical | _____ |
| 8. sacrificing | h) in the middle of | _____ |

List of words and phrases to be learnt

Training courses, high unemployment, a strong currency, government grants, cheap rents, stable economy, skilled staff, low interest rates, low taxes, inflation rate, labor force, tax incentives, government bureaucracy, Gross Domestic Product, unemployment rate, foreign investment, balance of trade, to borrow money, regulations, slight improvement, to stimulate, to reduce, a renewed effort, attractive investment opportunities, dramatically, tight monetary policy, to go up, to go down, to persuade, to require, to count, to succeed, core team, turnover, a reward, weaknesses, cash flow management, employment, to set up a company, full employment, reduction, decimals, suitability, wage rate, to contribute, to be accused of, to encourage, to get advice, to access, to bother, to be confused, downsizing, to allow, to some extent, whilst, recognition.

Topic for rendering

Problems facing new businesses

I think some of the problems facing new businesses are really to do with management skills. Often a new business is formed out of somebody who has a really good idea, good hobby, good knowledge of a certain thing, such as anything from biology to carpentry, and they form a business out of that core knowledge, the problem is they don't have enough business knowledge, to go around that, so enough knowledge of finance and book-keeping, of marketing, human issues, HR issues, for want of a better word, of the fact that these need to be, in a small business, integrated. And it's difficult for a lot of people starting a

business or small businesses who have been in operation for a while to access them. So, lawyers help small businesses, accountants help small businesses, banks and universities say that they help small businesses too. And then you have a myriad of independent consultants who want to sell their services to small businesses. So there is a lot of help out there.

Unit 12. PRODUCTS

Read the following text and translate it into Ukrainian. Make a list of words and phrases in bold and find Ukrainian equivalents for them.

When we think of business, we usually think of **tangible products** that we can see and touch: computers on the desk or cars in the showroom. We may also think of **primary products** like coal or agricultural goods. But manufacturing forms a diminishing part of most advanced economies: only 17 per cent of the US economy, for example. What manufacturing there is increasingly **lean**, with ‘Japanese’ techniques such as **just-in-time (JIT)** ordering of components and **total quality management (TQM)** becoming widespread?

There is an unresolved argument about whether economies need manufacturing at all to survive and flourish. In many people’s minds, nevertheless, there is great regret when a factory closes in a ‘traditional’ industry: there is something more ‘real’ about work in a car plant than in a call centre. Call centre typically sell intangible products such as mortgages (more and more services are described in product terms). However, car plants are likely provide more work indirectly than call centers, for example at the component manufacturers that supply them.

We define ourselves partly by the products we own and use, wherever they are made. Economies in different parts of the world are at different stages of development in the way products are bought and perceived. In newly industrialized countries, such as some of those in Asia, more and more people are now able to afford **consumer durables** like washing machines for the first time, and companies that sell these types of goods can make large amounts of money. In the West, the market for televisions or washing machines is basically one of **replacement**. In a situation like this, **design, brand and image** become more important. Previously prestigious products, like certain makes of luxury car, become increasingly affordable, and manufacturers have to be careful to stay ahead of the game to avoid their brands being perceived as ‘ordinary’.

The cars, televisions and washing machines of the 1950s may have had more style, but modern products are technically far better now that they were then. Consumers can complain about **designed-in obsolescence** and unnecessary **sophistication** of products with too many features that are never used, and manufacturers may have started to take this into account, simplifying their features. Consumers are also able to obtain and compare information about different products more and more easily. Consumers are also able to obtain and

compare information about different products more and more easily. **Consumerism** is a force that manufacturers increasingly have to reckon with.

LAUNCHING SEVERAL NEW PRODUCTS

Before you read

In what ways can technology help to save lives?

Reading

Read the article from the *Financial Times* and answer the questions.

Raymarine to launch 12 new products

David Blackwell

Raymarine, the marine electronics group, is to launch 12 new products this year, including a device that uses the satellite positioning system to pinpoint anyone falling overboard.

The company also expects continuing strong sales of the E-series of navigation products, launched a year ago. These products use one screen to display information such as navigation charts, fish-finding equipment and engine performance.

Last year, the company moved most of its production from Portsmouth to Hungary, where all its printed circuit boards are now made. It expects to complete the transfer of all production facilities to Hungary by the end of this year.

The restructuring led to charges of \$10.9m for the year to December 31, leaving pre-tax profit at \$8.1m, compared with \$5.3m for the previous year. However, adjusted operating profits rose 38 per cent to \$19.4m after a rise in sales from \$106.3m to \$121.9m.

FT Comment

*This is both a restructuring story and one of the few successful consumer electronics stories. The fact that the company was still manufacturing anything in the UK shows how old-fashioned it was, and the outsourcing to Hungary should add at least \$5m to profits next year and \$10m the following year. It should also enable the company to lift its market share in a market that is expanding as more people retire and have money to spend on leisure. In the US, for example, many of those who move to Florida and take up boating love spending their money on such equipment. Profits this year are expected to be about \$21m, rising to \$28.5m next year.

FINANCIAL TIMES

1. Match the words (1 – 8) with their meanings (a – h).

- | | | | |
|----------|--------------|-----------|----------------------------|
| 1 | marine | a) | stop working |
| 2 | pinpoint | b) | relocation |
| 3 | overboard | c) | free time |
| 4 | navigation | d) | make a slight change |
| 5 | transfer (n) | e) | locate |
| 6 | adjust | f) | connected to the sea |
| 7 | retire | g) | into the sea (from a boat) |
| 8 | leisure | h) | finding the direction |

1 _____, 2 _____, 3 _____, 4 _____, 5 _____, 6 _____, 7 _____, 8 _____

2. Choose the correct word from the box to complete the summary.

abroad, expanding, launch, manufacturing, operating, outsourcing, overboard, restructuring, retire

Raymarine produces electronic devices for use on boats. One of its new products can signal when someone has gone **a)** _____. The company is now moving its **b)** _____ to Hungary. The **c)** _____ has been expensive, but a lot of money should be saved by **d)** _____ to Hungary. The market is **e)** _____ because more people in the USA are buying boats when they **f)** _____.

Over to you

Raymarine is going to launch 12 new products. What kind of strategy do you think a company needs when launching so many products in one year?

FOLLOWING NEW TRENDS

Before you read

Do companies need to come up with new products all the time to be successful?

Reading

Read the article from the *Financial Times* and answer the questions.

Kraft gives products healthy makeover

Jeremy Grant

Ever since it was invented by Kraft Foods in 1937, packaged macaroni and cheese has been the ultimate American comfort food. In the past six months, Kraft has been re-inventing 'Supermac' with a version made with healthy ingredients.

Kraft believes that many of its famous products – like Ritz crackers, introduced in 1934, Kool-Aid powdered soft drinks and Jell-O instant pudding – must be brought up to date to take advantage of the 'health and wellness' trend in the food industry. Food companies typically charge customers more for 'healthy' products. And Kraft needs such customers more than most of its rivals.

Its products like 'Supermac', aimed at the middle-income consumer, are the most vulnerable to private-label competition. It has also struggled to maintain the right price gap between its brands and non-branded competition.

Kraft risks being left out as consumers buy more expensive products – a trend highlighted by Campbell Soup's success with more expensive soups sold in cartons and marketed as 'restaurant quality'.

Roger Deromedi, Kraft chief executive, admits Kraft could be doing better. However, Mr Deromedi says the launch of new products carrying premium prices – such as luxury Carte D'Or chocolate launched last quarter in the UK and Germany – has improved sales mix. Also, new product revenues jumped by 50 per cent in two years, driven by new items like DiGiorno microwaveable frozen pizzas.

Kraft also plans to target older consumers with higher spending and has been eliminating slower-selling product lines. It's re-inventing the brands within the categories that exist. That is the power of our company – the strength of our brands.

FINANCIAL TIMES

1. True or false?

- a) Packaged macaroni cheese was first sold in 1937. _____
- b) Kraft is changing its products because of changes in the market. _____
- c) Healthy products are cheaper than less healthy products. _____
- d) One of Kraft's competitors is Campbells. _____
- e) Sales of Campbell's restaurant-quality soups were poor. _____
- f) Completely new products are doing less well than expected. _____
- g) Kraft plans to improve the slower-selling products. _____

2. Choose the correct meaning for the words in *italics*.

- a) If you give something a *makeover* (headline), you
- i) change its look or content.
 - ii) promote the product in a different way.
- b) 'The *ultimate... comfort food*' means
- i) the best food to make you feel happy.
 - ii) the highest-quality food possible.
- c) 'A *version* of something' means
- i) an unusual design of something.
 - ii) a different type of something.
- d) If something is *vulnerable*, it is
- i) likely to be in danger.
 - ii) dangerous to people.

Over to you

Do you look for healthy products when you shop? Do you think that all food companies should change their products to more healthy ones?

PRESENTING A PRODUCT

1. Match the adjectives (1 – 7) to their definitions (a – g).

- | | |
|------------------|---|
| 1. attractive | a) made of good materials and put together well |
| 2. fashionable | b) always works and doesn't break down |
| 3. robust | c) can be used in different ways |
| 4. high-quality | d) strong and solid |
| 5. reliable | e) easy to use |
| 6. flexible | f) nice to look at |
| 7. user-friendly | g) looks modern and up-to-date |
- 1 _____, 2 _____, 3 _____, 4 _____, 5 _____, 6 _____, 7 _____, 8 _____

2. Choose one of your company's products or a product you admire.

- 1 Make a drawing of your product and label it. Complete the technical information. You may want to mention:
- dimensions
 - weight
 - available colors
 - power source
 - benefits for the user
 - how it compares to other products in the company's range

- advantages over competing products
- price
- where to buy it

List of words and phrases to be learnt

In vain, willies, comeback, pretend, to display, expensive, popular, economical, attractive, comfortable, practical, to own, high-tech, hard-wearing, high-quality, best-selling, long-lasting, well-made, to launch, to test, to promote, to manufacture, to modify, to discontinue, to design, to distribute, to increase sales, to improve, to supply, to value, to dominate, soft drink, top-selling, to distinguish, ginseng, to emphasize, rapidly growing, to prove, to be in high demand, to ground, fine powder, venture, to press, to solve, passion, to refine, to repair, to mine, attractive, fashionable, stylish, robust, elegant, user-friendly, well-designed, reliable, flexible, special features, energy-saving designs, wood, steel, boredom, to rotate, to include, to be highlighted, store.

Topic for rendering

Prepare a presentation on any product you have recently bought

Unit 13. BRANDS

STORE BRANDS

Reading

Read the article from the *Financial Times* and answer the questions.

Real chief says own brand is the way ahead

Joel Saveuse walks across the Real hypermarket in northern Germany in search of ‘those little biscuits’. Moving from toys to the freezer section, the 55-year-old, who runs the country’s biggest food retailer, finds what he is looking for in aisle 45. ‘This is my favorite product,’ Mr Saveuse says, holding a packet of chocolate-filled Mini Double Biscuits. ‘Look, here’s a simple picture of the contents,’ he says as his finger moves across the packaging, ‘and top left is the “Real Quality” logo.’

Together with a handful of rivals, the Frenchman is starting a small revolution in Germany by replacing its different in-house brands with a single own brand that links the retailer with a product range. The aim is to raise in-house brand sales from 15 per cent up to 25 per cent of food sales in two to three years’ time. Mr. Saveuse says that customers get top quality for at least 15 per cent less than they would pay for a name brand – and Real gets a better profit margin.

Such logic has seen Real’s foreign rivals push true own-brand lines for decades. Real reckons up to 60 per cent of Tesco’s UK sales come from its three Tesco brands, and Carrefour is aiming for a 30-per-cent quota, up from 25 per cent now.

After working on the concept for the last year, Real introduced 850 Real Quality items this September – coincidental but ‘absolutely perfect timing’ for the economic downturn that followed the banking crisis, the Real head says. Although Mr Saveuse says that shopping habits at Real have not yet been affected by economic woes, he stresses that next year could see shoppers buying more own brands as they look for more value for money. ‘Crisis doesn’t just bring disadvantages,’ he says.

Given the power of own brands in good times and bad, it is surprising that German retailers only launched distinctive lines last year. The cause lies with Germany’s powerful discounters. Aldi and Lidl have in the past generation

helped corner 40 per cent of the food retail market – as against 6 per cent in the UK – by selling little else than a small range of own brands, a move copied by Real, with, say, its low-cost ‘Tip’ range

‘But we’re internationalizing now’, Mr Saveuse says. ‘In Poland and Turkey, we’ve competing against Carrefour and Tesco, in Russia and Romania against Carrefour – that has forced us to focus on true own-brand as a way of building our presence.’ Strengthening the Real brand is key to reviving the chain. A format held back by discounters, Mr Saveuse reckons the German hypermarket has a future. He should know. Until 2005, he was second-in-command at hypermarket pioneer Carrefour.

1. Look through the whole article to find the following information about Joel Saveuse.

- a) His nationality
- b) His age
- c) His job
- d) The organization that he worked for before

2. What two phrases are used in paragraph 2 for a brand owned by the store selling it?

3. Match the words to make expressions from paragraphs 4 and 5.

- | | |
|-------------|----------------|
| 1. banking | a) downturn |
| 2. economic | b) habits |
| 3. perfect | c) timing |
| 4. shopping | d) discounters |
| 5. economic | e) crisis |
| 6. powerful | f) woes |

4. Match the expressions in Exercise 4 to their meanings.

- a) retail organizations that sell cheap products and have a lot of influence on the market
- b) where, when, how, etc. people usually buy things
- c) when financial institutions were in extreme difficulty
- d) when the time to do something is just right
- e) when sales, profits, etc. go down
- f) when the economy is in difficulties

BRAND LOYALTY IN CHINA

Reading

Read the article from the *Financial Times* and answer the questions.

Chinese shoppers focus more on prices

Chinese consumers are becoming more price-conscious, less brand-loyal and generally harder to please, according to a McKinsey survey that suggests competitive pressures are increasing in the Chinese consumer goods market. The report comes at a time when many multinational companies are counting on strong Chinese domestic demand to make up for global economic weakness.

Last month, retail sales in China grew by 23 per cent year-on-year, and consumer activity remains ‘buoyant’, despite signs of a slowdown in sales of some items such as cars, says Jing Ulrich of JP Morgan Securities. But consumer-goods companies will have to work harder to satisfy ‘increasingly sophisticated’ Chinese consumers, the report says. ‘This is not an easy market,’ says Max Magni of McKinsey in Shanghai, one of the authors. ‘China is still a gold mine, but now there are thousands and thousands of miners that have discovered it.’

The conventional wisdom that Chinese consumers are more brand-driven than shoppers in more developed markets remains true. ‘But the importance of brands, and brand loyalty specifically, is falling as the choices facing consumers multiply,’ the report said. Chinese shoppers are markedly more value conscious than last year, and loyalty to particular brands is declining: the proportion of consumers who said they would continue to buy their existing food and beverage brand has halved.

But the weakening of brand loyalty could be good news for foreign companies, the report says, because shoppers are less nationalistic in choosing a brand: a small majority of those surveyed showed no clear preference for brand origin. And premium brands could also benefit from a willingness to pay more for high-end products. The top 15 per cent of consumers will pay 60 per cent for high-end consumer electronics and 300 per cent more for some personal care products.

If the trend continues, it will lead to the kind of polarized consumption pattern familiar in the West’, between ‘no-frills’ goods and high-end products, the report says. Companies should compete at one or both ends of the market but avoid being stuck in the middle, it advises. Companies needed to differentiate more between regions too, the report says, noting that the traditional marketing

strategy of classifying consumers by the size of the city they live in may no longer work.

