ФЕДЕРАЛЬНОЕ АГЕНТСТВО ПО ОБРАЗОВАНИЮ
Государственное образовательное учреждение высшего профессионального образования
УЛЬЯНОВСКИЙ ГОСУДАРСТВЕННЫЙ ТЕХНИЧЕСКИЙ УНИВЕРСИТЕТ

Business Vocabulary Builder
Деловой английский: лексика
УЧЕБНОЕ ПОСОБИЕ

для студентов 1-2 курсов всех специальностей очной формы обучения
экономико-математического факультета

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Ульяновск 2008
Пособие составлено в соответствии с программой курса английского языка для высшей школы. Цель пособия - обучение студентов 1-2 курсов профессионально-ориентированному английскому языку. Данное пособие построено на материале современных текстов и диалогов английских и американских авторов. Пособие состоит из 14 уроков, каждый из которых посвящен экономическому аспекту. Каждый урок включает текст, предтекстовые и послетекстовые упражнения, вопросы по теме для обсуждения, диалоги, а также упражнения и задания, направленные на развитие навыков устной речи с использованием специальной лексики.

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**Introduction**

Business Vocabulary Builder features new authentic texts, reflecting the latest trends in the business world. If you are in business, the course will greatly improve your ability to communicate in English in a wide range of business situations. If you are a student of business, the course will develop the communication skills you need to succeed in business and will enlarge your knowledge of the business world. Everybody studying this course will become more fluent and confident in using the language of business and should increase their career prospects.

**What is in the units?**

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Unit 1 Brands

"Truly great brands are more than just labels for products."
Tony O’Reilly, Irish entrepreneur

Starting up

1 List some of your favourite brands. Then answer these questions.
1 Are they international or national brands?
2 What image and qualities does each one have? Use the following words and phrases to help you.
- value for money
- luxurious
- timeless
- well-made
- top of the range
- durable
- inexpensive
- cool
- reliable
- stylish
- fashionable
- hand-made

3 Why do people buy brands?
4 Why do you think some people dislike brands?
5 How loyal are you to the brands you have chosen? For example, when you buy jeans, do you always buy Levi’s?

2 A recent survey named the brands below as the world’s top ten. Which do you think is number one? Rank the others in order.
Marlboro Nokia Mercedes General Electric Intel
IBM Microsoft Coca-Cola McDonald’s Disney

Check your answer on page 89. Are you surprised?

Vocabulary Brand management

1 Match these word partnerships to their meanings.

| B  | 1 loyalty                                      | a) the name given to a product by the company that makes it |
| R  | 2 image                                       | b) using an existing name on another type of product |
| A  | 3 stretching                                   | c) the ideas and beliefs people have about the brand |
| N  | 4 awareness                                    | d) the tendency to always buy a particular brand |
| D  | 5 name                                         | e) how familiar people are with a brand |

| P  | 1 launch                                      | f) the set of products made by a company |
| R  | 2 lifecycle                                   | g) the use of a well-known person to advertise products |
| O  | 3 range                                       | h) when products are used in films or TV programmes |

6
Complete these sentences with the word partnerships from Exercise 1.

1. The creation of Best Cola, Best Air, Best Rail and Best Bride is an example of _____________.
2. Consumers who always buy Levi’s when they need a new pair of jeans are showing _____________.
3. Not enough people recognize our logo; we need to spend a lot more on raising _____________.
4. David Beckham advertising Vodafone is an example of _____________.
5. A _____________ consists of introduction, growth, maturity and decline.
6. The use of BMW cars and Nokia phones in James Bond films are examples of _____________.

Make sentences of your own using the word partnerships in Exercise 1.

Reading: Outsourcing production

Why do some companies make luxury products abroad rather than at home?

Read the article and answer these questions.
1. Which brands are mentioned? Do you know which country each is from?
2. Which companies make all of their products in their own country?

Made in Europe

By Jo Johnson, Fred Kapner and Richard McGregor

Almost every fashion label outside the top super-luxury brands is either already manufacturing in Asia or thinking of it. Coach, the US leather goods maker, is a classic example. Over the past five years, it has lifted all its gross margins by manufacturing solely in low-cost markets. In March 2002 it closed its factory in Lares, Puerto Rico, its last company-owned plant, and outsources all its products.

Burberry has many Asian licensing arrangements. In 2000 it decided to renew Sanyo’s Japanese licence for ten years. This means that almost half of Burberry’s sales at retail value will continue to be produced under licence in Asia. At the same time however, Japanese consumers prefer the group’s European-made products.

Sanyo is now reacting to this demand for a snob alternative to the Burberry products made in its factories across Asia by opening a flagship store in Tokyo’s Ginza, where it sells Burberry products imported from Europe.

In interviews with the FT, many executives say the top luxury-brands will continue to be seen, particularly in Asia, as European. Domenico De Sole of Gucci says: ‘The Asian consumer really does believe - whether it’s true or not - that luxury comes from Europe and must be made there to be the best.’

Serge Weinberg, Chief Executive of Pinault Pile temps Red o lite, which controls Gucci, says it will not move Gucci’s production offshore. Yet some in the industry recognise that change may be round the corner even for the super-luxury brands. Patrizio Bertelli, Chief Executive of Prada, says: ‘The “Made in Italy” label is important but what we are really offering is a style, and style is an expression of culture.’ He therefore recognizes that quality fashion items may not always need to be produced in Italy.

Amitava Chattopadhyay, Professor of Marketing at Insead, the business school, says: ‘A brand is a set of associations in the mind of the consumer and one of these is the country of origin. For luxury goods the role of the brand is crucial. To damage it is a cardinal sin and no brand manager will want to get the balance between manufacturing location and the brand image wrong.’

From the Financial Times

FINANCIAL TIMES
World business newspaper.

Which of these statements are true? Correct the false ones.
1. Coach no longer has a factory in Puerto Rico.
2. Coach, like many other companies, is outsourcing its products to reduce costs.
Some Japanese people choose to buy Burberry products made in Europe rather than in Japan.

Sanyo’s store in Tokyo sells Burberry products made only in Asia.

According to Domenico De Sole, the best luxury products are made in Japan.

Gucci is planning to outsource some of its products.

Patrizio Bertelli believes that luxury fashion products should always be made in Europe.

Amitava Chattopadhyay says that companies need to pay careful attention to where they manufacture their products.

Choose the best summary of the article.

a) Most manufacturers of luxury brands do not wish to produce their goods in low-cost countries because they believe that it will damage their brand image.

b) Most manufacturers of top brands now produce their goods in low-cost countries. Consumers no longer care about where the products are manufactured.

c) Asian consumers think that European luxury goods are of high quality. The current trend of making such goods in Asia could damage the reputation of these luxury brands.

Skills  Taking part in meetings 1

Four marketing executives at a cosmetics company, Marvel Pic, are talking about licensing their "Luc Fontaine" product range to an Asian manufacturer. Read and translate the conversation.

M = Marcia, A=Alain, V=Valerie, B= Barbara

M  OK, we all agree we want to increase our revenue by licensing our 'Luc Fontaine" product range. As you know, Susan Li, one of our contacts in Hong Kong, is very interested. Alain, how do you feel about this? Is she the right person for us?

A  Definitely. In my opinion, she’s ideal. She’s well-known in Asia, she’s got an excellent reputation in the industry. She's got a modern factory and a large customer base; I’d say she’s just what we’re looking for.

M  Right. Valerie, what do you think?

V  I agree because she's very good at marketing. I've met her several times. She'll work twenty-four hours a day to get a sale. Just the sort of person we want.

M  Barbara, you're shaking your head. What's your opinion?

B  I'm afraid I can't agree. I don't think she's suitable at all. All her products sell at the lower end of the market. They're in the cheaper price ranges. But our Luc Fontaine range is exclusive. The male and female perfumes are for people who don't mind spending a lot of money to look good. They're not a good match for what she's selling.

M  So what do you suggest then?
B I think we should find someone else. I do have someone in mind. I met Hiroshi
Takahashi recently. He's based in Nagoya. His healthcare company is doing really
well. He makes various skin products and sells them under well-known European
labels. In my opinion, his company has a lot to offer. Why don’t we meet him and see
if he’s interested?

2 Answer the following questions:
1 Why do the marketing executives at Marvel Pic want to license their "Luc
Fontaine" product range?
2 What advantages does Susan Li offer to Marvel?
3 According to Barbara, what is the disadvantage of offering a licence to Susan Li?
4 What suggestions does Barbara make to her colleagues?

3 Which of the phrases in Exercise 1 are:
1 asking for opinions?
2 giving opinions?
3 agreeing or disagreeing?
4 making suggestions?

4 Role play this situation.
Jonson, a large department store in Chicago, USA, is losing money. Its main product
areas are food, clothing and household furniture. Seventy percent of its revenue
comes from clothing, twenty-two percent from food and eight percent from furniture.
Three directors of the company meet to discuss the company’s problems and how to
solve them.

Work in groups of three. Student A: turn to page 88. Student B: turn to page 91.
Student C: turn to page 92. Read your role cards then role play the discussion.

Useful language

Asking for opinions
How do you feel about . . . ?
What do you think?
What’s your opinion?
What’s your view?

Agreeing
That’s true.
I agree.
Absolutely/ Exactly
I think so too.

Making suggestions
I think we should . . .
How about . . . ?
Why don’t we . . . ?
Perhaps we could . . .

Making suggestions
I think we should . . .

Disagreeing
I see/know what you mean, but . . .
I’m afraid I can’t agree . . .
Maybe, but . . .
Unit 2  Travel

"He travels fastest who travels alone."

Proverb

Starting up

1. Answer these questions individually. Then compare your answers with a partner.

1. How often do you travel by air, rail, road and sea?
2. What do you enjoy about travelling? What don’t you enjoy?
3. Put the following in order of importance to you when you travel.

- comfort
- safety
- price
- reliability
- speed

4. Does the order change for different types of travel?

2. Choose the correct word from the box to complete the following list of things which irritate people when flying.

- seats
- room
- trolleys
- cancellations
- queues
- luggage
- food
- jet

1. not enough leg
2. lost or delayed
3. long . . . at check-in
4. poor quality . . . and drink
5. no baggage . . . available
6. overbooking of . . .
7. flight delays and . . .
8. . . . -lag

3. Which of the things in Exercise 2 irritate you most? Which irritate you least? Discuss your ideas with a partner.

Vocabulary  British and American English

1. Match the words and phrases below which have the same meaning. For each pair decide which is British English and which is American English.

1. subway
2. city centre
3. carry-on baggage
4. one way
5. return
6. freeways
7. rest room
8. elevator

A motorway
B lift
C public toilet
D schedule
E economy class
F single
G parking lot
H underground
Work in pairs. Use the words or phrases in American English from Exercise 1 to complete the text below.

My last overseas business trip was a nightmare from start to finish. First of all there was a delay on the way to the airport as there was an accident on the... When I got there I found the lower level of the airport... was flooded. Next my... was too big and heavy so I had to check it in. When we arrived the... was closed and there were no cabs at all. After a long time trying to read the... and waiting for forty minutes, we finally got a bus... and found the hotel, but the... wasn’t working and our rooms were on the eighth floor.

### Air rage

1. **Answer these questions before you read the article.**
   1. What was your worst experience when travelling by air?
   2. Why do people get angry when they are travelling on a plane?

2. **Now read the article. Which of these statements are true about the article? Correct the false ones.**
   1. People in groups are more likely to behave badly on planes.
   2. Drink is often the cause of problems on board.
   3. Airlines can do little to improve air quality.
   4. Travellers are using new technology to express their dissatisfaction with airlines.
   5. Airlines have taken no action to address traveller’s concern.

3. **Which of the following reasons are given for air rage in the article?**
1 poor service
2 flights not leaving on time
3 poor quality of food
4 too many passengers on a plane
5 not feeling safe
6 people drinking alcohol
7 poor air quality
8 noisy passengers
9 not being able to smoke
10 not enough cabin crew

Road ragers in the sky

By Derek Brown

Airlines and their long-suffering customers are reporting a steep climb in air rage incidents. Some incidents are apparently caused by problems which are familiar to many regular travellers. One case reported from America stemmed from an interminable delay in takeoff, when passengers were cooped up in their aircraft on the tarmac for four hours, without food, drink or information. Mass unrest is less common than individual misbehaviour, as in the case of the convict who recently went crazy on a flight, attacked the crew and tried to open a door in mid-flight.

The psychology of air rage is a new area of study, and there are almost as many explanations as examples. Most analysts of the phenomenon blame alcohol, but many people now think that the airlines are at fault. To cut costs, they are cramming ever more passengers into their aircraft, while reducing cabin crew, training and quality of service, all of which increase passenger frustration. In addition, there is increasing concern in the US about another cost-cutting exercise, which could seriously harm passengers’ health: cabin ventilation.

Modern aircraft are equipped with sophisticated air conditioning devices—but running them at optimum capacity burns up valuable aviation fuel. Many airlines routinely instruct their flight crews to run the systems on minimum settings. Campaigners for improved air quality claim that this can lead to irritability and disorientation. In the US, the soaring number of passenger complaints across a wide range of issues is reflected in a number of new Internet sites which criticise the airlines and demand better service. One of these sites is demanding an air passengers’ Bill of Rights.

Cabin and flight crews, who are in the front line of the battle against disruptive and dangerous in-flight behaviour, have called for stiffer penalties against the offenders. Management have also called for legislation – while denying that its cost-cutting practices have contributed to the problem. But there are some signs, in the US at least, that the airlines are at last attempting to respond to customer dissatisfaction. Some major lines have announced concessions to the most frequent complaint of all, and are removing seats to make more room for their customers.

From The Guardian

Which of the following words from the article have a negative meaning? Use a good dictionary to help you.
rage  misbehavior  quality  frustration
Philippa Knight, Sales Director at the Fashion Group in New York, makes two telephone calls to Maria Bonetti, a fashion buyer in London. Read and note a) the purpose of calling and b) the result.

Conversation 1
R=Receptionist, PK=Philippa Knight, MB=Maria Bonetti

R Good morning, CPT. How can I help you?
PK It's Philippa Knight here. Could you put me through to extension 281, please?
R Certainly. Putting you through.
MB Hello. Maria Bonetti speaking.
PK Hello, Maria. It's Philippa Knight from The Fashion Group in New York.
MB Hi Philippa, how are things?
PK Fine thanks. I'm calling because I'll be in London next week and I'd like to make an appointment to see you. I want to tell you about our new collection.
MB Great. What day would suit you? I'm fairly free next week, I think.
PK How about Wednesday? In the afternoon? Could you make it then?
MB Let me look now. Let me check my dairy. Oh yes, that'd be no problem at all. What about two o'clock? Is that OK?
PK Perfect. Thanks very much. It'll be great to see you again. We'll have plenty to talk about.
MB That's for sure. See you next week then.
PK Right. Bye.
MB Bye

Conversation 2
R=Receptionist, PK=Philippa Knight, MB=Maria Bonetti

R Good morning, CPT. How can I help you?
PK I'd like to speak to Maria Bonetti, extension 281, please.
R Thank you. Who's calling, please?
PK It's Philippa Knight, from The Fashion Group.
R Thank you. I'm putting you through . . . Hello, I'm afraid she's engaged at the moment. Will you hold or can I take a message?
PK I'll leave a message, please. The thing is, I should be meeting Ms Bonetti at 2 p.m., but something's come up. My plane was delayed and I've got to reschedule my appointments. If possible, I'd like to meet her tomorrow. Preferably in the morning. Could she call me back here at the hotel, please?
R Certainly. What's the number, please?
PK It's 020 7585 3814. I'll be leaving the hotel soon, so if she can't call me back within, say, the next quarter of an hour, I'll call her again this morning. Is that OK?
R Right. I've got that. I'll make sure she gets the message.
PK Thanks for your help. Goodbye.
R Goodbye.

2 Role play these two telephone situations.

1 Student A is a company employee who has arranged to meet Student B, a colleague from one of your subsidiaries. Explain that you cannot keep the appointment, and give a reason. Suggest an alternative day.

2 Student B is on business trip to Sydney, Australia and wants to stay an extra day. Telephone the Qantas airline office. Talk to the representative, Student A, to arrange a different flight.

Useful language

Answering the phone
Hello, Joe Smith speaking.
Good morning, Madison Ltd.

Making contact
I'd like to speak to Mr. Smith, please.
Could I have the sales department, please?

Identifying yourself
This is/It's/My name's Marta O'Neil.
Marta O'Neil speaking

Stating you purpose
I'm calling about....
The reason I'm calling is

Making arrangements
Could we meet on Monday at 10.30?
How/What about April 10th?
Is 11.15 convenient/OK?

Closing
Good. So, I'll see you on the 8th.
Thank you. Goodbye.
Right./OK then.
That's great, I'll see you

Responding
That's fine/OK for me.
Sorry, I can't make it then.
No problem.

Changing arrangements
I'm afraid I can't come on Friday.
We've got an appointment for 11.00, but I'm afraid something's come up.
Could we fix another time?
I can't make it on....
Unit 3 Organisation

"How many people work in your office? About half
Anonymous

Starting up

1 Discuss these questions.
1 Would you like to work in a large or small organization? Explain why or why not.
2 Which people in your organisation have their own office? Do they have their own office because of a) seniority; b) a need for confidentiality; c) the type of work they do?

2 How important are the following in showing a person's status in an organization? Give each one a score from 1 (not important) to 5 (very important).

- a reserved parking space
- an office with a window
- a uniform
- a personal business card
- your own office
- a company car
- your name on your door
- having a secretary
- taking holidays when you like
- the size of your desk
- more than one seat in your office
- flying business class
- a company credit card
- having fixed working hours

Company structure

1 Discuss these questions.
1 Which of the words below can describe:
   a) good qualities of an organization?
   b) bad qualities of an organization?
   
   bureaucratic  caring  centralized  conservative
decentralised  democratic  dynamic  hierarchical
impersonal  market-driven  professional  progressive

2 Can you add any others?
3 Which of the words describe your own organization or an organization you know well?
2 Match the words and phrases below to the correct place on the diagram.

- subsidiary
- factory/plant
- call centre
- service centre
- head office
- distribution centre
- warehouse
- branches/outlets

© Read the comments from different places in the organization and match them to the places shown in Exercise 1.

Stock levels have been low for 2 weeks.

Can you e-mail these sales figures through to head office as soon as possible?

Hold on a minute, please, I'll transfer you to a supervisor.

The production line is operating at full capacity.
Think about the organisation you work for, or one you know well. How is it organised?

A successful organisation

1 Read paragraph 1 of the article and answer these questions.
   1 Where is SOL located?
   2 What is unusual about the company?
   3 What does SOL do?

2 Read the article and match the headings below to paragraphs 2,3,4,5 and 6.
   A People set their own targets
   B Hard work has to be fun
   C Loose organizations need tight systems
   D Great service requires cutting-edge technology
   E There are no low-skill jobs

3 Which of these statements are true? Correct the false ones.
   1 Everyone has their own office.
   2 Liisa Joronen believes cleaners can feel good about their job.
   3 At the end of the training course there is an exam.
   4 The training course takes 28 months to complete.
   5 At SOL giving responsibility to employees is important.
   6 SOL thinks measuring performance restricts freedom.
Every month Liisa Joronen measures each team’s performance. All the information is stored in filing cabinets.

Dirty Business,
Bright Ideas

By Gisa Imperato

1 A headquarters with a difference
Walk into SOL City, headquarters of one of northern Europe’s most admired companies, and it feels like you’ve entered a business playground. Located in a renovated film studio in the heart of Helsinki, the office explodes with colour, creativity and chaos. The walls are bright red, white and yellow; the employees wander the halls talking on yellow portable phones. Liisa Joronen developed SOL Cleaning Service 11 years ago, out of a 150-year-old industrial empire owned by her family. SOL’s competitive formula has five key ingredients.

2
Few people dream about becoming a cleaner. But that doesn’t mean cleaners can’t find satisfaction in their work. The keys to satisfaction, Joronen believes, are fun and individual freedom. Its cleaners wear red-and-yellow jump suits that reinforce the company’s upbeat image. SOL’s logo, a yellow happy face, is on everything from her blazer to the company’s budget reports. Freedom means abolishing all the rules and regulations of conventional corporate life. There are no titles or secretaries at SOL, no individual offices or set hours of work. The company has eliminated all perks and status symbols.

SOL’s training programme consists of seven modules, each of which lasts four months and ends with a rigorous exam. Of course, there are a limited number of ways to polish a table or shampoo a carpet. That’s why SOL employees also study time management, budgeting and people skills.

4
Lots of companies talk about decentralising responsibility and authority. At SOL it’s a way of life. The real power players of the company are its 135 supervisors, each of whom leads a team of up to 50 cleaners. These supervisors work with their teams to create their own budgets, do their own hiring and negotiate their own deals with customers.

5
Liisa Joronen believes in autonomy, but she’s also keen on accountability. SOL is fanatical about measuring performance. It does so frequently and visibly, and focuses on customer satisfaction. Every time SOL lands a contract, for example, the salesperson works at the new customer’s site alongside the team that will do the cleaning in the future. Together they establish performance benchmarks. Then, every month, the customer rates the team’s performance based on those benchmarks. ‘The more we free our people, the happier rules,’ Joronen says, ‘the more we need good measurements.’

6
Laptops and cell-phones are standard equipment for all supervisors at SOL, freeing them to work where they want, how they want. Inside the offices there’s almost no room for paper. So the company stores all critical budget documents and performance reports on its Intranet, along with training schedules, upcoming events and company news.

From Fast Company

4 Find the phrases in paragraph 5 which have the following meanings.
1 assesses how the group have done
2 extremely interested in judging achievements
3 interested in people being responsible for what they do
4 set up standards of achievements

5 Discuss these questions.
1 Would you like to work in a company like SOL? Explain why or why not.
2 Would Liisa Joronen’s ideas work in your own company or organization?
Skills Socialising: introductions and networking

1 Read the three conversations. Choose the correct description from the list for each one.

Greeting someone and talking about the past
Introducing another person
Introducing yourself and giving information about your company

Conversation 1 L=Louise, M=Marcus

L Hello Marcus, nice to see you again.
M Hi Louise. How are you?
L Fine thanks. I haven't seen you for ages. We last met at the Frankfurt fair, didn't we? How's everything going?
M Pretty well at the moment. I'm still in the same department and I got promoted last year, so I'm now head of data processing, I'm in charge of about thirty people.
L Fantastic!
M How about you? Are you still in Accounts?
L Actually no. I changed my job last job. I'm in marketing now. I'm really enjoying it.
M That's good.
L Yes, but the big news is, Marcus, I got married last year.
M Really? That's great! Well, congratulations! Anyone I know?

Conversation 2 DL=Don Larsen, EK=Erika Koenig

DL Hi, my name's Don Larsen.
EK Pleased to meet you. I'm Erika Koenig.
DL Which part of the group do you work for?
EK I've just joined MCB. We provide financial services. How about you?
DL I work for Atsource Solutions.
EK I don't know much about Atsource Solutions. What sort of projects do you work on?
DL Well, we're basically an outsourcing business. We supply large companies with various services including payroll, IT services and human resources.
EK Is Atsource Solutions anew company?
DL No, we're well-established. The company was founded in 1978. It's organised into three divisions. We have over six thousands employees; we've got our headquarters in Frankfurt and offices in over twenty countries - we're pretty big.

Conversation 3 J=John, M=Miriam, H=Heinz
Heinz, I'd like you to meet Miriam. She's on a work placement here, she'll be with us for the next three months.

Nice to meet you, Heinz.

It's a pleasure.

Miriam speaks fluent Italian, so she could be very useful when you're dealing with our Italian customers. Also, she's very keen on skiing. So you two should have something in common.

Oh, that's interesting. Have a seat, Miriam. Would you like a drink?

Make up similar dialogues and practice them.

Useful language

Greetings
Hello. . . . Nice to see you again.
Hi. . . . How are you?
How's everything going?

Introducing yourself
I'm from/I work for. . . .
I'm in sales/finance.
I'm in charge of. . . .
I'm responsible for. . . .

Introducing someone else
I'd like you to meet Miriam
Can I introduce you to Li?
Bob, have you met Lisa?

Talking about your company
The company was founded in. . . .
We make/sell/distribute
We have subsidiaries/factories/branches in
We have workforce of 2,000.
Our main competitors are. . . .

Responding
Fine, thanks.
Not too bad, thanks.
Nice/Pleased to meet you.
It's a pleasure.

Talking about common interests
You and Henry have something in common.
You both like/enjoy/are interested in. . . .

Networking
We're interested in. . . .
Do you know anyone who could help us?
Could you let me have their contract details?
Could I call him and mention your name?
Let me give you my business card.
Unit 4 Change

"It's not the strongest species that survive, nor the most intelligent, but the most responsive to change."  
Charles Darwin (1809-1882), British scientist

Starting up

1 Which of these situations would you find the most difficult to deal with?
   1 Losing a lot of money          5 A new boss
   2 Moving house                   6 New neighbours
   3 Moving to another country      7 Driving abroad
   4 Losing your job                8 Getting married

2 What has been the most significant change in your life?

3 Which of these business situations would worry you most? Why?
   1 You read in the paper that your company will probably be merging with another company.
   2 You keep your job after a merger, but you are in a less powerful position.
   3 Your company has to relocate to the other side of the city.
   4 You are asked to relocate to a dangerous foreign country.
   5 You are promoted but are now in charge of a hostile workforce.
   6 You have to move from an open plan office to sharing your boss's office.
   7 You have to work with a completely new computer system.
   8 You have to decide who to make redundant in your new department after a merger.

Reading Change in retailing

1 Discuss these questions. Which department stores have you visited in your own country or abroad?
   1 What were your impressions?
   2 What in your view should a 21st century department store look like?
   3 What should it offer its customers?
Now read the article. What are the names of the two US department stores mentioned in the article?

By Lauren Foster

As customers demand better value and a more interesting and stimulating experience while shopping, department stores face a clear choice: adapt or die.

'My concern is that they will become retail museums,' says Britt Breemer, chairman of America's Research Group. 'The bottom line is that they have to admit they are in trouble and figure out some way to relevantly change.'

This may help to explain why four times as many households visit discount stores as department stores.

Department stores face mounting competition from specialty retailers and discounters, such as Wal-Mart and Target. Their steady loss of market share may be partly because the concept was born in a different era, a time when, for families, a trip to the stores combined shopping with entertainment.

What is needed, say retail experts, is a new approach. A typical example of this approach working is seen at Selfridges. This UK group has recast itself from a 'sleepy 1970s-style department store' into a retailing experience fit for the 21st century, says

Wendy Liebmann, President of WSL Strategic Retail.

One of the main changes is that more floor space is rented to vendors, in what is sometimes referred to as the showcase business model. Vendors design their own booths and are encouraged to be creative.

The Selfridges model, says Peter Williams, CEO of Selfridges, is about creating an experience that is 'new, interesting and different' where it is not just the product that is different. He says the problem with US department stores is that they all look the same.

Arnold Aronson, a management consultant, believes Selfridges could be a prototype for failing US department stores: 'It has brought back excitement and novelty and is really reducing customers by developing the right merchandise, in the right quantities at the right Federated, which owns Macy's and Bloomingdale's, appears to be moving in the right direction. Forty-two stores are being upgraded with the latest components of its 'relevant' strategy, including enhanced fitting rooms, convenient price-check devices, comfortable lounge areas, computer kiosks and shopping carts.

The challenge department stores face is how to develop in a sector that is, essentially, not growing. But if they adapt, many industry observers believe they will survive. 'The department store is not dead, it will live on,' said Robert Tamilia, Professor of Marketing at the University of Quebec. 'But it will not be the same animal it was before'.

From The Financial Times

FINANCIAL TIMES
World business newspaper

Match these people to their views.

1 Britt Breemer
2 Wendy Liebmann
3 Peter Williams
4 Arnold Aronson
5 Robert Tamilia

a) This is not the end of department stores but in the future they will be different.

b) American department stores are not different enough from each other.

c) Selfridges has changed into an up-to-date store.

d) Department stores need to recognize their problems and have to change.

e) Selfridge's new approach works.
4 What changes have taken place at:
   a) Selfridges?  b) Macy's?  c) Bloomingdale's?

5 Which of these groups of people are mentioned in the article?

1 agents  5 discounters  9 vendors
2 clients  6 manufacturers  10 wholesalers
3 consumers  7 retailers
4 customers  8 shoppers

6 Which of the groups of people in Exercise 5:
   1 are buyers?........
   2 are sellers?........
   3 are intermediaries?........
   4 offer goods at reduced prices?........
   5 sell directly to the public?........

7 What are the differences between the types of retail outlet in the box? Consider the following factors: size, prices, product range, length and frequency of shopping visits, customer service level.

Supermarket  department store  kiosk  convenience store  discount store

ЯДЯМЯН Describing change

1 Write the verbs from the box under the correct prefix to make words connected with change. Use a good dictionary to help you. Some of the words can be used with more than one prefix.

<table>
<thead>
<tr>
<th>centralise</th>
<th>organise</th>
<th>train</th>
<th>grade</th>
<th>regulate</th>
</tr>
</thead>
<tbody>
<tr>
<td>size</td>
<td>develop</td>
<td>launch</td>
<td>locate</td>
<td>structure</td>
</tr>
</tbody>
</table>

| down- | de- | up- | re- |
Complete these sentences with the correct form of the verbs from the box in Exercise 1. Use a good dictionary to help you.

1. It is now so expensive to rent offices in the city centre that many companies are re... to the suburbs.
2. The company has recently had to down ... its workforce. Reducing the number of employees is the best way to stay profitable in the current economic climate.
3. Excellent customer service is vital to keep up with the competition. The company has introduced new working practices and is re... all part-time staff.
4. The seating plan in our office has been re... to accommodate new staff.
5. Our product hasn't been selling well recently. The marketing team has decided to re... the product with a more up-to-date image.
6. The company has noticed that too many decisions are made at Head Office. It is de... the decision-making process so that branch managers are more involved at an earlier stage.
7. The company has finalised the plans to re... the disused car park site. It is going to become a modern three-storey office block.
8. The most successful change in our company was the decision to re... the company hierarchy. Now there is more opportunity for promotion.

Underline the nouns in Exercise 2 that make partnerships with the verbs.

Work in pairs. Describe the changes that have happened in a workplace you know well.

Vocabulary file pages 98-99

Skills Taking part in meetings 2

Four executives are discussing changes to company working practices. Read and answer the questions.
C=Carl, N=Nancy, M=Max, S=Stefan

C Can we move on to the next point, the open-plan office? Nancy, would you like to begin?
N I like the idea. It's good for communication, people see each other at the office, it's, er, it's good for team spirit, too. There's more interaction between people, and people work harder when they're on display.
M I'm not sure I agree with you there. With open-plan offices, there's a problem of privacy.
C OK, Max, thanks. Em, Stefan, what do you think?
S I agree with Max about privacy. What if you want to have a private conversation or make a private phone call?
C Well . . . erm . . . I suggest we use meeting rooms for private conversations or calls.
S Meeting rooms? Yes, that’s true, I suppose . . .
M Could I just say something? I don’t think it works . . .
C Let Stefan finish please, Max . . .
M Well I’m not happy about it. I don’t think we should have a vote about it now. I mean, I think we need a report or an extra survey done about this.
C How do you mean, "an extra survey"? Are you saying we need to bring a consultant?
M No, I was thinking of someone inside the company.
C OK, I think a report is probably better. I propose that someone prepares a report on the open-plan idea, by, say, the end of the month. Is everyone agreed?
All Yes, right, agreed.
C Right, can we move to the next item on the agenda, "hot-desking", Max?
M Frankly, I was shocked to see the proposal about hot-desking. I don’t think it’s a good idea at all. It will upset people and it just won’t work.
C OK, how do you feel about it, Nancy?
N I’m pretty sure hot-desking won’t work unless we have an open-plan office. I don’t think hot-desking works in closed offices.
S Sorry, I don’t follow you, Nancy. What exactly are you saying?
N What I mean is, we could change to an open-plan system but I’m against introducing hot-desking now. It’s not good to change everything too quickly. Staff need time to get used to changes.

2 Answer the following questions:
1 Why does Nancy think the open-plan office is a good idea?
2 Why are two of the people against introducing an open-plan office?
3 What proposal does Carl make to deal with the problem mentioned?
4 Why is Max against hot-desking?
5 What change in working practices does Nancy want?

3 Role play this situation. You are managers of a television production company, Zoom International. You are discussing these two proposals for changes to company policy.
1 Zoom International (ZI) could reduce costs by offering staff a 10% increase in salary instead of a company car. If ZI makes the change, staff will have to provide their own car for business use, using their own money.
2 ZI could increase security at their head office. At present, a security guard checks staff who enter the building. In future, staff will have to go through a barrier where they insert an identity card. If they do not have an identity card, they cannot enter the
building. In addition, they must, at all times, wear an identity card with their photograph on it. There will be two female receptionists behind the barrier.

**Student A: Turn to page 88.**

**Student B: Turn to page 90.**

**Useful language**

**Interrupting**

Could I just say something?

Excuse me, but could I just say.....

**Asking for clarification**

How do you mean, ...?

What exactly are you saying?

What exactly do you mean?

Are you saying we need to, ...?

Sorry, I don't follow you.

Can you explain in more detail?

**Clarifying**

What I mean is.....

What I'm saying is .....

No, I was thinking of .....

To be more specific .....,

To clarify.....

**Dealing with interruptions**

Hold on. Can I finish the point?

Let Stefan finish, please/

I'd like to finish if I may.

Just a moment ....

**Making proposals**

I suggest ....

I propose that ....

How about ....

We could ....

**Rejecting proposals**

Sorry, I don't think it's/that's a good idea

I'm not sure I agree with you there.

It/That just won't work.

Well, I'm not happy about it/that
Unit 5 Money

"A bank is a place that will lend you money if you can prove that you don’t need it."
Bob Hope (1903-2002), American comedian

Starting up

1 Answer these questions individually. Then compare your answers with a partner.

1 How much cash do you have with you at the moment? Do you:
A know exactly?
B know approximately?
C not know at all?

2 Do you normally check:
A your change?
B you bank statements and credit card bills?
C restaurant bills?
D your receipts when shopping?
E prices in several shops before you buy something?

3 Do you:
A give money to beggars?
B give money to charities?
C give away used items, such as clothing?

4 If you go for a meal with someone you don’t know well, do you:
B suggest dividing the bill into equal parts?
C offer to pay the whole bill but expect them to pay next time?
D try to avoid paying anything?

5 What do you think about people who don’t pay the correct amount of tax? Is this:
A a serious crime?
B morally wrong but not a crime?
C excellent business practice?

6 If you lend a colleague a small amount of money and they forget to pay it back, do you:
A say nothing?
B remind them that they owe you money?
C arrange to go for a drink with them and say you’ve forgotten your wallet?
What do your answers to the questions in Exercise 1 say about your attitude to money? What do they say about your culture?