1. Read paragraphs 1 and 2 and decide if these statements are true or false.

- a) Competition in the Chinese consumer-goods market is weakening. _____
- b) Multinationals are relying on sales in China to make up for lower sales elsewhere. _____
- c) Sales of consumer goods in China are increasing for all types of product. _____
- d) Max Magni compares China to a gold mine _____
- e) He says that sellers of consumer goods in China will find it easier to make in the future _____

2. Find expressions from paragraphs 3 and 4 that mean the following.

- a) generally accepted ideas _____
- b) influenced by brands _____
- c) when someone buys the same brand each time _____
- d) aware of value for money _____
- e) putting one's country first _____
- f) the most expensive and prestigious _____
- g) top-of-the-range _____

3. Complete the definition of the expressions in italics from paragraphs 4 and 5 by choosing the correct alternative.

- a) The *origin* of a brand is _____
 - 1. who buys it.
 - 2. where it comes from.
 - 3. who sells it.
- b) An example of *consumer electronics* is _____
 - 1. TV sets.
 - 2. furniture.
 - 3. household goods.
- c) An example of a *personal care product* is _____
 - 1. washing powder.
 - 2. clothing.
 - 3. cosmetics.
- d) If a situation is *polarized*, it has _____
 - 1. no extremes.

- 2. two extremes.
- 3. three extremes.
- e) *No-frills* products _____
 - 1. have lots of special features.
 - 2. are basic and cost less.
 - 3. cost more than other products.
- f) If a company is *stuck in the middle*, it _____
 - 1. makes lots of money from the mid-market.
 - 2. can't move to more profitable areas.
 - 3. doesn't serve any part of the market very well.
- g) If a company *differentiate* between different regions, it _____
 - 1. treats them differently.
 - 2. treats them the same.
 - 3. treats them indifferently.

4. Items a) – e) are short summaries of the paragraphs in the article. Put the summaries in the correct order.

- a) High demand, but consumers more sophisticated and competition very strong
- b) Trends for the future in two areas
- c) Main findings of a McKinsey report on brand loyalty in China
- d) Brand loyalty falling, but good outlook for expensive brands.
- e) Brand loyalty falling and consumers more price-conscious

BUILDING HOTELS FAST

Reading

Read the article from the *Financial Times* and answer the questions.

Hotel changes the landscape of building

The biggest hotel to be contrasted from shipping containers opens in London this week. Travelodge, the budget hotel chain, imported the containers from China – complete with bathrooms, plastering and air conditioning units – then stacked them into a 300-room hotel near Heathrow in just three weeks. The steel modules are made by Verbus Systems, a London-based company that designs, manufactures and supplies what it calls a ‘Lego kit’ for developers.

‘Our proposition is absolutely unique,’ Paul Rollett, director of Verbus, says. Verbus supplies oversized shipping containers – as much as five meters wide – that are strong enough to build high-rise buildings anywhere in the world. It has provided a developer in Liverpool with two modules that came fully finished, with pillows on the beds.

For medium-sized hotels – those with more than 200 rooms and six storeys – Verbus claims its modules are up to 20 per cent cheaper and 50 per cent faster than traditional building systems. ‘It cannot be beaten,’ says Mr Rollett. The Heathrow Travelodge took 58 weeks from start to finish – 16 weeks faster than a conventional build would have been. During one evening, an entire floor of 60 rooms was lifted into place in three hours.

Travelodge plans to expand aggressively over the next decade and expects to use containers in many of its larger hotels. The containers can be stacked 17 storeys high without the need for additional support. They can also be recycled. ‘We could unbolt this building, take it down, refurbish the rooms and move it to Sydney,’ Mr Rollett says.

It remains to be seen whether developers will break with convention and adopt steel modules over bricks, concrete and timber en masse. But Mr Rollett argues that containers are the most reliable option, as well as the cheapest, especially in extreme environments.

He cites Canada, where construction must be rapid because of permafrost; west Africa, ‘Where you can’t build timber-frame hotels because the termites eat them’; and the United Arab Emirates, where cities are springing up in the desert.

The future imagined by Mr Rollett, with buildings worldwide made from identical metal blocks, would require a profound shake-up of the established order and, in its most extreme form, would cause nightmares for traditional

builders and architects. But as Mr Rollett says, industrialization is a powerful force. ‘If Henry Ford in 1903 had started making houses and not cars, the world would be a completely different place. I just can’t understand why buildings aren’t made in factories.’

1. Look through the first four paragraphs and match the figures to the things that they refer to.

- 1. ____ 3 a) the number of rooms in a new Travelodge near Heathrow
- 2. ____ 5 b) the number of weeks saved on building the Heathrow Travelodge
- 3. ____ 16 c) the number of storeys that can be built without additional support using the system
- 4. ____ 17 d) the width in meters of some shipping containers
- 5. ____ 20 e) the percentage by which Verbus’s buildings can be built faster than others
- 6. ____ 50 f) the number of weeks it took to stack the containers to build the Heathrow Travelodge
- 7. ____ 60 g) the percentage by which Verbus’s building system is cheaper than others
- 8. ____ 300 h) the number of rooms on one hotel floor that was lifted into place in one evening

2. Find the answers to these questions in paragraph 1 and 2.

- a) Where are the containers made?
- b) What do they come with?
- c) Is there another supplier for this system?
- d) Are there limits as to where it can be used?
- e) Can they be delivered fully finished and equipped?

3. Give the infinitive form of verbs in paragraphs 4 and 5 that mean the following.

- a) start using _____
- b) make bigger _____
- c) take from one place to another _____
- d) use again _____
- e) improve something to its original state _____
- f) pile one on another _____

4. Find expressions in paragraphs 5 and 6 to complete these statements.

- a) Places where the climate is very hot and cold have _____
- b) If you start to doing something in a new way, you _____
- c) If people or organizations start doing something in large numbers, they do it _____
- d) The best way of doing something is _____
- e) If houses or towns start to be built quickly in a place where there were none before, they _____ there.
- f) If it's too early to say definitely if something will happen, you can say _____

5. Find the answer to these questions in paragraphs 6 and 7. Start your answers with *Because ...*

- a) Why must buildings go up very quickly in Canada?
- b) Why are wood-frame buildings unsuitable for Africa?
- c) Why is Verbus suitable for the United Arab Emirates?
- d) Why will it not be easy to change traditional building methods around the world?
- e) Why is Paul Rollett optimistic about his vision of for the future?

VIDEOCONFERENCING

Reading

Read the article from the *Financial Times* and answer the questions

Reluctant users slow to take up videoconferencing

The public relations executive was enthusiastic on the phone. The IT company he represented had started installing green data centers and energy-efficient computers. Would I like to fly to California to see for myself? That would be a 2,500-mile round trip from my home in mid-western Canada. According to the online calculator from Terapass, the trip would release 1,132 pounds (about 500 kilos) of CO₂ into the atmosphere. 'If you're really into green technology, couldn't we do a videoconference instead?' I asked. 'Sure.' said the PR person. 'We are totally into green issues.' He promised to arrange it. Months later, nothing had happened.

The high-tech industry is quick to praise the benefits of flexible communication, but videoconferencing is one area where things have failed to live up to the type. 'Videoconferencing has not significantly displaced travel,' says Frank Modruson, CIO for global technology consulting firm Accenture. As

the IT sector continues to push its green values, this mismatch between rhetoric and reality is becoming harder to ignore. So why are relatively few people using videoconferencing?

Andrew Davis, managing partner at online collaboration market research firm Wainhouse, says the technology is let down by usability. For many people, videoconferences are just too difficult to set up. This is why Nortel is emphasizing the services side. ‘The barrier isn’t the technology. It’s the services around that technology,’ says Dean Fernandes, the company’s General Managers of Network Services.

Nortel is one of several companies getting into a relatively new segment of the videoconferencing market called telepresence. Specially equipped rooms enable people to appear as if they are sitting across the table, with life-size video representations of remote colleagues in high-definition video. Customers pay to use Nortel’s facilities, which can also handle video filming, enabling the room to double as a production facility for corporate TV, for example. Nortel will also handle post-production tasks such as editing. Accenture, on the other hand, opted for the capital investment route. Mr Modruson said it is installing telepresence systems, creating rooms in Chicago and Frankfurt, and hopes to roll out another 11 cities in the next few months.

1. Choose the best summary of the first paragraph, a or b.

a) An IT company said it was developing environmentally friendly services. The writer asked its public relations representatives to organize a videoconference in order to talk about its latest services, but nothing happened. Perhaps this was because it was too complicated to arrange

b) Videoconferences are good in theory, but it’s better to travel to see someone, even if the environmental cost is high, as nothing can replace face-to-face communication.

2. Look at the expressions in italics. True or false? If...

- a) something does not *live up to the hype*, reality is just as good as what people say about it. _____
- b) something *displaces* something else, they both exist together. _____
- c) someone *pushes* a particular idea, they encourage people to believe in it, use it, etc. _____
- d) there is a *mismatch between rhetoric and reality*, people don’t do what they say they do. _____
- e) you are *let down by the usability* of something, you can rely on it. _____

- f) something is *difficult to set up*, it is hard to arrange. _____
- g) you *emphasize* something, you say that it is important _____
- h) there is a *barrier* to using something, it is easy to use. _____

3. Match the two parts of these expressions from paragraph 4.

- | | | |
|----------|-------------------|--------------------|
| _____ 1. | corporate | a) representations |
| _____ 2. | high-definition | b) tasks |
| _____ 3. | life-size video | c) video |
| _____ 4. | post-production | d) facility |
| _____ 5. | production | e) colleagues |
| _____ 6. | remote | f) market |
| _____ 7. | videoconferencing | g) TV |

4. Now match the expressions in Exercise 4 to their meanings.

- a) people in your company who work in another place
- b) electronic pictures of people that are as big as in real life
- c) the things that have to be done on a film before it can be shown
- d) the place where the things in c), above, are carried out
- e) very high-quality electronic pictures
- f) the organizations that might use this sort of system and similar systems
- g) television programs made and shown within an organization

Unit 15. CHANGE

THE INEVITABILITY OF CHANGE

Reading

Read the article from the *Financial Times* and answer the questions.

Changeability

Why Some Companies are Ready for Change – and Others Aren't

'Change is inevitable,' said British Prime Minister Benjamin Disraeli in 1867. 'In a progressive country, change is constant.' In his new book, Michael Jarrett puts it another way: 'Change is inevitable, like death and taxes.' And, just as we fear death and taxes, many of us fear change. We hope that if we resist for long enough, the need for it will go away and we can carry on as before. But even when companies accept the need for change and set out to achieve it, they often fail. Jarrett, an expert in organizational behavior at London Business School, believes that 70 per cent of all change-management programs fail.

Why? Jarrett argues that managers often mistake the nature of change. They see it as something logical that can be solved using step-by-step approaches. They are wrong. 'There is no simple recipe for organizational change,' he says. 'There is no one single way that will deliver change.' But there are some basic principles that most managers can adopt. First, they need to make certain that the internal organization is in a position to make changes and that people support them fully. Second, they need to make sure that they understand the environment around them.

In other words, rather than developing change-management strategies, companies should first find out whether they are capable of change at all. Do their internal systems and culture support change? If not, these too must change. 'Readiness for change' is far more important than actual planning or implementation, says Jarrett. To all the various words that have already been coined in order to describe this state of readiness, such as 'flexibility' and 'adaptability', Jarrett adds another: 'changeability'. He defines this as 'the sum of leadership, internal routines and organizational capabilities that make companies ready for change'.

A few years ago, for instance, McDonald's Europe faced declining sales and market share. Denis Hennequin, the new president, redesigned restaurants to make them more appealing and began sourcing food locally. Market share and profits rose. Dell, too, aware that its competitors were beginning to catch up with its original low-price model, embarked on a program of market research. The information it gathered was analyzed with a view to spotting emerging and

future customer needs. The most dangerous state for a business, says Jarrett, is the steady state. Companies that resist change – he cites the pharmaceuticals industry – run a greater risk of failure.

1. Look through the whole article and answer these questions.

- a) Who is Michael Jarrett?
- b) What is:
 - 1. his subject?
 - 2. his specialty?

2. Look at how the expressions in italic are used in the article. True or false?

- a) A *progressive country* is one where people are willing to adapt and change. _____
- b) If something is *constant*, it happens only sometimes. _____
- c) If something is *inevitable*, you can avoid it. _____
- d) If you *resist* something, you do it. _____
- e) If you *carry on* doing something, you continue to do it. _____
- f) If you *set out* to do something, you finish doing it. _____
- g) If you *achieve* something, you reach a particular objective. _____
- h) If you *fail* to do something, you succeed. _____

3. Find expressions in paragraph 2 that mean the following.

- a) reasonable and sensible _____
- b) an easy series of instructions, used for example in cooking _____
- c) ways of doing things one at a time _____
- d) a unique method _____
- e) the most important ideas, etc., about something _____
- f) the structure of a company, department, etc., rather than the way it relates to the outside world _____
- g) the outside world _____

4. Items a) – d) are short summaries of the paragraph in the article. Put the summaries in the correct order.

- _____ a) Examples and counter-examples
- _____ b) Mistaken ideas about change
- _____ c) Readiness for change
- _____ d) The inevitability of the need for change

MANAGING CHANGE SUCCESSFULLY

Reading

Read the article from the *Financial Times* is about a competition to find the best ways of introducing change in the management of law firms. Read the article and answer the questions.

Law firms get into shape

Until quite recently, even the largest UK-based law firms were fairly loose organizations where partners had considerable personal autonomy. When important management decisions needed to be made, the partners could rely on their shared educational and social backgrounds and their long years of working together to help them reach a common understanding of what needed to be done. This represented the ‘glue’ that held the firms together.

This glue does not work properly any more. In the past 10 years, the leading law firms have expanded rapidly and have grown to accommodate different kinds of lawyers, doing different kinds of work in different ways, with different expectations of their careers and their firms.

Law firms have responded to the challenge by developing and implementing more explicit methods of management that can accommodate this new-found complexity. Senior managers have introduced a range of new management systems and structures and have expanded the teams of business services staff to support these initiatives.

All of these schemes, while necessary steps on the road to professionalized management, have challenged the traditional bonds that have held these partnerships together. Five to 10 years ago, even the largest law firms were no more than adolescents in the area of management, with ambitious ideas about their futures and vast amounts of energy but very limited expertise in developing and executing systematic, long-term strategies.

In spite of (or perhaps because of) this, the leading law firms have been extremely successful. They have made plenty of mistakes, but have expanded at a phenomenal pace while maintaining profitability. These firms have not simply grown – they have grown up.

The successful entries in the competition this year represent a wide variety of initiatives, showing increasing sophistication. Some entries relate to current hot topics in law-firm management. For example: market entry strategy in China (Lovells); retaining and promoting women lawyers (Latham & Watkins); and new models of service delivery (iLaw).

And lastly, spare a thought for the patterns of Baker & Mc Kenzie on the 'Fit for Life' program. The firm had introduced a scheme to help its lawyers perform at their best, including a complete review of their well-being – emotionally, physically and mentally. While all law firms must be aware of the need to get into shape to survive the tough times ahead, Baker & McKenzie seem to have taken the advice literally.

1. Read paragraphs 1 and 2 and decide if these statements are true or false.

- a) Until recently, UK law firms were highly structured. _____
- b) Each partner had a lot of independence. _____
- c) Partners made management decisions by bringing in outside consultants. _____
- d) Partners found it difficult to take decisions because they came from different backgrounds and did not understand each other. _____
- e) The 'glue' that held firms together refers to the shared values of the people working there. _____
- f) Law firms have grown quite slowly in the last decade. _____
- g) People working for law firms are now looking for different things in their careers. _____

2. Match the verbs with the nouns that they go with in paragraph 3.

- | | | |
|----------------|-------------------------------------|-------|
| 1. respond to | a) complexity | _____ |
| 2. implement | b) new management systems | _____ |
| 3. accommodate | c) a challenge | _____ |
| 4. introduce | d) initiatives | _____ |
| 5. expand | e) methods of management | _____ |
| 6. support | f) teams of business services staff | _____ |

3. Now use the verbs 1 – 6 from Exercise 2 to complete these definitions.

If you ...