Dealing with figures

Useful language

<table>
<thead>
<tr>
<th>Years</th>
<th>Saying numbers</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984 nineteen eighty-four</td>
<td>£3.15 three pounds fifteen 50p</td>
<td>€250 two hundred and fifty euros</td>
</tr>
<tr>
<td>2006 two thousand and six</td>
<td>17.38% seventeen point three eight percent</td>
<td></td>
</tr>
<tr>
<td>1900 nineteen hundred</td>
<td>0.185 nought/zero point one eight five</td>
<td></td>
</tr>
</tbody>
</table>

Decimals

16.5 sixteen point five
17.38% seventeen point three eight percent
0.185 nought/zero point one eight five

Bigger numbers

3,560 three thousand five hundred and sixty (BrE)
three thousand five hundred sixty (AmE)
598,347 five hundred and ninety-eight thousand, three hundred and forty-seven
five hundred ninety-eight thousand, three hundred forty-seven (AmE)

1,300,402 one million three hundred thousand, four hundred and two (BrE)
one million three hundred thousand, four hundred two (AmE)

lm one/a million (1,000,000)
3bn three billion (3,000,000,000)
£7.5bn seven point five billion pounds
€478m four hundred and seventy-eight million euros (BrE)
four hundred seventy-eight million euros (AmE)

Work in pairs.

Student A: turn to page 91 and read the text aloud to Student B. Student B: listen to Student A while reading the article below. Correct any incorrect information.
Yahoo has strengthened its European presence with the €375m ($578m) acquisition of Kelkoo, the French-based on-line shopping service. The European on-line retail market is forecast to grow €16bn in the next three years.

The Nikkei 225 Average climbed 0.7 percent to 10,364,99 while the Topix index rose 1.2 percent to 1,145,90. Banking shares benefitted most, with Mizuho jumping 5.7 percent to ¥437,000, SMFG rising 4.7 percent to ¥ 852,000, MTGF gaining 7.9 percent to close at ¥ 1,019,000 and UFJ up 4.2 percent to ¥ 656,000.

From The Financial Times

FINANCIAL TIMES
World business newspaper

2 Write all the numbers and symbols in full, according to the way they are pronounced. For example, €3.1m: three point one million euros.

Vocabulary Financial terms

Match the definitions 1 to 6 with the financial terms a) to f).

1 money owed by one person or organisation to another person or organisation

a) gross margin

b) recession

c) shares

d) debt

e) stock market

f) investment

2 a period of time when business activity decreases because the economy is doing badly

3 difference between the selling price of a product and the cost of producing it

4 a place where company shares are bought and sold

5 money which people or organizations put into a business to make profit

6 equal parts into which the capital or ownership of a company is divided
Match the sentence halves.

1 Earnings per share are a) a part of the profits of a company paid to the owners of shares.
2 A forecast is b) a company's profits divided by the number of its shares.
3 Bankruptcy is c) a description of what likely to happen in the future.
4 A dividend is d) money which businesses receive from selling goods or services.
5 Pre-tax profits are e) when a person or organisation is unable to pay their debts.
6 Revenues are f) the money a business makes before payment to the government.

Complete this report with the terms from Exercise 1 and 2.

In our home markets it has been another excellent year. . . . are up by £23 million, and the . . . for the next quarter is equally good. Profits from abroad are down because of a . . . in Japan. However, our performance overall has been good, and the . . . have increased to 26.4p and the . . . will be increased to 4.3p per share, which will please our shareholders.

We plan to issue new . . . in order to finance expansion in Asia. We also plan to increase our . . . in plant and equipment before entering the Chinese market. We are particularly pleased with our performance in France and Germany where . . . have increased. As a result of using a new distributor, our costs fell giving us a . . . of 40 percent on our main product line. We will use any extra cash to reduce the level of . . .

Our performance in Italy should improve significantly following the . . . of our biggest competitor. However, we should not become too satisfied with our share price as economic conditions remain uncertain and the . . . will continue to reflect this. Share prices will not rise in the short term.
1 Before you read the articles decide which of these statements are true.

1 Both Wal-Mart and Target Stores are based in the UK.
2 Wal-Mart is the world's largest retailer.
3 Target is not a competitor of Wal-Mart.

2 Work in pairs. Student A read Article 1 below and Student B read Article 2. Complete the parts of the chart which relate to your article after the texts.

Article 1

Wal-Mart

By Lauren Foster

Wal-Mart yesterday really surprised investors when it sounded a strong note of optimism. This optimism is a marked turnaround from three months ago when Wal-Mart warned about the strength of the recovery in US consumer spending.

Lee Scott, the CEO, said: "I am more optimistic about the year we have just started than I have been in several years. I am not only optimistic about the economy and the continuing strength of the housing market but also encouraged about Wal-Mart's position."

Mr Scott was also encouraged by consumer spending, which he said was driven by higher tax refunds and 'eventually improvements in the jobs picture.'

The world's largest retailer by revenue, said fourth-quarter profits rose 11 percent to $2.7bn, or 63 cents a share, compared with $2.5bn, or 56 cents a share over a year ago. Revenues for the quarter increased 12.2 percent to $74.5bn.

For the full year, Wal-Mart's profits jumped 13.3 percent to $9.9bn or $2.03 a share, up from $7.8bn. Revenues increased 11.6 percent to $229.4bn to $256.3bn. International sales were strong, contributing about $27bn gain in overall sales.

Mr Scott said Wal-Mart had a good year but the international division had an excellent year.

He stressed that, while gross margin was better than originally forecast, the improvement was thanks to the mix of merchandise, not higher prices. 'We are not raising prices and have no intention of doing so,' Mr Scott said.

From the Financial Times

FINANCIAL TIMES
World business newspaper

Target

Stores

By Lauren Foster

Target yesterday beat Wall Street expectations when it delivered a 21.1 percent rise in quarterly earnings. Gains in Target's credit card business, as well as both its Target Stores division and Marshall Field's stores, offset a small drop in pre-tax profit at the Mervyn's department store chain.

Target has cultivated a more upmarket and style-conscious image than other discount retailers. It is the third-largest general retailer in the US by revenues.

Target yesterday said it saw continued price pressure from rival Wal-Mart. For the fourth quarter, Target's profit rose to $832m, or 91 cents a share, compared with $688m, or 75 cents a share, a year ago. Analysts had expected Target to earn 87 cents a share, according to Reuters Research.

Revenues for the quarter rose 10.7 percent to $13.5bn from $12.4bn, while same-store sales from stores open at least a year rose 4.9 percent.

Target said pre-tax profit soared 18.5 percent at Target Stores. At the department stores, which have been suffering, pre-tax profit jumped 15.6 percent at Marshall Field's but fell 0.3 percent at Mervyn's.

Credit card operations added $168m to pre-tax profit in the recent quarter up 11.7 percent from a year ago.

For the full year, Target's profits were $1.04bn, or $2.61 a share, up 11.4 percent from $1.65bn, or $1.81 a share, the year before. Revenues rose 9.7 percent to $48.1bn from $43.9bn, driven by new stores, a 2.5 percent rise in same-store sales and growth in credit revenues.

From the Financial Times

FINANCIAL TIMES
World business newspaper
Exchange information with a partner and complete the chart.

Read both texts and answer the questions. Which company:
1 feels confident about the future?
2 has developed a more fashionable image?
3 had particularly good results overseas in the last 12 months?
4 is not planning to increase prices?
5 did better than the American stock market forecast?
6 feels its success is due to the variety of its goods?

Match the words to make word partnerships from the text.

1 consumer a) division
2 tax b) pressure
3 international c) refunds
4 quarterly d) spending
5 price e) earnings

Read the articles again and check your answers. Now match the word partnerships in Exercise 5 to their definitions.
1 the money people spend on goods and services
2 money given back at the end of the financial year
3 company profits for a three-month period
4 part of a company which deals with or is located overseas
5 decreasing or freezing the price of goods or services in order to gain an advantage over competitors

Vocabulary Describing trends

1 We can describe trends in English in different ways. For example:

1 Verbs of change
Profits soared 18.5%.
Profits are falling.
Sales plummeted in January.

2 Prepositions
Profits rose 11% to $2.7 billion.
Profits have gone up from 3 million to 4 million euros.
Our business grew by 10% last year.
There's been a decrease in annual sales of 1 million euros.
Last year profits stood at 2.5 million pounds.

3 Different verb forms
The figures show a positive trend, (present simple)
We're watching the trends carefully, (present continuous)
Last year we made a loss, (past simple)
In recent months our profits have risen dramatically, (present perfect)
If sales drop further, we'll be in serious financial difficulty, (first conditional)

2 What kind of movement do the verbs below describe? Match them to the symbols 1 to 11. Then compare your answers with your partner. (Use some symbols more than once.)

<table>
<thead>
<tr>
<th>decline</th>
<th>gain</th>
<th>drop</th>
<th>increase</th>
<th>rocket</th>
<th>plummet</th>
</tr>
</thead>
<tbody>
<tr>
<td>double</td>
<td>fall</td>
<td>halve</td>
<td>level off</td>
<td>triple</td>
<td>recover</td>
</tr>
<tr>
<td>decrease</td>
<td>fluctuate</td>
<td>improve</td>
<td>peak</td>
<td>rise</td>
<td>jump</td>
</tr>
</tbody>
</table>

33
Which of the above verbs also have noun forms? What are they? For example, *to increase*—an *increase*.

Complete these sentences about the graphs below with appropriate prepositions.

1 Sales have increased . . . €5m . . . €7m.
2 Sales have increased . . . €2m.
3 There has been an increase . . . €2m in our sales.
4 Sales now stand . . . €7 million.
5 Sales reached a peak . . . €7 million in July.
6 Sales reached a low point . . . €1 million in April.

Complete the graph and the pie charts using the information below.

The growth rate in Paradiso was around four per cent a year for ten years. A period of very fast growth followed, with the growth rate reaching 12 per cent ten years later. Growth was nine per cent in the following three years, but fell to two per cent in the year after that. It then increased steadily to reach five per cent two years ago, and has stayed at that level.

30 years ago, GDP in Paradiso came 70 per cent from agriculture, 20 per cent from industry and 10 per cent from services. At that time, GDP was US$1,000 per person in terms of today's dollars.

Today, GDP per person is US$10,000, coming 50 per cent from industry, 40 per cent from services and 10 per cent from agriculture.
Unit 6  Advertising

“Half the money I spend on advertising is wasted. The trouble is I don’t know which half.”

William Hesketh Lever (1851-1925), English industrialist

Starting up

1 Discuss the advertisements.
   1 Which do you like best? Why?
   2 What kind of advertisement do you like?

Discussion  Good and bad advertisements

1 What makes a good advertisement? Use some of the words below.

<table>
<thead>
<tr>
<th>clever</th>
<th>interesting</th>
<th>funny</th>
<th>inspiring</th>
<th>eye-catching</th>
</tr>
</thead>
<tbody>
<tr>
<td>powerful</td>
<td>humorous</td>
<td>shocking</td>
<td>informative</td>
<td></td>
</tr>
</tbody>
</table>
Do you think that the advertising practices described below are acceptable? Are any other types of advertisement offensive?

1 Using children in advertisements
2 Promoting alcohol on TV
3 Comparing your products to your competitors' products
4 An image flashed onto a screen very quickly so that people are influenced without noticing it (subliminal advertising)
5 Exploiting people's fears and worries

Which of the following statements do you agree with?
1 People remember advertisements not products.
2 Advertising raises prices.
3 Advertising has a bad influence on children.

Vocabulary Advertising media and methods

Newspapers and TV are advertising media. Can you think of others?

Look at the words in the box below. Label each item 1 for advertising media, 2 for methods of advertising or 3 for verbs to do with advertising.

directories persuade publicise sponsorship
run mailshots promote cinema
commercials public transport place free sales
exhibition billboards/hoardings launch leaflets
point-of-sale posters word of mouth radio
target endorsement research sponsor
press Internet slogans television

Choose the most suitable word from the words in brackets to complete these sentences.

1 Viacom Outdoor is an advertising company that specializes in placing adverts on billboards/public transport/television as buses.
2 a fruit bar
3 a computer quiz game
4 a range of smart clothing
5 a range of supermarket own-brand products

Skills  Starting presentations

0 Decide whether each expression in the Useful language box is formal or informal. Write F (formal) or I (informal). Underline the key words which helped you to decide. Then compare your answers.

Useful language

**Introducing yourself**

On behalf of myself and Focus Advertising, I’d like to welcome you. My name’s Sven Larsen.

Hi everyone, I’m Dominique Lagrange. Good to see you all.

**Introducing the topic**

I’m going to tell you about the ideas we’ve come up with for the ad campaign.

This morning, I’d like to outline the campaign concept we’ve developed for you.

**Giving a plan of your talk**

I’ve divided my presentation into three parts. Firstly, I’ll give you the background to the campaign.

Secondly, I’ll discuss the media we plan to use. Finally, I'll talk you through the storyboard for the TV commercial.

My talk is in three parts. I'll start with the background to the campaign, move on to the media plan to use, and finish with the storyboard for the commercial.

**Inviting questions**

If there’s anything you’re not clear about, go ahead and ask any questions you want.

If you have any questions, please don’t hesitate to interrupt me.

© Read these two presentations and check your answers to Exercise 1.

**Formal presentation**

Could I have your attention, please? Good morning everyone. On behalf of myself and Focus Advertising, I’d like to welcome you. My name’s Sven Larsen, I’m Commercial Director.

This morning, I’d like to outline concept we’ve developed for you. I’ve divided my presentation into three parts. Firstly, I’ll give you the background to the campaign.
Some perfume companies provide leaflets/commercials/free samples so that customers can try the perfume on their skin before buying it.

Advertising companies spend a lot of money on creating clever slogans / directories / mailshots that are short and memorable such as the message for the credit card, Access: "Your flexible friend."

Celebrity exhibition/research/endorsement is a technique that is very popular in advertising at the moment.

If news about a product comes to you by word of mouth/press/Internet, someone tells you about it rather than you seeing an advert.

If you have something to sell, you can target/place/launch an advert in the local newspaper.

Give examples of:
1 outdoor advertising on the buses or train in your country.
2 clever slogans that you remember from advertising campaigns.

Successful advertising
1 Discuss with your partner.
   1 Which celebrities from your country are used in advertising?
   2 Which products or types of products do they advertise?
   3 Do you think this kind of advertising is effective?

2 Read the article. Match the celebrities mentioned to their sport.

3 Answer these questions after reading the text.
   1 According to Phil Knight, what are the three facts which have led to the huge success of Nike?
   2 Why did Nike lose market share in the mid 1980s?
   3 Which innovation saved the company?
   4 Which celebrity saved the company?
   5 What is Phil Knight’s key idea about advertising?

4 Which of these statements are true? Correct the false ones.
   1 Nike has been Advertiser of the Year three times.
   2 Nike uses only worldwide advertising.
   3 Nike believes market research pre-testing is very important.
   4 A lot of computer tricks are used in Nike ads.

5 What are the advantages and disadvantages for a company of using celebrity endorsement in its advertising?
What makes Nike's advertising tick?

By Stefano Hatfield

Phil Knight, the co-founder and former Chief Executive of Nike, prefers to let his superstar athletes and advertisements do his talking for him. Named Advertiser of the Year at the 50th Cannes International Advertising Festival, he is the first person to win the award twice.

Knight has an absolutely clear and committed strategy to use celebrity athlete endorsement. He describes it as one part of the "three-legged stool" which lies behind Nike's phenomenal growth since the early 1980s, with the other two being product design and advertising.

He has built Nike's expansion into sport after sport from its athletics roots on the back of sporting masters: Carl Lewis on the track; tennis's Jimmy Connors and John McEnroe; Tiger Woods, who led Nike into golf; Ronaldinho and the Brazilian national football team; and the basketball star, Michael Jordan, who famously rescued the company.

From the beginning, Nike has been prepared to take a gamble on sporting bad boys others would not touch. Andre Agassi springs to mind. It was a strategy that began with Ilie Nastase, the original tennis bad boy. The Romanian had the quality that has come to represent Nike and its advertising attitude.

After extraordinary growth, Nike became number one trainer manufacturer in the US. But Knight admits the company then lost its way as it failed to cope with its success. It experimented unsuccessfully with expansion into non-athletic shoes, and lost its number one position to Reebok in 1986.

Knight set the future of the company on a new feature: a new air technology inside the trainer. He launched the product with a David Fincher-directed ad which used the Beatles track Revolution, and then marketed the Air Jordan brand on the back of Michael Jordan. Sales took off and the rest is history.

This brings us to the subject of globalization and the question of how American the brand can be. Nike uses a mix of global ad campaigns such as "good v evil" and local advertising such as its famous poster campaigns in the UK.

During a 21-year partnership with the agency Wieden and Kennedy, Nike has created some of the world's most attention-grabbing advertising: for example the Nike "good v evil" campaign and two advertisements both for World Cups and the ad 'tag', last year's Cannes grand prix winner. Other famous ads star Pete Sampras and Andre Agassi playing in the streets of Manhattan; Tiger Woods playing "keepy-uppy" with a golf ball; and Brazil's team playing soccer at the airport terminal.

It is a remarkable body of work, both in its variety, daring and consistent originality.

At Nike there is a streamlined decision-making process that gives marketing directors real power. They do not rely on market research pre-testing, which often reduces the impact of more experimental commercials. There is also the long relationship with one of the world's best ad agencies, and what Wieden describes as "an honesty about sport". Things only happen in Nike's ads that sportspersons and women can really do.

"My number one advertising principle - if I have one - is to wake up the consumer," concludes Knight, with an absolute conviction that is unique among modern day chief executives. "We have a high risk strategy on advertising. When it works, it is more interesting. There really is no formula."

From The Guardian

6 The article mentions an attention-grabbing advertisement. This type of phrase is common in advertising. Match the words 1 to 6 to the words a) to f) to make word partnerships.

1 energy  a) teasing
2 eye  b) saving
3 thirst  c) watering
4 money  d) catching
5 mouth  e) quenching
6 brain  f) saving

7 Which of the word partnerships in Exercise 6 would you use to describe these products?

1 a soft drink
4 a lower-power bulb
Secondly, I’ll discuss the media we plan to use. Finally, I’ll talk you through the storyboard for the TV commercial. If you have any questions, please don’t hesitate to interrupt me.

**Informal presentation**

Right let’s get started. Hi everyone, I’m Dominique Lagrange. As you know, I’m Creative Director of DMK. Good to see all. I’m going to tell you about the ideas we’ve come up with for the ad campaign. My talk is in three parts. I’ll start with the background to the campaign, move on to the media plan to use, and finish with the storyboard for the commercial. If there’s anything you’re not clear about, go ahead and ask any questions you want.

3 **Presenters can use different techniques to get their audience’s attention at the start of a presentation.** Match the starts of five presentations to the techniques.

1 I wonder if any of you know the answer to this question: What’s the most popular holiday destination in Europe for people under the age of twenty-five?

2 When I was on holiday a few years ago in Greece, I remember talking to the owner of a tavern. He said to me that in twenty years’ time, the little island where he lived would be a popular tourist resort.

3 Let me start by giving you a statistic: ninety-two percent of all Americans do not possess a passport. Think about that, and consider the opportunity it presents to the travel industry.

4 We’re facing a crisis with our market share. What are we going to do about it.

5 Someone once said that "travel broadens the mind". What I hope to do in this presentation is to demonstrate how to convince the next generation of travelers that this is still true.

4 **Prepare your opening using the techniques in Exercise 3. Practise the openings with a partner.**
Unit 7  Cultures

"Share our similarities, celebrate our differences."
M Scott Peck, American author

"When in Rome, do as the Romans do."

1. What do you miss most about your own country or culture when you go abroad?

2. Why is cultural awareness important for businesspeople? Give examples.

What is culture? Choose the four factors which you think are the most important in creating a culture. Give your reasons.

- climate
- language
- historical events
- institutions
- arts
- social customs and traditions
- ideas and beliefs
- religion
- ceremonies and festivals
- cuisine
- geography
- architecture

3. Do you think cultures are becoming more alike? Is this a good thing or a bad thing? Give reasons for your answers. Think about:

- improved communications
- cheap foreign travel
- global business
- trading groups (such as EU, ASEAN)

4. How important are the following things when doing business in your country? Are they: a) important b) not important or c) best avoided?

- exchanging business cards
- being formal or informal
- shaking hands
- punctuality
- kissing
- humour
- socializing with contacts
- giving presents
• small talk before meetings
  accepting interruption
• being direct (saying exactly what you think)
  using first names

5 Which country would you like to visit on business? What would you like to know about the culture of this country before visiting? Think of some questions to ask.

Vocabulary  Idioms

1 Choose the most appropriate word in the box to complete the idioms in the sentences below.

eye   eye   foot   water   water   fire   ice   end

1 I was thrown in at the deep . . . when my company sent me to run the German office, I was only given two days' notice to prepare.
2 We don't see eye to . . . about relocating our factory. The Finance Director wants to move production to the Far East, but I want it to remain in Spain.
3 I got into hot . . . with my boss for wearing casual clothes to the meeting with our Milanese customers.
4 Small talk is one way to break the . . . when meeting someone for the first time.
5 I really put my . . . in it when I met our Japanese partner. Because I was nervous, I said "Who are you?" rather than "How are you?"
6 I get on like a house on . . . with our Polish agent; we like the same things and have the same sense of humour.
7 When I visited China for the first time I was like a fish out of . . . Everything was so different, and I couldn't read any of the signs.
8 My first meeting with our overseas clients was a real . . . -opener. I had not seen that style of negotiating before.

2 Consider the context of each idiom in Exercise 1 and write down those which have:
   a) a positive meaning - . . .
   b) a negative meaning - . . .

3 Match the idioms in Exercise 1 to the correct meanings a) to h).
   a) given a difficult job to do without preparation . . .
   b) quickly have a friendly relationship with someone . . .
c) feel uncomfortable in an unfamiliar situation.

d) say or do something without thinking carefully, so that you embarrass or upset someone.

e) to disagree with someone.

f) an experience where to learn something surprising or something you did not know about.

g) make someone you have just met less nervous and willing to talk ...

h) to get into trouble.

4 Work in pairs or small groups. Discuss the following:
1 What tips do you have for breaking the ice at the meetings with new clients?
2 Talk about a place you have visited which was a real eye-opener.
3 Describe any situation you had using the idioms.

Reading I Cultural advice

1 Work in pairs. Student A: read the articles A and B on the next page. Student B: read the articles C and D on pages 93-94. Choose the two most interesting points about each country and tell your partner.

2 Read your articles again and answer as many of the following questions as you can.
In which country or countries:
1 do people talk in a lively way?
2 do people ask questions about your personal life?
3 does the host invite you to comment on a previous conversation?
4 do the hosts like to hear praise about their country?
5 do people like gifts with your company logo?
6 is it important to give a more expensive gift to the most senior person?
7 does you host open your gift immediately?
8 Is it a mistake to offer an expensive gift?
9 is it bad manners to refuse to sing when asked?
10 is it bad manners to refuse an invitation to a meal?
11 is it important to be punctual for lunch or dinner?
12 is it important not to offer food with your left hand?

Article A: Italy  Article B: United Arab Emirates
In pairs share the information with your partner so you can answer all the questions.

What advice would you give a business visitor to your country? Give a short presentation. You could mention conversation, gifts, entertainment, appointments and business dress.

Read these notes on US business protocol. How does each piece of advice compare with the situation in your country?

**US business protocol**

**Timing**
- You must arrive at business meetings on time. Only a 15-minute delay because of traffic problems is allowed.

**Greetings and polite conversation**
- You must shake hands during introductions.
- You don’t have to make a lot of small talk. Americans like to get down to business quickly.
- You mustn’t ask about a businesswoman’s marital status. It is considered rude.

**Business cards**
- You don’t have to exchange business cards unless there is a reason to get in contact later.

**Smoking**
- You mustn’t smoke in many public spaces. Most businesses, bars and many restaurants nowadays have a no-smoking policy.

**Gift-giving**
- Business gifts shouldn’t be given until after the business negotiations are over.
- You mustn’t give an expensive business gift. It may cause embarrassment.

**Entertaining at home**
- You should write a short thank you note to your host and hostess if you are entertained at their home. You don’t have to give a gift, but flowers or wine are appreciated.

From Do’s and Taboos around the world, edited by Roger E. Assell.
Skills Social English

1. In what business situations would you use the words and expressions below? Discuss your ideas with a partner.

<table>
<thead>
<tr>
<th>Congratulations!</th>
<th>I don't mind.</th>
<th>I'm afraid....</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheers!</td>
<td>Excuse me.</td>
<td>Please....</td>
</tr>
<tr>
<td>Make yourself at home.</td>
<td>Sorry.</td>
<td>Could you . . .?</td>
</tr>
<tr>
<td>Help yourself.</td>
<td>It's on me.</td>
<td>That sounds good.</td>
</tr>
</tbody>
</table>

2. What would you say in the following situations? Choose the best answer.

1. You don't hear someone's name when you are introduced to them.
   a) I'm sorry I'm late. The traffic was terrible.
   b) Here's to our future success.
   c) I'm very sorry to hear about what happened.
   d) I'm sorry. I didn't catch your name.
   e) Let me get this.
   f) I'm sorry. I'm afraid I'm going to the opera on Tuesday.
   g) Welcome to our headquarters.
   h) Not for me thanks; I'm not very keen on fish.
   i) Michael, can I introduce you to John Perry? John's over from the States. John, this is Michael Andrews, my boss.
   j) I'm sorry. I really must get going. It was really nice talking to you.
What can you say in the first five minutes of meeting someone? Choose the best answer a) to 1) for each of the questions 1 to 10.

1 Is this your first visit to the Far East?
a) At the Peninsula Hotel.

2 Oh really. What do you do?
b) Nearly ten years.

3 How long have you been there?
c) No, I come here quite often.

4 Have you been to Hong Kong before?
d) No. This is my first trip.

5 Business or pleasure?
e) I’m the Marketing Director for a small import-export company.

6 How long have you been here?

f) Business, I’m afraid.

7 How long are you staying?

7) Till tomorrow night.

8 Where are you staying?

8) A week.

9 What’s the food like?

i) I really like it. There’s so much to do.

10 So, what do you think of Hong Kong?

j) It’s very good but quite expensive.

In your opinion, which of these items of advice for a successful conversation are useful and which are not?

1 Listen carefully 4 Be polite 7 Keep eye contact

2 Give only yes or no answers 5 Ask questions 8 Be friendly

3 Interrupt a lot 6 Stay silent

Test Your Business Grammar and Vocabulary. Revision A.

Turn to pages 106-107 to play The social-cultural game.
Unit 8  Employment

"No matter how successful you are, your business and its future are in the hands of the people you hire."
Akio Morita (1921-1999), Japanese business executive

Starting up

1 In your opinion, which factors below are important for getting a job? Choose the five most important. Is there anything missing from the list?

appearance    hobbies    experience    qualifications
intelligence  marital status personality handwriting
references     age         astrological sign family background
blood group   sickness record

2 Think about jobs you've had and interviews you've attended. Ask each other about your best or worst:
1 a) job  b) boss   c) colleague
2 a) interview experience  b) interview question  c) interview answer

3 Discuss these statements.

1 At work appearance is more important than performance.
2 You should keep your private life totally separate from your work.
3 People don't change much during their working lives.
4 It is best to work for as few companies as possible.
5 Everybody should retire at 50.

Vocabulary   The recruitment process

1 Match the verbs 1 to 6 to the nouns a) to f) to make word partnerships.

1 to train         a) a vacancy/post
2 to shortlist b) an interview panel
3 to advertise c) the candidates
4 to assemble d) references
5 to make e) new staff
6 to check f) job offer

Now decide on a possible order for the events above from the employer's point of view.
For example: 1 to advertise a vacancy

2 Complete the text using the words from the box.

<table>
<thead>
<tr>
<th>curriculum vitae (CV)/résumé</th>
<th>probationary period</th>
<th>interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>application form</td>
<td>psychometric test</td>
<td>covering letter</td>
</tr>
</tbody>
</table>

These days many applicants submit their . . . speculatively to companies they would like to work for. In other words, they do not apply for an advertised job but hope the employer will be interested enough to keep their CV on file and contact them when they have a vacancy. When replying to an advertisement, candidates often fill in a/an . . . . and write a/an . . . . The employer will invite the best candidates to attend a/an . . . . Sometimes candidates will take a/an . . . . before the interview to assess their mental ability and reasoning skills. These days it is normal for successful candidates to have to work a/an . . . . in a company. This is usually three or six months; after that they are offered a permanent post.

3 Which of these words would you use to describe yourself in a work or study situation? Use a good dictionary to help you. Add any other useful words.

- motivated
- confident
- reliable
- proud
- dedicated
- loyal
- determined
- charismatic
- honest
- adaptable
- resourceful
- meticulous

4 Compare your answers with a partner. Which of the qualities in Exercise 3 do you think are the most important to be successful in a job?

闰 Reading Retaining good staff

1 Discuss these questions before you read the article.
Motivating high-calibre staff

By Michael Douglas

An organisation's capacity to identify, attract and retain high quality, high performing people who can develop winning strategies has become decisive in ensuring competitive advantage.

High performers are easier to define than to find. They are people with apparent limitless energy and enthusiasm, qualities that shine through even on their bad days. They are full of ideas and get things done quickly and effectively. They inspire others not just by pep talks but also through their sheer force of their example. Such people can push their organisations to greater and greater heights.

The problem is that people of this quality are very attractive to rival companies and are likely to be headhunted. The financial impact of such people leaving is great and includes the costs of expensive training and lost productivity and inspiration.

However, not all high performers are stolen, some are lost. High performers generally leave because organisations do not know how to keep them. Too many employers are blind or indifferent to the agenda of would be high performers, especially those who are young.

Organisations should consider how such people are likely to regard important motivating factors. Money remains an important motivator but organisations should not imagine that it is the only one that matters. In practice, high performers tend to take for granted that they will get a good financial package. They seek motivation from other sources.

Empowerment is a particularly important motivating force for new talent. A high performer will seek to feel that he or she ‘owns’ a project in a creative sense. Wise employers offer this opportunity. The challenge of the job is another essential motivator for high performers. Such people easily become demotivated if they sense that their organisation has little or no real sense of where it is going. A platform for self-development should be provided. High performers are very keen to develop their skills and their curriculum vitae. Offering time for regeneration is another crucial way for organisations to retain high performers. Work needs to be varied and time should be available for creative thinking and mastering new skills. The provision of a coach or mentor signals that the organisation has a commitment to fast-tracking an individual's development.

Individuals do well in an environment where they can depend on good administrative support. They will not want to feel that the success they are winning for the organisation is lost because of the inefficiency of others or by weaknesses in support areas.

Above all, high performers - especially if they are young - will want to feel that the organisation they work for regards them as special. If they find that it is not interested in them as people but only as high performing commodities, it will hardly be surprising if their loyalty is minimal. On the other hand, if an organisation does invest in its people, it is much more likely to win loyalty from them and to create a community of talent and high performance that will worry competitors.

From the Financial Times

FINANCIAL TIMES
World business newspaper

1 The article talks about people who are high performers. What does this phrase mean? What sort of people are they?
2 What do you think motivates high performers to stay with the same company?

2 Answer these questions.
1 What qualities of high performers are mentioned in the article?
2 What are the problems of losing high performers?
3 Which motivating factors are mentioned in the article?

3 Use these words or phrases from the article to answer the questions below.

table

pep talk mentor CV
Which word or phrase:
1 is British English for the American English *resume*?
2 refers to stealing employees from companies?
3 do you often find in job advertisements referring to money and benefits?
4 refers to an older, more experienced person who helps you?
5 usually leads to quick promotion?
6 means a short chat to motivate staff?

What are the advantages and disadvantages of:
1 headhunting?
2 having a mentor system?
3 fast-tracking certain employees?
4 frequent pep talks?

Skills Managing meetings

Why are some meetings successful and others unsuccessful?

Match the definitions 1 to 12 to the words and phrases a) to 1).

1 the person in charge of the meeting
2 the people at the meeting
3 to go to a meeting
4 a list of topics to be discussed
5 one topic on the list
6 the last topic on the list
7 to make a suggestion formally
8 to support a formal suggestion
9 a method of making a decision
10 an official record of what was said and/or decided

a) action points
b) chairperson
c) propose
d) attend
e) to send apologies
f) item
g) vote
h) any other business(AOB)
i) participants
j) second
You are managers of a retail fashion chain called Space. You are holding your regular management meeting. Use the Managing Director's notes below as an agenda for your discussions. A different person should chair each item.

1 DRESS CODE
Following complaints from customers, we need to discuss ideas for a dress code for all employees, as well as guidelines on personal appearance.

2 POLICY FOR SMOKERS
Non-smoking staff complain that staff who smoke take frequent 'cigarette breaks' outside the store. Should smokers work extra time to make up for the time lost?

3 COMMISSION PAYMENTS
At present, commission is based on quarterly sales at each store and divided equally between all staff. Now, our Sales Director wants each person to receive commission according to their individual sales.

4 END-OF-YEAR BONUS
Staff receive sales vouchers as an end-of-year bonus. The vouchers give discounts on a range of goods at major department stores. Some managers are proposing to issue no sales vouchers this year. Instead, staff will be invited to an end-of-year party.

5 STAFF TURNOVER
Staff tend to be young so employee turnover is high. As a result, training costs have increased dramatically. What can be done to keep staff longer?

Useful language

Starting
OK, let's get down to business
Right, can we start, please?

Setting objectives
The purpose of this meeting is ...
The aims of this meeting are ...

Asking for reactions
How do you feel about..?
What do you think?

Dealing with interruptions
Could you let him finish, please?
Could you just hang on a moment, please?

Keeping to the point
I'm not sure that's relevant.
Perhaps we could get back to the point.

Speeding up
I think we should move on now.
Can we come back to that?

Slowing down
Hold on, we need to look at this in more detail.
I think we should discuss this a bit more.

Summarising
OK, let's go over what we've agreed.
Right, to sum up then ...

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Unit 9  Trade

"The merchant has no country."
Thomas Jefferson (1743-1826),
Principal author of the Declaration of Independence

Starting up

1 Think of some things you own (for example, shoes, TV, car). Which are imported? Where were they made?

2 Name some global companies. What kind of business are they?

3 What is globalisation?

4 Discuss these statements. Do you agree or disagree?
1 Globalisation damages local goods, services and cultures.
2 Globalisation increases competition among companies.
3 Globalisation raises people’s living standards.
4 Globalisation improves international communication and understanding.

Free trade

1 Complete the definition of free trade by Ian McPherson, an expert on international trade, with the words below.
taxes liberalise customs borders barriers controls

It’s a situation in which goods come into and out of a country without any . . . or . . . . Countries which truly believe in free trade try to . . . . their trade, that’s to say, they take away . . . . trade. They have open . . . . and few controls of goods at . . . .

2 There are five things which stop people trading freely. Create a word using the given letters and explain briefly the meaning of each one.
1 fratisf
2 ubissised
3 saqtou
4 evespinex ecceslin
5 umcodten irlonguerat
Discuss these questions.
1 To what extent do you have free trade in your country?
2 Should certain industries in your country be protected? If so, which ones?
3 Is free trade always a good thing, in your opinion?

Use the words and phrases in the box to complete the table. Use a good dictionary to help you.

<table>
<thead>
<tr>
<th>barriers</th>
<th>open borders</th>
<th>free port</th>
<th>developing industries</th>
<th>dumping</th>
<th>tariffs</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategic industries</td>
<td>restrictions</td>
<td>quotas</td>
<td>laissez-faire</td>
<td>liberalise</td>
<td>customs</td>
</tr>
<tr>
<td>deregulation</td>
<td>subsidise</td>
<td>regulations</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Open markets  
(Trade without restrictions on the movement of goods)

Protected markets  
(Trade with restrictions on the movement of goods, for example, import taxes)

Reading  
Fair trade

Before you read the article, answer these questions.
1 Which countries traditionally export: a) bananas? b) coffee? c) sugar?
2 What typical problems do these exporters face when selling abroad?