- a) _____ something, you bring it into use for the first time.
- b) _____ something difficult, you are able to deal with it.
- c) _____ something, you make it bigger.
- d) _____ something, you help it.

- e) _____ something, you do something as a reaction to it.
- f) _____ something, you put it into action.

4. Find adjectives in paragraphs 4 and 5 that mean the following.

- a) done in a proper, serious way (16 letters) _____
- b) done in a structured way (10 letters) _____
- c) done in the old way (11 letters) _____
- d) determined to be successful (9 letters) _____
- e) very big (4 letters) _____
- f) designed to last well into the future (4 letters, 4 letters) _____

- g) extremely fast (10 letters) _____
- h) the biggest and most successful (7 letters) _____

5. Why are law firms described as adolescents?

Unit 16. ORGANISATION

COLLECTIVE INTELLIGENCE

Reading

Read the article from the *Financial Times* and answer the questions.

Looking to Wikipedia for answers

To understand how large-scale work was organized during the past 100 years, the best models were traditional hierarchical organizations such as General Motors, IBM and Wal-Mart. But to understand how large-scale work will be organized in the future, we need to look at newer examples such as Wikipedia, eBay and Google.

In Wikipedia, for instance, thousands of people from across the globe have collectively created a large and surprisingly high-quality intellectual product – the world’s largest encyclopedia – and have done so with almost no centralized control. Anyone who wants to can change almost anything, and decisions about what changes are kept are made by a loose consensus of those who care. Wikipedia is a remarkable organizational invention that illustrates how new forms of communication, such as the Internet, are making it possible to organize work in new and innovative ways.

Of course, new ways of organizing work are not desirable everywhere. In many cases, traditional hierarchies are still needed to capture economies of scale or to control risks. But in an increasing number of cases, we can have the economic benefits of large organizations without giving up the human benefits of small ones – freedom, flexibility, motivation and creativity.

These human benefits can provide decisive competitive advantages in knowledge-based and innovation-driven work. During the coming decades, we can expect to see such ideas in operation in more and more parts of the economy. These new practices have various names, but the phrase I find most useful is ‘collective intelligence’.

What if we could have any number of people and computers connected to, for instance, care for patients in a hospital? Or designing cars. Or selling retail products. We might find that the best way to do a task that today is done by five full-time people would be to use one part-time employee and a host of freelance contractors each working for a few minutes a day.

One important type of collective intelligence is ‘crowd intelligence’, where anyone who wants to can contribute. Sometimes, as in the case of Wikipedia or video-sharing website YouTube, people contribute their work for free because they get other benefits such as enjoyment, recognition or

opportunities to socialize with others. On other cases, such as online retailer eBay, people get paid to do so.

These changes will not happen overnight, but the rate of change is accelerating, and businesspeople a hundred years from now may find the pervasive corporate hierarchies of today as quaint as we find the feudal farming system of an earlier era.

1. Look through the whole article and find:

- a) Three traditional companies.
- b) Four Internet companies.

2. Read paragraph 2 and decide if these statements are true or false.

Wikipedia...

- a) entries can only be changed by the person who wrote them. _____
- b) has no central control at all. _____
- c) is the largest encyclopedia in the world. _____
- d) is of high quality. _____
- e) copies existing ways of working _____

3. Look at paragraph 3 and find:

- a) two benefits of large organizations.
- b) four benefits of small ones.

4. Now match the expressions in Exercise 3 to their definitions.

- a) when people have new ideas _____
- b) the ability to work 'as your own boss' _____
- c) to limit the effect of unexpected events _____
- d) when people work with enthusiasm and a sense of purpose _____
- e) the ability to work when and where you want to _____
- f) when high levels of production result in lower costs per unit produced _____

5. Read paragraph 4. In which areas will the benefits of small organizations be most useful?

6. What three benefits do people get from contributing to crowd intelligence websites, apart from money? (paragraph 6)

7. Use correct forms of expressions from paragraph 7 to complete these statements.

- a) If something exists in a lot of different places, it is _____
- b) A social system with aristocrats and almost powerless farmers is _____
- c) If something doesn't happen immediately, it doesn't happen _____
- d) Something that is strange and old-fashioned is _____
- e) If a process speeds up, it _____

INSIDERS AND OUTSIDERS

Reading

Read the article from the *Financial Times* and answer the questions.

Graduate recruitment

It is part of the mythology of the modern world of work that the days when it was possible to enter a big company as a graduate fresh from college and stay there for 20 years, provided one was not incompetent, are long gone and will never return. Today, the world changes too fast, it is sometimes alleged. People are more likely to hop between jobs. How reassuring, then, to learn that many big companies are still keen to catch graduates young, shape them over a long period and turn them into executives.

At AstraZeneca, the Pharmaceuticals Company, graduates can choose between several different specialist schemes, such as in engineering, finance and product strategy. At any one time, 15 people are on a three-year course working towards qualifications as chartered management accountants. The explicit intention, says David Powell, Audit Director for Global Operations who manages the scheme within the company, is to 'bring people on to be future finance directors and finance vice-presidents'.

Could the company not recruit qualified management accountants on the open market? Mr Powell says it could and sometimes does. But he argues that the virtue of a formal graduate scheme is that trainees experience life in different business units during the training and acquire contacts which serve them well in the future.

Paul Farrer, Chief Executive of the Graduate Recruitment Company, a division of recruitment company PFJ, notes that graduate management trainee-schemes are heavily over-subscribed by applicants because they understand the nature of the future marked out for them if they are successful; every position

has about 30 applicants. During their time on a management scheme, graduates will be rotated through various business units, get access to high-profile people in the organization, gain broad skills and be handed opportunities to work their way up. ‘Organizations are hoping to get their CEOs of the future from these schemes,’ he says. That is not to say they don’t also recruit outside them, but, for people who come in from outside, there is less certainty, less of a definite future within the company.

With graduate trainees, the aim is to turn them into business unit managers in seven or eight years. Organizations differ widely in how successful they are in this aim.

At the top of the retention league are employers in the public sector, information technology and oil. At the bottom are construction and retail companies. Some employers manage to lose half their graduate intake in the first year.

1. Look through the whole article to find the names of the following:

- a) an employer of graduated _____
- b) someone who works there, and their job _____
- c) a recruitment organization _____
- d) the group of which that recruitment organization is a part _____
- e) its chief executive _____

2. Choose the alternative with the closest meaning to the expression in *italic*.

- a) It is part of the *mythology* of the modern world of work...
 - 1) ideas about ancient Greece or Rome
 - 2) ideas that may or may not be true
 - 3) ideas that are interesting

- b) ...that the days when it was possible to enter a big company as a graduate fresh from *college* and stay there for 20 years,...
 - 1) secondary school
 - 2) postgraduate institution
 - 3) university or equivalent

- c) ...provided one was not *incompetent*, are long gone and will never return.
 - 1) unable to do one’s job
 - 2) skilled at doing one’s job

3) overqualified for one's job

d) Today, the world changes too fast, it is sometimes *alleged*.

1) accused

2) claimed

3) denied

e) People are more likely to *hop between jobs*.

1) change jobs frequently

2) change jobs infrequently

3) never change jobs

f) How *reassuring*, then, to learn that many big companies...

1) sad to know

2) good to know

3) uninteresting to know

g) ...*are still keen to* catch graduates young, shape them over a long period, and turn them into executives.

1) are still unwilling to

2) are still undecided about

3) still want to

3. Read paragraph 2 and 3 and decide if these statements are true or false.

The three year course...

a) takes place in a company that produces drugs and medicines. ____

b) is part of the specialist scheme in engineering. ____

c) leads to a professional qualification that is recognized outside the company. ____

d) is managed by someone who only deals with the UK. ____

e) is designed to produce senior managers in the future, but this is not stated anywhere. ____

f) produces all the senior managers that the company needs. ____

g) gives trainees experience in working in different parts of the company. ____

h) allows trainees to meet people whom it will be useful for them to know later. ____

4. Complete these statements with expressions from paragraph 4 to 6.

- a) In-company programs for graduate development are referred to here as *graduate management trainee* _____
- b) If too many people apply to be on a program like this, it is _____
- c) The people who want to participate in these programs are referred to as _____
- d) If what you are expected to do is planned beforehand, it is _____ for you.
- e) If you are given different jobs to do, you are _____ them.
- f) If you get general abilities, useful in different parts of the organization, you _____.
- g) If someone, thanks to their own efforts, is promoted to increasingly senior jobs in an organization, they _____ their way.
- h) People not recruited for a job from within an organization _____.
- i) A list of companies and how good they are at keeping graduate recruits is referred to as the _____.
- j) People working for the state are in the _____.
- k) The number of people who join a company straight from college in a particular year is its _____.

Unit 17. ADVERTISING

INTERNET ADVERTISING

Reading

Read the article from the *Financial Times* and answer the questions.

Advertisers try the soft sell as TV drifts online

Visitors to Hulu, the online video site jointly owned by NBC Universal and News Corp, can do something that television viewers would never have imagined just a few years ago: choose their own advertising. When, for example, an advertisement sponsored by a carmaker pops up, viewers might be asked to click on a sports car, a pick-up truck or a family sedan, depending on their preference, and watch a corresponding message. (Skipping past, unfortunately, is not an option). 'It's choose-your-own-adventure advertising,' says Jean-Paul Colaco, Hulu's Senior Vice-President of Advertising, who is hoping to reduce the friction between audiences and marketers by making advertisements less intrusive for the former and more efficient for the latter.

The Ad Selector, as Hulu calls it, is just one example of a burst of innovation in online advertising. As audiences increasingly move to the web to consumer video – be it full-length television episodes or short clips – media companies and advertising agencies are rushing to develop new and more effective advertising strategies in the hope of creating a profitable business.

They are eager to harness the interactive possibilities that differentiate the Internet for the more passive experience of traditional television. In a marketer's dream scenario, consumers who see a message for a product that interests them might pause a video, click through to a website and even make a purchase. But that same interactive power can also be a curse for marketers because it makes it easy for viewers to jump to other websites if they feel bombarded by irritating and irrelevant advertisements.

'Internet video is a lean-forward experience. The audience is watching with their hand on the mouse, ready to click away as soon as they lose interest,' says Matt Cutler, Vice-President of Visible Measures, a company that tracks online behavior. He estimates that more than 30 per cent of consumers abandon an online video within the first 10 per cent of its stream.

Solving those problems is vital for media companies. While they were once content merely to collect clicks on their web pages, they are now desperate to retain viewers for longer periods. 'Advertisers are less interested in general impressions. They want engagement,' explains Patrick Keane, Chief Marketing

Officer at CBS Interactive, promising more innovative advertising formats in the future.

1. Use the correct form of verbs from paragraphs 1 to 3 to complete these statements.

If...

- a) an advertisement appears suddenly on your screen, it _____.
- b) you 'jump' past an advertisement without watching it, you _____ it.
- c) an advertiser pays for an advertisement on a website, on TV, etc., they _____ it.
- d) someone makes conflict, disagreement, etc., less strong, they _____ it.
- e) you watch video, you _____ it.
- f) you start something from nothing, you _____ it.
- g) you exploit the power of something, you _____ it.
- h) make something different from something else, you _____ the two things.
- i) you feel that you're watching too many advertisements, you feel _____ by them.

2. Look at paragraphs 1 to 3 and find:

- a) a noun that describes the relationship between advertisers and internet users. _____
- b) two adjectives that describe advertisements from the point of view of many users. _____
- c) one adjective that describes how users relate to advertisements in a way that can be good or bad for advertisers. _____
- d) a noun that relates to the bad effect of the adjective in C above. _____

SHOCK ADVERTISEMENTS

Reading

Read the article from the *Financial Times* and answer the questions.

Pfizer uses big screen to fight counterfeit drugs

Pfizer, the world's largest pharmaceuticals company, has launched a hard-hitting cinema advertising campaign to warn consumers of the medical dangers of counterfeits when illegally purchasing prescription medicines on the Internet. The advert, to be shown in 600 cinemas around the UK, is best seen before

filmgoers dig into their popcorn. It shows a middle-aged man spitting up a rat after swallowing a tablet delivered by post.

The campaign reflects growing safety concerns – and commercial losses for the drug industry – caused by a rise in unregulated Internet sales of medicines.

It also marks an extension of advertising by drug companies to raise their public profile, in spite of tight restrictions on the marketing of prescription medicines to consumers.

The film contains no reference to Pfizer's medicines, but shows the corporate logo alongside that of the Medicines and Healthcare Products Regulatory Agency, the UK organization that co-ordinates an increasing number of investigations of counterfeiters. It agreed to a pioneering partnership with the company.

Pfizer has raised its public image in its fight against counterfeits, warning of health risks and calling for action against parallel traders.

These are the intermediaries that buy medicines abroad for resale at higher prices in the UK. Pfizer argues that parallel trading risks allowing fakes into pharmacies.

But the overall level of counterfeit medicines in the developed world is estimated at only about 1 per cent, with most sold via the Internet rather than through normal supply chains. A recent Pfizer poll suggested 10 per cent of men purchased prescription-only medicines via unregulated sources, including the Internet. Pfizer is one of the hardest hit by Internet sales of medicines, since it produces a fifth of the top-selling prescription medicines in the UK by sales. The campaign, which includes a website, cost nearly \$ 731,000.

The cinematic rat was inspired by the discovery of rat poison in a counterfeit version of a Pfizer blood pressure drug. Pfizer said the rats it used in the advert were supplied by trained specialists and not killed during filming.

1. Look at the headline. Which of these words means the same as *counterfeit*?

- a) authentic b) fake c) substitute d) similar

2. Read paragraph 1. What is the purpose of Pfizer's campaign?

- a) To promote its products
b) To advertise popcorn
c) To dissuade people from buying drugs that may harm them

3. *The advert... is best seen before filmgoers dig into their popcorn. Why?*

4. Match the two parts to make expressions from paragraphs 2 to 4.

- | | | |
|----------------|-----------------|-------|
| 1. safety | a) sales | _____ |
| 2. commercial | b) restrictions | _____ |
| 3. unregulated | c) profile | _____ |
| 4. public | d) partnership | _____ |
| 5. tight | e) losses | _____ |
| 6. corporate | f) concerns | _____ |
| 7. pioneering | g) traders | _____ |
| 8. parallel | h) logo | _____ |

5. Now match the expressions in Exercise 4 to their meaning.

- | | |
|--|-------|
| I) when unauthorized products are sold | _____ |
| II) when two organizations do something for the first time | _____ |
| III) worries about the dangers of something | _____ |
| IV) a symbol used by a company | _____ |
| V) when no profit is made in selling something | _____ |
| VI) strict rules | _____ |
| VII) unauthorized sellers | _____ |
| VIII) the ideas that people have about an organizations | _____ |

6. Why does Pfizer object to unauthorized distributors selling its products in the UK?

- a) lost profit b) safety c) other reasons

7. What do these figures refer to?

- | | |
|----------------|-------|
| a) 1 per cent | _____ |
| b) 10 per cent | _____ |
| c) a fifth | _____ |
| d) 500,000 | _____ |
| e) 731,000 | _____ |

Unit 18. MONEY

FINANCIAL PROPERTIES

Reading

Read the article from the *Financial Times* and answer the questions.

Wal-Mart profits reach \$ 13 bn

Wal-Mart, the world's largest retailer, beat expectations after its US discount stores accounted for about 50 per cent of all US retail growth last year – while its full-year global sales passed \$ 400 bn for the first time and profits hit \$ 13.4 bn.

Mike Duke, Chief Executive, said the fourth quarter and full-year results showed that Wal-Mart had gained `momentum` during the year in all of its markets, in spite of the tough economic environment. `We are doing all the right things to continue our momentum and to widen the gap between the competition and us. We finished January strong, and February is off to a good start.`

The results again underlined the retailer's ability to generate cash in a recession and to use the money to invest in its business at a time when most of its rivals are cutting back. Wal-Mart has been able to make acquisitions, concluding a \$ 2.6. bn deal in January for a controlling share of D&S, the largest retailer in Chile.

It is continuing to invest in its store with a big remodeling program, called Project Impact, now underway in the US. With this program, Wal-Mart expects to significantly boost the sales per square foot of its more than 3,000 supercentres and discount stores.

Total net sales at Wal-Mart USA rose 6 per cent on the last quarter to \$ 71.5 bn, although higher than expected expenses, including healthcare costs, led to its operating income growing more slowly than sales, up 2.2 per cent to \$ 5.4 bn.

Internationally, the strong dollar weighed on earnings, with the value of sales down 8.4 per cent from the last quarter to \$ 24.7 bn and operating income down 14.3 per cent at \$ 1.5. bn. At constant currencies, international operating income would have been up 5.1 per cent and net sales up 9 per cent.

The retailer highlighted the performance of its Asda stores in the UK, which gained market share with increased customer traffic and average purchases made.

In Japan, Wal-Mart reported that comparable sales at its Seiyu stores fell 0.5 per cent from the last quarter, but were positive in November and December.

1. Match the verbs with the nouns to make expressions from paragraphs 1 to 3.

- | | | |
|-------------|-----------------|-------|
| 1. beat | a) the gap | _____ |
| 2. gain | b) momentum | _____ |
| 3. widen | c) momentum | _____ |
| 4. generate | d) expectations | _____ |
| 5. make | e) cash | _____ |
| 6. continue | f) acquisitions | _____ |

2. Now match the expressions from exercise 1 to their meanings as they are used in the article.

- | | |
|--|-------|
| I) become more successful | _____ |
| II) continue success | _____ |
| III) make money | _____ |
| IV) increase a difference in performance | _____ |
| V) buy other companies | _____ |
| VI) exceed forecasts | _____ |

3. Look at paragraphs 1 to 4 and decide if these statements are true or false.

In its latest financial year, Wal-Mart...

- | | |
|---|-------|
| a) performed worse than had been expected. | _____ |
| b) was responsible for half the growth of all us retailers. | _____ |
| c) had sales of more than \$ 400 billion for the first time. | _____ |
| d) had profits of less than \$ 10 billion. | _____ |
| e) had a better financial performance, even though the general economic conditions were not good. | _____ |
| f) performed better than its competitors by the same amount as before. | _____ |
| g) had good sales in January, but less good in February. | _____ |
| h) was able to buy a company in Chile only by increasing its borrowing. | _____ |
| i) is putting more money into its us stores. | _____ |

4. Complete the information about the last three months of Wal-Mart's financial year using information from paragraph 5 and 6.

- | |
|---|
| a) International sales: \$ _____ |
| b) Operating income from international operations: \$ _____ |
| c) Increase (+)/decline (-) in international sales in dollar terms: _____ % |

- d) US sales after costs: \$ _____
- e) Increase (+)/decline (-) in US operating income after costs: _____ %
- f) US operating income: \$ _____

SHORT SELLING

Reading

Read the article from the *Financial Times* and answer the questions.

Are short sellers necessary?

Short selling is not like making a normal investment. When you make a normal investment, you buy something, hoping it will be more desirable in the future. This type of investment – ‘going long’ – seems to be about optimism and hope. With short selling, you look for something that you think is going to decline in value. Then you borrow some shares in that thing. Next, you sell those shares to someone who is more optimistic, or less discerning, than you. If you’re right, and the shares plummet, you can buy them back for less than you sold them. If you’re wrong, and they treble in value, you are bust, because still owe the shares to their original owner.

Imagine if I go to a shop and see a big shelf of expensive handbags. Let’s say I look at these handbags for a while and come to believe they’re not worth anything like the price on the label. To me, they look like rubbish handbags. So I go to the owner of the store and ask him, for a small fee, to borrow these handbags for a week. Then I take the bags out of the store and sell them to a trader for a fraction less than the price on the label. He’s happy – he thinks he can make a profit.

Six days later I go to see him. I was right – the handbags were rubbish. He hasn’t sold a single one. So I make a deal – I’ll buy them back for half of what I sold them for. Now he’s happy to get rid of them. The next day, I go back to the store and return the bags to the owner. He’s happy, but maybe a little suspicious. That’s short selling.

So what’s actually happened? I, the short seller, have spotted that somebody is charging a lot of money for handbags that are rubbish. Next, I’ve found somebody who is prepared to sell any old rubbish as long as he thinks there’s something in it for him.

Now, who are these short sellers? What sort of people are they likely to be? Well, they are people who see things that look good on the surface but are actually rubbish. They are people, in other words, who see the difference between the appearance and the reality. They are the first to notice when

something is a con. Short sellers, in fact, reveal the problem. It was short sellers, apparently, who made people realize that Enron was a rubbish product. No, the problem is not the short sellers. It's the world of empty promises and false values that enables them to thrive. To ban them is to shoot the messenger.

1. Choose the correct alternative to complete these statements about expressions in italic.

- a) In *short selling*, you expect that the value of something will...
1) fall 2) stay the same 3) rise
- b) If you *go long*, you buy something expecting that its value will...
1) fall 2) stay the same 3) rise
- c) If someone is *optimistic*, they think the future will be...
1) worse 2) the same 3) better
- d) If someone is *discerning*, their judgment is...
1) bad 2) good 3) mistaken
- e) If the value of something *plummets*, it falls...
1) a little 2) an average amount 3) a lot
- f) If something *trebles* in value, it is worth...
1) twice as much
2) three times as much
3) four times as much
- g) If someone is *bust*, they have...
1) made a lot of money
2) sold their shares in something
3) lost a lot of money

2. Look at paragraphs 2 to 4 and find:

- a) a noun used before another noun to say that something has very little value. _____
- b) an expression meaning that goods are not nearly as valuable as the price shown. _____
- c) a noun meaning an amount who buys and sells things. _____
- d) a noun referring to someone who buys and sells things. _____
- e) an expression meaning that an amount is slightly lower than another amount. _____
- f) an expression to emphasize that someone has not sold anything at all. _____

- g) an expression used to talk about finding a way to `lose` something that you no longer want. _____
- h) an adjective describing someone who does not trust someone else. _____
- i) an expression meaning that someone will benefit from a particular situation. _____

3. Which three sentences in the article sum up the purpose of the story about the handbags in the context of the whole article?

True, false or not mentioned in the last paragraph of the article?

Short sellers...

- a) are immoral. _____
- b) are useful because they show the real value of things. _____
- c) were useful in revealing the Enron scandal. _____
- d) were useful in revealing other scandals ay the time of the Enron scandal. _____
- e) are only able to do well because people make false promises. _____
- f) should be banned. _____
- g) are like messengers. _____

Unit 19. CULTURES

THE PLACE OF ENGLISH

Reading

Read the article from the *Financial Times* and answer the questions.

The difficulties of cross-cultural communication

English has frequently been compared to Latin, which flourished for centuries as an international language, even after the collapse of the Roman Empire, becoming a shared resource for much of the globe. English is rapidly becoming an international lingua franca, as it becomes the essential skill of any manager with ambition. It is a language that in some ways is becoming separated from its origins. Consequence is that non-native speakers may be better at using English with each other than native speakers.

David Graddol, an applied linguist and consultant, observes: 'Conventional wisdom has it that native speakers must be best at communicating in English. That may not be true. In fact, native speakers may be poor at using English as an international language. What is more, the presence of native speakers may hinder communication within a group of non-native speakers.'

Mr Graddol says research shows that, whereas intelligibility is the most important thing for non-native speakers, native speakers – who have never been challenged to acquire the ability to make themselves clear to 'foreign' speakers – may struggle to overcome what may be, by international norms, their personal usage. It is likely that any managers working in Asia will agree that merely speaking a common language does not amount to mutual comprehension, let alone a guarantee of trust or friendship.

It used to be thought in the high days of the British Empire that everything worth knowing could be known in English. We are more likely to feel these days that a language carries with it certain cultural baggage, ways of thinking that cannot be expressed well in another language.

A man who runs a design company in Bangkok thinks that foreign-educated Thais often do not fit well into his work teams. 'They think that because they are fluent in the "global language", they somehow know all the secrets of the world. In acquiring an "international" culture, they have lost some of their cultural yardsticks and consequently often don't communicate as well as they think they do,' says this continental European, who has worked in Asia for more than 30 years. They are, he explains, Thais who have forgotten how to switch between their social personalities.

As a first language, English has already peaked – the number of native speakers is growing, but not nearly as fast as non-native speakers. There are many experts who say that the future of English is uncertain, as the economic centre of the world shifts east.

Nevertheless, its current global use appears as strong as ever. China alone adds 20 million to the global community of English speakers every year. Many native English speakers who have worked in Asia will not necessarily accept Mr Graddol’s warning about the ‘native-speaker problem’, while accepting his idea that cross-cultural communication is a tricky thing. A matter of more than just language.

1. Look at how expressions in *italics* are used True or false?

- a) If something *flourishes*, it is successful. _____
- b) A *shared resource* can only be used by one person. _____
- c) A *lingua franca* is only spoken by a small number of people in one country. _____
- d) A *native speaker* of a language learns it as their first language. _____
- e) The *origin* of something is where it comes from. _____
- f) *Conventional wisdom* consists of opinions that only a few people believe. _____
- g) Someone’s *presence* in a place refers to the fact that they are there. _____
- h) If something *hinders* something else, it helps it. _____

2. Now match the adjectives in Exercise 2 to their meanings.

- a) understandable (2 expressions) _____
- b) usual _____
- c) relating to an individual _____
- d) referring to someone from a particular place _____
- e) not from the speaker’s country _____
- f) not absent _____
- g) capable _____

3. What is the most important point in paragraphs 1 and 2? Choose the best summary.

- a) English is like Latin, as it is now spoken everywhere and is used as a language of international communication.

- b) Most people think that native speakers are the best speakers of English, but this may not be true when considering English as a language for international communication.
- c) Some native speakers make great allowances when they speak with non-native speakers and are careful to avoid using unusual expressions.

4. Find two-word expressions in paragraphs 4 and 4 that mean the following.

- a) countries that used to belong to the UK. _____
- b) ways of thinking that belong to a particular country, group, etc., that might not be helpful in another country, etc. _____
- c) a language spoken all over the world _____
- d) ways of judging things in a particular country, group, etc. _____
- e) someone from Europe but not the UK or Scandinavia _____
- f) the way someone behaves differently depending on the context. _____

5. What, according to someone in paragraph 5 who manages a team of them, is the problem for the members of a particular national group who speak good English?

LIVING AND WORKING ABROAD

Reading

Read the article from the *Financial Times* and answer the questions.

Moving experience

I once travelled around Japan with a British friend who was living there. Each new Japanese problem – why was it impossible to find any address in Tokyo? – made me want to go home. But my friend would look up from the Japanese grammar book that he carried everywhere, try to understand the Japanese reasoning and then interpret it in the most generous way possible. He treated the whole country as a friend he had yet to make. I now see that he was the perfect expatriate. Many years later, he is still happy in Tokyo.

About 200 million people, or 3 per cent of the world’s population, already live outside their home countries, and relocation continues to rise. Each country presents its own oddities. In Germany, childcare is hard to come by. In the Netherlands, it’s hard to arrange for cooked dinners to be delivered. In the US,

without an American credit history, you might not get a credit card, and without a credit card, you will not exist. To survive, you should emigrate with more official documents than you could possibly need and hire a relocation agent, especially if your country is paying. These people can do everything from putting your new apartment in their names to sitting with you at your rented kitchen table as you burst into tears.

'You will do things wrong; it's normal,' says Soledad Aguirre of Statim Relocation in Madrid. 'In our intercultural training programs, there's a classic curve at two or three months, when the excitement has died down and people find themselves in this role,' adds Cathie Estevez of Swift Relocation Service in Munich. 'The difficulties of life in a new country have become a reality and they feel they've made a bad mistake. But after seven or eight months, people tend to start feeling at home again. Knowing that this will come and that it happens to a lot of people should help you get through it.'

'The language is fundamental,' says Martine Ruiz, Manager of MRI Relocation in Lyons, France. Otherwise even calling a plumber will be a torment. How to learn it? Make a lot of time. Take a course before you leave. Invest in audio or video tapes. Find a small, local language school, many of which are quite good. Hire a personal tutor. Carry a bilingual dictionary everywhere. Some French teachers in Paris also recommend the *ecole horizontale*, or 'horizontal school'; in other words, living with a local. This is also an instant route to meeting native friends, your partner's irritating work colleagues and potential mothers-in-law.

1. Look through the whole article for people who are mentioned. True or false?

- a) The name of the British person living in Japan is not given. ___
- b) Soledad Aguirre works for an organization in Spain that helps people to move to other countries. ___
- c) She thinks that people should be careful not to make mistakes in other countries from their first day onwards. ___
- d) Cathie Estevez works in Germany for another organization offering intercultural training programs. ___
- e) Martine Ruiz works for the same organization. ___
- f) Her advice is specifically about learning the local language. ___

2. What is the main message of paragraph 1? Choose the best one.

- a) Finding addresses in Tokyo is difficult, so you should always carry a street map with you.

- b) Japanese is difficult, so you should always carry a grammar book with you.
- c) Adapting to a new culture is difficult, but you should always be as open as possible.

3. Find nouns in paragraphs 1 and 2 that mean the following.

- a) someone who lives and works abroad _____
- b) moving to live and work somewhere different _____
- c) things that are strange _____
- d) the services of people, organizations, etc. that look after children _____
- e) someone's record of repaying loans _____
- f) someone whose job is to help people to move abroad _____

4. Answer these questions using the words given and information from paragraph 3 of the article.

When you move abroad,...

- a) will it be possible to do everything right? –
No, you will _____
- b) how might you feel after two or three months? –
In a _____. This is all part of the _____ that people follow.
- c) will you definitely feel, after a few months, that you've done the right thing? – No, you might _____.
- d) how will you feel after a few more months, if your experience is typical?
– At _____.
- e) how will knowing what other people feel about the experience help you?
– It should _____.

5. In which order is this advice given in paragraph 4?

- a) Buy a self-study language course. _____
- b) Find a language school. _____
- c) Find a one-to-one-teacher. _____
- d) If you don't learn the language, even calling someone to make repairs to your house or flat will be very difficult. _____
- e) You will meet other people as well! _____
- f) Moving in with someone might be the best way of learning the language. _____
- g) Take a dictionary everywhere you go. _____

h) Learning the language is extremely important. _____

6. Give some advice to someone coming to live and work in your country.

Unit 20. HUMAN RESOURCES

THERAPEUTIC CONSULTANCY

Reading

Read the article from the *Financial Times* and answer the questions.

Helping workers manage bad news

‘Anxiety’ and ‘paralysis’ were two words that came to mind when Professor Binna Kandola, a business psychologist, visited an engineering services organization that was making redundancies. ‘Everybody was frozen, the employees and the managers,’ he remarks.

Such a response is common, he says. When managers announce redundancies, ‘people tend to imagine that they’ll lose their job, their home, then their marriages will fall apart. Uncertainty is stressful. A lot of mental energy goes into worry – energy that is diverted from our job.’