Read the article and answer these questions.
1 What does the article say about:
   a) Denise Sutherland?
   b) Juan Valverde Sanchez?
   c) Nicaraguan farmers?
   d) Sainsbury's, Starbucks and Carrefour?
   e) The World Trade Organisation (WTO)?
2 What do these numbers from the article refer to?

| a) $500m | b) 400 | c) 500,000 | d) 36 | e) 25 |

3 Why are Denise and Juan having problems selling their products?
4 What are the benefits to local producers of fair trade?
5 How did fair trade begin
The UK has a taste for guilt-free food - sales are growing by 100% a year.

Along with tens of thousands of other banana growers in the Windward Islands, Denise Sutherland faces ruin. The World Trade Organisation (WTO) has forced the European Union to phase out its old quota system that guaranteed West Indian growers market access, and there's no way she can match the prices of the giant US corporations that dominate the market for the world's favourite fruit.

In Costa Rica, Juan Valverde Sanchez, a sugar cane grower who sells to a local farmers' association, is unsure if he and his colleagues will survive another year. Most of the world's sugar producers cannot break into the European or US markets because of high tariffs and the heavy subsidies that Western farmers enjoy.

But there is now hope for Denise and Juan - they are selling some or all of their produce to the growing 'fair trade' market that protects them from depressed world commodity markets and the price wars between giant multinationals.

For its supporters, fair trade is an example of how world trade can and should be run to tackle poverty. Producers are all small scale and must be part of a cooperative or democratically-run association of workers who observe high social and environmental standards.

Their groups deal directly with first-world companies that pay well over the world market price. They also get an added premium, which goes directly to the group of farmers to be shared out in any way they choose.

The price difference can be as much as 100% and can save a farmer from bankruptcy or mean a family has the money to send their children to school.

At the other end of the chain, the first-world consumer pays about a penny extra for a cup of coffee or teaspoon of sugar, or a few pence more for a banana.

Fair trade food is booming. What started as a way for Dutch consumers to support Nicaraguan farmers in the 60's has grown into a $500m a year global niche market with more than 400 northern companies now importing fruits, coffee, tea, bananas, nuts, orange juice and other foods.

Around 600,000 small scale farmers and their families are thought to be benefiting in 36 of the world's poorest countries, and the latest figures suggest it is worth $40m extra to producers. Meanwhile, demand for other 'fairly traded' but unlabelled non-food goods, such as handicrafts and textiles, is also growing.

Fair trade food sales are growing by more than 25% a year internationally and almost 100% a year in Britain, now the largest market after Switzerland. This market is one of the most remarkable consumer success stories of the past decade, promoted quietly in Britain, and now attracting multinationals such as Sainsbury's, Starbucks and Carrefour.

It is ironic, though, that fair trade, which was designed to reduce the injustices of the world trading system, could itself become a victim of the WTO. Technically, it could be banned because WTO rules prohibit 'differentiation' between products on the basis of their means of production.

In the meantime, fair trade shows that charity is not needed to lift people out of poverty and that social and environmental standards can be put into trade.

Choose the word a), b) or c) that is odd one out in each group and matches the definitions.
1 state of continuing to live  A ruin  B bankruptcy  C survival
or exist

2 slowly bringing to an end  A phase out  B lead  C dominate
3 to make sure people know about a new product  A prohibit  B ban  C promote
4 an official limit on the quantity of goods  A tariff  B quota  C subsidy
5 people or companies that make or grow goods, food, materials  A consumers  B clients  C producers
6 all the people who buy a particular product or use a particular service  A product  B niche  C commodity
7 very successful  A falling  B declining  C booming
8 the situation of being poor  A prosperity  B poverty  C wealth

4 What do the remaining two words in questions 1 to 8 in Exercise 3 have in common? Use a good dictionary to help you.

5 Discuss these questions.
1 Do you buy fair trade goods? Why? Why not?
2 What local producers in your country could benefit from the growth of fair trade?
3 "We should not support fair trade because it subsidises small, inefficient producers." Do you agree with this statement?

Skills Negotiating

1 Work in pairs. Try to sell something you have on you (watch, bracelet, etc.) or a household object, to your partner.

2 Discuss these questions.
1 Were you pleased with the outcome of the negotiation in Exercise 1?
2 What strategy or tactics did your partner use to achieve their objective?
In his book *The Art of Winning*, Harry Mills says that most negotiations have seven stages. These are listed below, but are in the wrong order. Put the stages in order. What word do the initial letters of the stages spell?

1 Tie up loose ends
Confirm what has been agreed. Summarise the details on paper.

2 Explore each other's needs
Build rapport. State your opening position. Learn the other side's position.

3 Ready yourself
Prepare your objectives, concessions and strategy. Gather information about the other side.

4 Probe with proposals
Make suggestion and find areas of agreement.

5 Close the deal
Bring the negotiation to a clear and satisfactory end.

6 Signal for movement
Signal that you are prepared to move from your original position. Respond to signals from the other side.

7 Exchange concessions
Give the other side something in return for something you need or want.

Read a negotiation between two buyers for a department store and a supplier of T-shirts, Eastern Fabrics, which is based in Hong Kong. Match each abstract from the dialogue to one of the stages in Harry Mills's list.

A negotiation (A= buyer A, B=buyer B, S-Supplier)

Extract 1
A OK, what do we want to get out of this meeting with Eastern Fabrics?
B I think our main aim should be to get a better deal on prices. I've been checking up on eastern Fabrics, they've just built a new factory in China, they need to keep it working to full capacity. They'll be keen to get our business, so they'll lower their prices, if we play our cards right.
A Right, let's try to get ten percent off their list prices.
B Agreed.

Extract 2
S Can you tell us a little about your customers' needs and their buying habits? You know, what colours they like, what sizes are most popular, and what your main sales outlets are - that sort of thing?
B If you give us a discount on our first order, say ten percent, we can accept the end of May as a delivery date. We’d like to have the goods earlier, but we understand this would be difficult for you.

S A ten percent discount—mmm, that’s more than we usually offer new customers, but it might be possible, especially if we can deliver some of the shirts early in June.

B Well, July and August are our peak selling months, so that would probably be OK.

**Extract 4**

S How about if we send the first consignment by air to make sure the goods arrive on time? And we’ll send the rest by sea as soon as possible.

B Mmm, sounds like a good idea to me. As long as we get the first consignment by the end of May, we’ll be happy.

S I can guarantee delivery by that date. OK?

**Extract 5**

S Normally we supply three colours only, black, blue and red, but with a variety of designs of course. If you wanted the T-shirt in other colours . . .

B What? You mean if we ordered other colours, the shirts would be more expensive.

S Exactly, we’d have to charge a little more.

**Extract 6**

S Good, we agree on price, quantity, discounts and, let’s see . . . method of transport. I’ll send you an e-mail confirming everything. Let me know if there are any problems.

Extract 7

S OK, I think we’ve covered everything. If there are any other points, I’ll e-mail you.

B Great. That was a very good meeting. We covered a lot of ground. What time shall I meet you for dinner tonight?

© Study the Useful language box below. Then role play these negotiations. Try to get a good outcome in each situation.

**Student A is a supplier.**

**Supplier:** You want to increase the list price of your sports bag model PX7 by 10%. You also want to change your delivery times.

**Buyer:** You can only afford a 2% increase. You offer to buy a larger quantity of sports bags at a lower increase. You want the delivery times to stay the same.

**Student B is a company employee.**

**Employee:** You think you should have a 10% salary increase.

**Boss:** You think the company can only afford a 2% increase.
Useful language

Starting positions
We'd like to reach a deal with you today.
Right, let's try to get 10% off their list prices.

Exploring positions
Can you tell me a little about ..? What do you have in mind?

Making offers and concessions
If you order now, we'll give you a discount.
We'd be prepared to offer you a better price if you increased your order.
If necessary ..... 

Checking understanding
What do you mean?
Have I got this right?
If I understand you correctly.....
You mean, if we ordered.....would....?
Are you saying ..... 

Refusing an offer
I'm not sure about that.
That's more than we usually offer
That would be difficult for us.

Accepting an offer
Sounds a good idea to me. As long as we.....
Good, we agree on price, quantity, discounts . . . .

Playing for time
I'd like to think about it.
I'll have to consult my colleagues about that.

Closing deal
I think we've covered everything.
Great! We've got a deal.

Following up the deal
Let me know if there are any problems.
If there are any other points, I'll e-mail you.
Unit 10  Quality

"Quality is remembered long after the price is forgotten."

Gucci family slogan

Starting up

1 Give examples of high-quality products or services. Explain your choice.

2 Which of the words and phrases below best express your idea of quality?

- reliable
- value for money
- long-lasting
- traditional

- well-known
- expensive
- hand-made
- modern

- genuine
- made in (country)
- well-designed
- mass-produced

3 Look at these sayings. What do they mean? Which of the ideas do you agree with?

1 'They don't make them like they used to.'
2 'Quality not quantity.'
3 'You get what you pay for.'
4 'Don’t judge a book by its cover.'

Vocabulary  Quality control and customer service

1 Use the words in the box to complete the flow chart.

identified  modified  failed  relaunched  launched

durability  recalled  reliability  tested

A defective product

We,...' the product two years ago.

We have a policy of zero defects so we were surprised when, shortly after the launch, we received complaints about the... and... of this product.

Because of market feedback, we.....' the product so that any faults could be
investigated. At the same time, we withdrew it from sale.

I

After extensive tests, our engineers .... 5 a fault.

I

As a result, they were able to correct the fault and we, .... 6 the product.

I

We .... 7 the product under controlled conditions.

I

Finally, we . . . the redesigned product in the market.

Unfortunately, it....? due to lack of consumer confidence caused by bad publicity.

2 Complete the sentences below with the words and phrases from the box. Use a good dictionary to help you.

consumer satisfaction questionnaire compensation monitoring routine checks guarantee inspection minimum standards after-sales service faults

Quality control

1 Quality control involves checking for . . . before selling goods.
2 We are always . . . the quality of our products.
3 The quality control department found several faults during one of their . . . .
4 We use a number of . . . to measure quality.
5 During the . . . a number of serious production flaws were found.

Customer service

6 We measure how happy our customers are with an annual . . . .
7 We ensure that the machines are well-maintained by offering . . . .
8 We provide our customers with a . . . lasting 10 years.
9 If there is a faulty product, we usually offer customers . . . .

3 Think of the product or service that you have complained about. Tell your partner what the problem was and whether it was solved.

Vocabulary file pages 95, 103-104
Reading Old-fashioned quality

1 Before you read the article, answer these questions.
1 How can manufacturers guarantee product quality?
2 Which companies make the best domestic appliances (fridges, cookers, etc.)?

2 Read the article and match the headings to the correct paragraphs. Two of the headings have been done for you.
   a) Company strategy
   b) Focus on detailed testing
   c) High costs: increased reliability
   d) Industry admiration for top quality
   e) Innovation in working practices
   f) Looking to the future
   g) Manufacturing at home ensures quality
   h) Loyalty for product that lasts

3 Match these people from the article to the summary of their views.
   1 Markus Miele    a Miele is admired and respected by other manufacturers.
   2 Nick Piatt      b Making one of the company's factories compete with other suppliers keeps them competitive.
   3 Andrea Guerra   c The company is able to keep its customers because there is confidence in its products.

4 Read the article again. Tick the factors below which have contributed to Miele's success.
   1 It has excellent quality control in its factories.
   2 It changes its position in the market according to demand and fashions.
   3 Its prices are very competitive.
   4 It uses a lot of outside suppliers.
   5 It spends more money than other manufacturers on creating new products.
   6 It does a lot of testing.
   7 It focuses on every detail of production.
   8 Each component lasts a long time.
Miele focusses on classic-fashioned quality!

By Peter Marsh

Company strategy

At a time when life has rarely been tougher for manufacturers in the developed world, Miele's strategy for survival is to break almost all the rules. The German company, a global leader in high-quality domestic appliances such as washing machines and vacuum cleaners, is renowned for its high manufacturing standards and its refusal to move down-market and compete on price.

1. The company bases nearly all its manufacturing in high-cost Germany and is self-sufficient to a high degree. Rather than outsource to low-cost suppliers, it makes 4 million electric motors a year (enough for all its products) in its own plant near Cologne. Keeping the manufacturing base in the company's own plant is, Miele believes, essential to maintaining its quality standards. Sales last year were £2.2 billion (£1.5 billion).

2. The approach is respected by Miele's industry peers. Andrea Guerra, Chief Executive of Meroni, the Italian white goods maker, regards it as the ideal of quality in the industry: "with a fantastic position at the top end."

3. Miele's attention to detail is legendary. Ovens are tested using machines that open and shut their doors 68,000 times to simulate the use they will have in their owners' kitchens.

4. The company also believes it can make its German plants more competitive by changing working practices. According to Markus Miele, co-owner of the company, 'We have a plant near Gautersloh that makes 80 percent of all the plastic parts we need. But we make this plant compete with outside contractors to see who gets the work for specific jobs. We make sure that the Miele plant charges prices no greater than the other bidders. This is one way we encourage our factories to make improvements and innovations in their production processes.'

5. Even though Miele's manufacturing costs are higher than those of its competitors, the company says these are justified by ability to produce appliances that despite their high prices - people want to buy. Roughly 50 percent of Miele's manufacturing costs come from components it makes itself compared with about 30 percent for equipment companies. But, the company says, most Miele appliances will work for 20 years, which is longer than comparable products. This, it says, is linked to the reliability of individual parts.

Looking to the future

The policy pays off, says Mr. Miele. 'My father (who was in overall charge of Miele until 2003) once had a letter from an old lady in Eastern Germany. She told him she didn't have much money but she was willing to pay 50 percent more for a Miele washing machine because she knew it would last for the rest of her life.' Nick Platt, a home appliances specialist at the GfK market research company, says such feelings are not uncommon: 'The company has built up a tremendous loyalty among consumers who know that the brand stands for quality,' he says.

6. Miele faces a tough few years as it strives not just to keep ahead of competitors at the top end of the white goods market, but also to interest new generations of increasingly cost-conscious consumers in buying machines that, in terms of kitchens, are the equivalent of luxury Swiss watches.

From the Financial Times

FINANCIAL TIMES
World Business Newspaper
1 Can companies outsource and still maintain quality?
2 Can companies do everything in-house and remain competitive?
3 What methods can companies use to maintain quality in:
   a food production?  b hotels?  c airlines?  d banking?

Skills  Telephone complaints

1 Read the dialogue.
CSR=Customer Service Representative, TG=Teresa Green

CSR  Good afternoon. Electrical Goods Department.
TG  Hello. This is Teresa Green. I'm calling about DVD player I bought from you a few weeks ago. Unfortunately there's a problem with it.
CSR  I'm sorry to hear that. What seems to be the problem?
TG  It doesn't work.
CSR  Could you give me some details, please?
TG  Well, the eject mechanism's not reliable. Sometimes it works, and sometimes it doesn't.
CSR  Can you bring it in? Then we can look into the matter and we'll probably send the machine back to the manufacturer.
TG  I'm sorry but I'd prefer to exchange it.
CSR  I'm afraid it's not policy to replace items. We'll send it back to the manufacturer for repair.
TG  Well, that's not really good enough. I'd like a different make and I don't mind paying a little more for a better model.
CSR  All right then. Bring the machine in and we'll see what we can do for you.

2 Answer these questions.
1 What is the customer's complaint?
2 What solution does the customer service representative suggest?
3 What solution does the customer want?
4 How does the call end?

3 One of you is the Production Manager for a power tools manufacturer. The other is a supplier of components. Role play the following telephone call. Use the phrases from the Useful language box below.

**Production Manager**
Ring your supplier to complain about some electric motors (order No. PV205) which have a number of defects (don't fit, not up to usual standard, etc.).

**Supplier**
- Deal tactfully with the complaint
- Show understanding.
- Get the facts.
- Promise action.
Useful language |

Complaining
Making the complaint
I'm ringing to complain about . . . .
I'm sorry, but I'm not satisfied with . . . .
Unfortunately, there's a problem with . . . .

Explaining the problem
The CD player doesn't work . . . .
There seems to be a problem with . . . .
We haven't received the . . . .

Insisting
It really isn't good enough . . . .
I'd like to know why . . . .

Threatening
If you don't replace the product, I'll complain to the manager.
If you can't deliver on time, we'll have to contact other suppliers.

Dealing with the complaints
Showing understanding
Oh dear! Sorry to hear that.
Mmm, I see what you mean.
I'm sorry about the problem/delay.

Getting the facts
Could you give me some details, please?
What happened exactly?
What's the problem exactly?

Making excuses/denying responsibility
It's not our policy to replace items.
It's not our fault that it hasn't arrived.
I'm afraid that's not quite right.

Promising action
OK, I'll look into it right away.
I'll check the details and get back to you.

続

Vocabulary file page 103-104
"Those are my principles; if you don't like them, I'll have others."
Groucho Marx (1895-1977, American comedian and film actor)

Starting up

1 Discuss these questions.
1 What is the purpose of a business, in your opinion? Is it just to make money?
2 What do you understand by these phrases?
   a) business ethics   b) a code of good practice   c) a mission statement
3 Should mission statements include statements about ethics?

2 Are some jobs more ethical than others? How ethical do you think these professions are?

accountant    civil servant    lawyer    police officer
banker        estate agent     nurse     teacher
car sales executive journalist   dentist    taxi driver

3 Discuss this list of unethical activities. In your opinion, which are the worst?
Are any common in your country?

1 Avoiding paying tax
2 Claiming extra expenses
3 Using work facilities for private purposes (f.e., personal, personal phone calls)
4 Accepting praise for someone else's ideas or work
5 Selling a defective product (f.e., a second-hand car)
6 Using your influence to get jobs for relatives (nepotism)
7 Ringing in sick when you are not ill
8 Taking extended lunch breaks
9 Giving good references to people you want to get rid of
10 Employing people without the correct paperwork

Vocabulary  Honesty and dishonesty
The sets of words and phrases below are related either to honesty or to dishonesty. Which word is different from the others in each set? Use a good dictionary to help you.