So how can managers support the workforce through an economic downturn? Therapeutic consultancies in the UK, such as the Grubb Institute of Behavioral Studies and the Tavistock Consultancy Service, offer some interesting answers and are reporting increased demand for their services.

‘Managing a fearful workforce is one of the greatest problems for companies in the current economic climate,’ says Dr Bruce Irvine, Executive Director of the Grubb Institute. He says that, if organizations do not manage anxiety in tough trading conditions, employees will not work effectively and performance will suffer at a time when every penny of revenue counts.

‘In times of recession, people can behave defensively in order to avoid reality,’ says Judith Bell, Director of the TCS. ‘We try to get teams to address some of the difficulties that lie under the surface and prevent people from getting on with the task in hand.’

Described as the ‘coaches in white coats’ by one investment bank, TCS draws on therapeutic models to examine employees’ behavior at work. It has worked with organizations ranging from government bodies to Mars, the food group, and Morgan Stanley, the investment bank.

Ms Bell says that, in highly stressful conditions, people often believe that ‘aggressive or bullying behavior is justified’. In fact, she suggests, leaders may need to take more care to understand why people are not performing well and work harder to motivate them.

Dr Irvine agrees. He has witnessed organizations take fright at the economic downturn and simply repeat behavior that has been shown not to work

rather than examine ways to improve. ‘Team leaders may just go back to a tried-and-tested approach.’

Sebastian Parsons, Chief Executive of Elysia, the UK distributor of Dr Hauschka beauty products, will be using the Grubb Institute to help him motivate his staff and survive the downturn. The challenge is to come up with new ways of marketing to customers with less money to spend. Aggressive methods may be counterproductive and cause suspicion of management – many of his employees have left companies that ‘treated them like a machine’.

1. Look through the whole article to find the names of:

- a) a business psychologists. _____
- b) two therapeutic organizations. _____
- c) the executive director of one of these organizations. _____
- d) another director in this organization. _____
- e) a company and the name of a bank. _____
- f) a company head, and the name of his company. _____

2. Read paragraphs 1 to 4 and decide if these statements are true or false.

When redundancies are announced, employees...

- a) think it won't happen to them. _____
- b) have extreme psychological reactions. _____
- c) are unable to do their jobs properly and the organization's financial results suffer. _____
- d) bring in therapeutic consultants to help resolve the difficulties. _____

3. Choose the correct alternative. *Coaches in white coats* implies that each consultant is a combination of:

- a) a bus driver and a surgeon.
- b) a butcher and a dentist.
- c) a trainer and a psychologist.

4. Read paragraphs 8 and 9 and answer these questions.

- a) What is the danger for team leaders in an economic downturn?
- b) Why will Elysia be using the Grubb Institute?

5. What is the key message of the article? Choose the best summary.

Therapeutic consultancy is used...

- a) for people who are being made redundant.
- b) to assist organizations get through an economic downturn by helping employees deal with the psychological challenges.
- c) to help managers to make employees redundant without psychological problems for the managers or the employees.

HUMAN CAPITAL PLANNING

Reading

Read the article from the *Financial Times* and answer the questions.

The right people for the right jobs

For years, there has been much talk about the ‘war for talent’. The idea was that talented people were a scarce resource for which companies had to compete. Not hiring talented people is only half the battle. They must be found jobs where they can be truly effective. If they are given the wrong jobs, with the wrong things to do, they will be square pegs in round holes, no matter how much potential talent they have. The authors argue that hiring and promoting people on the basis of past experience and past performance is not enough.

Instead, companies would be better advised to plan more rigorously, identify where and when particular talents and skills will be needed and then find, train and develop the right people for the right posts.

This is neither quick nor easy. The authors cite a senior executive at one IBM division as saying it takes at least two years to prepare an employee to fill a responsible position in a complex working environment.

The book starts from the premise that human resources requirements must follow on from strategy. The first step is to identify the business’s goals and the strategy for reaching them. The next is to prepare a ‘human capital plan’ that indicates what kinds of people with what kinds of talents will be able to carry out the strategy.

The book’s main impact is to raise the idea that human capital needs to be planned and treated systematically. Out-of-date HR policies mean too many businesses end up following the ‘Peter Principle’, promoting employees to the level of their incompetence – or they end up full of clones where every employee is recruited and trained according to a set pattern.

Differentiating among employees and investing in the key ones means that talent should operate in the right place at the right time. This can have a powerful impact on a business. According to the authors, Sears, the US retailer, measures its human capital carefully and believes its levels of human capital are responsible for both customer satisfaction and overall financial performance. It

even believes its method has some predictive value of financial performance in the future.

At Microsoft, the case is put still more strongly. The authors quote Nathan Myhrvold, the company's former Chief Scientist, as saying that 'the top software developers are more productive than average software developers not by a factor of 10 times or 100 times or even 1,000 times, but by 10,000 times'. As the authors comment: 'Few jobs show the enormous variation in performance cited by Microsoft, but differences in performance of 20-to 50-to-one are common, especially in knowledge-intensive roles.'

1. Find expressions in paragraph 1 to complete these statements.

- a) Someone or something useful that is hard to find is a _____.
- b) Conflict among companies to recruit the best people is referred to as _____.
- c) When a particular effort is only part of what is required to reach a particular goal, it is only _____.
- d) People in the wrong jobs are _____.
- e) What people have done in previous jobs and the way they have done it is their _____.

2. Put these steps into the correct order according to paragraphs 2 to 4 of the article.

Companies should...

- a) train and develop the people who have been found. _____
- b) plan human resource requirements carefully. _____
- c) identify the business's goals and the strategy for reaching them. _____
- d) find the right people for the right posts. _____

3. Choose the correct alternatives to replace expressions in *italic* so as to keep the closest meaning in the context.

1. The book's main *impact*...

- a) collision
- b) hit
- c) message

2. ... is *to raise* the idea

- a) lift
- b) examine
- c) hoist

3. ... that human capital needs to be planned and treated *systematically*.

- a) methodically
- b) superficially
- c) subjectively

4. *Out-of-date* HR policies...

- a) fashionable
- b) contemporary
- c) no longer relevant

5. ... mean too many businesses end up following the ‘Peter Principle’, promoting employees to the level of their *incompetence*...

- a) corruption
- b) inability to perform
- c) irrelevance

6. ... or they end up full of *clones* where every employee is recruited and trained according to a set pattern.

- a) people who are quite like each other
- b) people who differ from each other
- c) people who are exactly the same as each other

4. Find adjectives in paragraphs 6 and 7 that mean the following.

- a) very big (8 letters) _____
- b) forecasting the future (10 letters) _____
- c) relating to money (9 letters) _____
- d) strong (8 letters) _____
- e) frequent (6 letters) _____
- f) doing a lot of work (10 letters) _____
- g) relating to jobs where information is important (9 letters) _____
- h) producing a particular result (11 letters) _____

5. Decide if these statements are true or false according to the article.

- a) Companies should train and develop all their employees in the same way. _____
- b) Sears studies its human resource function closely. _____
- c) The review gives figures about the benefit of human resource planning at Sears. _____
- d) The figures for Microsoft show that the best programmers are slightly better than average. _____
- e) Other companies find differences in performance that are similar to those at Microsoft. _____

Unit 21. INTERNATIONAL MARKETS

GETTING INTO NEW MARKETS

Reading

Read the article from the *Financial Times* and answer the questions.

Panasonic enters European white goods market

To enter a mature and notoriously competitive market during a recession might seem foolish, especially when that market leads its washing machines from the front, not the top. Yet Panasonic's launch of large white goods such as washing machines and refrigerators on the European market reflects the Japanese electronics group's willingness to take risks. The products had to be completely redesigned to meet European tastes.

The arrival of such a deep-pocketed competitor will shake up a market dominated by European brands such as Electrolux and Bosch and is set to be the first of many new areas that Panasonic invades. That Panasonic is able to make such moves reflects the transformation that the company, which sells almost every electrical and electronic product imaginable in Japan, has undergone over the past 10 years.

'In the past, we had a strict division system, but we were not good at co-ordinating divisions,' said Hitoshi Otsuki, the Director of Panasonic's overseas operations. Overseas sales companies were fed products, not always suitable, from a number of divisions in Japan. After 2000, Panasonic radically changed its structure to cut overlap and focus on profitability – it now closes any business that has not made money for the past three years – and the company is on the offensive abroad again.

The sale of white goods in Europe is on the direct instructions of Fumio Ohtsubo, Panasonic's President. In the revamped company, the project has gone from conception to launch in only 18 months. The move to sell white goods in Europe is backed by Panasonic's belief that it has an edge in green technologies, such as low power consumption, that will appeal to Europeans, 'We don't just introduce ordinary products. In this case, we have environmental technologies,' said Mr Otsuki.

In the context of Panasonic's expected turnover of \$ 80 bn this financial year – and its forecast net loss of 380 bn yen – European appliances sales are unlikely to make much difference. The company's goal is to double current sales of \$ 331 m over the next five years.

However, Panasonic sees Europe as a stepping stone for white-goods sales in Russia and the Middle East, on top of its markets in Asia. Mr Otsuki said the

company was also considering the launch of other products abroad, such as hearing aids in China and other Asian markets, while there was interest from buyers, including in the UK, for its new fuel cell-based systems that generate heat and power at home.

1. Look through the whole article to find two businessmen. Who are they, and what are their jobs?

2. Use appropriate forms of expressions from paragraph 1 of the article to complete the answers to these questions.

- a) Is it easy to make money in the European white-goods market? – No, it's very _____.
- b) Is it wise to try to enter this market? – No, it may be _____.
- c) Is this market growing fast? – No, it's _____.
- d) Does Panasonic avoid taking risks? – No, it has a _____.
- e) Do most Europeans prefer top-loading washing machines? – No, they _____.
- f) Is Panasonic going to sell the same products as in Japan? – No, the products _____.

3. Choose the alternative with the closest meaning to the expression in *italic*.

- a) The arrival of such a *deep-pocketed* competitor...
 - 1) well-dressed
 - 2) long-established
 - 3) well-funded
- b) ...will *shake up* a market...
 - 1) stabilize
 - 2) transform
 - 3) grow
- c) ... *dominated by* European brands such as Electrolux and Bosch...
 - 1) where European brands sell the most
 - 2) where European brands are less successful
 - 3) where only European brands are sold
- d) ... and is set to be the first of many new areas that Panasonic *invades*.
 - 1) withdraws from
 - 2) starts to sell to in large quantities
 - 3) does research in
- e) That Panasonic is able to make such moves *reflects* the transformation that the company, ...
 - 1) shows
 - 2) denies
 - 3) contradicts
- f) ...which sell almost every electrical and electronic product imaginable in Japan, has *undergone* over the past 10 years.

- 1) imposed 2) overcome 3) been through

4. Read paragraph 3 and answer these questions.

- a) Why was Panasonic less competitive globally?
b) What did it do to compete more effectively?

5. Read paragraphs 4 and 5 and decide if these statements are true or false.

- a) Panasonic's Overseas Sales Director decided to sell white goods to Europe. _____
b) The project took one and a half years to put into action. _____
c) Panasonic's managers think that it is better at producing environmentally friendly products than some other companies. _____
d) Panasonic's President is quoted talking about these technologies. _____
e) One example given of an environmental technology is in relation to the amount of electricity that their products use. _____
f) Panasonic thinks it might be difficult to attract Europeans to these products because tastes are different there. _____
g) The company is expected make a loss this year but it will be less than a tenth of sales revenue. _____
h) In five years, the company hopes to have sales of about 520 million Euros in Europe. _____

6. Find expressions in paragraphs 5 and 6 with these meanings.

- a) an intermediate stage (2 words) _____
b) devices to help people to hear better (2 words) _____
c) devices to produce energy (4 words) _____
d) electricity (1 word) _____
e) in addition to (3 words) _____
f) objective (1 word) _____
g) selling products for the first time (1 word) _____
h) to produce (1 word) _____

BUSINESS-TO-BUSINESS E-COMMERCE

Reading

Read the article from the *Financial Times* and answer the questions.

Alibaba

Every time a salesperson at online trading site Alibaba signs up an important new account, the entire sales department cheers in triumph. But today they have been asked to keep the noise down, as Jack Ma, founder and chairman of the world's largest online trading platform for businesses, is being interviewed in the open-plan office. If Mr Ma feels most comfortable next to his sales force, it is because their work comes closest to what the 44-year-old has been doing over the past 15 years: preaching the importance of the Internet and convincing companies to pay for offering their products on Alibaba's business-to-business e-commerce website.

Today, Alibaba has 36 million registered users worldwide and generated revenues of 2.2 bn renminbi (\$ 322 m) in the first nine months of last year – 43 per cent up from the previous year. The group employs 12,000 people and intends to hire another 4,500 this year. It also controls Yahoo China and Taobao, China's leading consumer e-commerce platform, which Mr Ma founded in 2003.

The key to Alibaba's business model is the assumption that small and medium-sized enterprises are those that can benefit most from the Internet because it gives them access to a wider pool of customers; it also reduces their dependency on market-dominant clients.

'Companies like Wal-Mart, these big-size buyers, killed a lot of SME buyers,' says Mr Ma. 'But now most of the SME buyers and sellers started to do business throughout the world because of the Internet. So I think the world has moved. I strongly believe small is beautiful.'

Although China's economy is so far faring better than others, domestic trade has slowed, affecting a large clunk of Alibaba's business – 28.7 million of its registered users are in its home market. To soften the blow, Alibaba has provided loans in excess of Rmb 1 bn to SMEs that would otherwise have struggled to get money.

But a bigger change for Mr Ma's company is the group's shifting geographic focus. 'Before this financial crisis, we were helping China's products abroad. Now we are thinking about helping SMEs in the other parts of the world. Help them sell across the nations. Help them to sell to China,' he says. 'In the next 10 years, we are moving from a pure China exporting centre to a global platform for SMEs to exchange products.' In the past six months, Alibaba has made a big push in this direction with a program called Export to China, which offers non-Chinese sellers virtual Chinese-language storefronts.

1. Look through the whole article and match the figures to the things that they refer to.

- 1. 12,000 a) Jack Ma's age
- 2. 15 b) the number of employees at Alibaba
- 3. 28.7 million c) the number of years Alibaba has existed
- 4. 44 d) the number of people to be recruited by Alibaba this year
- 5. 4,500 e) the number of Alibaba's registered users in China
- 6. 36 million f) Alibaba's revenues for the first three quarters of last year
- 7. \$ 322 million g) the number of Alibaba's registered users worldwide

2. Find expressions in paragraph 1 of the article that mean the following.

- a) workplace without walls _____
- b) telling people about the benefits of something _____
- c) shout with joy _____
- d) relaxed _____
- e) persuading _____
- f) between companies rather than consumers _____
- g) group of salespeople _____
- h) get a new customer _____
- i) be quieter than usual _____

Unit 22. ETHICS

ETHICAL CVS

Reading

Read the article from the *Financial Times* and answer the questions.

Beware the risky business of resume fraud

Recent research by the Chartered Institute of Educational Assessors found that 30 per cent of job applicants embellished the truth or lied on a curriculum vitae. The level of lying is increasing as unemployment increases and competition for jobs rises. It was the same during the downturn of the early 1990s. A journalist's colleague admitted to me then that his degree from a top university was entirely fake. Another friend explained a year of total inactivity by telling possible employers that he had been writing a guide to the wild flowers of the Pyrenees.