1. trustworthy  law-abiding  corrupt
2. a slush fund  a sweetener  compensation
3. insider trading  industrial espionage  disclosure
4. a whistleblower  a fraudster  a con artist
5. a bribe  a bonus  a commission
6. fraud  secrecy  integrity
7. a confidentiality agreement  a cover up  a whitewash

Complete these sentences with words and phrases from the sets above. Choose from the first set to complete sentence 1, from the second set to complete sentence 2, and so on.

1. Our company does nothing illegal. We are very ...
2. We’ve got ..., which is used in countries where it is difficult to do business without offering bribes.
3. Their car looked so much like our new model. We suspect ...
4. They fired him because he was .... He informed the press that the company was using under-aging workers in the factory.
5. He denied accepting .... when he gave the contract to the most expensive supplier.
6. We admire our Chairman. He’s a man of his word and is greatly respected for his ...
7. Many companies ask new employees to sign ... to avoid future litigation problems.

Discussion  A question of ethics

Work in groups. What should you do in each of these situations?

1. The best-qualified person for the post of Sales Manager is female. However, your customers would prefer a man. If you appoint a woman you will probably lose some sales.
2. Your company has a new advertising campaign which stresses its honesty, fairness and ethical business behavior. It has factories in several countries where wages are very low. At present it is paying workers the local market rate.
3 A colleague working in a hospital has been making mistakes at work recently. This is because she has a serious illness. You are her friend and the only person at work who knows this. She has asked you to keep it a secret.

Discuss these questions.

1 Why is corruption more common in some countries than in others?
2 What are the consequences of corruption in your opinion?

Reading Responsible business

Discuss these questions.

1 Do you think companies are responsible for
   a) people being too fat?
   b) musicians not being paid because of illegal downloading of their music?
2 What examples can you give of businesses behaving badly?

Read the article and answer these questions.

1 What ethical issues do these industries face?
   a) the food industry
   b) mobile phone operators
   c) record companies
   d) computer and telecommunications companies
   e) the financial sector
   f) oil and mining groups
   g) footwear and clothing brands
2 Which areas of business do not give enough information about social and environmental matters?
3 What examples are given of companies taking positive steps?

Which of the following groups of companies have the largest percentage of reports covering environmental, social and ethical issues?
   a) FTSE250 (British)
   b) US standard and Poor's Top 50 (American)
   c) 50 largest companies (European)

Why are companies in countries such as Russia, Poland and Turkey becoming more interested in corporate responsibility?
No hiding place for irresponsible business

Companies in the oil and mining sector have been taking the issue of corporate ... much more seriously recently. They are worried about ... to their reputations due to rumours of ... and bribery. Government ... and ... from other companies has resulted in more ... in the industry and less secrecy. The aviation industry has also received attention. Senior managers have been criticized for ... decisions regarding payments to secure contracts.

Discuss the question.
What can a) consumers, b) shareholders and c) employees do to try to change the behavior of businesses that are behaving unethically?

**Skills** Problem-solving

1. **Read the dialogue of two directors talking about the problem of staff taking too many days of sick leave. Then answer these questions.**

   1. What are the first three solutions proposed by one of the directors to solve the problem of absenteeism?
   2. What do the directors finally decide?

   A We’ve got to do something about it. People are taking too many days off sick. Sick leave increased by 12% last year. I got the figures today. On average staff took fourteen days off sick - that’s far too many.
   B Absolutely, it’s really damaging for us. It’s affecting the service we give our customers and it’s costing us a lot of money. It can’t go on.

   A OK, well, as I see it, there are several ways we could deal with this. We could get tough and simply say, no paid leave at all for the first three days someone is sick. Or we could do it another way er . . . offer staff bonus at the end of the year if they don’t take much sick leave. And there’s third option, we could bring in a doctor and physiotherapist for staff, and free health tests and counseling. They could check up on staff who are taking far much sick leave, the ones who think it’s extra holidays for them.

   B Let’s look at the pros and cons of the first option: no paid leave for the first three days staff are sick. On the one hand, I think it will reduce the amount of sick leave. On the other hand, it’s unfair to people who are genuinely sick, you know if they’re suffering bad cold or flu, for example. It wouldn’t be popular with the staff, or with the unions . . . .

   A Well, let’s look at this from another angle. It might be worth using a completely different approach. We could try sending a questionnaire to all staff, asking them to suggest ideas for reducing absenteeism, because of sickness. Of course, we’d explain why the present policy isn’t working.

   B Good idea. If we do this, then they’re more likely to buy into any new scheme. Yes, it should work well.

   A Right. So, . . . the best way forward is to sound out staff and get their opinions. A survey will give us all the data we need.

   B Yes, I’ll have a draft questionnaire ready by next Monday, for our meeting.

2. **Match the comments below to the correct headings in the Useful language box.**

   I Let’s discuss the advantages and disadvantages.
2 My solution, then, is ... .
3 We have a number of options.
4 Let’s look at this a different way.
5 Let’s think about the consequences of... .
6 It might be worth considering ....
7 What we’ve got to do now is ... .

Useful language

A Stating options

There are several ways we could deal with this.

B balancing arguments

Let’s look at the pros and cons. On the one hand .... . On the other hand

C Changing your approach

Let’s look at this form from another angle.

D Considering less obvious options

We could try .... .

E Discussing possible effects

If we do this, then ....

F Making a decision

The best way forward is to

G Stating future action

The next thing to do is ... .

3 Role play this situation.

You are senior managers at a hi-fi manufacturer. Your company is losing market share. You strongly suspect your main rival is using unfair methods to promote its products.

For example, you are almost sure that your rival has been:

a) making cash payments to main dealers;

b) offering expensive gifts to important customers.

Hold a meeting to consider how to solve the problem.
Unit 12  Leadership

"We all work together as a team. And that means you do everything I say."

Michael Caine, British film actor (in the film The Italian job)

Starting up

1 Discuss these questions.
1 Which modern or historical leaders do you most admire? Which do you admire the least? Why?
2 What makes a great leader? Write down a list of characteristics. Compare your list with other groups.
3 Are there differences between men and women as leaders? Why have most great leaders been men?
4 Are people who were leaders at school more likely to be leaders later in life?
5 What makes a bad leader? Draw up a profile of factors.
6 What is the difference between a manager and a leader?

2 In groups, think of someone in a powerful position. List three positive qualities and three negative about this person. Then compare your ideas.

Vocabulary  Adjectives of character

1 Which of the adjectives below would you use to describe an ideal leader? Give reasons for your choice. What adjectives would you add?

decisive  informal  accessible  motivating
charismatic  passionate  thoughtful  impulsive
cautious  adventurous  flexible  opportunistic
aggressive  energetic  persuasive  open
magnetic  ruthless

2 Can you think of adjectives with opposite meanings to the ones above?
decisive - indecisive
3. **Reading** The founder of Ikea

1. The following article is about Ingvar Kamprad, the founder of Ikea, the home furnishings retail giant. Which of the following do you expect Ingvar to do or to be?

<p>| | | | | |</p>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>drive an old car</td>
<td>5</td>
<td>be careful with money</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>travel first class</td>
<td>6</td>
<td>dress smartly</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>be dyslexic</td>
<td>7</td>
<td>love detail</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>be formal</td>
<td>8</td>
<td>make short-term decisions</td>
<td></td>
</tr>
</tbody>
</table>

2. Read the article to check your answers to Exercise 1.
The bolt that holds the Ikea empire together

By Christopher Brown Humes

Ingvar Kamprad is no ordinary multi-billionaire. The founder of the Ikea furniture empire travels economy class, drives a 10-year-old Volvo and buys his fruit and vegetables in the afternoon, when prices are often cheaper. Ask him about the luxuries in his life and he says: 'From time to time, I like to buy a nice shirt and a cravat and eat Swedish caviar.'

Mr Kamprad is one of Europe's greatest post-war entrepreneurs. What began as a mail-order business in 1943 has grown into an international retailing phenomenon across 31 countries, with 70,000 employees.

Sales have risen every single year. The Ikea catalogue is the world's biggest annual print run - incredible 160m copies a year. And Mr Kamprad has grown extraordinarily rich. He is worth £12.5bn ($21bn) and is the 17th richest person in the world, according to Forbes, the US magazine.

The concept behind Ikea's amazing success is one way to explain his appeal. It is his ideas and values that are of the core of Ikea's philosophy.

Best known for his extremely modest lifestyle, he washes plastic cups to recycle them. He has just left his long-standing Swedish barber because he found one in Switzerland, where he lives, who charges only 5 kronor (£1) for a cut. 'That's a reasonable amount,' he chuckles.

All Ikea executives are aware of the value of cost-consciousness. They are strongly discouraged from travelling first or business class. 'There is no better form of leadership than setting a good example. I could never accept that I should travel first class while my colleagues sit in tourist class,' Mr Kamprad says.

As he walks around the group's stores, he expresses the feeling of 'togetherness' physically, clapping and hugging his employees. This is very uncharacteristic of Sweden. 'Call me Ingvar,' he says to staff. The informality and lack of hierarchy are emphasised by his dress style, with an open-necked shirt preferred to a tie.

Mr Kamprad has had both personal and business battles. He has fought against dyslexia and illiteracy.

One of Mr Kamprad's characteristics is his obsessive attention to detail. When he visits his stores, he talks not only to the managers but also to floor staff and customers. A recent visit to one of the group's Swedish stores has produced 100 details to discuss, he says.

By his own reckoning, his greatest strength is choosing the right people to run his businesses. He is determined that the group will not go public, because short-term shareholder demands conflict with long-term planning. 'I hate short-termist' decisions. If you want to take long-lasting decisions, it's very difficult to be on the stock exchange. When entering the Russian market, we had to decide to lose money for 10 years.'

Mr Kamprad has been slowly withdrawing from the business since 1986, when he stepped down as group president. He maintains that he is still 'too much involved and in too many details', although he admits to a distinct reluctance to withdraw altogether.

The question is: can there be an eternal king without Mr Kamprad? Does the group depend too much on its founder? Will the empire continue, as control of Ikea gradually moves to Mr Kamprad's three sons?

From the Financial Times

FINANCIAL TIMES
World business newspaper

3 What winning formula is behind Ikea's success?

4 Read the article again and make notes about Mr Kamprad under these headings.

Wealth Personality Lifestyle Leadership style

5 Find words or phrases in the article that match these definitions.

1 an awareness of the price of things ....
2 the feeling you have when you are part of a group of people who have a close relationship with each other ....
3 a relaxed and friendly situation without too many rules of correct behavior
4 the lack of a system in an organization where a group of people have power or control ....

73
Discuss these questions.

1. What, in your opinion, are the strengths and weaknesses of Ingvar Kamprad?
2. Would you like to work for him?
3. When is the correct time for a leader or founder to leave his or her company?

Decision-taking

Discuss these questions.

1. How important are rational and emotional factors when making decisions about the following?

   - a present for someone
   - a new company logo
   - a partner
   - a holiday destination
   - a new product to develop
   - someone for a job

2. Think of an important decision that you have made. How did you decide?
3. Do you think men and women have different ways of making decisions?
4. Who makes big decisions in your household?

Which ideas below do you agree with? Which do you disagree with? Why?

1. Before making a decision it is advisable to:
   a) write down pros and cons
   b) take a long time
   c) have a sleep or rest
   d) consult a horoscope
   e) consult as many people as possible
2. If a choice has cost a lot of time and money, stick to it.
3. Rely on the past to help you to make a decision.
4. Reduce all decisions to a question of money.
5. Be totally democratic in group decision-making.

Role play this situation. You are board members of a manufacturing firm. As your company is making a loss, you must cut costs. Hold a meeting to decide which one of these options to follow.

A Cut factory workers wage by 10%
B Pay no end-of-year bonus
C Make 50 employees redundant
D Reduce everyone’s salary by 8%
Useful language

**Asking for facts**
- Can you bring us up to date?
- Can you give us the background?
- Where do we stand with?

**Making a suggestion**
- We should sell out as soon as possible.
- Why don't we sell out?

**Disagreeing**
- I don't agree with that at all.
- I totally disagree.

**Identifying needs**
- We've got to get more information.
- We need more information about where we're going wrong.

**Agreeing**
- You're absolutely right.
- I totally agree with you.

**Expressing doubt**
- I am worried about the store's location.
- I'm not sure about that.

**Making a decision**
- The solution, then, is to keep the store going.
- I think, on balance, we feel we should keep the store going.

**Stating future action**
- So, the next thing to do is ... .
- What we've got to do now is ... .
Unit 13  Innovation

"Innovation!
One cannot be forever innovating.
I want to create classics."

Coco Chanel (1883-1971),
French fashion designer

Starting up

What are the most important innovations for you in your daily life? Think about the following areas.

- communication
- home entertainment
- food
- other

What innovations would you most like to see in the areas above?

Vocabulary  Describing innovations

The nouns below are often used when talking about innovation. Check that you know the meanings of the words and phrases in the box and complete the extract from the talk below.

<table>
<thead>
<tr>
<th>drawing board</th>
<th>prototype</th>
<th>brainwave</th>
<th>patent</th>
<th>concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>discovery</td>
<td>setback</td>
<td>R &amp; D</td>
<td>(research and development)</td>
<td></td>
</tr>
<tr>
<td>breakthrough</td>
<td>pioneers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The idea of a lone inventor who makes a . . . or has a sudden clever idea or . . . is maybe a little out of date today. While types of . . . do still exist, these days companies often have large . . . departments - teams of people who are constantly innovating and perfecting designs. Perhaps they begin with a . . . and then build a . . . or working model. Sometime during testing there is a . . . when it becomes clear the design has a fault. At this point maybe it is time to start again or go back to the . . . More work is done and there is a . . . - a solution is found. The product can be tested and then hopefully manufactured. The company will apply for a patent.
The adjectives below can be used to describe inventions or new ideas. Which have a positive meaning? Which have a negative meaning? Write + or - next to each one.

- brilliant
- beneficial
- silly
- life-saving
- pointless
- ridiculous
- time-saving
- annoying
- wasteful
- life-changing
- practical
- money-saving
- revolutionary
- space-saving
- ground-breaking

Look at the following list of twentieth-century innovations. In your opinion, which is:
A the most important?  C the most controversial?
B the most useful?  D the most unpopular?

Use words from Exercise 2 to describe the innovations. What other innovations would you add to the list?

- 1900 the escalator
- 1901 the vacuum cleaner
- 1923 the traffic signal
- 1950 the heart pacemaker
- 1956 TV remote control
- 1973 cars with airbags
- 1974 the Post-it note
- 1979 personal stereo
- 1986 laptop computer
- 1987 disposable contact lenses
- 1994 GM O(genetically-modified) tomatoes
- 1997 Dolly the sheep (The first mammal cloned from an adult cell)
Do you know which of the following products Procter and Gamble manufactures?

A cars   C shampoo   E washing powder
B furniture   D toothpaste   F anti-ageing cream

© Read the first three paragraphs of the article and answer the questions.

1 How is Procter and Gamble better than its competitors in terms of innovation?
2 How has Procter and Gamble benefited from organic growth?
3 Which of these statements is true?
   a) Over 66% of senior executives think innovation is very important.
   b) More than 50% of senior executives are please with the return on their investment in innovation.
4 Which companies are having problems with innovating?

By Patricia Sellers

A. G. Lafley, the CEO of Procter and Gamble, has brought a lot of creativity and rigor to P&G's innovation process. During the past 2 years, P&G has raised its new-product hit rate (the percentage of new entries that deliver a return above the cost of capital) from 70% to 90%. That's terrific in an industry where half of new products fail within 12 months, according to market research firm Information Resources. 'In the 18 years that I've followed Procter,' says Deutsche Bank analyst Andrew Shore, 'I have never seen the company this good.'

Organic growth - meaning growth from core businesses, excluding gains from acquisitions - is at the root of P&G's transformation. According to Lafley, organic growth strengthens a company's ability to innovate. Coke, Kraft and Unilever are just a few of the giants that are struggling to innovate and build the brands they already have. According to a recent Boston Consulting Group survey of senior executives, more than two-thirds say innovation is a priority, but 57% are dissatisfied with the returns on their innovation investments.

Lafley has a model for innovating in a big company:

1. Lafley says that his goal is to get half of P&G's invention from external sources, up from 20% four years ago and about 35% today. 'Inventors are evenly distributed in the population, and we're likely to find invention in a garage as in our labs,' he explains.

2. Procter and Gamble has 7,500 R&D people located in nine countries. In order to collect feedback over this vast area, the company encourages employees (both scientists and marketers) to post problems on an internal website. Lafley evaluates the ideas that have been shared between employees. Each year he presents his findings in half-day innovation reviews for each business unit.

3. Lafley believes that P&G needs to market not just the product itself but the consumer's experience of the product - how it looks, smells and feels. Three years ago he added a head of design at P&G, a company veteran named Claudia Kotchka, who reports directly to him. Her designers used to labor in anonymity on logos and packaging. But they are now deeply involved in all aspects of product development. For Olay Regenerist, they helped with the formulation and the fragrance too.

4. In an attempt to encourage growth, some companies offer fat bonuses for innovation or hire stars from outside. Lafley hasn't done either of those things. He doesn't need to revamp pay schemes, he says, noting that managers who fail to share ideas simply do not get promoted. He does motivate the rank and file by giving out modest rewards, such as giving 50 stock options, for creative ideas and by celebrating innovators on P&G's internal website.

From Fortune Magazine

78
Read the rest of the article. Choose the correct heading for steps 1 to 6 of Lafley's model for innovation from the list below.

A One-on-one consumer research
B Stop testing so much
C Know what not to do
D research outside for ideas
E Give designers more power
F Get employees to exchange ideas

Find words or phrases in the article which mean the following:
1 recruitment of an experienced person
2 additional payments for innovation
3 customer habits
4 the company's intranet
5 laboratories
6 shorter time for introducing products

Skills Presenting

Comment on the following statements. In your opinion are they; a) essential  b) helpful  c) unhelpful for a successful presentation?

1 Tell a joke at the beginning to relax the atmosphere.
2 Speak more slowly than you normally do.
3 Smile a lot.
4 Involve the audience,
5 Invite questions during the presentation.
6 always keep to your plan.
7 Move around during your presentation.
8 Use gestures to emphasise important points.
9 Read out presentation from the script.
10 Stand up when giving your presentation.

What other useful techniques do you know for giving a presentation?

Prepare a short presentation of three to five minutes. Choose one of the situations below.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Audience</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A country you have visited on holiday or done business in</td>
<td>A group of people who will shortly be working together</td>
<td>- way of life</td>
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<tr>
<td></td>
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<td>- transport</td>
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<td>- accommodation</td>
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<td>- food and drink</td>
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<td>- standard of living</td>
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<td></td>
<td>- entertainment</td>
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<td>- customs and traditions</td>
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<td>- weather</td>
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<td></td>
<td>- language</td>
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<tr>
<td></td>
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<td>- people</td>
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<tr>
<td>Your company's main competitors</td>
<td>The board of directors of your company</td>
<td>- identifying the competition</td>
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<tr>
<td></td>
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<td>- their strengths and weaknesses</td>
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<td></td>
<td></td>
<td>- how powerful they are in the market</td>
</tr>
<tr>
<td>Your job</td>
<td>A group of high school students at a careers evening</td>
<td>- responsibilities and tasks</td>
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<td></td>
<td></td>
<td>- the future</td>
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<td></td>
<td></td>
<td>- perks and special advantages, e.g. foreign travel</td>
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<td>- qualifications</td>
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<td>- career structure</td>
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</table>

4 Now make your presentations in groups. After each presentation rate the following aspects of the presentation from 1 to 5 (1=unacceptable, 2=fair, 3=average, 4=good, 5=excellent).

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<thead>
<tr>
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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<tbody>
<tr>
<td>The presentation was interesting.</td>
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<tr>
<td>The presentation was clear.</td>
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<tr>
<td>The presentation's beginning made an impact.</td>
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<tr>
<td>The presentation had a logical structure.</td>
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<tr>
<td>The presentation had a summary or conclusion.</td>
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<tr>
<td><strong>Total: 25</strong></td>
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</table>
Useful language

Introducing yourself
Good morning, everyone.
Hello, everyone, welcome to ...

Structuring the presentation
I'm going to divide my talk into 4 parts.
First, I'll give you ... After that, ...
Finally, ...

Inviting questions
If you have any questions, don't hesitate to ask.
I'll be glad to answer any questions (at the end of my talk).

Giving background information
I'll give you some background,
Let's start with the background.

Referring to the audience's knowledge
As you know, ....
As you are aware, ....

Changing the topic
Right, let's move on to ...
OK, I'll look at....

Referring to visuals
If you look at the graph ....
Could I draw your attention to the chart? "

Concluding
To sum up, ....
To summarise, ....

Ending
Thanks very much. Any questions?
Well, that's all I have to say.
Thank you for listening.
Unit 14  Competition

"Competition brings out the best in products and the worst in people."
David Sarnoff (1891-1971), American businessman

1 Before doing the quiz below, do you think you are:
A very competitive?
B fairly competitive?
C not at all competitive?

2 Answer the questions in the quiz. Then turn to page 92 to find out your score. Compare your score to your partner.

How competitive are you?

1 Which of the following statements do you agree with?
a) Winning is everything.
b) It’s not the winning that counts, it’s the taking part.
c) We are in this world to help each other.

2 Which of the following would satisfy you?
a) Earning more than anyone else you know.
b) Earning more than most of your friends.
c) Earning enough to have a comfortable life.

3 You have just won £50,000 and need to buy a new car. Do you:
a) spend £12,000 on a reliable car that will get you from A to B?
b) spend £26,000 on a middle-range car?
c) spend the entire £50,000 on a flashy top-of-the-range car that will impress all your friends?

4 If a colleague did something very successful, would you feel:
a) pleased for them?
b) pleased for them, but a bit jealous?
c) very jealous and unhappy?

5 If you lose at something, do you:
a) forget about it immediately?
b) think about it for a while?
c) never forget?

6 How do you feel when you win? Do you:
a) boast about it and tell everyone?
b) feel good, but keep it to yourself?
c) feel sorry for the person who lost?

7 What do you want for your children? Do you want them:
a) to be happy?
b) to achieve more than you did?
c) to be the best at everything?

8 You are at the traffic lights next to another car. The lights change to «go».
Do you:
a) let the other car go first?
b) move away slowly, without being aware of the other car?
c) try to be the first away?

9 You are waiting to check in at a crowded airline counter. There does not seem to be a system of queuing. Would you:
a) push your way to the front?
b) insist loudly that a fair system is adopted?
c) keep quiet and wait?

10 How do you feel about doing this quiz? Do you want to:
a) show you are the most competitive person in the group?
b) show you are the least competitive person in the group?
c) find out something about yourself?
Vocabulary  
Competition idioms

There are idioms from sport used in business, particularly when talking about competition. Use the nouns from the box to complete these idioms.

<table>
<thead>
<tr>
<th>game</th>
<th>field</th>
<th>ball</th>
<th>seat</th>
<th>horse</th>
<th>goalposts</th>
<th>race</th>
<th>neck</th>
</tr>
</thead>
</table>

1. a level playing . . . .
2. in the driving . . . .
3. to be neck and . . . .
4. flogging a dead . . . .
5. move the . . . .
6. keep your eye on the . . . .
7. ahead of the . . . .
8. a one horse . . . .

Which of the idioms in Exercise 1 refer to:
A a situation of fair competition?
B being in front of the competition?
C being at the same level as the competition?
D being the only competitor?
E wasting your time on a hopeless situation?
F staying focused?
G a change in the rules?
H being in control?

Complete the following with the most suitable idiom from Exercise 1. Remember to choose the correct verb form where necessary.

1. It's not a level . . . . any more. As a small company it is difficult for us to compete with the big multinationals.
2. They are so far ahead of their competitors in terms of new products that it has become . . . . It will be years before they face any serious competition.
3. We have left all our competitors behind. We spend a lot of money on R & D so we can stay . . . .
4. The government have changed all the rules for exporters. They have . . . . so we will have to rethink our international operation.
5. It's a waste of time continuing with the project. It will never work. We are . . . .
6. With our market dominance in the US, we are really . . . .
7. We have exactly the same market share as our nearest rival. We . . . . in terms of our profits so far this year, too.
8 We really need to concentrate on what our competitors are doing. In today’s market you need to . . . at all times.

4 Discuss these questions.
1 Have you ever felt you were flogging a dead horse
   A at work    B in your private life?
2 Which companies are ahead of the game in your industry or the industry you would like to work in?
3 How do you feel when
   A someone moves the goalposts?
   B you are in the driving seat?

Reading Losing competitive edge

1 Discuss these questions. Then read the article.
1 Who are the main competitors of the following companies?
   Coca-Cola   Nike   Levi Strauss   Nokia   Beeline
2 What actions can a company take to compete against the rivals?
3 Suggest five words or phrases which you associate with Nokia?

2 Answer these questions after reading the text.
1 What changes have taken place regarding:
   A the value of Nokia?    B Nokia’s position in the market?
2 Why is Nokia no longer the leader in the mobile phone market?
3 What is preventing Nokia from regaining its position in the market?
4 Why is Samsung competing successfully against Nokia?
5 Why was Nokia’s first camera phone unsuitable for the Japanese market?
6 According to the writer, what advantage will South Korea have over Japanese and European companies in the future?

3 The following verbs related to competition all appear in the article.

| crush | match | exceed | regain | dominate | overtake | rival |

Which of the words in the box suggest idea of:
1 being in a strong position? (2 verbs)
2 equality? (2 verbs)
3 moving in front of?
4 recovery?
5 doing better than?
Nokia and the insistent ringing of competition

By John Gapper

In 1993, Nokia enjoyed dominance of its industry, with a market share of more than 35 percent, having crushed its main rival. But a tiny competitor was about to knock it sideways: Reebok.

A similar situation exists today with Nokia and Samsung. Although the Finnish company's share of the global market for mobile handsets is similar to Nokia's in athletic shoes 21 years ago, its South Korean competitor has momentum. Samsung's camera phones, with twisting flip-up screens that allow users to take, send and display photos quickly and easily, are hot; Nokia's are not.

Samsung's market capitalisation exceeded that of Nokia last week as this fact became evident in the companies' first-quarter results. Even more annoying for Nokia is the transfer of something intangible, yet highly valuable: market leadership. The high end of the market - phones that retail for $300 or more in the US and £100 or more in the UK - is no longer Nokia's. Samsung makes the expensive camera phone that a young consumer wants to have.

Nokia seems to realise how potentially serious its situation is, but two obstacles stand in the way of Nokia regaining authority. One (product design) should be solvable, given the company's heritage. The other (that Samsung is South Korean) will be harder to tackle, as other western companies are likely to find as well.

Design should be Nokia's strength, since it originally overtook Motorola by turning handsets into handsome and desirable consumer goods, rather than bland technological objects. Yet in its recent models, Nokia appears to have forgotten the first rule of modernist design - that form follows function. Instead, it has placed most emphasis on making its handsets colourful and zappy, with snap-on covers.

Samsung's approach to digital communication has more substance. Its twisting flip-up screen is a neat way of making the most of camera technology. The screen can even be folded outwards, so friends' photos appear when they call.

There is no obvious reason why Nokia should not regain its lead in design. But Samsung has another advantage, which is more difficult for any European rival to counter: the willingness of young South Koreans to pay high prices for new electronic devices. In terms of access to broad-band and telecommunication infrastructure, Samsung happens to be sitting in one of the world's most wired and wireless markets.

Nokia had a similar advantage in Finland in the 1990s and exploited it to establish a strong presence round the world, including in Asia. But Europe has trailed Asia in high-speed mobile services. South Korea has more than 5m subscribers to third-generation services. That has helped Samsung to develop better designs for camera handsets at home before applying the lessons in Europe and the US.

One thing Samsung learnt - and Nokia did not - was to make its camera handsets small. Masanmichi Udagawa, co-founder of Antenna Design in New York, says he was 'shocked' when he saw one of the Nokia's first camera phones in Tokyo; companies such as Panasonic and Sharp were already making much smaller models for Japan. 'It was a nice design, with a sliding lid, but its sheer size made it unacceptable,' he says.

For consumer companies in Europe and US, Nokia's experience points to a broader challenge. Nike has maintained innovative by developing a range of premium-priced shoes in the US and then selling them around the world.

Samsung has shown that companies in Asian economies can use their own domestic markets to develop global products. Of course, Japanese companies, including Sony and Toyota, have done that for several decades, blending design and technology in ways unmatched by western companies. But countries such as South Korea have a demographic advantage over Japan and Europe - a plentiful supply of young people. As south-east Asian economies develop, those consumers will become increasingly valuable.

From the Financial Times

FINANCIAL TIMES
World business newspaper

4 Select the best alternative in each example below.

1. Our sales results **rivaled/exceeded** all our expectations.
2. After buying their largest competitor they totally **dominated/exceeded** the market.
3. Our factory **rivals/regains** many of our competitors.
4. After only three years, US sales **crushed/overtook** sales in Europe.
5. We are going to **regain/crush** the competition with our new handset.

Skills Negotiating

1. Match the phrases on the left with the more diplomatic phrases on the right.

Vocabulary file pages 102-103

85
1 We must talk about price first.
2 There's no way we can give you any credit.
3 I want a discount.
4 I won't lower my price.
5 Can you alter the specifications?
6 Your price is far too high.

A Your price seems rather high.
B Unfortunately, I can’t lower my price.
C Could you possibly give me a discount?
D I'm afraid we can't give you any credit?
E I think we should talk about price first.
F I wonder if you could alter the specifications.

2 Look at the sentences. Decide whether they are diplomatic or not diplomatic.
1 A non-exclusive contract would be perfect for us, too.
2 No, that’s no good for us.
3 We know the conditions of the market far better than you.
4 I suggest a rate of 15% on all the revenue you obtain.
5 15% is too low. We want at least 20%.
6 We could help with this.
7 How much will you pay us?
8 We will talk about the commission later.
9 To be honest, with a new distributor we prefer a shorter period.
10 It must be at least three years.

3 Role play the negotiation below between a shop owner and a chocolate manufacturer. Be diplomatic.

Shop owner
-You want to order 50 boxes of deluxe chocolates at the quoted price.
-You want a 20% discount.
-You want 30 days' credit.
-You want delivery in two weeks.

Chocolate manufacturer
-You get a bonus if the order is over 100 boxes.
-You don’t give a discount for orders of less than 100 boxes.
-You want payment on delivery.
-You can deliver in three weeks.
Useful language

Diplomatically giving bad news

I'm sorry, we weren't able to agree on this.

I'm afraid your price is rather high.

Using speculative language

It would probably arrive late.

It could be a problem.

It may be difficult to deliver.

We might not be able to do that.

Using a past form to express disappointment

We were hoping for

We were expecting

Test Your Business Grammar and Vocabulary. Revision B.
1 Brands, Skills: Exercise D, page 9

Student A

In your opinion, Jonson has a problem with its brand image.

• People consider their clothes to be boring, old-fashioned, over-priced and unexciting. They used to think they were well-made, value for money, durable and reasonably priced.

• Nowadays, the store sells clothes aimed at different age groups - young, middle-aged and old.

• People do not enjoy visiting the store because it needs redecorating in brighter colours.

• Staff uniforms do not help the company's brand image.

You think Jonson should focus on one segment of the clothing market. You are not sure which segment would be best, so you want to spend a lot of money on market research.

4 Change, Skills: Exercise C, page 25-26

Student A

Proposal 1:

You have proposed this change to the Board of Directors. You like the idea because:

• the salary increase will cost less than providing a new car every four years.

• The cost of maintaining cars is very high.

You may need to clarify certain points. This information could be useful.

• The company will not cancel the increase after one year.

• Several other companies in the industry are making the same change.

• The Board of Directors will make their decision on the proposal at the end of the month.
### 1 Brands, Starting up: Exercise B, page 6

<table>
<thead>
<tr>
<th>Brand name</th>
<th>Industry</th>
<th>Brand value in 2003 (Sbillions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Coca-Cola</td>
<td>Beverages</td>
<td>70.45</td>
</tr>
<tr>
<td>2 Microsoft</td>
<td>Technology</td>
<td>65.17</td>
</tr>
<tr>
<td>3 IBM</td>
<td>Technology</td>
<td>51.77</td>
</tr>
<tr>
<td>4 General Electric</td>
<td>Diversified</td>
<td>42.34</td>
</tr>
<tr>
<td>5 Intel</td>
<td>Technology</td>
<td>31.11</td>
</tr>
<tr>
<td>6 Nokia, Finland</td>
<td>Technology</td>
<td>29.44</td>
</tr>
<tr>
<td>7 Disney</td>
<td>Leisure</td>
<td>28.04</td>
</tr>
<tr>
<td>8 McDonald's</td>
<td>Food retail</td>
<td>24.70</td>
</tr>
<tr>
<td>9 Marlboro</td>
<td>Tobacco</td>
<td>22.18</td>
</tr>
<tr>
<td>10 Mercedes, Germany</td>
<td>Automobiles</td>
<td>21.37</td>
</tr>
</tbody>
</table>

* All US-owned unless stated. Companies ranked according to:
  - **Weight** (market share)
  - **Breadth** (cross section of society reached)
  - **Depth** (brand loyalty)
  - **Length** (brand-stretching ability)

Source: *International Brand Consultant*
StudentB
Proposal 1

Your colleague made this proposal. You are against the proposal because, in your opinion:

• senior managers and sales staff will not be happy about the change. Some may leave the company.
• a 10% increase in salary does not compensate for losing a company car.

Ask your colleague to clarify these points.

• Will the company cancel the 10% increase after one year?
• Has any other company made a similar change?

Proposal 2

Your colleague has proposed these changes. You are against the changes because, in your opinion:

• a barrier is not necessary. Two receptionists sitting at a table could check the arrival and departure of staff.
• staff will often forget their identity cards. This will cause problems in their department.
Yahoo has strengthened its European presence with the four hundred and seventy-five million euro acquisition (that’s a five hundred and seventy-eight million dollar acquisition) of Kelkoo, the French-based on-line shopping service. The European on-line retail market is forecast to grow to one hundred and seven billion euros in the next three years. The Nikkei two Average climbed nought point seven percent to eleven thousand, three hundred and sixty-four point nine, nine while the Topix index rose one point two percent to one thousand, one hundred and forty-five point nine five. Banking shares benefited most, with Mizuho jumping five point six percent to four hundred and thirty-seven thousand yen, SMFG rising four point seven percent to seven hundred and fifty-two thousand yen, MTFG gaining seven point nine percent to close at one million and fifty thousand yen and UFJ up four point two percent to six hundred and forty-six thousand yen.

1 Brands, Skills: Exercise D, page 9

Student B

In your opinion, the brand image of Jonson is excellent. People think that Jonson’s products are high quality and durable. But they are aiming at too many segments of the market.

• They should focus on the 30-50-year-old segment of the clothing market.
• They should not compete in the 15-30-year-old segment and should reduce floor space for these products.
• They should use the additional space to sell more food.
• They need to spend more money on advertising and promoting their clothes.
14 Competition, Starting up: page 82

KEY
1a) 3  2a) 3  3a) 1  4a) 1  5a) 1  6a) 3  7a) 1  8a) 1  9a) 3  10a) 3
b) 2  b) 2  b) 2  b) 2  b) 2  b) 2  b) 2  b) 2  b) 2  b) 2  c) 1  c) 1  c) 3  c) 3  c) 3  c) 1  c) 3  c) 3  c) 3  c) 1

OVER 26: You are extremely competitive. You have high standards and expect a lot from yourself and other people. You are probably an impatient person. You like to win at all times and get upset if you lose. You perform well under pressure and enjoy a challenge.