Charles Thomas of Kroll, a company whose services include background checks on job applicants, says that inaccuracies on CVs divide into three main groups. First, there are honest mistakes, typically made when candidates mix up dates. Second, there is deliberate lying about qualification. Mr Thomas says: 'A lie told 20 years ago to get a job can become part of the liar's reality. So he tells it again when he switches jobs, even though he has become a successful finance director.' Third, applicants close up suspicious gaps in their employment history. In one case investigated by Kroll, a candidate turned out to have spent a three-month gap in prison for fraud.

How can the honest candidate compete? A newspaper job advertisement can attract up to 700 applicants, reports Owen Morgan of Penna, a human resources consultancy. A junior HR officer will typically reduce these to a long list, spending no more than 15 seconds examining each CV. Or they may simply do a key-word search on CVs submitted electronically. Kerwin Hack, a counselor at HR consultancy Fairplace, therefore suggests using phrases from the job ad in the CV.

When I last encountered Mr Hack, he was discouraging a redundant investment banker from using the words 'I really need the money' in an application for a new job. There are other elements applicants may safely leave out. Date of birth is one. If you are over 40, you will increase your chance of an interview by leaving this out. You will not get the job, but at least there will be free coffee and biscuits.

What troubles me most about lying on resumes is that those who have done it are often very good at their jobs. The academic qualifications of Patrick

Imbardelli, Asia boss of InterContinental Hotels, were exposed as false only during routine checks when he was promoted to the board. Colleagues described Neil Taylor, whose fake degree got him a 115,000 pounds salary as the Chief Executive of a large UK hospital group, as ‘highly competent’.

1. Look through the whole article and find these expressions related to lying.

- a) Someone who tells lies is a l_ _ _.
- b) If someone ‘improves’ their exam results, previous job performance, etc., they e_ _ _ _ _ t_ _ t_ _ _ _.
- c) Something that is not true or genuine is fa_ _ _ or fa_ _ _.
- d) A period on a CV that is not explained may look like a s_ _ _ _ _ g_ _ _.

2. Look through the whole article again and find six examples of lying in CVs and the people responsible for them.

3. Look at paragraph 1. Why is the amount of lying on CVs increasing?

4. Read paragraph 2 and answer these questions.

- a) What are the three types of false information on CVs?
- b) Which of these involve actual lies?
- c) What can be done to see if lying has occurred (two possible expressions of two words each)?

5. Read paragraph 3 and decide if these statements are true or false.

- a) A newspaper job advertisement might get over 700 applications. _____
- b) All the applications are looked at in detail. _____
- c) The CVs in the applications may only be looked at by doing word searches on a computer. _____
- d) It isn’t good to use expressions from a job advertisement in the application. _____

6. Read paragraph 4. What two things should applicants leave out from their CV?

7. Is it acceptable in our country to leave out one’s date of birth and marital status (single, married, divorced, etc.) from your CV? Why? Why not?

WHISTLEBLOWER

Reading

Read the article from the *Financial Times* and answer the questions.

What whistleblowers should know

The House of Commons Treasury Committee has been examining the management of UK banks leading up to the banking crisis. In evidence to the committee, Paul Moore spoke publicly for the first time of his warnings three years ago to HBOS, the UK bank that it was expanding too fast.

Mr Moore's evidence to the committee quickly led to the resignation of Sir James Crosby as Deputy Chairman of the Financial Services Authority, the regulator of the UK banking industry. It was Sir James, at that time HBOS Chief Executive, who had forced Mr Moore out of his job at the bank.

Few whistleblowers enjoy such sweet revenge. The Government Accountability Project, a US organization that supports whistleblowers, has a message for anyone else thinking of exposing an employer's wrongdoing: think hard before you do because you are going to suffer. It warns that whistleblowers 'pay an enormous professional and personal price for their actions – often a price they did not expect. Long after the public has forgotten your brave actions, your former bosses will remember what you did to them.'

Mr Moore was in a far stronger position to blow the whistle than most. He was not just any HBOS employee. He was Head of Group Regulatory Risk. That means that it was his job to point out the risks the bank was running. HBOS made him redundant after a restructuring. He sued for unfair dismissal under whistleblower protection laws and reached a 'substantial' settlement. He had agreed to a gagging order that prevented him talking publicly about what had happened, but gagging orders against whistleblowers have no force under the UK's Public Interest Disclosure law.

Whistleblowers are essential in pointing out cases of corruption or incompetence, but they need to know how to go about it. Whistleblowers can be extremely bitter about their experiences. The Government Accountability Project recognizes the dangers. It advises whistleblowers on how to deal with the media: 'Do not talk about all the injustices you have been through. Be an advocate for the story, not for yourself.'

Mr Moore followed that advice, which is why his intervention at the Treasury committee was so devastating. But he made plenty of enemies along the way. A previously unpublished review of his departure by accountants KPMG accused him of 'stating matters in an overly dramatic way'. Mr Moore's response: 'Well, they would say that, wouldn't they?'

The first lesson of whistle-blowing is that people will try to discredit you so, hard as it is, keep your cool. The second is: after every discussion, e-mail a note repeating your concerns. The lesson for corporate management is even clearer. When you start receiving polite e-mails telling you the company is doing something wrong, pay attention. You may see the same words in a parliamentary report.

1. Look through the whole article and match the people and organizations to their descriptions.

1. Paul Moore
 2. Sir James Crosby
 3. House of Commons Treasury Committee
 4. HBOS
 5. the FSA
 6. the Government Accountability Project
 7. KPMG
- a) a body in the UK parliament that looks at problems in the economy and finance industry
 - b) an accountancy firm who wrote a report about Mr Moore's actions at HBOS
 - c) the Chief Executive of HBOS and then Deputy Chairman of the FSA before he had to resign
 - d) the bank where Mr Moore worked
 - e) Head of Group Regulatory Risk at HBOS until he was made redundant
 - f) the organization in the UK that oversees banks to make sure that they are managed properly
 - g) a US charity that supports whistleblowers

1. _____, 2 _____, 3 _____, 4 _____, 5 _____, 6 _____, 7 _____

2. Answer the questions using information from paragraphs 1 to 4 and the words shown.

- a) What did Paul Moore warn HBOS management about three years ago? – That it was _____.
- b) What happened to him? – He was forced _____ he was made _____.
- c) Where did he give evidence about his experience? – To the _____.

- d) How did he get his revenge? – His former boss at HBOS _____ from his job at the FSA.
- e) What happens to most whistleblowers? – They _____ for their actions and pay an _____.
- f) What happens in the long run? – People forget _____, but the whistleblower's bosses _____.

3. Decide if these statements are true or false.

If...

- a) A company undergoes *restructuring*, it reorganizes. _____
- b) An employer *sues for unfair dismissal*; they lose their jobs without getting extra money. _____
- c) Someone in a legal dispute *reaches a substantial settlement*, they get a little money. _____
- d) There is *a gagging order* after an agreement between two sides; the people involved cannot talk about it. _____

4. Look at paragraphs 5 to 7 and find:

- a) a noun used to talk about someone not doing their job properly.

- b) an adjective describing the negative feelings of many whistleblowers.

- c) a plural noun referring to the bad treatment that they often receive.

- d) a noun meaning someone who expresses a particular opinion. _____
- e) a formal noun referring to a time when someone speaks at a meeting, etc.

- f) an adjective to say that something is very effective. _____
- g) an adverb to say that something is done too much, too intensively, etc.

- h) a verb used to say that someone should not be believed. _____

TEST 1

Answer all thirty questions. There is one mark per question.

VOCABULARY: BRAND MANAGEMENT

1 Complete the sentences about brands and products with the missing word. The first letter is given.

1 A problem with product e_____ is that the celebrities used might get into trouble, which could then cause negative publicity.

2 Brand l_____ is declining among shoppers, who are increasingly turning to the cheaper supermarket own-label products.

3 By expanding their product r_____, many companies hope to attract new customers.

4 Ferrari's brand i_____ is that of an upmarket, well-engineered, well-designed and sophisticated car.

5 In many countries, the 'bic' brand n_____ has become a synonym for ballpoint pens.

6 Last year, our company started a huge advertising campaign to support its biggest European product l_____ ever.

7 In marketing, the length of time that people continue to buy a particular product is called the product l_____.

8 Several consumer associations are running campaigns to require disclosure of product p_____ in all media, including TV, movies and video games.

9 We want more consumers to become familiar with our products. So the aim of our next advertising campaign should be to raise brand a_____.

10 When Bic, the manufacturer of ballpoint pens, moved into windsurf boards, disposable lighters and razors, it was a typical example of brand s_____.

2 Match each adjective to its definition. Write your answers here:

11___ 12___ 13___ 14___ 15___

11 top of the range

12 sophisticated

13 reliable

14 durable

- 15 value for money
- a able to stay in good condition for a long time
 - b always working well
 - c complicated and advanced in design
 - d worth its price
 - e the most expensive in a category or market

LANGUAGE REVIEW: PRESENT SIMPLE AND PRESENT CONTINUOUS

3 Complete these sentences with the appropriate present simple or present continuous forms of these verbs. Use each verb twice.

buy / do / keep / make / test

- 16 All our staff _____ all they can to ensure the success of the forthcoming advertising campaign.
- 17 Demand is at a peak this month, but the production department _____ every possible effort to meet the targets.
- 18 Despite the pressure this week, we _____ within schedule.
- 19 Foreign investors _____ a lot of properties in our country this year.
- 20 It is well-known that a number of cosmetics companies routinely _____ their products on animals.
- 21 Most of my colleagues usually _____ designer brands, but for me price is more important.
- 22 Our sales representatives always _____ a detailed record of their expenses.
- 23 Our suppliers always _____ their best to deliver on time.
- 24 Santorel _____ a new malaria medicine at the moment. Production is scheduled to start next year.
- 25 Unilever _____ a wide variety of consumer goods.

SKILLS: TAKING PART IN MEETINGS

4 Complete this meeting excerpt with the correct words.

Dieter The proposal is that we change our logo and then rethink our brand image. So, what are your views on this?

Milica (26)_____ my opinion, this is the only way to solve our current problems.

Sven Why don't we focus on our brand image first? That's the key issue!

Hans I'm (27)_____ I can't agree. What we need is a wider product range.

Nikola How (28)_____ doing both? We can stretch our brand and improve our image at the same time.

Thomas I see what you (29)_____, but we've got to start somewhere, and a new image is more important at this stage.

Peter I think (30)_____ too. When we decide on our image, ideas for a new logo will follow.

TOTAL _____

TEST 2

Answer all thirty questions. There is one mark per question.

VOCABULARY: BRITISH AND AMERICAN ENGLISH

1 Complete the text with the correct British English option a), b) or c).

My last overseas business trip was highly enjoyable. I set off fairly early in the morning, so there was hardly any traffic on the (1)_____, and I got to the airport very quickly. I drove straight to the multi-storey (2)_____. Level four was practically empty so I parked very easily. I then took the (3)_____ down and made my way to departures. As usual, I had (4)_____ my ticket online. This allows me to use one of the express check-in desks, where there is hardly ever a (5)_____. As I just had one piece of (6)_____, it took only a couple of minutes to check in, and then just a little longer to go through security. I was relieved to see that there were no delays or cancellations. I boarded my plane and set about doing some work. What's great about Santol Airlines is that even if you fly (7)_____ as I usually do, there is plenty of work space for the business traveller. I finished my report and then just relaxed until landing. I made my way to the (8)_____ station, checked the (9)_____ and the platform number, and took the first train to the (10)_____. I got off at Opera, which was within easy walking distance of my hotel.

- | | | | |
|----|------------------|-----------------|---------------------|
| 1 | a) runway | b) motorway | c) freeway |
| 2 | a) car park | b) parking lot | c) parkway |
| 3 | a) elevator | b) lift | c) carousel |
| 4 | a) reserved | b) checked | c) booked |
| 5 | a) queue | b) line | c) row |
| 6 | a) travel bag | b) hand luggage | c) carry-on baggage |
| 7 | a) coach | b) savings | c) economy |
| 8 | a) underway | b) subway | c) underground |
| 9 | a) timetable | b) diary | c) schedule |
| 10 | a) downtown area | b) city centre | c) district |

LANGUAGE REVIEW: TALKING ABOUT THE FUTURE

2 Underline the correct verb form in *italics*.

- 11 A: I can't believe it! Our flight's just been cancelled.
B: Oh no! What *will we do / are we going to do*?
- 12 A: Our travel expenses claim system isn't working properly.
B: I know. We've got it all planned. *We're going to introduce / We'll introduce* a new procedure.
- 13 A: I hear you're off to Hengzhou next Monday.
B: That's right. But I'll come and see you before *I leave / I'll leave*.
- 14 A: I've been trying to e-mail them my invoice but I can't get connected to the Internet.
B: Not to worry. If you give me their details *I'm going to fax / I'll fax* it over for you.
- 15 A: Are you free on Tuesday?
B: Well, *I'll see / I'm seeing* our new Sales Manager in the morning, but the afternoon is OK.
- 16 A: Have you checked the timetable?
B: Yes. The next train leaves at 10 a.m., but it *doesn't stop / won't stop* at Linz.
- 17 A: What are your plans for next week?
B: *We are visiting / We'll visit* our Chinese subsidiaries.

3 Complete the sentences using the correct future form of the verb in brackets. Use contracted forms where possible.

- 18 I'm afraid Ms Aydin can't see you on Thursday. She _____ our annual sales conference. (*attend*)
- 19 If I could just take down your phone number, I _____ Mr Di Pietro to call you back as soon as possible. (*ask*)
- 20 I've just received our schedule. Our train _____ from Central Station at 8.15 a.m. tomorrow. (*leave*)
- 21 I'll contact you as soon as I _____ my itinerary. (*receive*)
- 22 If you accept that job in Vietnam, you _____ it. (*never regret*)
- 23 A: Have you booked our tickets?

- B: Sorry, I forgot. I _____ the travel department now. (*phone*)
- 24 Look at this fog! Flights _____ just like last time. (*be delayed*)
- 25 We won't start the meeting until everyone _____ here. (*get*)

SKILLS: TELEPHONING: MAKING ARRANGEMENTS

4 Complete the conversation. Write one word in each blank.

- A Travel Section. Good afternoon. How can I help you?
- B I'd like to speak to Zehra Kadic, (26)_____. That's extension 211.
- A Thank you. Who's calling, please?
- B Jan Degraaf, from Smets Electronics.
- A Just one moment please, Mr Degraaf. I'm putting you through.
- C Hello, Zehra Kadic speaking.
- B Hello, Zehra. Jan here. The (27)_____ I'm calling is that I'd like to fix another time for our Friday meeting. I'm afraid something's (28)_____ up, and I'm tied up all day. Sorry about that.
- C No problem. How (29)_____ Thursday morning instead?
- B I can't (30)_____ it then, I'm afraid. But I'm free in the afternoon after 15.00.
- C OK. Shall we say 15.30?
- B That's fine for me.
- C Good. So I'll see you on Thursday at 15.30.
- B That's great. See you then!

TOTAL _____

TEST 3

Answer all thirty questions. There is one mark per question.

VOCABULARY: DESCRIBING CHANGE

1 Add a prefix from A to a word from B to make verbs connected with change, and complete definitions 1–10.

A	B
down-	train size regulate
de-	organise locate launch
up-	grade develop
re-	centralise assess

1 _____: to move responsibility, services or jobs away from a central place to several different smaller places.

2 _____: to think about something again carefully in order to decide whether to change your opinion or judgement about it.

3 _____: to make a computer, machine, or piece of software better and able to do more things.

4 _____: to reduce the number of employees and levels of management that a company has.

5 _____: to make an area more modern by putting in new buildings or changing or repairing the old ones.

6 _____: to start or present a product again in a new or different way, often involving changes in advertising, packaging, etc.

7 _____: to learn new skills or to teach someone the skills needed to do a different job.

8 _____: to reduce the number of government controls on a particular business activity, done to make companies work more effectively and to increase competition.

9 _____: to move to a different place.

10 _____: to arrange or organise something in a new way.

2 Complete the message from Prunel's CEO with the past simple or present perfect forms of the verbs in brackets.

I (11)_____ (receive) our company's end-of-year results yesterday, and I am delighted to announce that it (12)_____ (be) an excellent year for Prunel. As you all remember, we only (13)_____ (start) ten years ago in a suburb of Grenoble where we (14)_____ (employ) six people, two of them part-time. Today, that number (15)_____ (grow) to over 1,500. In more than 30 countries, people now associate the Prunel brand name with trendy and trendsetting clothing designs. At the beginning of the new century, we (16)_____ (begin) targeting the Japanese and North American markets for future growth, and things (17)_____ (improve) considerably since. You will be pleased to hear that we (18)_____ (just / acquire) full control of our Canada-based joint venture. A lot of other positive changes (19)_____ (take place) recently despite signs of a global downturn. Earlier this year, our staff (20)_____ (expect) redundancies; instead, we (21)_____ (take on) 15 new shop assistants since May. Besides, we (22)_____ (open) our new flagship store in Toronto three weeks ago. I know that our success is down to all your hard work. Congratulations to you all.

SKILLS: MANAGING MEETINGS

3 Complete the expressions. Write one word in each blank.

- 23 Starting: 'OK. Let's get _____ to business.'
- 24 Setting objectives: 'The _____ of this meeting is to map out a new marketing strategy.'
- 25 Asking for reactions: 'How do you _____ about this suggestion?'
- 26 Dealing with interruptions: 'Could you let him finish, _____?'
- 27 Keeping to the point: 'Perhaps we could get _____ to the point.'
- 28 Speeding up: 'I think we should move _____ now.'
- 29 Slowing down: 'Hold _____, I think we should look at this in a bit more detail.'
- 30 Summarising: 'Right, let's go _____ what we've agreed.'

TOTAL _____

TEST 4

Answer all thirty questions. There is one mark per question.

VOCABULARY: COMPANY STRUCTURE

1 Each comment below was made in a different place in an organisation. Choose the correct place from the box and write it next to the appropriate comment.

subsidiary / factory / headquarters / distribution centre / call centre / warehouse /
service centre / outlets

- 1 'Just one moment, please. I'll put you through to your branch.'

- 2 'As you can see, the smaller components are put together here.'

- 3 'Practically all key decisions are made here.' _____
- 4 'This is where we ship repaired equipment back to customers.'

- 5 'Stock levels are just right.' _____

2 Supply the adjective in each sentence. The first and the last letters are given.

- 6 Our marketing department is constantly changing, growing, developing. Everyone says it's the most d_____c department in the company.
- 7 We firmly believe that a d_____d management style improves motivation. That's why we like to involve a large number of employees from all parts of our organisation in the decision-making process.
- 8 We've never met the CEO, we know the names of two of the six managers and we hardly know the people from the other departments. The whole organisation is extremely i_____l.
- 9 Our bosses are not particularly open to new ideas and don't like change. They are deeply c_____e.
- 10 We think positively about the future, we support change and welcome new ideas. In other words, we are a typically p_____e organisation.

LANGUAGE REVIEW: NOUN COMBINATIONS

3 In each line, cross out the noun a), b), c) or d), which does not form a common word partnership with the underlined head noun.

- 11 company a) car b) market c) policy d) director
 12 consumer a) survey b) advertising c) awareness d) despatch
 13 trade a) deficit b) show c) property d) barriers
 14 business a) work b) idea c) card d) traveller
 15 product a) costs b) force c) range d) placement

4 Change the following phrases in the same way as in the example.

Example: a hotel with five stars: a five-star hotel

- 16 a sales conference which lasts three days: _____
 17 a takeover bid worth five million dollars: _____
 18 a company which is 75 years old: _____
 19 an office block that has 40 storeys: _____
 20 a train journey that lasts five hours: _____

5 Add a word from the box to each noun below to make five common noun combinations.

agency / base / room / satisfaction / work

- 21 board _____
 22 customer _____
 23 data _____
 24 team _____
 25 travel _____

SKILLS: SOCIALISING: INTRODUCTIONS AND NETWORKING

6 Complete the dialogues below with expressions a–e.

- 26 A: Has your company been in business long?
 B: _____
 27 A: How's everything going?
 B: _____
 28 A: Hi Renata, good to see you again.
 B: _____
 29 A: Hi, my name's Ken Akiba.

B: _____

30 A: What sort of projects do you work on?

B: _____

a) Hello Emir. How are you?

b) Well, we're essentially an outsourcing business.

c) Pleased to meet you. I'm Petra Tauber.

d) Not too bad, thanks.

e) Yes, we are well established.

TOTAL _____

TEST 5

Answer all thirty questions. There is one mark per question.

VOCABULARY: ADVERTISING MEDIA AND METHODS

1 Complete sentences 1–10 with answers a), b) or c).

- 1 A lot of local businesses _____ adverts in our newspaper.
a) endorse b) target c) place
- 2 Creating clever and memorable _____ such as ‘Mr Muscle loves the jobs you don’t’ is the job of advertising agencies.
a) slogans b) flyers c) samples
- 3 The company’s new global advertising campaign, which will _____ in Japan, Europe and the US, will cost \$3m.
a) promote b) run c) sponsor
- 4 Many people are beginning to criticise the widespread practice of _____ marketing, in which companies recruit bloggers to talk about products in exchange for samples or promotions.
a) banner b) viral c) outdoor
- 5 Through blogs and services such as Facebook and Twitter, companies are able to _____ more directly with consumers.
a) endorse b) exhibit c) communicate
- 6 If you would like more information, please help yourself to one of our _____.
a) leaflets b) pop-ups c) billboards
- 7 An effective advert is one that _____ the consumer to buy the product or service it advertises.
a) influence b) promotes c) persuades
- 8 The bulk of mobile advertising is still focused on _____ ads and text messages, but some companies are experimenting with offering free video clips supported by ads screened before and after.
a) target b) banner c) point-of-sale
- 9 The good news about celebrity _____ is that companies can always sack the celebrity if he or she falls into disgrace.

- a) endorsement b) hoardings c) advertorials

10 Some internet service providers now use technology to track the web-surfing habits of their internet users to enable them to _____ advertising more tightly.

- a) target b) place c) pop-up

LANGUAGE REVIEW: ARTICLES

2 The text below is about ‘kuchikomi’, or word-of-mouth advertising in Japan. Write in the articles *a*, *an* or *the* where appropriate. Write *0* where no article is needed.

Advertisers everywhere know that personal recommendation carries great weight. Normally, word-of-mouth (11)_____ promotion is free, but impossible to arrange. In (12)_____ Japan, it can be arranged – at a price. There are agencies with hundreds of teenagers on their books who receive new products and tell their friends about them; others are paid to queue up for (13)_____ launch of (14)_____ new product or opening of a new store, creating (15)_____ artificial ‘buzz’ about it. Halfway between Shibuya and Harajuku is (16)_____ office of Hiroaki Morita, who set up Teens’ Network Shop on leaving (17)_____ school. The agency is (18)_____ longest-established specialist in (19)_____ teenage market, and often uses informal marketing methods. It has (20)_____ register of thousands of senior high school pupils in (21)_____ Tokyo area alone. As Mr Morita describes it, (22)_____ logic is simple: selected teenagers are given (23)_____ information or samples of a new product. Feeling superior for knowing something ahead of (24)_____ crowd, they tell on average 50 of their friends and classmates about their ‘discovery’, so that with (25)_____ core group of 1,000, word can spread to 50,000 or more.

SKILLS: STARTING PRESENTATIONS

3 Write the extra incorrect word in each phrase.

26 On the behalf of *Sigma Marketing*, I’d like to welcome you all. My name’s Naseem Akhtar. _____

27 This morning, I’d like to tell you about the ideas we’ve come up with for the advertising and campaign. _____

28 I’ve divided my presentation into the three parts. _____

29 I’ll start over with the background to the campaign, move on to the media we plan to use, and finish with the storyboard for the commercial. _____

30 If there's anything you're not clear about it, feel free to stop me and ask any questions. _____

TOTAL _____

TEST 6

Answer all thirty questions. There is one mark per question.

VOCABULARY: FINANCIAL TERMS

1 Complete this report with the terms from the box.

bankruptcy / debt / dividend / earnings per share / forecast /
investment / pre-tax profits / profit margin / recession / shares

Overall, it has not been a particularly good year for Bornan Engineering. (1)_____ are up by only €1.5 million, and the (2)_____ for the next quarter is rather gloomy. However, despite the effects of the global (3)_____, the (4)_____ have increased to €0.56, from €0.49 last year. The meeting of shareholders has approved the payment of a total (5)_____ of €0.12 per share.

We do not plan to issue new (6)_____ in the immediate future as we have decided to halt our expansion in Central Asia. However, we shall continue to increase our (7)_____ in plant and equipment in all our markets.

Our performance in Slovenia has improved significantly owing to two factors. Firstly, our biggest competitor went into (8)_____. Secondly, as a result of using a new distributor, our costs fell, giving us a (9)_____ of 30 percent on our main product line. We will use any extra cash to reduce the level of our (10)_____.

LANGUAGE REVIEW: DESCRIBING TRENDS

2 Study the sales figures in the box. Then write one word in each space to complete the report below. The first letter is given.

SALES (in \$)

JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG
12m	8.5m	10.8m	11m		10.9m	11.5m	
	16.7m	18.4m					

In January, sales (11) s_____ at \$12m and then (12) f_____ to \$8.5m the next month, when they hit their lowest (13) p_____ in the first half year.

Sales (14) r_____ to \$10.8m in March and then (15) f_____ between \$11m and \$11.5m in the period April – June.

This was followed by a (16) d_____ increase in July, when sales jumped (17) f_____ \$11.5m to \$16.7m. The recovery continued in August, when sales (18) r_____ a (19) p_____ of \$18.4m.

Like in preceding years, we expect sales to (20) l_____ off in the next two months, after which they will probably decline gradually over the autumn and winter months.

SKILLS: DEALING WITH FIGURES

3 Write the underlined numbers in these sentences in words or as numbers. For example:

They acquired Santol in 1999. nineteen ninety-nine

Food prices increased by three percent. 3%

21 A third of the population lives near the poverty line. _____

22 About 3/4 of the shareholders agreed. _____

23 Inflation is up by only 0.28%. _____

24 They cost ¥380 each. _____

25 Five hundred and fifteen people visited the trade show yesterday.

26 Profit increased by 18.5%. _____

27 They lost one million three hundred and seventy-five thousand euros.

28 Their debts amount to \$3.5bn. _____

29 They've postponed the project till 2015. _____

30 It costs exactly \$4.99. _____

TOTAL _____

TEST 7

Answer all thirty questions. There is one mark per question.

VOCABULARY: IDIOMS

1 Complete the idioms in the sentences below with the correct words from the box.

brain / break / duck / end / eye / fire / fish / get / melt / put / see / swim / think

- 1 I'm afraid I don't _____ eye to eye with my colleagues on the proposed reforms. We seem to have completely different ideas.
- 2 A good way to _____ the ice when you meet someone for the first time is to talk about your hobbies.
- 3 Our seminar on cross-cultural communication was a real _____-opener for me. I'd never realised that cultural differences were so important.
- 4 If I miss the deadline again, I'm sure I'll _____ into hot water with my line manager.
- 5 I'd never given a talk in my life, and they asked me to do a product presentation the next day. I really felt I was thrown in at the deep _____.
- 6 We were a bit worried that Vladimir and the new team leader wouldn't like each other, but in fact they are getting on like a house on _____.
- 7 I told my boss a joke about vegetarians, then he told me he'd never eaten meat in his life. I'd really _____ my foot in it!
- 8 I do all my writing on my PC. On the rare occasions when I have to use a pen and paper, I really feel like a _____ out of water.

LANGUAGE REVIEW: ADVICE, OBLIGATION AND NECESSITY

2 Underline the correct modal in *italics*.

- 9 The roads in our country are terribly dangerous, so you *must* / *shouldn't* be extremely _____ careful, particularly in the mountains.
- 10 We *must* / *mustn't* ask them to dinner while they're over here. I'm sure they'll be delighted.
- 11 You *have to* / *shouldn't* renew your residence permit after three months, otherwise you might run in trouble with the police.

12 Unfortunately, our railway stations are not safe, so you *don't have to / should* be aware at all times of what is going on around you.

13 Tourists *don't have to / mustn't* go anywhere near military bases, especially when carrying a camera.

14 You *should / mustn't* always learn something about the country before visiting it.

3 Complete these sentences with *have to / don't have to / mustn't*.

15 In some countries, you _____ keep eye contact for very long. People think it's extremely rude.

16 You _____ register with your embassy, but it's safer if you do.

17 I was looking forward to meeting our Malaysian agent tomorrow, but unfortunately I _____ attend an emergency meeting at headquarters.

18 In my country, you _____ tip waiters, but many people will leave a tip if they're satisfied with the service.

19 You _____ smoke anywhere on the premises. Smokers are only allowed on the terrace outside.

20 As a business traveller, of course you _____ speak the language perfectly, but it will help you tremendously if you know the basics.

SKILLS: SOCIAL ENGLISH

4 Complete these conversation excerpts with the expressions from the box.

Congratulations / Could you / Excuse me / I'm afraid / I'm sorry to hear that / I don't mind / It's very nice to see you / It was really nice talking to you / No thanks / Sorry

21 A: So Amir, where would you like to have lunch?

B: _____. You decide!

22 A: Help yourself to some more stew.

B: _____. I don't like horsemeat very much, I'm afraid.

23 A: Have some cognac.

B: _____. I don't drink anything alcoholic, but thank you anyway.

24 A: _____ a moment, I'll be right back.

25 A: We've just had a baby girl. Her name's Laura.

B: _____!

26 A: _____ I'm so late. I got stuck in a traffic-jam.

27 A: I and 50 others are going to be made redundant.

B: _____.

28 A: Hello. _____ here. Welcome to our headquarters. Have you been here before?

29 B: _____, but I'm afraid I really must get going.

30 A: _____ say your name again, please, I'm afraid I didn't quite catch it.

TOTAL _____

TEST 8

Answer all thirty questions. There is one mark per question.

VOCABULARY: EMPLOYING THE RIGHT PEOPLE

1 Complete the text with the missing words. The beginning of each word is given.

The recruitment process usually begins when the employer advertises a (1) v_____ or a new post – sometimes both inside and outside the company. Once they have received all the (2) a_____, they study and discuss them in order to select those which meet their requirements. Next, they will assemble an interview (3) p_____ and call the few candidates they have (4) sh_____ to an interview. The employer will also need to check (5) r_____ either before or after the interviewing stage. Finally, the employer will make a job (6) o_____ to the successful candidate, who then starts work, sometimes after a (7) p_____ period of three or six months. In many companies, the new recruit will attend induction sessions or be given a mentor who is responsible for (8) t_____ new staff. After that, the recruit can be offered a (9) p_____ post.

2 Choose the correct words from the box to complete the definitions.

adaptable / ambitious / authoritative / enthusiastic / methodical / reliable

10 An _____ person behaves or speaks in a confident way that makes people _____ respect and obey them.

11 If you are _____, you do things carefully, using an ordered system.

12 An _____ person is able to change in order to be successful in new and _____ different situations.

13 If you are _____, you feel or show a lot of interest and excitement about things.

14 A _____ person can be trusted or depended on.

15 If you are _____, you are determined to be very successful in your career.

LANGUAGE REVIEW: -ING FORMS AND INFINITIVES

3 Using the correct form of the verb in brackets, complete the second sentence so that it has a similar meaning to the first. Write either two or three words as appropriate in each space.

For example:

We haven't got enough money to give everyone a bonus. (*afford*)

We can't afford to give everyone a bonus.

16 Using the cheapest form of transport doesn't bother me. (*mind*)

I don't _____ the cheapest form of transport.

17 If I don't improve my performance, there's a danger I'll lose my job. (*risk*)

If I don't improve my performance, I _____ my job.

18 I'm not sure, but I think there is a problem with the redundancy arrangements. (*seem*)

There _____ a problem with the redundancy arrangements.

19 In my job I have to travel abroad two or three times a year. (*involve*)

My job _____ abroad two or three times a year.

20 We'll review our complaints procedures. (*promise*)

We _____ our complaints procedures.

21 Our plan is to invest in new staff training programmes. (*intend*)

We _____ in new staff training programmes.

22 Attach the references they requested – don't forget, will you? (*remember*)

Please _____ the references they requested.

23 I didn't anticipate having to take a psychometric test. (*expect*)

I didn't _____ to take a psychometric test.

24 We will definitely introduce a strict anti-bullying policy. (*undertake*)

We _____ a strict anti-bullying policy.

25 'What if we increased the kitchen staff's pay?', said Leila. (*suggest*)

Leila _____ the kitchen staff's pay.

SKILLS: GETTING INFORMATION ON THE TELEPHONE

4 Complete this telephone conversation with the expressions from the box.

Are you saying / I'm calling about / I think that's all / don't worry / I was wondering

A: Good afternoon, my name's Rosario Martinelli. (26) _____ your advertisement for the post of website designer. It appeared in last week's *Brookfield Echo*. (27) _____ if you could give me a little more information.

B: Certainly, what do you need to know?

A: Well, first of all, am I still in time to apply? I was away for almost a week and I only saw the advert this morning. So, I was thinking, maybe I've missed the deadline...

B: No, (28) _____, you're not too late. In fact, the closing date for application is this Friday, but you can complete the application form online.

A: (29) _____ that I can e-mail it to you?

B: That's correct. So that gives you one more day.

A: That's great. I'll complete it right away and e-mail it to you later today.

B: Good, I look forward to getting it.

A: Erm, there's just one more thing I'd like to check. When is the successful candidate expected to start?

B: The starting date is September but could be negotiated if it was a problem.

A: That sounds good. Well, (30) _____ I needed to know. Thank you very much for your help.

B: You are very welcome. And good luck!

A: Thank you.

TOTAL _____

TEST 9

Answer all thirty questions. There is one mark per question.

VOCABULARY: FREE TRADE

1 Complete the sentences with appropriate expressions from the box. You will not need all the expressions given.

barriers / open borders / free port / developing industries / dumping / tariffs / strategic industry / restrictions / quotas / laissez-faire / liberalise / customs / deregulation / subsidise / regulations

- 1 The computer industry is almost entirely unregulated, governed only by the Darwinian laws of _____ economics.
- 2 Transport companies have to comply with strict _____ when carrying toxic waste and dangerous chemicals.
- 3 France sees banking as a _____. The government will prevent any attempt by a foreign bank to take over a French bank.
- 4 In an open market, there are by definition very few _____ on the movement of goods.
- 5 Since the _____ of the US airline industry a few decades ago, a lot of airlines have been started, and a lot have gone bankrupt.
- 6 Prior to 2007, Hong Kong had one of the strictest import duties on alcohol in the world, despite the city's reputation as a _____ for most other products.
- 7 China's commerce minister tried to convince Brussels to reverse contentious anti-_____ tariffs against Chinese imports.
- 8 The president rejected all protectionist measures and promised to push ahead with his commitment to _____ the economy.
- 9 In the EU, _____ to trade in goods were dismantled much more quickly than those to services.
- 10 Some companies _____ high-quality childcare facilities.

Language Review: Conditions

2 In each sentence, cross out the two incorrect options in *italics*.

- 11 What would happen if I *don't* / *didn't* / *wouldn't* reach my sales targets?
- 12 *Will* / *Would* / *Did* you change your position if we meet again next month?

13 If we *will make / made / make* you an exclusive agent, we expect you to cover all advertising costs.

14 We won't be able to use the new software *unless / if / provided* you train our staff.

15 We will offer more favorable terms *if not / as long as / unless* you order a larger amount.

3 Complete the sentences with the correct form of the verbs in brackets.

16 If you _____ (*not / offer*) such good terms, we wouldn't do business with you.

17 We cannot agree to the contract unless you _____ (*offer*) us exclusivity.

18 If you _____ (*shorten*) the delivery time, we could negotiate a better price.

19 In future, we _____ (*not / be able*) to reduce the price unless you give us a firm order in advance.

20 If we place a very large order, _____ (*you / be able*) to despatch immediately?

21 Our price would include insurance only if your order _____ (*be*) really large.

22 As long as you guarantee prices for the next two years, we _____ (*sign*) the contract.

23 Provided that you can offer a 10% discount, we _____ (*double*) the size of our order.

24 We _____ (*buy*) from them if their payment terms weren't better than their competitors'.

25 If we _____ (*know*) a better supplier, we'd stop doing business with Dumont.

SKILLS: NEGOTIATING

4 Correct the sentences below by crossing out the unnecessary word in each sentence.

26 If you place order this week, we'll give you a bigger discount.

27 What do you have in the mind?

28 Have I got this is right?

29 That would it be difficult for us.

30 I think we've covered out everything.

TOTAL _____

TEST 10

Answer all thirty questions. There is one mark per question.

VOCABULARY: RIGHT OR WRONG?

1 Choose the five correct words from the box to complete the sentences.

appeal / bribery / crime / discrimination / experiment / fixing / testing /
trading

- 1 A Californian computer medical simulation company has developed a system to predict the effects of cosmetics on the human skin, cutting the need for animal _____.
- 2 Competition officials from around the world are investigating the global price-_____ conspiracy in the air freight industry in what has become one of the world's biggest cartel probes.
- 3 European defence companies have developed a code of ethics to improve the industry's reputation, after allegations of _____ and corruption in connection with some of its biggest players.
- 4 The Financial Services Authority said that a lot of price-sensitive announcements by companies listed in London are preceded by share-price movements suggesting possible insider _____.
- 5 Karen Carlucci, described as an 'exceptional' employee, won her claim for sex _____ after telling an employment tribunal her boss sent a sexist e-mail and had a girlie calendar in his office.

2 Complete these sentences about unethical activities with the missing word. The first letter is given.

- 6 The deaths of residents living near the factory indicated that asbestos could develop into a problem of environmental p_____.
- 7 A former senior tax executive at a City investment bank has been jailed for four years for tax f_____ involving almost £1.9m of company money.
- 8 China is the biggest source of c_____ goods in the world, and intellectual property protection is often an issue at trade negotiations and diplomatic exchanges with other countries.
- 9 As a member of the Financial Action Task Force, Singapore operates a rigorous regime against money l_____ and financing of terrorism.

10 Businesses are increasingly concerned about the loss of commercially sensitive information, either accidentally or through industrial espionage.

LANGUAGE REVIEW: NARRATIVE TENSES

3 Complete the text with the correct forms in *italics*.

I am a fashion designer and I work for Coralie, the Vancouver-based global clothing retailer.

By the time I (11)_____ (*started / have started*) working for Coralie in 1995, I (12)_____ (*had already been / was already*) in fashion design for almost ten years. Then, just like today, our main competitor (13)_____ (*was / is*) StreetWear. We all (14)_____ (*know / knew*) then that StreetWear (15)_____ (*was receiving / had received*) bad publicity on several occasions for having their clothes made in sweatshops in various Asian countries. But we (15)_____ (*didn't know / knew*) that the company (16)_____ (*has been / was*) also involved in other unethical activities. Last spring, when I (17)_____ (*saw / was seeing*) their new coats and dresses in the shops, I (18)_____ (*had known / knew*) immediately that they (19)_____ (*were copying / had copied*) them from ours, which were due to be launched the week after. This (20)_____ (*seemed / had seemed*) to be a clear case of industrial espionage. We had to hold a meeting as soon as possible to decide on what action to take.

4 Complete the sentences with the best form of the verb in brackets. In each sentence one verb will be in the past simple and the other in the past perfect.

21 The manager _____ (think) that it was the new assistant who _____ (copy) the confidential documents.

22 The company _____ (go) bankrupt by the time the authorities _____ (find out) it had been employing children.

23 We _____ (be) surprised to hear that our top sales person _____ (offer) expensive gifts to some important customers.

24 Once we _____ (question) the new receptionist, we _____ (realise) we had wrongly suspected him.

25 Before the accountant _____ (leave) her office, she made sure she _____ (lock up) the cabinet where sensitive documents were kept.

SKILLS: CONSIDERING OPTIONS

5 Match the two halves of these phrases. Write your answers here:

26___ 27___ 28___ 29___ 30___

- 26 Let's see
- 27 Let's look at it
- 28 The next thing to do
- 29 There are several ways
- 30 You could be right,

- a) we could deal with this.
- b) from another angle.
- c) but it's a risky strategy.
- d) if we can sort this out.
- e) is fix up a meeting.

TOTAL _____

TEST 11

Answer all thirty questions. There is one mark per question.

VOCABULARY: CHARACTER ADJECTIVES

1 The pairs of adjectives below express contrasting ideas. Supply the missing letters in the words that are incomplete.

- 1 idealistic _ _ _ _ _ i s t _ _
- 2 formal _ _ _ _ _ a l
- 3 critical _ n c _ _ _ _ _ i n g
- 4 diffident _ s s _ _ _ _ _
- 5 distant _ p p _ _ _ _ _

2 Choose the correct words from the box to complete the definitions below.

ruthless / conservative / decisive / dynamic / laid-back / principled /
cautious

- 6 Someone who is _____ is careful to avoid danger or risks.
- 7 Someone who is _____ is relaxed and doesn't seem to be worried about anything.
- 8 A _____ person is so determined to get what they want that they do not care if they have to hurt other people in order to do it.
- 9 If you are _____, you are full of energy and new ideas, and determined to succeed.
- 10 If you are _____, you are good at making decisions quickly and with confidence.

3 Complete the sentences with the missing word.

- 11 The sales manager has handed _____ her resignation.
- 12 The participants put _____ a number of interesting suggestions during the meeting.
- 13 The general manager has _____ in for a lot of criticism recently.
- 14 Unfortunately, the new receptionist doesn't seem to be up _____ the job.

15 We need to deal _____ the problem of absenteeism as soon as possible.

LANGUAGE REVIEW: RELATIVE CLAUSES

4 Combine each pair of sentences using a defining or non-defining relative pronoun as appropriate. The first and the last word are given.

Example: Boldness and vision are qualities. All leaders should have them.

Boldness *and vision are qualities (that / which) all leaders should* have.

16 Santori is now the chairman. He turns 55 this month.

Santori _____ chairman.

17 You mentioned a report yesterday. Please e-mail it.

Please _____ yesterday.

18 Nikola applied for a job. He didn't get it.

Nikola _____ for.

19 Kuriakin is one of the richest people in the world. He drives an old Volkswagen.

Kuriakin _____ Volkswagen.

20 We attended the seminar. Hiro recommended it to us.
We _____ us.

5 Complete the sentences with an appropriate relative pronoun where necessary.

21 Businesses _____ are flexible can respond to change.

22 A counterfeiter is someone _____ copies goods or documents in order to deceive people.

23 The people _____ we employ are dynamic and creative.

24 Have you contacted the Brazilian agent _____ you met at the trade show?

25 The Shangri-La, _____ is 200 metres tall, is one of Dubai's most luxurious hotels.

SKILLS: PRESENTING

6 There is one word missing in each of the sentences below. Re-write them, adding the missing word at the appropriate place.

26 Good morning everyone, for coming to my presentation.

27 Could I your attention to this chart?

28 If you have any questions, don't to ask.

29 To sum, then, it has been an excellent year for Kartex.

30 Well, that's all I have to say. Thank you listening.

TOTAL

TEST 12

Answer all thirty questions. There is one mark per question.

VOCABULARY: COMPETITION IDIOMS

1 Choose the correct word from the box to complete the sentences.

drive / footballer / game / goalposts / player / race / rider / ropes / show

- 1 The government is the sole buyer, so it can impose aggressive timelines and also move the _____. Very often, you just don't know what to expect.
- 2 There were no other bidders in the running for state-controlled Omnia Bank, so it was clearly a one-horse _____.
- 3 Starlite International has bought more companies than most of its rivals. It has always been ahead of the _____ in making acquisitions.
- 4 Because of some bankers' drive to chase profit and disregard risk, a number of financial institutions are now on the _____.
- 5 The USA is a major _____ on the world scene economically, and it's got to play by the rules that everybody else plays by.

2 Complete these sentences with the correct word.

- 6 In business, a lot can happen in one month, even in one week. That's why we have to keep our _____ on the ball all the time.
- 7 The Korean financial authorities have promised to create a level playing _____ for foreign and domestic investors.
- 8 Microsoft and Google are neck and _____ in the latest advertising race.
- 9 The newly elected government said it would be firmly in the driving _____ of the country's huge reconstruction process.
- 10 Ten years ago people would have been interested in his lectures on the benefits of e-commerce, but now he's just flogging a dead _____

Language Review: Passives

3 Complete each sentence with a verb in the passive form.

- 11 We circulated the agenda for the planning meeting last week.

The agenda for the planning meeting _____ last week.

12 The Sales Manager reported that she had reduced prices.

The Sales Manager reported that prices _____.

13 She also announced that she would carry out a new customer survey.

She also announced that a new customer survey _____.

14 The aim of the survey is to assess in what ways fierce competition has affected sales.

The aim of the survey is to assess in what ways sales _____ by fierce competition.

15 The Head of Human Resources reported that he had distributed performance evaluation forms a month ago.

The Head of Human Resources reported that performance evaluation forms _____ a month ago.

16 He will send a reminder to employees who haven't returned their completed form yet.

Employees who haven't returned their completed form yet _____ a reminder.

17 In addition, he said he had received only one application for the post of assistant accounts manager.

He also said only one application for the post of assistant accounts manager _____.

18 'We will hold our next meeting in May,' the chairperson decided.

It was decided that our next meeting _____ in May.

4 Complete the text with a suitable passive form of the verbs in brackets.

In 1998, a US pharmaceutical company (19)_____ (*force*) to suspend production of Heparin, a medicine it was developing, because the primary ingredient, which (20)_____ (*manufacture*) in China, was contaminated.

More recently, the same company accidentally supplied samples of a bird flu virus to a series of European laboratories.

The company said the samples (21)_____ (*provide*) for its own research into a pandemic vaccine it is developing. "The material (22)_____ (*handle*) appropriately in all steps of the process in the right

conditions,” said a spokesman. “The experimental material (23)_____ (*produce*) exclusively for laboratory testing. It (24)_____ (*not use*) for product production and was not for use in humans.”

The spokesman added that the company had since taken “corrective preventative actions” and that its procedures (25)_____ (*approve*) by the authorities.

SKILLS: NEGOTIATING

5 Match each phrase (26–30) to its more diplomatic equivalent (a–e). Write your answers here:

26_____ 27_____ 28_____ 29_____ 30_____

- 26 A 10% discount is out of the question.
- 27 Can you pay for advertising and promotion?
- 28 We can't deliver in two weeks.
- 29 We won't lower our price.
- 30 Your terms are quite unfavourable.
- a) I wonder if you could cover advertising and promotion costs.
- b) I'm afraid we're not in a position to offer a 10% discount.
- c) Unfortunately, we can't lower our price.
- d) We might not be able to deliver in two weeks.
- e) We were hoping for more favourable terms.

TOTAL _____