18-26: You are fairly competitive. You are competitive in areas that are important to you. You don't always have to be the best. You are pleased when other people are successful, such as members of your family or your colleagues. You don't believe that 'winning is everything'.

12-17: You are not very competitive. You believe it is more important to take part than to win. You enjoy working in a group rather than individually. You try to avoid pressure as much as possible.

11-10: You are not at all competitive. You are probably a good team player. You want to enjoy life and be as relaxed as possible. You don't like being the centre of attention. You try to avoid working under pressure or having to meet tight deadlines.

1 Brands, Skills: Exercise D, page 9

Student C
In your opinion, Jonson's problem is that it is selling the wrong clothes at the wrong price.

• it doesn't have enough top-selling products at low prices.
• The products are not stylish or colourful.
• The store is dull. It needs to be redecorated in bright colours.
• It needs to improve the display of the clothes.

You think Jonson should focus on the young segment of the market (the 15-30 age group), it should recruit a fashion expert with an international reputation -someone who knows what to buy and when to buy.
Conversation

Conversations tend to be fast and lively. You may sometimes be asked personal questions about your income, religion, and marital status. If you don't want to reveal this information, remain polite but give a vague reply.

Gift-giving

Giving a gift is not necessary during a first meeting. Instead, offer to buy lunch or dinner and use this opportunity to learn more about your guest's tastes. This way, later on when gifts are exchanged, you'll be able to give an appropriate gift. Do not give anything that is obviously expensive. Your generosity may cause embarrassment or be misinterpreted. Small electronic items are often appreciated. Good choices include scientific calculators, electronic address books and pocket CD players, etc.

Entertainment

Business entertaining is conducted over lunch or dinner. You are expected to arrive on time. It is business etiquette in Brazil to shake hands with everyone in your company, both upon arrival and upon departure. It's unusual to touch food with your fingers. Cut all foods, including fruit and sandwiches, with your knife.

Adapted from www.executive.com
Conversation

You may be asked personal questions about your age, salary, education, religion, and family life. If you don't want to answer, remain polite but try to politely avoid answering. In most cases, people ask in order to establish a rapport by finding common ground.

Gift-Giving

Giving gifts is a common practice in the workplace, and the receiver is expected to give a gift in return. Good gifts for a first trip include office items with your company logo or something produced in your country. Your gift should be of good quality but modestly priced. When you plan to give a gift to several people within an organisation, be sure to give a gift of greater value to the senior person.

Entertainment

Drinking is an important part of doing business. It is common to be invited out in the evening to a restaurant/bar where there will be a lot of alcohol. Towards the end of an evening the most honoured person will be asked to sing solo.

Make sure that you know one very simple song and do your best. Refusing to sing is considered bad manners.

Adapted from www.executive.com
Numbers following the words indicate which unit the word first appeared in.

**Products**

*Products can be...*

affordable 12 exciting 1 Inexpensive 1 stylish 1  
cool 1 fashionable 1 luxurious 1 timeless 1  
defective 10 good quality 1 produced under licence 1 value for money 1  
durable 1 high priced 1 reliable 1 well-made 1  

*You can...*

develop 1 outsource 1 redesign 10 replace 10  
endorse 1 place 1 relaunch 4 replacement 10  
launch 1 promote 1 reposition 1 roll-out 13  
modify 4 recall 10 test 10 lifecycle of a product 1  

... a product range of products 1

*We have expanded our product range.* 4  
*Our company has developed a distinctive new brand which stands out from the competition.*  
*They withdrew the faulty product from sale.*

**People involved in business**

bidder 10 distributor 5 importer 9 shareholder 5  
brand owner 1 entrepreneur 1 investor 5 shipping agent 14  
competitor 3 executives 1 manufacturers 1 supplier 7  
consumers 1 exporter 9 retailer 4 wholesaler 4  
contractor 10
Jobs

accountant 11
dietician 8
PA (Personal Assistant) to somebody 11

Account Manager 2
director 1
Sales Director 1

Assistant Sales Manager 8
estate agent 11
secretary 3

auditor 11
Finance Director 7
Warehouse Manager 7

Brand Manager 1
lawyer 11
Marketing Manager 1

CEO (Chief Executive Officer) 4
Marketing Consultant 12

Commercial Director 6

civil servant 11

I'm in (sales). 3
I'm in charge of (about 30) people. 3
I'm responsible for (local contracts). 3
I work for (SFD).

Work

Nouns
applicant 8
advertise a vacancy 8

appraisal scheme 12
apply for a job 8

covering letter 8
create job opportunities 4

(good) financial package 8
fast-track 8

high performer 8
fill in an application form 8

interview panel 8
fire somebody 11

labour force 3
headhunt / to be headhunted 8

overtime 9
make somebody redundant 4

perk 3
phone in sick 11

permanent post 8
recruit 1

probationary period 8
resign 12

96
Do you have to clock in when you arrive? 3
She doesn't like working to deadlines. 11
She is on a work placement with SFD. 3
There could be some staff cutbacks in the short term. 4
In our company, there is now more opportunity for promotion than before A
My application was unsuccessful. 11
The successful applicant will have a good track record in accounting.8
The job has no clear career structure. 13

Describing people

adaptable 8          decisive 12          impulsive 12          patient/impatient 8
adventurous 12        dedicated 8          informal 12          persuasive 12
aggressive 12         determined 8         intuitive 13          proud 8
ambitious 1           dynamic 8            law-abiding 11        reliable 8
assertive 8           energetic 12         loyal 1               self-confident 8
charismatic 8         enthusiastic 8        motivated 12         selfish 12
competitive 8         flexible 8            motivating 12         shy 8
confident 5           forceful 8            outspoken 2           trustworthy 11
corrupt 11            honest 8              passionate 12         

Places and buildings

department store 1    headquarters 1    premises 14
factory 1             hotel lounge 2     warehouse 3
fitness club 1          pedestrian zone 2

gym 8          plant 1

**American / British English**

billboard / hoarding 6                               carry on baggage / hand luggage 2
coach class / economy class 2                               downtown / city centre 2
elevator / lift 2                                   freeway / motorway 2
parking lot / car park 2                               resume / CV 2
round trip / return (ticket) 2                     schedule / timetable 2

**Companies and organizations**

*Nouns*  
branch 3
fast-growing company 12
head office 3
highly profitable organisation 11
loss-making company 11
merger 4
outlet 3
parent company 3
start-up 5
subsidiary 3

*Verbs*
control a company 1
decentralise 4
downsize 4
relocate 4
restructure 4
run a company 3

*Things you can say about your company or organisation:*
*Our company is well-established* 3
Our company was founded (2 years ago). 
Our company is organised into (3 departments). 
SFD merged with Reid International.
Our firm has an excellent reputation for reliability and good service. 
Our company is expanding fast. 
Our company is renowned for (its high manufacturing standards). 
Our CEO has a clear vision of where the company is going. 
We are looking at ways of improving our image as an ethical company. 
Our company has decentralized responsibility and authority. 
Our CEO believes in autonomy, but she's also keen on accountability. 
Following the bankruptcy of our main competitor, we regained our position as market leader.

Nouns: market follower 6, market leader 5, An organization can be: bureaucratic 3, hierarchical 3, centralised / decentralised 3, market-driven 3, democratic 3, slow to respond 3

Verbs: implement a policy 11, introduce / launch a policy 11

Travel:

baggage reclaim 10, luggage 2, cancellation 2, overbooking 2, check-in desk 10, runway 10, jet-lag 2, terminal 10

My plane was delayed. 
She flies business class. 
Several budget airlines offer cheap flights to European destinations. 
/ missed my flight because of the huge queue at passport control.

Business meetings
When will the meeting take place?  7
Can we move on to the next item on the agenda?  4
Will someone take the minutes?  8
The scheme, which was proposed by Ms Roberts, was seconded by Mr Todd.  4,8
I think we should have a vote on that.  8

Documents

draft (letter/report, etc.)  11  memo 1
letter of credit  3  the minutes of a meeting  4
licence  1

Markets, the economy and trade

Nouns

commodity markets  9
low-cost market  1
market segment  1
niche market  9

Verbs

economic downturn  4  break into a market  9
We are launching a multi-media advertising campaign to promote our new products. 

Advertisements can be…..

attention-grabbing 6       humorous 6
eye-catching 6
funny 6
inspiring 6
informative 6
shocking 6

**Finance and money**

**Nouns**
- banker's draft/bank draft 9
- bonus 11
- cash flow 9
- commission 11
- consumer spending 5
- cost-cutting practices 2
- dividend 5
- earnings per share 5
- gross margin 1
- letter of credit 9
- licensing fee 1
- pre-tax profit 5
- profit margin 9
- royalty 9
- sales revenues 5
- tax refunds 5
- turnover 4

**Verbs**
- claim expenses 11
- get a return on an investment 12
- go bankrupt 4
- increase profits 1
- lose money 1
- make a profit 5
- make a loss 1
- make money 1
- offer a discount 2
- pay a deposit 9
- raise money to start a business 5
- cost consciousness 12

**Doing business**

- negotiate a deal 3
- place an order 9
- quote (somebody) a price (for something) 9
- set up a joint venture 7
- underwrite a deal 12
- win a contract 14

*Most of the store's revenue comes from clothing.*

*They spend a lot of money on advertising.*

*(That hotel) is value for money.*

*We can't afford to give him a 5% salary increase.*

*Many firms cut costs by outsourcing to India.*

*SFD will not be able to reduce the prices it charges its customers.*

*SFD needs to boost its profits and share price.*

*We will use any surplus cash to reduce the level of our debt.*
We want payment on delivery. 14
We don't give a discount for orders of less than 100 items. 14
We expect 30 days' credit. 14
Can you deliver in two weeks? 14
Unsold goods may be returned. The amount will be credited to the customer's account. 14

Nouns
- decrease in sales 5
- increase in profits 5

Verbs
- level off 5
- plummet 5

Sales soared to $18m. 5
Profits rose from $2.1 to $2.8 billion. 5
Sales reached a peak of $20m. 5
Sales reached a low point of $5m. 5
Our business grew by 15% last year. 5
We are unlikely to meet our sales target this year. 5

Competition can be... You can...
- fierce 14
- intense 14
- strong 14
- tough 14
- unfair 14
- adapt to 14
- catch up with 14
- cope with 14
- crush 14
- ignore 14
- keep up with 4
- overtake 14

We faced strong competition from (supermarkets). 4
It is difficult for us to compete with the big multinationals. 14

Difficulties and problems

Nouns
- disorientation 2
- disruptive and dangerous behavior 2
- irritability 2
- misbehaviour 2
- personality clash with somebody 4

Verbs
- blame somebody for (a problem/mistake, etc.) 11
- correct a fault 10
- deal with (a problem/difficult situation, etc.) 4
- discuss a problem 2
setback 13 harm 2
have difficulties (doing something) 11
identify a fault 10
solve a problem 1
tackle (an issue/ a problem, etc.) 11

My computer’s just **crashed.** 2
We’re **facing a crisis** (with our market share). 6
The number of passenger **complaints** is soaring. 2
The company must decide how to deal with the complaints and **consider what action to take.** 10
Unfortunately, the redesigned product **failed** due to lack of consumer confidence caused by **bad publicity.** 10
During the inspection, a number of serious production **flaws** were found. 10
The product had a number of **defects.** 10
The product was not **up to standard.** 10
It all **went wrong.** 11
Our company is **having problems innovating.** 13
They expressed their dissatisfaction with the service. 2

**Telephone language**

**Caller**

Good (morning+name of company).

How may I help you? 2

I’d like to speak to . . . 2

Who’s calling please? 2

I’m calling because . . . 2

Could you put me through to (extension 123), please? 2

**Recipient**

I’m afraid (he/she) is engaged at the moment. 2

Can I take a message? 2

Hold on a minute, please, I’ll just transfer you to (a supervisor). 3

Would you like to call back later? 2

Could you ask (him/her) to call me back (tomorrow)? 2
QUIZ: Are you a Workaholic?

1. Do you get up early, even if you go to bed late?
   a) always  b) sometimes  c) never
2. Are you usually the first person to arrive at work / school etc.?
   a) always  b) usually  c) sometimes  d) never
3. Are you usually the most energetic person in a group of people?
   a) yes  b) no
4. Do you think about work on holiday?
   a) very often  b) sometimes  c) no
5. If you are eating lunch alone do you read or work while you’re eating?
   a) often  b) sometimes  c) never
6. Do you find it difficult to "do nothing"?
   a) yes, definitely  b) never  c) it depends
7. Do you make daily lists of "things to do"?
   a) always  b) sometimes  c) never
8. Has a doctor ever advise you to slow down?
   a) yes  b) no
9. Do you find work more fun than fun?
   a) yes  b) no

Check your score on page....
1. (a) 2  (b) 1  (c) 0
2. (a) 3  (b) 2  (c) 1  (d) 0
3. (a) 2  (b) 0
4. (a) 2  (b) 1  (c) 0
5. (a) 2  (b) 1  (c) 0
6. (a) 2  (b) 0  (c) 1
7. (a) 2  (b) 1  (c) 0
8. (a) 2  (b) 0
9. (a) 2  (b) 0

What your score means...
0-2  You obviously hate work!
3-6  You take things very easily.
7-10 You have a good balance between work and fun.
11-14 You work hard. Make sure your health doesn’t suffer.
15-19 You are very ambitious. Remember - all work and no play makes Jack a dull boy!
## The social-cultural game

<table>
<thead>
<tr>
<th>What do you say?</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>You have forgotten the name of the person you are talking to. Find out his name politely.</td>
<td>You meet a business contact at a railway station. Offer to carry some of his luggage for him.</td>
<td></td>
</tr>
</tbody>
</table>

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<tr>
<th>6</th>
<th>7</th>
<th>8</th>
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</thead>
<tbody>
<tr>
<td>You are in an important business negotiation. The other person asks you if he/she can smoke.</td>
<td>The waiter in a restaurant has just given you the bill. You are sure it is much too high.</td>
<td>You are having dinner with a foreign colleague in their country. The food is unfamiliar to you and you do not know what to choose.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12</th>
<th>13</th>
<th>14</th>
</tr>
</thead>
<tbody>
<tr>
<td>An important client invites you to the theatre. You cannot attend because you have already accepted another invitation.</td>
<td>At a conference you meet someone you think you've met before.</td>
<td>Give directions from your office to the closest station or airport.</td>
</tr>
</tbody>
</table>

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<tr>
<th>18</th>
<th>19</th>
<th>20</th>
</tr>
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<tbody>
<tr>
<td>You are at an international conference. Complain about your hotel room.</td>
<td>You are on the phone. Describe yourself to someone you are going to meet at the airport, so they can recognize you.</td>
<td>In which country is chewing gum forbidden by law? a) Iran b) Iraq c) Indonesia d) Singapore</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>24</th>
<th>25</th>
<th>26</th>
</tr>
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<tbody>
<tr>
<td>You see an attractive person at an international conference. Start up a conversation.</td>
<td>In which country should you spend at least 5 minutes saying hello? a) Sweden b) France c) the UK d) Afghanistan</td>
<td>Recommend a restaurant to a client</td>
</tr>
</tbody>
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<tr>
<th>30</th>
<th>31</th>
<th>32</th>
</tr>
</thead>
<tbody>
<tr>
<td>In which country is it considered insulting to give tips? a) the UK b) Sweden c) Japan d) Spain</td>
<td>You arrive for an appointment with your bank manager. Introduce yourself to the person at the reception desk.</td>
<td>You are visiting a company and you want to use their telephone.</td>
</tr>
</tbody>
</table>
### How to play

1. Decide how many players per board (6 max)
2. Place counters on WHAT DO YOU SAY? The first player to throw begins.
3. Take turns to throw the dice. When you land on a square, answer the relevant question.
4. If the other players do not accept what is said, the player must go back to the square he or he has just come from.
5. The winner is the player who reaches Finish! first.

<table>
<thead>
<tr>
<th>3</th>
<th>4</th>
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<tbody>
<tr>
<td>You’re at a party. You want to get away from someone who will not stop talking.</td>
<td>You are offered some food that you hate.</td>
<td>You should not show the soles of your feet. Which area does this refer to? a) the US b) West Indies c) Scandinavia d) Japan</td>
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<thead>
<tr>
<th>9</th>
<th>10</th>
<th>11</th>
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<tbody>
<tr>
<td>You are at a cocktail party and the host / hostess has just handed you a glass of champagne. You do not drink alcohol.</td>
<td>In which country would it be a grave insult to wink at someone? a) Thailand b) Japan c) Pakistan d) Iraq</td>
<td>You have been invited to your colleague’s house for dinner. He/She telephones you to ask if there is anything you don’t eat.</td>
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<tr>
<th>15</th>
<th>16</th>
<th>17</th>
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<tbody>
<tr>
<td>In which country is it quite likely that you will be asked to sing a song? a) Italy b) Austria c) Japan d) South Korea</td>
<td>A visitor wants to buy some local souvenirs.</td>
<td>A visitor wants advice on how to spend an evening in your town.</td>
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<tr>
<th>21</th>
<th>22</th>
<th>23</th>
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<tbody>
<tr>
<td>Talk about today’s weather.</td>
<td>Give your telephone number.</td>
<td>Spell your name.</td>
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<th>27</th>
<th>28</th>
<th>29</th>
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<tbody>
<tr>
<td>You are on a plane. Introduce yourself to the person sitting next to you.</td>
<td>Introduce your boss to a person visiting your organisation.</td>
<td>You are having a small dinner party. Introduce two of your friends each other.</td>
</tr>
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<th>33</th>
<th>34</th>
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<tbody>
<tr>
<td>You are late for a meeting.</td>
<td>You have just spilled red wine on a client’s dress.</td>
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fmski
Bibliography:


