Carolyn Walker with Paul Harvey

English for BUSINESS STUDIES

in Higher Education Studies

Course Book

esap

Garnet EDUCATION

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Series editor: Terry Phillips

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Introduction

English for Business Studies is designed for students who plan to take a business or management studies course entirely or partly in English. The principal aim of *English for Business Studies* is to teach students to cope with input texts, i.e., listening and reading, in the discipline. However, students will be expected to produce output texts in speech and writing throughout the course.

The syllabus focuses on key vocabulary for the discipline and on words and phrases commonly used in academic and technical English. It covers key facts and concepts from the discipline, thereby giving students a flying start for when they meet the same points again in their faculty work. It also focuses on the skills that will enable students to get the most out of lectures and written texts. Finally, it presents the skills required to take part in seminars and tutorials and to produce essay assignments.

English for Business Studies comprises:

- student Course Book including audio transcripts and wordlist
- the Teacher's Book, which provides detailed guidance on each lesson, full answer keys, audio transcripts and extra photocopiable resources
- audio CDs with lecture and seminar excerpts

English for Business Studies has 12 units, each of which is based on a different aspect of business studies. Odd-numbered units are based on listening (lecture/seminar extracts). Even-numbered units are based on reading.

Each unit is divided into four lessons:

Lesson 1: vocabulary for the discipline; vocabulary skills such as word-building, use of affixes, use of synonyms for paraphrasing

Lesson 2: reading or listening text and skills development

Lesson 3: reading or listening skills extension. In addition, in later reading units, students are introduced to a writing assignment which is further developed in Lesson 4; in later listening units, students are introduced to a spoken language point (e.g., making an oral presentation at a seminar) which is further developed in Lesson 4

Lesson 4: a parallel listening or reading text to that presented in Lesson 2 which students have to use their new skills (Lesson 3) to decode; in addition, written or spoken work is further practised

The last two pages of each unit, *Vocabulary bank* and *Skills bank*, are a useful summary of the unit content.

Each unit provides between 4 and 6 hours of classroom activity with the possibility of a further 2-4 hours on the suggested extra activities. The course will be suitable, therefore, as the core component of a faculty-specific pre-sessional or foundation course of between 50 and 80 hours.

It is assumed that prior to using this book students will already have completed a general EAP (English for Academic Purposes) course such as Skills in English (Garnet Publishing, up to the end at least of Level 3), and will have achieved an IELTS level of at least 5.

For a list of other titles in this series, see www.garneteducation.com/

Book map

Vocabulary focus	Skills focus		Unit
• words from general English with a special meaning in business • prefixes and suffixes	**Listening** **Speaking**	• preparing for a lecture • predicting lecture content from the introduction • understanding lecture organization • choosing an appropriate form of notes • making lecture notes • speaking from notes	**1**
• English–English dictionaries: headwords · definitions · parts of speech · phonemes · stress markers · countable/uncountable · transitive/intransitive	**Reading** **Writing**	• using research questions to focus on relevant information in a text • using topic sentences to get an overview of the text • writing topic sentences • summarizing a text	**2**
• stress patterns in multi-syllable words • prefixes	**Listening** **Speaking**	• preparing for a lecture • predicting lecture content • making lecture notes • using different information sources • reporting research findings • formulating questions	**3**
• computer jargon • abbreviations and acronyms • discourse and stance markers • verb and noun suffixes	**Reading** **Writing**	• identifying topic development within a paragraph • using the Internet effectively • evaluating Internet search results • reporting research findings	**4**
• word sets: synonyms, antonyms, etc. • the language of trends • common lecture language	**Listening** **Speaking**	• understanding 'signpost language' in lectures • using symbols and abbreviations in note-taking • making effective contributions to a seminar	**5**
• synonyms, replacement subjects, etc. for sentence-level paraphrasing	**Reading** **Writing**	• locating key information in complex sentences • reporting findings from other sources: paraphrasing • writing complex sentences	**6**
• compound nouns • fixed phrases from business studies • fixed phrases from academic English • common lecture language	**Listening** **Speaking**	• understanding speaker emphasis • asking for clarification • responding to queries and requests for clarification	**7**
• synonyms • nouns from verbs • definitions • common 'direction' verbs in essay titles (*discuss, analyse, evaluate*, etc.)	**Reading** **Writing**	• understanding dependent clauses with passives • paraphrasing • expanding notes into complex sentences • recognizing different essay types/structures: descriptive · analytical · comparison/evaluation · argument • writing essay plans • writing essays	**8**
• fixed phrases from finance • fixed phrases from academic English	**Listening** **Speaking**	• using the Cornell note-taking system • recognizing digressions in lectures • making effective contributions to a seminar • referring to other people's ideas in a seminar	**9**
• 'neutral' and marked words • fixed phrases from finance • fixed phrases from academic English	**Reading** **Writing**	• recognizing the writer's stance and level of confidence or tentativeness • inferring implicit ideas • writing situation–problem–solution–evaluation essays • using direct quotations • compiling a bibliography/reference list	**10**
• words/phrases used to link ideas (*moreover, as a result*, etc.) • stress patterns in noun phrases and compounds • fixed phrases from academic English • words/phrases related to environmental issues	**Listening** **Speaking**	• recognizing the speaker's stance • writing up notes in full • building an argument in a seminar • agreeing/disagreeing	**11**
• verbs used to introduce ideas from other sources (*X contends/suggests/asserts that* ...) • linking words/phrases conveying contrast (*whereas*), result (*consequently*), reasons (*due to*), etc. • words for quantities (*a significant minority*)	**Reading** **Writing**	• understanding how ideas in a text are linked • deciding whether to use direct quotation or paraphrase • incorporating quotations • writing research reports • writing effective introductions/conclusions	**12**

1 THE BUSINESS OF BUSINESS

1.1 Vocabulary

guessing words in context • prefixes and suffixes

A Read the sentences. The red words are probably familiar to you in general English. But can you think of a different meaning for each word in business English? Change the form if necessary.

1. Canberra is the capital of Australia.
2. People who consume too much food become overweight.
3. After my return from holiday, I felt much better.
4. The gun was fired three times.
5. It will do you good to take some exercise.
6. You can buy fresh meat in the market on Thursdays.
7. We went to see an excellent production of Hamlet at the theatre last night.
8. I am hoping to get promotion in my job next year.
9. I'm afraid I don't like raw fish.
10. Is there a bus service on Sundays?

B Read this part of a magazine interview with Max Jackson, the owner of VJ Sports. Complete each sentence with one of the red words from Exercise A. Change the form if necessary.

I'm the director of VJ Sports, a company which sells sports ______ . I believe that businesses must understand the needs of ______ . I also believe that workers who are lazy should be ______ . Sports and leisure are rapidly growing ______ industries. As a result, the ______ for sports equipment is growing. A lot of sports shops are doing a special ______ of our running shoes this week. In order to make more sports shoes, my factory needs more ______ materials. Also, the ______ department needs to increase the number of shoes which are made. I need someone to invest some more ______ in my company. They will be sure to get a good ______ on their investment.

C Study the words in box a.

1. What is the connection between all the words?
2. What is the base word in each case?
3. What do we call the extra letters?
4. What is the meaning of each prefix?
5. Can you think of another word with each prefix?

cooperate income intangible international miscalculate non-durable outcome overestimate rearrange subcontractor supermarket transport underperform unlimited

D Study the words in box b.

1. What is the connection between all the words?
2. What is the base word in each case?
3. What do we call the extra letters?
4. What effect do the extra letters have on the base word?
5. Can you think of another word with each suffix?

activity classify competitive director durable endless industrial investment machinery ownership packaged performance tangible transformation

E Use words from this page to discuss the pictures on the opposite page.


1
Buy one get one free


2

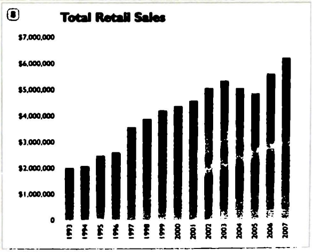

3
FLANNERY
JCB


4


5


6


7


8
Total Retail Sales
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
0
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007


9

A You are a student in the Business Studies Faculty of Hadford University. The title of your first lecture is *What is business?*

1 Write a definition of business.

2 What other ideas will be in this lecture? Make some notes.

See ***Skills bank***

B Listen to Part 1 of the talk. What does the lecturer say about business? Tick the best choice.

a The lecturer is talking about business in a general sense.

b Business is mainly about buying things.

c Business is mainly about selling things.

d Business is about more than buying and selling things.

C In Part 2 of the talk, the lecturer describes different areas of business management.

1 How many different areas can you think of?

2 What happens in each area?

3 Listen and check your ideas.

4 What will the lecturer talk about next?

D In Part 3 of the talk, the lecturer mentions the words *input, output* and *transformation.*

1 What do these words mean in the context of manufacturing?

2 Listen and check your ideas.

E In the final part of the talk, the lecturer talks further about inputs and outputs. Listen and mark each word in the box I for input or O for output.

banking ___ capital ___ computers ___
furniture ___ labour ___
newspapers ___ planning ___ premises ___
training ___ transport ___

F Draw a flowchart to illustrate the business process. Write words from Exercises D and E in your flowchart.

G Describe the business process using your flowchart.

H Look back at your notes from Exercise A. Did you predict:

- the main ideas?
- most of the special vocabulary?

1.3 Extending skills

lecture organization • choosing the best form of notes

A What can a business …

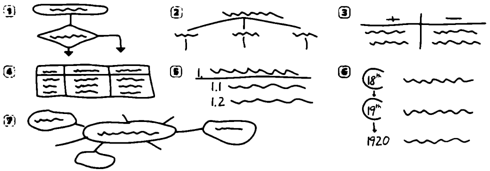
1 exploit?	4 construct?	7 publish?
2 employ?	5 set up?	8 expand?
3 strengthen?	6 hire?	9 invest?

B How can you organize information in a lecture? Match the beginnings and endings.

1 question and	contrast
2 problem and	definition
3 classification and	disadvantages
4 advantages and	effect
5 comparison and	events
6 cause and	supporting information
7 sequence of	process
8 stages of a	solution
9 theories or opinions then	answer

C How can you record information during a lecture? Match the illustrations to the words and phrases in the box.

tree diagram   flowchart   headings and notes   spidergram   table   timeline   two columns



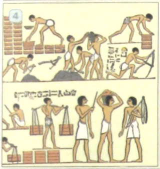
D Match each organization of information in Exercise B with a method of note-taking from Exercise C. You can use one method for different types of organization.

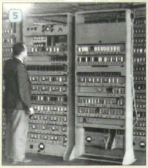
E Listen to six lecture introductions. Choose a possible way to take notes from Exercise C in each case.

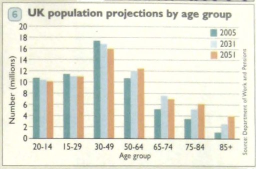
Example:

You hear: *Today I'd like to talk about some ways in which we can describe businesses. There are two important ways to classify businesses.*

You choose: *tree diagram*







A Study the pictures.

1 What do pictures 1–6 show? Use words from the box.

technology	**partnership**	**rise**	**limited**	**resources**	**teams**

2 What is the connection between all the things in picture 7?

B Cover the opposite page. Listen to the lecture introductions from Lesson 3 again. Make an outline on a separate sheet of paper for each introduction.

C Look at your outline for each lecture. What do you expect the lecturer to talk about in the lecture? In what order?

D Listen to the next part of each lecture. Complete your notes.

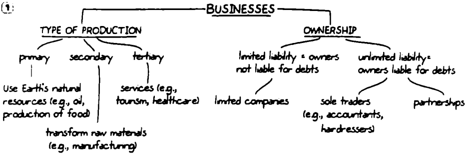
E Uncover the opposite page. Check your notes with the model notes. Are yours the same or different?

F Work in pairs.

1 Use the notes on the opposite page. Reconstruct one lecture.

2 Give the lecture to another pair.

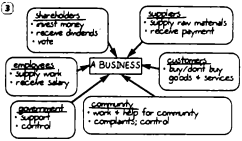
(1)



(2)

	SOLE TRADER	PARTNERSHIP
+	makes all decisions	business can expand
+	knows customer + markets well	extra skills
+	can adapt easily to changes in market	more money to invest in business
+	gets all profits	more people to do work
−	must work long hours	more people to agree decisions
−	has no one to discuss problems with	more people to share profits with
−	has limited finance	

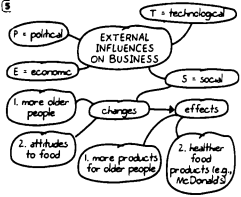
(3)



(4) History of Management

3000 BCE – Sumerians – record-keeping
2000 BCE – Egyptians – teams, participatory management
4th C BCE – Greeks – job rotation, working to music, division of labour, worker participation
1400 CE – Venetians – assembly lines, wine breaks
1494 CE – Italy – book on double-entry bookkeeping

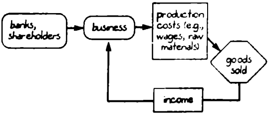
(5)



(6) 1.

9000 BCE – cattle
1200 BCE – shells (China)
630 BCE – coins (Asia Minor)
270 BCE – coins in use in Roman empire
– value of coins fixed
806 CE – first paper notes (China)
1660 CE – paper notes in England
20th C – bank notes linked to gold standard
1931 – Britain left gold standard
1971 – USA left gold standard
nowadays – 'fiat' money

2.



Guessing words in context

Using related words

Sometimes a word in general English has a special meaning in business.

Examples:
raw, return, market

If you recognize a word but don't understand it in context, think:
What is the basic meaning of the word? Does that help me understand the special meaning?

Example:
***Raw** food is not cooked food. In other words, the cooking process has not changed the food.*
***Raw** materials have not yet been changed into something else by the production process.*

Removing prefixes

A **prefix** = letters at the **start of a word**.

A prefix changes the meaning of a word.

Examples:
rearrange – arrange again
miscalculate – calculate wrongly

If you don't recognize a word, think: *Is there a prefix?* Remove it. Do you recognize the word now? What does that prefix mean? Add it to the meaning of the word.

Removing suffixes

A **suffix** = letters at the end of a word.

A suffix sometimes changes the part of speech of the word.

Examples:
active → *activity* = adjective → noun
invest → *investment* = verb → noun

A suffix sometimes changes the meaning **in a predictable way.**

Examples:
class + *ify* – make into
end + *less* – without (end)
replace + *able* – able to (be replaced)

If you don't recognize a word, think: *Is there a suffix?* Remove it. Do you recognize the word now? What does that suffix mean? Add it to the meaning of the word.

Making the most of lectures

Before a lecture ...

Plan

- Find out the topic of the lecture.
- Research the topic.
- Check the pronunciation of names and key words in English.

Prepare

- Get to the lecture room early.
- Sit where you can see and hear clearly.
- Bring any equipment you may need.
- Write the date, topic and name of the lecturer at the top of a sheet of paper.

During a lecture ...

Predict

- Listen carefully to the introduction. Think: *What kind of lecture is this?*
- Write an outline. Leave space for notes.
- Think of possible answers/solutions/effects, etc., while the lecturer is speaking.

Produce

- Write notes/copy from the board.
- Record sources – books/websites/names.
- At the end, ask the lecturer/other students for missing information.

Making perfect lecture notes

Choose the best way to record information from a lecture.

advantages and disadvantages	→	two-column table
cause and effect	→	spidergram
classification and definition	→	tree diagram/spidergram
comparison and contrast	→	table
facts and figures	→	table
sequence	→	timeline
stages of a process	→	flowchart
question and answer	→	headings and notes

Speaking from notes

Sometimes you have to give a short talk in a seminar on research you have done.

- Prepare the listeners with an introduction.
- Match the introduction to the type of information/notes.

A How can an English–English dictionary help you understand and produce spoken and written English?

B Study the dictionary extract on the opposite page.

1. Why are the two words (top left and top right) important?
2. How many meanings does *management* have?
3. Why does the word *market* appear twice in **bold**?
4. What do we call someone who works in marketing?
5. Where is the main stress on *managerial*? What about *managing director*?
6. What is the pronunciation of *g* in each bold word in this extract?
7. What is the pronunciation of *a* in each bold word in this extract?
8. What part of speech is *marketable*?
9. Are both of these correct? *The management is/are responsible for the failure of the company.*
10. Can we write: *A new computer model is marketing.* Why (not)?

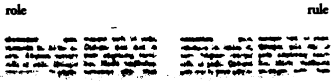
C Look at the bold words in the dictionary extract on the opposite page.

1. What order are they in?
2. Write the words in the blue box in the same order.

procedure task resources boardroom
layer structure team labour
hierarchy administrator rigid initiative
complex routine informal

D Look at the top of this double page from an English–English dictionary.

1. Which word from Exercise C will appear on this page?
2. Think of words before and after some of the words in Exercise C.



E Look up the red words.

1. How many meanings can you find for each word?
2. Which words are both a noun and a verb? What kind of verbs are they?
3. What kind of noun is each one?
4. How are the words used in business management?

F Look up the green words.

1. Where is the stress in each word?
2. What is the sound of the underlined letter(s) in each word?
3. How are the words used in business management?

G Test each other on the words from Exercises E and F. Give the dictionary definition of one of the words. Can your partner guess which word you are defining?

H Describe the organizational structures in the diagrams on the opposite page.

manage /ˈmænɪdʒ/ *v* [T] to be in control of, or a part of, an organization or company – **manager**

management /ˈmænɪdʒmənt/ *n* [U] 1. the activity of managing a company or organization: *The company failed because of bad management.* 2. [C/U + *sing/pl v*] the people in charge of an company or organization: *The management is/are going to announce a new plan today.* 3. [U] skill in controlling or organizing people or situations: *She is good at people management.*

managerial /ˌmænəˈdʒɪəriəl/ *adj* concerning a manager or management: *managerial responsibilities*

managing director /ˌmænədʒɪŋ dəˈrektə(r)/ *n* [C] the person who runs or controls a company

market[1] /ˈmɑːkɪt/ *n* 1. [C] a place or area where there is a demand for goods: *the home/overseas market* 2. [C] demand for a product or service: *The potential market for that product is excellent.* 3. [C] the trading situation: *The market for used cars is very good now./The housing market is depressed.*

market[2] *v* [T] to try to sell though advertising and supplying goods: *My company markets a wide range of IT products.*

marketable /ˈmɑːkɪtəbl/ *adj* can be sold or marketed: *You have some highly marketable skills.*

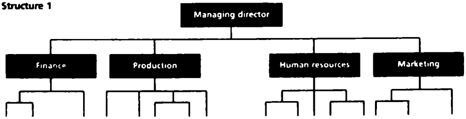
marketer /ˈmɑːkɪtə(r)/ *n* [C] a person who works in the field of marketing

marketing /ˈmɑːkɪtɪŋ/ *n* [U] business activity which is concerned with a product's promotion and advertising: *She wants to study marketing.*

meet /miːt/ *v* 1. [I] to come together by arrangement or chance: *Let's meet tomorrow.* 2. [T] to satisfy a need or demand: *If a business wants to succeed it must meet the needs of consumers.*

meeting /ˈmiːtɪŋ/ 1. [C] a coming together of a number of people for a purpose: *There is a meeting to discuss this problem tomorrow.* 2. [*the* + *sing/pl v*] the people who have come together: *What has/have the meeting decided?*

Structure 1



Structure 2

	Finance specialist	Production specialist	Marketing specialist	Human resources specialist
Task A	✓	✓		✓
Task B	✓		✓	✓

A What do you prefer – to work by yourself, with another person, or in a team? Why?

B Look at the pictures on this page.

1 What type of work is taking place in each picture?
2 Which pictures show team work?
3 Which pictures show skilled work?
4 Where are the workers likely to be in an organizational hierarchy?

C You are going to read a text. What should you do before you read a text in detail? See ***Skills bank***

D This text is about organizational structures.

1 Think of some research questions before you read.
2 Compare your questions with those in the Hadford University assignment on this page.

E Study these topic sentences from the text and answer the questions.

In the first half of the 20th century, organizations tended to be controlled in rigid hierarchies.

However, there are a number of problems with large, traditional hierarchies.

As a result, some companies have moved towards flatter hierarchies, ...

However, different types of company may need different types of organizations.

There are other possible ways in which organizations can be structured.

In the 'task' structure, several people work together as a team, using their different skills.

Finally, a 'person' structure can be found where there is a group of people who are experts in their field.

Of course, in real life, organizations rarely have just one structure.

1 What types of organizational structure are discussed in the text?
2 Where might you find the answer to each question in the university assignment? Write 1, 2 or 3 next to the topic sentence.
3 What do you expect to find in the other paragraphs?

F Read the text on the opposite page and check your ideas. See ***Skills bank***

1


2


3


4


HADFORD *University*

Faculty: Business Studies

Assignment

Do some research into the organizational structures of companies. Make notes to answer these questions:

1 What was the earliest typical organizational structure?
2 In what way has this structure developed?
3 What are the advantages of other types of structure?

How is work organized?

In the first half of the 20th century, organizations tended to be controlled in rigid hierarchies. In this type of structure there is one person at the top, the managing director or chief executive officer (CEO). There might be many layers of management. Information and orders are passed down through the layers. Typically, the company is divided into functional areas, such as sales, marketing, finance, etc. Each area has a manager in charge of a group of workers. Until recently, this arrangement was often accompanied by a division of labour at the lower levels. This means that each job is divided into clearly defined segments which can be carried out with little skill or training.

However, there are a number of problems with large, traditional hierarchies. First of all, communication is often poor. Messages have to travel down from the top, and information from the bottom may never reach the top at all. Secondly, these systems often do not encourage people to take responsibility for the quality of their work or to use their initiative. Finally, companies with these structures may find it difficult to adapt to a changing business environment quickly.

As a result, some companies have moved towards flatter hierarchies, as recommended by Tom Peters in his book *Thriving on Chaos* (1987). In other words, they have 'delayered', getting rid of people in the middle levels of management. In addition, many companies have adopted a team approach, with several people working together on a task.

However, different types of company may need different types of organizations. For example, a traditional hierarchical structure is particularly appropriate for large government bureaucracies, where things need to happen according to fixed rules. This structure also suits big transport companies where, for safety purposes, people need to be trained to work according to strict standards. As Charles Handy points out, in this kind of structure everyone has a precise job description. There are routines, rules and procedures, and clear lines of management so everyone knows what should happen and there are no surprises.

There are other possible ways in which organizations can be structured. For instance, according to Handy, in the 'club' structure, one individual leads a small group of perhaps 20 people. The leader chooses people who share her beliefs and values, and so the organization reflects the leader's personality. It is just like a club. The leader is like a spider at the centre of its web. There is a high level of trust, and communication is easy and informal because everyone knows what everyone else thinks. Communication lines are very short so these organizations can react quickly to change or new opportunities. However, if the leader is weak or leaves, the organization can disintegrate. This type of structure can be seen in new businesses or the art world or in politics.

In the 'task' structure, several people work together as a team, using their different skills. There is little hierarchy but a lot of cooperation and discussion. Leadership of the teams can change from task to task. This structure is suitable for advertising agencies or product development, where there is a problem to solve. However, it is less useful for simple jobs because teams can be expensive and time-consuming.

Finally, a 'person' structure can be found where there is a group of people who are experts in their field. They usually work individually rather than as a team. However, the experts also need administrators to help them. The administrators – often called secretaries or clerks – do not have any control over the professionals, and so an organization with a person structure may be quite difficult to manage. This type of organization – called a practice – is often used by groups of doctors or lawyers.

Of course, in real life, organizations rarely have just one structure. In fact, most are a mixture of two or more types. But a hundred years ago, managers believed there was only one way to run all organizations, and that is certainly no longer the case.

2.3 Extending skills

topic sentences • summarizing

A Study the words in box a. They are all from the text in Lesson 2.

1 Look back at the text on page 17. Find the words which go together with the words in the box.
2 Do they make noun or verb phrases?
3 What is the meaning of each phrase? Look at the context and check with your dictionary if necessary.

a

areas division segments
responsibility initiative environment
approach description lines

B Study the words in box b. They are all from the text in Lesson 2.

1 What is the base word in each case? What part of speech is the base word?
2 Does the prefix/suffix change the part of speech?
3 How does it change the meaning of the base word?

b

traditional flatter delayered
disintegrate cooperation
professional

C Look back at the text on page 17. After each topic sentence, how does the writer continue the paragraph? Choose one or more from the following list:

- defining and describing
- restating the topic sentence
- giving more information
- giving (an) example(s)
- giving a list of points
- concluding

D Write a summary of the information in the text on page 17. Practise using the words you have learnt so far. See ***Skills bank***

2.4 Extending skills

using research questions • writing topic sentences • summarizing

A Discuss these questions.

1 What structures for organizations were described in Lesson 2?
2 What sort of organization is each structure suitable for?
3 What type of leader does each structure have?

B The lecturer has asked you to do some research into types of leadership.

1 What is the function of a leader?
2 Think of good research questions before you read the text on the opposite page.
3 What is the best way to record information while you are reading?

C Study the text on the opposite page.

1 Highlight the topic sentences.
2 Read each topic sentence. What will you find in the rest of the paragraph?
3 Which paragraph(s) will probably answer each research question? Read those paragraphs and make notes.
4 Have you got all the information you need? If not, read other paragraphs.

D Use the Internet to find out more about McGregor's Theory X and Y. Explain how Theory X or Y seems to fit an organization or a person that you know.

1 Make notes.
2 Write a series of topic sentences which summarize your findings.
3 Report back to the other students. Read each topic sentence then add extra details.

Effective leadership is crucial for the success of a business. It is the leader's job to make sure that everyone works towards the achievement of the organization's goals. But what is a good leader? Different people have different approaches to leadership. Some leaders are autocratic, which means that they make all the decisions and expect their staff to simply follow their orders. On the other hand, a democratic leader is more likely to involve staff in decisions, to delegate and to make use of teams in the organization of work.

According to Douglas McGregor, in his book *The Human Side of Enterprise* (published in 1960), managers tend to be divided according to their beliefs. Theory X managers think that people are lazy, that employees need to be told what to do and have to be forced into doing their jobs properly. In contrast, according to McGregor, Theory Y managers believe that most people try hard to do their best, that they want to enjoy their work, and that everyone can have good ideas. As a leader, a Theory X manager is likely to be autocratic. A democratic leader will probably have Theory Y beliefs.

However, the style of leadership which is appropriate may depend on the situation. For example, in a crisis, an autocratic style may be more effective because people may need a strong leader to tell them quickly what to do. On the other hand, in a stable situation where everyone understands their roles, and where time is not a problem, a democratic style can work well.

It is also important to consider the relationship between leadership and teams. This is because recently there has been an increase in democratic management techniques which make use of team work. According to John Adair, in his book *Effective Teambuilding* (1987), the task of the team leader is to:

- know what the job is and get it done
- enable the team to work together
- allow individuals to develop their abilities

In order for a leader to lead a team successfully, according to Hooper and Potter (in *The Business of Leadership*, 1997), there are some basic requirements. First, the leader must inspire trust and respect, not fear. This can only be done if the leader is open with team members and if the leader shows integrity. Second, the team needs to understand very clearly what is to be done, which means that everyone must have a 'shared vision'. In other words, orders are not imposed from above by the leader. Instead, everyone agrees the goals. Finally, there must be very good communications between all members of the team. Many problems in teams result from breakdowns in communication which cause misunderstandings.

Using your English–English dictionary

This kind of dictionary helps you actually learn English.

Using headwords and parts of speech

1 Find the correct **headword**.
These **bold** words in a dictionary are in alphabetical order. Look at the words on the top left and top right of the double page. Find a word which comes just before and after your word.

2 Find the correct **meaning**.
If there are different meanings of the word, they appear in a numbered list. Look at all the meanings before you choose the correct one in context.

3 Find the correct **part of speech**.
Sometimes the same headword appears more than once, followed by a small number. This means the word has more than one part of speech, e.g., *n* and *v*. Work out the part of speech before you look up a word. Clues:
- Nouns come after articles (*a/an/the*) or adjectives.
- Verbs come after nouns or pronouns.

Learning to pronounce words

The symbols after the headword show you how to pronounce the word. Learn these symbols (the key is usually at the front or the back of the dictionary).

The little line in the symbols shows you how to stress the word.

Example:
/ˈmænɪdʒ/ but /ˌmænəˈdʒɪəriəl/

Learning to use words correctly in context

Nouns can be **countable** or **uncountable**. This information is important for using articles and verb forms (e.g., *is/are*) correctly. Look for the symbol **[C]** or **[U]**.

Some verbs need an object. They are **transitive**. Some verbs don't need an object. They are **intransitive**. This information is important for making good sentences. Look for the symbol **[T]** or **[I]**.

Some words can be spelt in **British** English (e.g., *colour, traveller*) or **American** English (e.g., *color, traveler*). Choose the correct spelling for the text you are working on.

Doing reading research

Before you start reading ...

- Think of research questions. In other words, ask yourself: *What must I find out from my research?*
- Look at headings, sub-headings, illustrations. Look for patterns or variations in presentation, e.g., a series of dates; words in **bold** or *italic* script. Think: *What information do they give me?*
- Decide how to record information from your reading. Choose one or more methods of note-taking. See Unit 1 *Skills bank*

While you are reading ...

- Highlight the topic sentences.
- Think: *Which paragraph(s) will probably give me the answer to my research questions?*
- Read these paragraph(s) first.
- Make notes.

After reading ...

- Think: *Did the text answer all my research questions?*
- If the answer is no, look at other paragraphs to see if the information is there.

Using topic sentences to summarize

The topic sentences of a text normally make a good basis for a summary. Follow this procedure:

- Locate the topic sentences.
- Paraphrase them – in other words, rewrite them in your own words so that the meaning is the same. Do not simply copy them. (This is a form of plagiarism.)
- Add supporting information – once again, in your own words.

Example:

Paraphrase of topic sentence	*Large hierarchies have several disadvantages.*
Supporting information and examples (summarized)	*They may have problems with communication, employee attitudes and ability to change.*

- Check your summary. Check that the ideas flow logically. Check spelling and grammar. If your summary is short, it may be just one paragraph. Divide a longer summary into paragraphs.

3.1 Vocabulary

[illegible] within words • prefixes

A Discuss these questions.

1. What is *productivity*?
2. How can you measure productivity?
3. Give an example of a measurement of *labour* productivity.

B Study the pictures on the opposite page.

1. What does each picture show? Talk about each picture using a word from box a. (You will not need all the words.)
2. Which of the aspects of work shown in the pictures could help *increase* productivity? Which could *decrease* productivity?

a

automation	**capability**
challenge	**colleague**
culture	**efficiency**
environment	**overtime**
repetitive	**reward**
socialize	**supervision**

C Look at the words in box a.

1. Underline the stressed syllable in each word.
2. Which word has the same stress pattern as *productivity*?
3. Sort the other words into groups according to their stress patterns.

D Complete each sentence with a word from box a.

1. Packing eggs is a ____________ job.
2. New machinery can mean greater ____________ in the production process.
3. ____________ with robots is now universal in car production.
4. People often like to ____________ with their work colleagues.
5. An uncomfortable working ____________ makes it difficult to work.
6. People may become teachers because they want a ____________ .
7. You can earn extra money if you work ____________ .
8. If a company has a poor ____________, people may try to avoid working.

E Study the words in box b. Find the prefix and try to work out the meaning in each case.

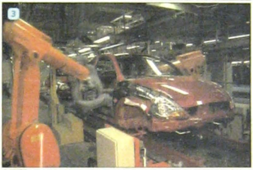
b

demotivate	**internal**	**united**	**dissatisfaction**	**ensure**	**self-esteem**	**multidisciplinary**
deviate	**intrinsic**	**unique**	**disadvantage**	**enrich**	**self-employed**	**multimillionaire**
devalue	**interior**	**uniform**	**disappear**	**encourage**	**self-service**	**multinational**

F Complete each sentence with a word from box b. Change the form if necessary.

1. Many organizations use e-mail as a convenient form of ____________ communication.
2. Employees who are badly paid may become ____________ .
3. If a team consists of people from several different departments it is said to be ____________ .
4. A team needs to be ____________ in order to work well.
5. It is important to ____________ that people have good working conditions.
6. People who think they are no good at anything have low ____________ .


1

2

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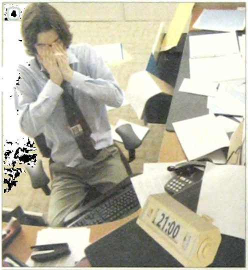
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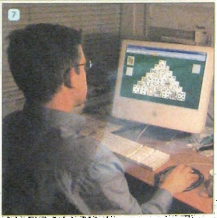
7

3.2 Listening

preparing for a lecture • predicting lecture content • making notes

A Study the handout from a lecture.

1 What do you expect to learn in this lecture? Make a list of points.

2 Check the pronunciation of the words in the diagrams, with other students or with a dictionary.

3 Write down other key words you expect to hear.

4 How are you going to prepare for this lecture?

B Listen to Part 1 of the lecture.

1 What exactly is the lecturer going to talk about today? Tick the topic(s) you heard.

- efficiency
- improving productivity with new equipment
- motivation theories

2 What reason does the lecturer give for talking about this topic?

3 What is the best way to organize notes for this lecture?

C Listen to Part 2 of the lecture.

1 What is the main idea of this section?

2 What is Maslow's theory?

3 What is the meaning of self-actualization?

4 What examples from the workplace does the lecturer give for types of needs?

5 What do you expect to hear in the next part of the lecture?

D Listen to Part 3 of the lecture.

1 How could you write notes for this part?

2 What are the two factors and their definitions?

E Listen to Part 4 of the lecture.

1 Check your definitions of the two factors.

2 What research must you do now?

F Listen and say whether the sentences are true or false.

1	3	5
2	4	6

G What does Figure 2 show? Discuss:

1 the chart itself

2 the causes of dissatisfaction

3 the causes of satisfaction

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Motivation in the workplace

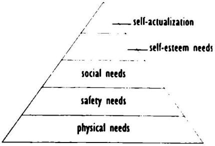


Fig. 1: *Maslow's hierarchy of needs*

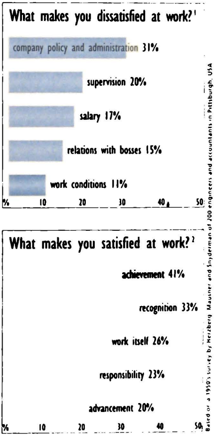


Fig. 2: *Results of a survey of job satisfaction –*

[1] factors mentioned by dissatisfied people

[2] factors mentioned by satisfied people

A Listen to some stressed syllables. Identify the word below in each case. Number each word.

Example:

You hear: *1 mu* /mju:/ You write:

achievement	esteem	negative
automation	factor	objective
behaviour	hygiene	physical
communicate 1	interpersonal	responsibility
demotivated	issue	secure
employee	multidisciplinary	status

B Where is the main stress in each multi-syllable word in Exercise A?

1 Mark the main stress.

2 Practise saying each word.

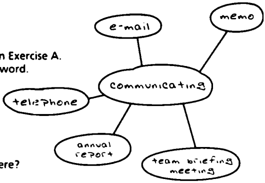
C Work in pairs or groups. Define one of the words in Exercise A. The other student(s) must find and say the correct word.

D Look at the spidergram on the right.

1 For each method of communication, state the medium used.

2 Say why each method might be used.

3 What other methods of communication are there?



Method	Medium	Why?
telephone	speaking (not face to face)	quick response; internal (to other employees in the building); external (e.g., to suppliers)

E Before you attend a lecture you should do some research.

1 How could you research the lecture topics on the right?

2 What information should you record?

3 How could you record the information?

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Faculty: Business Studies

1 Increasing productivity: motivating staff

2 What is the future for IT in business communication?

3 Appraisal and reward systems: a brief history

4 Intrinsic and extrinsic motivation

F You are going to do some research on a particular lecture topic. You must find:

1 a dictionary definition

2 an encyclopedia explanation

3 a useful Internet site

> Student A
> - Do some research on **intrinsic and extrinsic motivation**.
> - Tell your partner about your findings.

> Student B
> - Do some research on **appraisal and reward systems**.
> - Tell your partner about your findings.

3.4 Extending skills [illegible] information • reporting information

A You are going to listen to a continuation of the lecture in Lesson 2.

1. Make a list of points from that lecture.
2. What is the lecturer going to talk about today? (Clue: You researched it in Lesson 2.)
3. Listen to the end of the last lecture again and check your ideas.

B Look at the slides for today's lecture on the opposite page.

1. What is shown in Slide 1?
2. What is shown in Slide 2?
3. What is the purpose of these documents?

C Listen to Part 1 of today's lecture.

1. The lecturer will define something. What is it?
2. How does the system work?
3. What is a good way to make notes from this lecture? Prepare a page in your notebook.

D Listen to Part 2 of the lecture. Make notes. If necessary, ask other students for information.

E How will the lecturer finish the lecture?

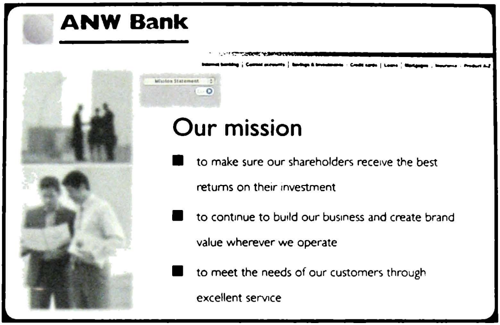
1. Listen to the beginning of Part 3 and check your ideas.
2. Now listen to the rest of the lecture. Make notes. If necessary, ask other students for information.

F Match the verbs and definitions.

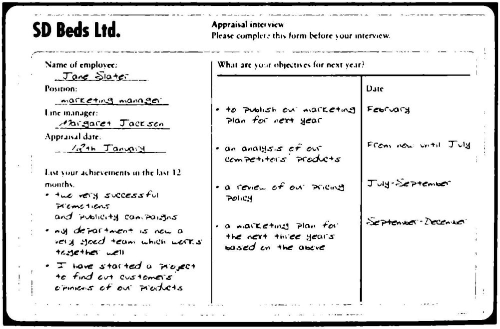
1	access	force people to follow something (e.g., a new rule)
2	deviate	find or see
3	draw up	decide what to do first, second, etc.
4	impose	get to, reach
5	integrate	act as a result of something
6	prioritize	join parts to make a whole
7	react	prepare and write
8	spot	be different from

G SD Beds Ltd. is a company that makes luxury beds. In general, the company is doing well, but it could do even better. The managing director has set a company target of a 5% increase in turnover for next year.

1. Write a mission statement for the company.
2. Imagine you are a manager in the human resources, sales or production department. Write some objectives for yourself for next year.
3. Work with a partner. Your partner is your line manager. Your partner will ask you about your objectives.



Slide 1



SD Beds Ltd.

Appraisal interview
Please complete this form before your interview.

Name of employee: Jane Slater
Position: marketing manager
Line manager: Margaret Jackson
Appraisal date: 12th January

List your achievements in the last 12 months.
- two very successful promotions and publicity campaigns
- my department is now a very good team which works together well
- I have started a project to find out customers' opinions of our products

What are your objectives for next year?	Date
to publish our marketing plan for next year	February
an analysis of our competitors' products	From now until July
a review of our pricing policy	July-September
a marketing plan for the next three years based on the above	September-December

Slide 2

Stress within words

Nouns, verbs, adjectives and **adverbs** are called **content words** because they carry the meaning.

One-syllable words

Some content words have **one syllable** or sound. This is always stressed.

Examples:
'key, 'need, 'trust, 'aim

Two-syllable words

Some content words have **two syllables**. Two-syllable nouns and adjectives are often stressed on the first syllable. Two-syllable verbs are often stressed on the second syllable.

Examples:

Nouns	*'factor, 'shelter, 'impact*
Adjectives	*'basic, 'crucial, 'rigid*
Verbs	*en'sure, re'act, com'bine*

Exceptions:

Nouns	*re'ward, e'ffect, ma'chine*
Adjectives	*u'nique, se'cure*
Verbs	*'challenge*

Multi-syllable words

Some content words have **three or more syllables**. Multi-syllable words are often stressed three syllables from the end.

Example:
Ooo oOoo ooOoo

This is true for most words ending in:

~ize ~ise	*'socialize, 'advertise*
~sis	*a'nalysis*
~ate	*co'mmunicate, 'deviate*
~ify	*'classify, 'satisfy*
~ical	*'physical, geo'graphical*
~ity	*capa'bility, pub'licity*
~ular	*par'ticular, 'regular*
~al	*ma'terial, 'personal*
~ology	*psy'chology*
~cy	*'policy, e'fficiency*

Exceptions:
Multi-syllable words ending in the following letters are normally stressed two syllables from the end.

~ic	***rea'listic, spe'cific, in'trinsic***
~ion	***con'dition, satis'faction, super'vision***
~ent	***co'herent, e'fficient***
~tial	***po'tential, influ'ential***

Getting information from other people

From the lecturer

We can sometimes ask a lecturer questions at the end of a lecture.
Introduce each question in a polite or tentative way.

Examples:
***Could you go over the bit about** needs **again**?*
***I didn't quite understand what you said about** self-actualization.*
***I wonder if you could repeat** the name of Maslow's theory of motivation.*
***Would you mind giving** the source of that quotation **again**?*

From other students

It is a good idea to ask other students after a lecture for information to complete your notes.

Examples:
***What did the lecturer say about** hygiene factors?*
***Why did he talk about** the disadvantages of MBO?*
***When did he say that** Herzberg did his research?*
***I didn't get the bit about** motivators.*

Be polite!

In some situations, it can sound impolite to ask people a direct question.
We often add a polite introduction.

Examples:
Does a mission statement give the aims of a company?
→ (polite) ***Do you know if** a mission statement gives the aims of a company?*
What does 'self-esteem' mean?
→ (polite) ***Can you remember what** 'self-esteem' means?*
What are your objectives for next year?
→ (polite) ***Could you tell me something about** your objectives for next year?*

Reporting information to other people

We often have to report research findings to a tutor or other students in a seminar.
Make sure you can give:

- sources – books, articles, writers, publication dates
- quotes – in the writer's own words
- summary findings – in your own words

THE WORLD OF TECHNOLOGY

4.1 Vocabulary

computer jargon • abbreviations and acronyms • verb and noun suffixes

A Study the words and phrases in box a.

1. Which words or phrases relate to computers and the Internet? Which relate to books and libraries? Find two groups of words.
2. Find pairs of words and phrases with similar meanings, one from each group.
3. Check your ideas with the first part of *The Computer Jargon Buster* on the opposite page.

B Complete the instructions for using the Learning Resource Centre with words or phrases from box a. Change the form if necessary.

C Study the abbreviations and acronyms in box b.

1. How do you say each one?
2. Divide them into two groups:
   - abbreviations
   - acronyms

   Explain your choices.

   See *Vocabulary bank*

b

CAD CAL CAM DVD HTML
HTTP ISP LCD PIN ROM URL
USB WAN WWW

D Test each other on the items in Exercise C.

1. What do the letters stand for in each case?
2. What do they mean?
3. Check your ideas with the second part of *The Computer Jargon Buster* on the opposite page.

a

books browse/search catalogue close
cross-reference database electronic resources
exit/log off hyperlink index library
log in/log on look up menu open page
search engine results table of contents
web page World Wide Web

HADFORD *University*

Learning Resource Centre

Instructions for use:

If you want to access web pages on the __________ __________, you must first __________ to the university Intranet with your username and password. You can use any __________ but the default is Google. __________ for web pages by typing one or more keywords in the search box and clicking on *Search*, or pressing *Enter*. When the results appear, click on a __________ (highlighted in blue) to go to the web page. Click on *Back* to return to the results listing.

You can also use the university __________ of learning resources. Click on *Business Resources* on the main __________.

E Study the nouns in box c.

1. Make a verb from each noun.
2. Make another noun from the verb.

c

class computer digit
identity machine

The Computer Jargon Buster

There are many common words used about books and libraries which are translated into jargon words when we talk about using computers and the Internet for similar functions.

books	electronic resources
index	search engine results
cross-reference	hyperlink
catalogue	database
library	World Wide Web
table of contents	menu
look up	browse/search
page	web page
open	log in/log on
close	exit/log off

There are many abbreviations and acronyms in computing. Learn some useful ones.

Abbr./Acr.	What it stands for	What it means
CAD	computer-aided design	using computers to help you design things
CAL	computer-assisted learning	using computers to help you learn
CAM	computer-assisted manufacturing	using computers to help you manufacture things
DVD	digital versatile disk	a disk for storing data, including sound and pictures
HTML	hypertext markup language	a way to write documents so they can be displayed on a website
HTTP	hypertext transfer protocol	a set of rules for transfering files on the WWW, usually included at the beginning of a website address (e.g., http://www. ...)
ISP	Internet service provider	a company that enables access to the Internet
LCD	liquid crystal display	the kind of screen you get on many laptops
PIN	personal identification number	a collection of numbers or letters which are used like a password to identify someone
ROM	read-only memory	a type of permanent computer or disk memory that stores information that can be read or used but not changed
URL	uniform resource locator	a website address, e.g., http://www.garneteducation.com
USB	universal serial bus	a standard way to connect things like printers and scanners to a computer
WAN	wide area network	a way of connecting computers in different places, often very far apart
WWW	World Wide Web	a huge collection of documents that are connected by hypertext links and can be accessed through the Internet

A Discuss these questions.

1. What has been the most important technological development for business in the last 50 years?
2. How can computers help to reduce business costs?

B Look at the title of the text on the opposite page.

1. What will the text be about?
2. In what ways can new technology cause problems at work? Make a list.
3. Write some questions that you would like the text to answer.

C Work in pairs. Look at pictures 1, 2 and 3.

1. Choose a picture. Describe it. Can your partner guess which one it is?
2. What are the objects in the pictures?

D One student wrote some ideas about new technology before reading the text on the opposite page. Write **A** (I agree), **D** (I disagree) or ? (I'm not sure) next to the ideas about opportunities and threats on the right.

E Look carefully at the topic sentences in the text on the opposite page.

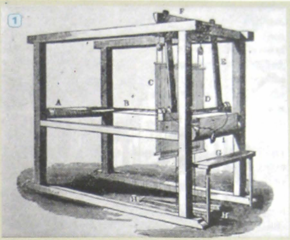
1. Identify the topic and the comment about the topic. **See *Skills bank***
2. What do you think each paragraph will be about?

F Read the text carefully. Were your questions from Exercise B answered?

G Does the writer of the text agree or disagree with the ideas in Exercise D? Which ideas are not mentioned?

H Study the notes a student made in the margin of the text on the opposite page.

1. What ideas are in the other paragraphs? Write some key words.
2. Which words introduce new ideas in each paragraph? **See *Skills bank***

1


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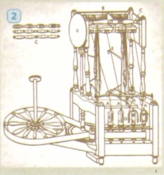


3


Opportunities/threats

New technology changes society.

New technology means people lose their jobs.

New technology makes life better for everyone.

Everyone likes new technology.

Information technology means more, not better information.

Developments in information technology are taking place too fast.

Companies which don't keep up with the latest developments will fail.

In companies, people are more important than technology.

Change or die!

The challenge of new technology

Although we live in a time of technological change, the impact of new technology on business is nothing new. Technology has always been an important aspect of the macro-environment that is outside the control of companies. For example, in the 18th century in England – the beginning of the period known as the Industrial Revolution – several inventors made machine tools for working with steel which allowed others to make industrial machines. Mechanization enabled new production methods, which not only radically changed manufacturing but also society.

example

result of tech.

New technologies have also always brought with them both opportunities and threats. In the industrial revolution in England, many people made their fortunes through the establishment of companies that exploited the new technology, and great advances in living standards for people were achieved, particularly in western Europe and north America. Unfortunately, there were also less positive social and political repercussions. For example, in the textile industry, the 'flying shuttle', invented by John Kay in 1733, resulted in increased production from a single machine, and so reduced the number of workers needed. This device was very much disliked by workers because of their fear of becoming unemployed, and, in 1755, Kay was attacked and one of his machines destroyed by an angry crowd. However, many people realized that this invention would make cloth cheaper and more available, and would therefore actually improve people's lives.

change

benefits + problems

Another example was Richard Arkwright's (1732–1792) spinning machine. This machine changed spinning from a cottage industry to factory-based production since it required mechanical power to operate. Some people saw this development as a huge opportunity for expansion of the industry, but others feared for their jobs. These people rioted and broke up the new labour-saving machinery. Clearly, they could not see that the machines would ultimately create new types of jobs, rather than reduce labour needs. These men were known as 'Luddites', a term which is still used today for people who refuse to accept new ideas or technology.

The industrial revolution of the 20th and 21st centuries has been in information technology. The use of computers in partnership with telecommunications has resulted in a faster exchange of information so businesses can quickly take account of developments within their operating environment. In addition, the Internet is having a profound impact on the marketing mix strategy of organizations through new distribution and purchasing methods (consumers can now shop 24 hours a day comfortably from their homes). While the new 'dotcom' companies are exploiting these new techniques, older companies are now having to adapt or lose their market shares.

The new technologies are developing incredibly fast. The product life cycle of some items, computer software for example, has shortened to less than a year. Obviously, this means that it is extremely important for companies to take technology's rapid advances into account and respond to changes if they wish to gain competitive advantage. Companies which are slow to react are likely to go out of business. However, as Rosabeth Moss Kanter, one of the world's leading business thinkers, points out in her book *Evolve!*, human relationships remain the key to business success, even in the digital age.

4.3 Extending skills

using the Internet effectively

A Discuss these questions.

1 You want to find out about computer-aided design. Where would you look for the information? Why?

2 What keywords would you use to make this search? Why?

B Your search produces 50 results. How can you select the most useful ones without reading all of them? Look at the list of criteria on the right and put a tick or '?'.

C You want to research the following. Choose up to three keywords or phrases for each search.

1 the ideas of Rosabeth Moss Kanter

2 how companies implement technological change

3 the rise of Internet-based companies in the 1990s

4 key industrial inventions of the 19th century

D Go to a computer and try out your chosen keywords.

Criteria for choosing to read a result

It contains all of my keywords.

The document comes from a journal.

It is in the first ten.

It has this year's date.

It is a large document.

The website address ends in .org

The website address ends in .edu

The website address contains .ac

It is a PDF file.

It refers to business.

It refers to a person I don't know.

It refers to a company I know (of).

4.4 Extending skills

analysing Internet search results • reporting research findings

A What information is contained in the results listing of a search engine?

1 Make a list.

2 Check with the results listings on the opposite page.

B Scan the results listings. Answer these questions.

1 What keywords were entered?

2 Why was *journal* used as a keyword? Why is it not in inverted commas?

C Answer these questions.

1 Which results contain abbreviations or acronyms?

2 Where is each website address?

3 Where is the size of each document?

4 Which are PDF documents?

5 What does [definition] mean?

6 Why are the words in different colours?

7 Which results refer to journals?

8 Which results come from educational sites?

9 Which results are commercial sites?

10 Which site belongs to an individual?

11 What does *similar pages* mean?

12 What does *cached* mean?

13 Which result in B has all the keywords?

D Continue your research on computer-aided design by entering the keywords into a search engine and accessing three of the results.

1 Make notes.

2 Compare your findings with other students.

E Choose the most interesting result. Write a paragraph about the information you discovered.

Google

Web Images Groups News Froogle Maps more »

"computer aided design" Search Advanced Search Preferences

Web Results 1 - 4 of about 34,300,000 for "computer aided design" [definition]. (0.12 seconds)

Computer-aided design - Wikipedia, the free encyclopedia
Computer-aided design (CAD) is the use of a wide range of computer-based tools ... Related acronyms are CADD, which stands for "computer-aided design and ...
en.wikipedia.org/wiki/Computer-aided_design - 46k - Cached - Similar pages

Computer Science > Electronic Computer Aided Design (ECAD) in the ... Yahoo! reviewed these sites and found them related to Computer Science > Electronic Computer Aided Design (ECAD)
dir.yahoo.com/Science/Computer_Science/Electronic_Computer_Aided_Design__ECAD_/ - 10k - Cached - Similar pages

What is Computer Aided Design? What is Computer Aided Design? I will bypass writing 50 pages on the ... Here let's consider what we mean when we say "computer aided design" itself.
www.fourmilab.ch/autofile/www/section2_44_1.html - 3k - Cached - Similar pages

[RTF] UNIVERSITY OF MAURITIUS File Format: Rich Text Format - View as HTML
... an understanding of the latest technology being used in manufacturing industries in the area of Computer Aided Design and Computer Aided Manufacturing. ...
www.uom.ac.mu/Faculties/foe/ MPE/degreecourse/List_of_modules.rtf - Similar pages

Google

Web Images Groups News Froogle Maps more »

"computer aided design" + journal + "latest technology" Search Advanced Search Preferences

Web Results 1 - 5 of about 9,200 for "computer aided design" journal "latest technology". (0.53 seconds)

EDS PERIODICALS
Journal of Technology Computer Aided Design (fully electronic) ... and research engineers desiring to keep abreast of the latest technology developments. ...
www.ece.neu.edu/eds/EDSmem-peri.html - 11k - Cached - Similar pages

[PDF] Massachusetts Institute of Technology Changes the Face of ... File Format: PDF/Adobe Acrobat - View as HTML ... each student team was supplied with the latest technology to facilitate ... [computer-aided design] system." Working Together Effectively ...
pergatory.mit.edu/IDC/contest/Microsoft_Case_study.pdf - Similar pages

[PDF] Network News File Format: PDF/Adobe Acrobat - View as HTML ...are further enhanced with the use of the latest technology in computer-aided design, innovative use of products and materials and working knowledge of ...
www.viwbn.org/newsletter/Jan_05_WBN_NL.pdf - Similar pages

[PPT] Processes, Technology, and Capacity File Format: Microsoft Powerpoint 97 - View as HTML Custom work, latest technology. Flexibility, quality ... Computer-aided design (CAD); Group technology (GT); Computer-aided engineering (CAE) ...
is.ba.ttu.edu/faculty/ch06.ppt - Similar pages

Kaufman paper Computer aided design (CAD) has impacted product/process design practices. ... Journal of Product Innovation Management Vol. 7 (1): 19–34. ... www.babson.edu/entrep/fer/AWARDS/Kaufmann/html/Chapter1.htm - 44k - Cached - Similar pages

Understanding abbreviations and acronyms

An **abbreviation** is a shorter version of something. For example, PC /piːsiː/ is an abbreviation for *personal computer*.

An **acronym** is similar to an abbreviation, but it is pronounced as a word. For example, CAD /kæd/ is an acronym for *computer-aided design*.

We normally write an abbreviation or acronym with **capital letters**, although the full words have lower case letters.

We **pronounce** the vowel letters in **abbreviations** in this way:

A	/eɪ/
E	/iː/
I	/aɪ/
O	/əʊ/
U	/juː/

We normally **pronounce** the vowel letters in **acronyms** in this way:

A	/æ/
E	/e/
I	/ɪ/
O	/ɒ/
U	/ʌ/

Common suffixes

Suffixes for verbs

There are some common verb suffixes.

Examples:

-ize	*computerize, mechanize, digitize*
-ify	*classify, identify, specify*
-ate	*motivate, innovate, stimulate*
-en	*shorten, lengthen, strengthen*

When you learn a new noun or adjective, find out how you can make it into a verb.

Suffixes for nouns

There are many suffixes for nouns. But verbs ending in *-ize*, *-ify* and *-ate* form nouns with *-ation*.

Examples:

Verb	**Noun**	
-ize	*-ization*	*computerization, mechanization*
-ify	*-ification*	*classification, identification*
-ate	*-ation*	*motivation, innovation*

Developing ideas in a paragraph

Introducing the topic

In a text, **a new paragraph** signals the start of **a new topic**.

The topic is given in the **topic sentence**, which is at or near the beginning of the paragraph. The topic sentence gives the topic, and also makes a comment about the topic.

Example:
The impact of new technology on business | is nothing new.
The **topic** is *the impact of new technology on business*. The **comment** is that this *impact is nothing new.*
The sentences that follow then expand or explain the topic sentence.

Example:
For example, in the 18th century in England ... several inventors made machine tools for working with steel which allowed others to make industrial machines.

Developing the topic

Within a paragraph, ideas often **develop** beyond the comment. This development is often shown by:
- a **discourse marker**: *but, however*, etc.
- a **stance marker**: *unfortunately*, etc.

Examples:
***However,** many people realized that this invention would make cloth cheaper and more available.*
***Unfortunately,** there were also less positive social and political repercussions.*

Discourse markers mainly introduce **contrasts** or **additional information**.

Stance markers show the **attitude** of the writer to the information, i.e., whether he/she is surprised, pleased, unhappy, etc. about the information.

Recording and reporting findings

When you do research, record information about the source. Refer to the source when you report your findings.

Examples:
Johnson (2005) states that ...
As Drucker suggests in his 2001 article in The Economist, ...
According to Robbins in his book Organizational Behaviour (2006), ...
As the writer of the article on The Guardian Unlimited (March 4, 2008) says, ...

You should give the full information about the source in your reference list or bibliography For more information about this, see Unit 10 *Skills bank*.

5 PEOPLE AND MARKETS

5.1 Vocabulary

word sets: synonyms, antonyms, etc. • describing **trends**

A Look at the cars on the opposite page.

1. Name the types of car.
2. What sort of people buy each type?

B Study the words in box a.

1. Find pairs of words with similar meanings.
2. What part of speech is each word?

a

activity advertising aim business buy company consumer customer goods main meet needs principal products promotion purchase requirements retail outlet satisfy shop target task

C Study the Hadford University handout on this page.

1. Find a word in box a for each blue word or phrase. Change the form if necessary.
2. Find another word in the handout for each red word.

D Study the words in box b.

1. Find pairs of opposites.
2. Add more words to make a set.
3. Give a name to each word set.

b

careful conventional elderly female impulsive low-income male manual married professional single trendy wealthy young

E Work with a partner.

1. Choose a car on the opposite page. Describe its target market. Use words from box b.
2. Your partner should guess which car you are talking about.

F Look at Figure 1.

1. What does the graph show?
2. What happened to the market share of each car manufacturer?

G Study the description of Figure 2 on this page. Write one or two words in each space.

H Look at Figure 1 again.

1. Which company outperformed the others? Why?
2. Which company lost the biggest market share? Why?

HADFORD *University*

Faculty: Business Studies

Lecture: Introduction to marketing

Marketing is not ...

- ... the same as advertising. This is only a small part of marketing.
- ... just about selling. There are many other related activities which are involved.

So what is it?

There are four main aspects, known as the 'marketing mix' – also called the 'Four Ps' – to which companies must pay attention.

1. The Product – must meet the needs of the consumers.
2. Promotion – there are several methods of promoting a product, including advertising, special offers, mailing and sponsorship.
3. The Price – this depends on the financial objectives as well as the kind of consumer being aimed at.
4. The Place – where do people buy the products? This concerns both means of distribution and type of retail outlet.

Figure 2 shows changes sales passenger vehicles the year 2004/5. There was a of 15% sales of small cars while sales large cars went down 10%. People carriers showed a 17% in sales, and sports car sales also . However, luxury car sales a 10% .

Click to find the best-performing car in its class

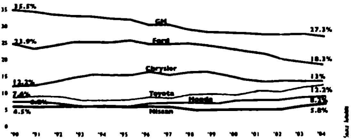


Figure 1

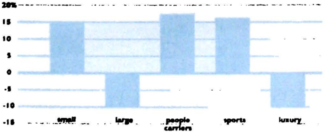


Figure 2 *Motor vehicle % sales growth during 2004-5*

A You are going to hear a lecture about key concepts in marketing.

1 Look at the lecture slides. What will the lecturer talk about? Make a list of points.

2 Put your points in a logical order.

B How will the lecture be organized? Listen to Part 1 of the lecture. Number these topics.

- market research
- definition of marketing
- types of market
- importance of marketing
- basic characteristics of markets

C Study the topics in Exercise B.

1 Write some key words for each topic.

2 Can you match the topics with Slides 1–4?

3 What is the best way to make notes?

4 Make an outline for your notes.

D Listen to Part 2 of the lecture.

1 Add information to your outline notes.

2 Which of the topics in Exercise B are discussed? In what order?

3 What are Post-it® notes an example of?

E Listen to Part 3 of the lecture. Make notes.

1 Which topics in Exercise B are mentioned?

2 Which topic has not been mentioned?

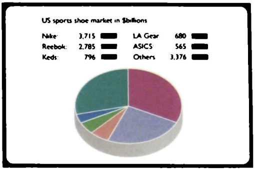
3 Give two ways in which we can measure market size.

4 What is the lecturer talking about when she loses her place?

5 Give two types of market.

F The lecturer used these words and phrases. Match synonyms.

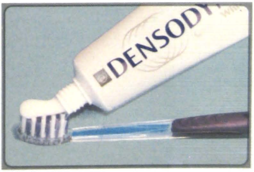
1 key concept	identify
2 know, find out	a narrow category
3 market leader	accurate data
4 aimed at	important point
5 a small part	top-selling brand
6 mass	suitable for
7 good information	huge



Slide 1

Slide 2

Slide 3



Slide 4

A Look at the student notes on the right. They are from the lecture in Lesson 2.

1 What do the symbols and abbreviations mean?
2 The notes contain some mistakes. Find and correct them.
3 Make the corrected notes into a spidergram.

3) basic characteristics of markets
(i) size, e.g., US shoe sales
= $12 m (= < 370 bn shoes)
(ii) market share (newest brand
= market leader)
4) types of market
(i) toothpaste = niche market
(ii) Over 50s hols. = huge market

B Listen to the final part of the lecture.

1 Complete your notes.
2 Why does the lecture have to stop?
3 What is the research task?

C Listen to some stressed syllables. Identify the word below in each case. Number each word.

Example: You hear: *1 sem* /sem/

You write:

analyse	characteristics	seminar 1
anticipate	identify	strategy
assignment	incredibly	successful
category	overview	variety

D Study the extract from the lecture on the right.

1 Think of one word for each space.
2 Listen and check your ideas.
3 Match words or phrases from the blue box below with each word or phrase from the lecture.
4 Think of other words or phrases with similar meanings.

as I was saying **basically** **clearly** **crucial** **in fact** **in other words** **obviously** **of course** **possibly** **probably** **some people say** **that is to say** **we can see that**

_______, marketing is _______ the most important aspect of management. So, *it* _______ *that* marketing must ensure that a business can satisfy customers' needs. *What I* _______ *is*, they anticipate consumers' requirements. _______, successful marketing is about having accurate data. Anyway, er ... to *return to the main* _______. it's _______ to identify basic characteristics of the market. _______, it is the aim of all companies to become the market leader.

E Discuss the research task set by the lecturer.

1 What kind of information should you find?
2 What do you already know?
3 Where can you find more information?

A Study the diagram on the opposite page.

1 What does it show?
2 Where do you think the information has come from?

B Listen to some extracts from a seminar about market mapping.

1 What is wrong with the contribution of the last speaker in each case? Choose from the following:
   - it is irrelevant
   - the student interrupts
   - the student doesn't contribute anything to the discussion
   - it is not polite
   - the student doesn't explain the relevance
2 What exactly does the student say, in each case?
3 What should the student say or do, in each case?

C Listen to some more extracts from the same seminar.

1 How does the second speaker make an effective contribution in each case? Choose from the following:
   - by bringing the discussion back to the main point
   - by bringing in another speaker
   - by asking for clarification
   - by paraphrasing to check understanding
   - by giving specific examples to help explain a point
2 What exactly does the student say, in each case?
3 What other ways do you know of saying the same things?

D Make a table of **Do's** (helpful ways) and **Don'ts** (unhelpful ways) of contributing to seminar discussions.

Do's	Don'ts
ask politely for information	demand information from other students

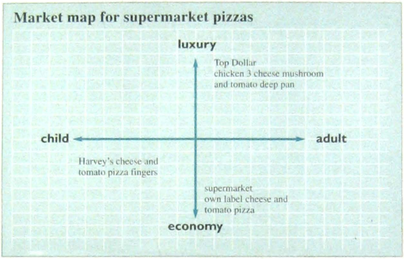
E Work in groups.

1 The teacher will ask you to look at product group A or B on the opposite page. Study your products.
2 How can you put your products on market maps? Make sure you can justify your decisions.
3 Conduct a seminar. One or two people should act as observers.

F Report on your discussion and present your market map, giving reasons for your decisions.

G Work in groups of four. Each person should research and discuss one of the four main types of market research. The teacher will give you a discussion task card with more instructions.

- Student A: find out about *secondary research* (information on page 102)
- Student B: find out about *primary research* (information on page 106)
- Student C: find out about *quantitative research* (information on page 105)
- Student D: find out about *qualitative research* (information on page 106)



Product group A: watches

Product group B: ice-cream desserts

1 **double chocolate ice-cream**

2 **sugar-free, organic pure chocolate ice-cream**

3 **low fat, low sugar vanilla ice-cream**

4 **supermarket strawberry ice-cream**

Vocabulary sets

It is a good idea to learn words which go together. Why?

- It is easier to remember the words.
- You will have alternative words to use when paraphrasing research findings.
- It is not good style to repeat the same word often, so writers, and sometimes speakers, make use of words from the same set to avoid repetition.

You can create a vocabulary set with:

synonyms	words with similar meanings, e.g., *products/goods/items*
antonyms	words with opposite meanings, e.g., *male/female*
hypernyms	a general word for a set of words, e.g., *vehicle = car, truck, lorry,* etc.
linked words	*e.g., young, teenage, in his/her 20s, middle-aged, old*

Describing trends

You can use a variety of phrases to discuss trends and statistics.
Examples:

Go up	No change	Go down	Adverbs
rise *increase* *grow* *improve* *soar*	*stay the same* *remain at ...* *doesn't change* *is unchanged*	*fall* *decrease* *decline* *worsen* *drop* *plunge* *plummet*	*slightly* *gradually* *steadily* *significantly* *sharply* *dramatically*

Stance

Speakers often use certain words and phrases to show how they feel about what they are saying.
Common stance words are:

adverbs	*arguably* *naturally* *sadly*
phrases	*of course, ...* *it's essential to/that ...* *we might say that ...*

In many cases, different stance words and phrases are used in spoken and written language.

Spoken	Written
another thing	*additionally*
it seems	*evidently*
unfortunately	*regrettably*
believe	*contend*

Signpost language in a lecture

At the beginning of a lecture, a speaker will usually outline the talk. To help listeners understand the order of topics, the speaker will use phrases such as:

***To start with** I'll talk about* ...
***Then** I'll discuss* ...
***After that**, we'll look at* ...
***I'll finish by** giving a summary of* ...

During the lecture, the speaker may:

indicate a new topic	*Moving on (from this)* ...
say the same thing in a different way	*What I mean is,* ... *That is to say,* ... *To put it another way,* ...
return to the main point	*Where was I? Oh, yes.* *To return to the main point* ... *As I was saying* ...

Seminar language

The discussion leader may:

ask for information	*What did you learn about ...?* *Can you explain ...?* *Can you tell me a bit more about ...?*
ask for opinions	*What do you make of ...?* *This is interesting, isn't it?*
bring in other speakers	*What do you think, Majed?*

Participants should:

be polite when disagreeing	*Actually, I don't quite agree* ...
make relevant contributions	*That reminds me* ...
give examples to explain a point	*I can give an example of that.*

Participants may:

ask for clarification	*Could you say more about ...?*
paraphrase to check understanding	*So what you're saying is* ...
refer back to establish relevance	*Just going back to* ...

6.1 Vocabulary

paraphrasing at sentence level

A Study the words in the blue box.

1. Copy and complete the table. Put the words in one or more boxes, in each case.
2. Add affixes to make words for the empty boxes. (Some will not be possible.)
3. What is the special meaning of each word in marketing and business?
4. Find a synonym for each word.
5. Group the words in the blue box according to their stress pattern.

cost copy cycle design extend launch margin mature model position saturate stable stage trial withdraw

Noun	Verb	Adjective
cost	cost	

B Study Figure 1 on the opposite page. Discuss these questions using words from Exercise A.

1. What does the diagram show?
2. What happens in each stage of the life cycle to:
   - sales? • unit costs? • cash flow?

C Student A has written about the life cycle, but there are some mistakes. Change the blue words, so the sentences are true.

D Student B has also written about the product life cycle. Match each sentence with a corrected sentence from Exercise C.

E Look at Figures 2 and 3 on the opposite page. Which of the two product life cycles are most likely for these products? Why?

- Diet Coke
- a DVD of a popular film

F Choose one of these products.

- a child's toy based on a film
- the iPod
- a new drug to treat obesity
- a CD of a popular song

1. Draw its probable product life cycle.
2. Write some sentences to describe the life cycle of your product.
3. Give your sentences to your partner. Your partner should try to guess which product you have described.
4. Rewrite your partner's sentences with the same meaning.

Student A

1 Cash flow is positive during the development phase.

2 In the development phase, unit costs are high.

3 Cash flow becomes positive in the growth phase.

4 Decreasing sales mean that unit costs are reduced.

5 Sales are at their peak once the market has declined.

6 Sales may start to rise when the market reaches saturation.

Student B

a It is not until the maturity phase is reached that cash flow is no longer negative.

b Peak sales figures are achieved at the maturity phase.

c While the product is being designed and trialled, there are many expenses but no income.

d There may be a reduction in business if there are too many competitors.

e It costs a lot to produce each unit early in the cycle.

f Once the products start to sell, the company can make them more cheaply.

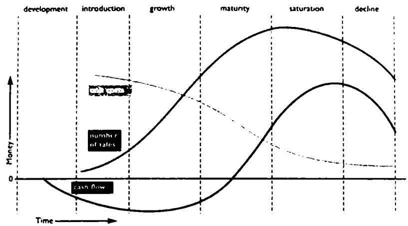


Figure 1: *The product life cycle*

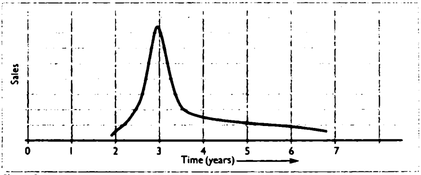


Figure 2

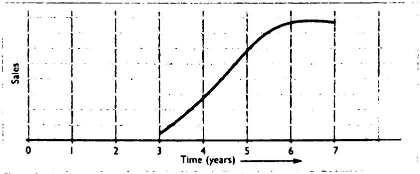


Figure 3

A Discuss these questions.

1. In the marketing mix, what is the most important element?
2. What do companies need to know about their products?

B Study Figure 1.

1. What type of product is represented by 'cash cow'? (Clue: think about market share and market growth.)
2. Is a cash cow a good product to have in a portfolio of products? Why (not)?
3. Suggest names for the other pictures.
4. What can companies use the Boston Matrix for?

C Look at the illustration, the title, the introduction and the first sentence of each paragraph on the opposite page. What will the text be about?

D Using your ideas from Exercises A, B and C above, write some research questions.

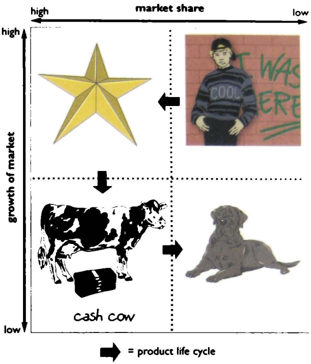


Figure 1: *The Boston Matrix*

E Read the text. Does it answer your questions?

F Study the highlighted sentences in the text. Find and underline the subject, verb and object or complement in each sentence. See ***Skills bank***

G Two students paraphrased part of the text.

1. Which part of the text is it?
2. Which paraphrase is better? Why?

Student A

A business needs to know where an item is in its life-span after it has been launched.

For instance, when will sales fall?

If sales drop, does this mean a decline phase?

If so, the company should try to extend the life-span of the item.

Student B

Having launched the product, it is important to monitor its progress through the life cycle.

Have sales levelled off, for instance?

It is possible that a reduction in sales means that the market has started to shrink.

In this case, there could be a need for extension strategies to prolong the product's life cycle.

H Work in groups. Each group should write a paraphrase of a different part of the text.

See ***Vocabulary bank***

The product is the key!

Central to the marketing mix is the product itself. Clearly, as well as understanding its target markets, a company must be fully aware of the qualities of its products. Thus an important part of what a company must do before it can draw up a marketing strategy is to assess the potential success of its merchandise. Three of the many ways in which a product can be analysed will be described here.

Firstly, what is a product? One way to define a product is to look at it on three different levels. To begin with, there is the product which you can touch, see, hear, and so on. For example, if you buy a mobile phone, the *actual* product is the physical object – the phone itself – which you carry around with you. However, the tangible product includes intangible benefits which are an important part of what you buy. In the case of the phone, you can communicate with friends, family or work colleagues wherever you or they are. You can also send text messages which are so useful that this benefit has played an important part in the speed at which the mobile phone market developed. These beneficial uses are known as the 'core product'. Finally, a product often comes with 'extras' that may have to be paid for. Like the core product, the extras are also intangible and include things such as warranties, customer support services and finance services. These extras are known as the 'augmented product'.

Having defined the product, the company will also need to be aware of its probable life cycle (PLC). For example, some goods, such as computer software, may have a very short life-span, whereas other products, such as Coca-Cola, can carry on selling well for many years. Understanding the likely life cycle helps a company to plan its finance and manage its cash flow – when it may need to invest funds, for example, and when income may grow or fall.

A business also needs to identify where a product is in its life cycle, once it has been introduced. At what point, for example, will the market stabilize? If sales start to fall, does this indicate a decline phase? If so, the company may have to take action to try to extend the life-span of the product. There are many 'extension strategies' which can be used, including developing new versions of a product, finding new markets, adding to the brand range, rebranding and repackaging. For example, in 2000, Unilever introduced a new shaving gel to extend its range of Lynx products for men; it relaunched Omo, a laundry product, in Brazil and China; in the UK the name of the cleaning product which was previously known as Jif was changed to Cif. Having taken these steps as part of an integrated marketing approach, the company saw a satisfactory increase in revenue.

Finally, a company needs to carry out an analysis of its product portfolio. A well-known method of doing this is the 'Boston Matrix', which evaluates products in terms of their market share and the rate of growth of the market in which they are positioned. As shown in Figure 1, there are four categories. A 'cash cow' has a large market share of a market that is mature, or not growing. This means profits are good and investment can be minimal. A 'star' product is obviously in a desirable position but it may continue to need investment in promotion, and rivals will need to be defeated. A 'problem child' product has a low market share of a growing market. It may well be profitable in the future, but will need heavy promotion to ensure a larger market share. Finally, there is the 'dog'. This has a low share of a market that is not growing – not an advantageous situation to be in. The best thing to do with dogs is to sell them off!

6.3 Extending skills

understanding complex sentences

A Study the words in box a from the text in Lesson 2.

1. What part of speech are they in the text?
2. Find one or more words in the text with a similar meaning to each word.

B Complete the summary with words from Exercise A.

C Study the words in box b.

1. What is each base word and its business meaning?
2. How does the affix change the part of speech?
3. What is the meaning in the text in Lesson 2?

D Study sentences A–E on the opposite page.

1. Copy and complete Table 1. Put the parts of each sentence in the correct box.
2. Rewrite the main part of each sentence, changing the verb from active to passive or vice versa.

E Look at the 'Other verbs' column in Table 1.

1. How are the clauses linked to the main part of the sentence?
2. In sentences A–C, what does each relative pronoun refer to?
3. Make the clauses into complete sentences.

a

potential merchandise tangible include speed cash identify revenue evaluate situation

Companies need to ______ their products. All ______ comes with different types of benefits from the ______ to the intangible. In addition, use of the product life cycle will help companies to ______ when they might need to invest ______ and when ______ will rise. Finally, portfolio analysis helps companies to ______ products with ______ market problems as well as those in a desirable ______.

b

central beneficial augmented rebranding repackaging relaunched minimal profitable advantageous

6.4 Extending skills

writing complex sentences

A Make one sentence for each box on the right, using the method given in red. Include the words in blue. Write the sentences as one paragraph.

B Study the notes on the opposite page which a student made about a case study. Write up the case study. Include the ideas from Exercise A.

1. Divide the notes into sections to make suitable paragraphs. Where should the paragraph in Exercise A go?
2. Decide which ideas are suitable topic sentences for the paragraphs. Which idea can you use as a topic sentence for the paragraph in Exercise A?
3. Make full sentences from the notes, joining ideas where possible, to make one continuous text.

Vodafone made a deal with Manchester United football club. Vodafone sponsored the team.

relative, passive In 2000

The football shirts displayed Vodafone's name.
The football grounds displayed Vodafone's name.

passive, ellipsis In the deal

The fans had access to special mobile phone services.
These services gave information about the footballers.
These services gave information about the latest scores.

relative, passive, ellipsis In addition

Vodafone created new added value.
Vodafone attracted a new range of customers.

participle As a result

A In the UK the name of the cleaning product which was previously known as Jif was changed to Cif.

B Three of the many ways in which a product can be analysed will be described here.

C You can also send text messages which are so useful that this benefit has played an important part in the speed at which the mobile phone market developed.

D as well as understanding its target markets, a company must be fully aware of the qualities of its products.

E Having taken these steps as part of an integrated marketing approach, the company saw a satisfactory increase in revenue.

Table 1: Breaking a complex sentence into constituent parts

	Main S	Main V	Main O/C	Other V + S/O/C	Adv. phrases
A	the name (of the cleaning product)	was changed	(to) Cif	which was known as Jif	In the UK previously
B					

Marketing strategy in a mature market: A case study - mobile phones

- mature market - maintain a competitive edge - how?
- good e.g. of this situation = mobile phone market
- in UK mob. market reached maturity v. quickly
- young people saw benefits of mob. phones v. quickly
- young people → do careful research to find best product ∴ hard to sell phones to
- ∴ new customers = challenge
- ∴ market leaders → v. careful planning of marketing strategies to retain market shares
- e.g.s of strategies used:
  - attract new customers
  - keep existing customers
  - increase brand awareness
  - + new services & technology = v. important for product-led mobile companies
- Vodafone = good example of product-led mobile phone company
- to keep ahead Vodafone had to:
  - continually update its phones before competitors
  - look at augmented product, i.e., what possible extra benefits or services to attract existing & new customers?
- answer → v successful strategy = sponsorship

Reporting findings

You cannot use another writer's words unless you directly quote. Instead, you must restate or **paraphrase**.

There are several useful ways to do this:

use a synonym of a word or phrase	*costs* → *expenses* *in the introduction phase* → *early in the cycle*
change negative to positive and vice versa	*sales declined* → *sales didn't increase*
use a replacement subject	*sales may decline* → *there may be a decline in sales*
change from active to passive or vice versa	*the company can make products more cheaply* → *products can be made more cheaply*
change the order of information	*in the introduction phase, unit costs are high* → *it costs a lot to produce each unit early in the cycle*

When reporting findings from one source, you should use all the methods above.

Example:

Original text	*Cash flow is negative during the product's development phase.*
Report	*While the product is being designed and trialled, there are many expenses but no income.*

Important

When paraphrasing, you should aim to make sure that 90% of the words you use are different from the original. It is not enough to change only a few vocabulary items: this will result in plagiarism.

Example:

Original text	*If sales start to fall, does this indicate a decline phase?*
Plagiarism	*If sales drop, does this mean a decline phase?*

Finding the main information

Sentences in academic and technical texts are often very long.

Example:
Following the publication by Elton Mayo of the results of the Hawthorne experiments which took place between 1927 and 1932, some ***theorists*** *looking at motivation in the workplace partly* ***changed*** *their* ***ideas*** *concerning the driving forces behind productivity in factories.*

You often don't have to understand every word, but you must **identify the subject, the verb and the object**, if there is one.

For example, in the sentence above, we find:
subject = *theorists*
verb = *changed*
object = *ideas*

Remember!

You can remove any leading prepositional phrases at this point to help you find the subject, e.g., *Following the publication ...*

You must then find **the main words which modify** the subject, the verb and the object or complement.

In the sentence above we find:
***Which** theorists*? = some of those looking at motivation in the workplace
***How** changed*? = partly
***What** ideas*? = ones concerned with driving forces behind productivity in factories

Ellipsis

Sometimes, if the meaning is clear, words are implied rather than actually given in the text.

Examples:
There were many strategies (which were) *considered by such companies.*

Vodafone's name was displayed on the football shirts and (Vodafone's name was displayed) *at the football grounds.*

7 OPERATIONS: PRODUCING THE GOODS

7.1 Vocabulary

compound nouns • fixed phrases

A Study the words in box a.

1. Match nouns in column 1 with nouns in column 2 to make compound nouns.
2. Which word in each phrase has the strongest stress?

B Study the phrases in box b.

1. Complete each phrase with one word.
2. Is each phrase followed by:
   - a noun (including gerund)?
   - subject + verb?
   - an infinitive?
3. What is each phrase used for?

C Look at the pictures on the opposite page showing the production process for handmade crystal. What happens at each stage?

D Read extracts A–F on the right. They are from a leaflet about making glass products.

1. Match each extract with a picture on the opposite page.
2. Complete each sentence with one or more phrases from box b.

E Look at the Gantt chart on the opposite page. What does it show?

F Read the text under the Gantt chart. Match the phrases in box c with the highlighted phrases.

G Look at the glass products on the opposite page. Complete this glass company director's memo using phrases from boxes b and c.

> My recommendation is that the design picture 3 should go into production. My opinion is personal preference but also on other points. Firstly, maximize our sales we need to the younger market. The this market is important for the success of this company. this design, the colours are very attractive for younger people. this, the production process for this design is the simplest.

a

1	2
assembly capital cash manufacturing mass productivity raw service	flow gain industry investment line materials process production

b

as shown ... as well ... in addition ... in order ... in such a way ... in the case ... known ... the end ... the use ...

A The hot glass products go into a cooling tunnel cool down to room temperature.

B Then, by blowing through the pipes, they can make the required designs. blowing, a special mould may be necessary to help form the correct shape.

C make glass, sand, lead oxide and other chemicals, a quantity of broken glass 'cullet', are mixed together in a container.

D the production process takes place in the finishing room where the items are smoothed, washed, polished and packed.

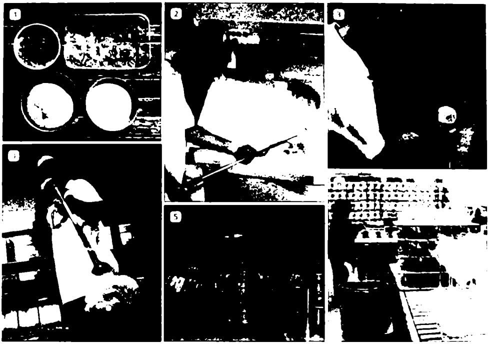
E The raw materials are heated in a very hot oven, the picture. Once melted, the mixture can be made into different shapes.

F handmade crystal products, glass blowers gather a small amount of liquid glass with their long 'blowing pipes'. The glass blowers roll the hot glass attached to the end of the pipes it becomes a smooth ball.

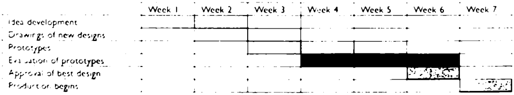
c

a number of a variety of at the same time bear in mind based on deal with from the point of view of the beginning of the development of

Making high quality crystal glass



Gantt chart: Developing a new glass design



A Gantt chart is a useful planning tool, especially for project management. The chart makes it easy to handle a situation where different stages overlap. For example, this chart shows the evolution of a new glass product. The start of the process involves several designers making drawings. Then, using the drawings, prototypes are made. Simultaneously the prototypes are evaluated by the company directors, who use various criteria to choose the best design.

1

2

3

A You are going to hear this lecture. Write four questions you would like answered.

Managing operations (Lecture 1)

Lecture overview

- **Production process**
- **'Value added'**
- **Job, batch and flow production**
- **Scheduling**

B Listen to Part 1 of the lecture.

1 What is the lecturer going to talk about today? Write *yes*, *no* or *not mentioned*.

- managing production
- the supply chain
- quality
- costs of production
- production methods
- scheduling

2 What is the supply chain?

C Listen to Part 2 of the lecture.

1 Make notes in an appropriate form.

2 What is another word for *inputs*?

3 What resources are involved in manufacturing? Give some examples.

4 Were your questions in Exercise A answered?

D Match each phrase in the first column of the table on the right with the type of information that can follow.

Fixed phrase	Followed by ...
1 An important concept (is) ...	a different way to think about the topic
2 What do I mean by ...?	an imaginary example
3 As you can see, ...	a key statement or idea
4 Looking at it another way, ...	a concluding comment giving a result of something
5 In financial terms, ...	a new idea or topic that the lecturer wants to discuss
6 Say ...	a comment about a diagram or picture
7 The point is ...	an explanation of a word or phrase
8 In this way ...	a general idea put into a financial context

E Listen to Part 3 of the lecture.

1 Makes notes on the information that comes after the phrases in Exercise D.

2 Were your questions in Exercise A answered?

F Listen for sentences 1–4 in Part 4 of the lecture.
Which sentence (a or b) follows in each case? Why? **See *Skills bank***

1 Production method type 1 is job production.
   a In this type of production, making the object is seen as one operation.
   b Making the object is seen as one operation in this type of production.

2 Job production is used where there is a need for only one product.
   a Examples of these products are things like ships or aeroplanes.
   b Things like ships or aeroplanes are examples of these products.

3 The second method is called batch production.
   a In batch production, the important thing is that many products can be made simultaneously.
   b What's important about batch production is that many products can be made simultaneously.

4 Lastly, there are the flow production methods.
   a In flow production, a different feature is that there are no delays between batches.
   b What's different is that in flow production, there are no delays between batches.

G This lecturer is not very well organized. What problems are there in the lecture?

A Listen to some stressed syllables. Identify the word below in each case. Number each word.

Example:

You hear: *1 tin* /tɪn/ You write:

calculate	financial	maximize
component	ingredient	resource
continuous 1	linear	sequence
delay	manufacturing	simultaneously

B Listen to the final part of the lecture from Lesson 2.

1 Complete the notes on the right by adding a symbol in each space.

2 What research task(s) are you asked to do?

Production planning complex

some factors outside control of company

weather clothes demand

design production method

Scheduling what processes?

When start finish?

Henry Gantt Gantt charts (early 1900s)

In batch flow production waste of time if workers have to wait Gantt charts used for scheduling

C Study the phrases from the lecture in the blue box (below right). For which of the following purposes did the lecturer use each phrase?

- to introduce a new topic
- to emphasize a major point
- to add points
- to finish a list
- to give an example
- to restate

etcetera
In other words, ...
Let's take ...
Let me put it another way.
Not to mention the fact that ...
Plus there's the fact that ...
The fact of the matter is, ...
You've probably heard of ...

D Rewrite these sentences to give a special focus. Begin with the words in brackets.

1 Henry Gantt came up with an idea to help with scheduling (*It*)

2 Gantt invented his charts in the early 1900s. (*It*)

3 The location of the business is very important for the whole business operation. (*What*)

4 Production planning is complex because planning decisions are based on a wide variety of different factors. (Two sentences. First = *It*; second = *The reason*)

5 Gantt charts show what processes are happening at any one time. (*The advantage*)

See ***Skills bank***

E Choose one section of the lecture. Refer to your notes and give a spoken summary. Use the fixed phrases and ways of giving special focus that you have looked at.

F Work with a partner.

1 Make a Gantt chart for an activity, project or process.

2 Present your chart to another pair. Practise using fixed phrases and ways of giving special focus.

A Look at the map on the opposite page.

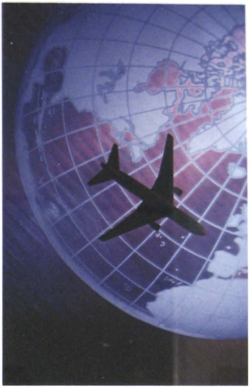
1 What does it show?
2 Which is Continental Airlines' new route?
3 Where does the information come from?

B Listen to the first extract from a seminar about business location.

1 What question will the students discuss?
2 Why was Continental Airlines' decision surprising?

C Listen to Extract 2 of the seminar. Are these sentences true or false?

1 Bristol is a good airport for tourists.
2 There are not many business customers in Bristol.
3 Customer convenience is a key factor in service business location.
4 Even if the Continental Airlines' flight is more expensive, many customers will find it attractive.
5 Costs are the main issue in choosing a business location.



D Study tasks a–d below and the phrases in the blue box.

1 Write a, b, c or d next to each phrase to show its use.
   a introducing
   b asking for clarification
   c agreeing/disagreeing
   d clarifying
2 Listen to Extract 2 again to check your answers.

E Work in groups of four to research the main types of business location criteria. Each person should choose a different criterion.

- Student A: read about *fixed costs* on page 105.
- Student B: read about *variable costs* on page 105.
- Student C: read about *revenue* on page 106.
- Student D: read about *qualitative factors* on page 102.

After reading the notes, report back orally to your group. Use fixed phrases to ask for and give clarification.

F Work in groups. Choose one of the products or services shown in the photographs.

1 Have a practice seminar in which you decide where the business should be located.
2 Report to the class on your discussion, giving reasons for your decisions.

I'd like to make two points. First, ...

Can you expand on that?

The point is ...

What's your second point?

My second point is that ...

Yes, but ...

I don't agree with that because ...

Sorry, but who are we talking about, exactly?

We need to be clear here.

I'd just like to say that ...

In what way?

What I'm trying to say is, ...

Can you give me an example?

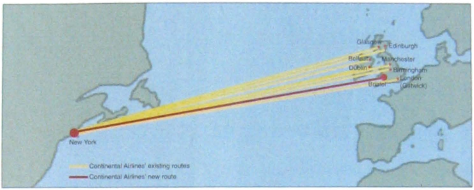
Look at it this way.

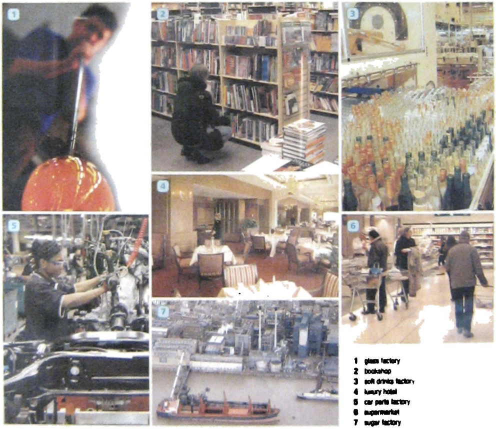
Absolutely.

Home → Press → Press Releases → Press Release

Press Release

US airline company Continental Airlines to begin non-stop flights to New York in May





1 glass factory
2 bookshop
3 soft drinks factory
4 luxury hotel
5 car parts factory
6 supermarket
7 sugar factory

Recognizing fixed phrases from business studies (1)

There are many fixed phrases in the field of business studies.

Examples:

Phrase	Meaning in the discipline
company director	the boss of a company
product life cycle	the stages that most products go through
business management	all the aspects involved in managing a business
capital investment	the money invested in the company

Keep a list of fixed phrases used in business studies and remind yourself regularly of the meaning.

Recognizing fixed phrases from academic English (1)

There are also a large number of fixed phrases which are commonly used in academic and technical English in general.

Examples:

Phrase	What comes next?
As we have seen …	a reminder of previous information
An important concept is …	one of the basic points underlying the topic
As you can see, …	a reference to an illustration OR a logical conclusion from previous information
As shown in …	a reference to a diagram or table
… in such a way that …	a result of something
In addition to (X, Y)	X = reminder of last point, Y = new point
As well as (X, Y)	
In the case of …	a reference to a particular topic or, more often, sub topic
At the same time, …	an action or idea which must be considered alongside another action or idea
… based on …	a piece of research, a theory, an idea
Bear in mind (that) …	key information which helps to explain (or limit in some way) previous information
The point is …	the basic information underlying an explanation
in order to (do X, Y)	X = objective, Y = necessary actions/conditions
In financial terms, …	the cost of something previously mentioned
In other words, …	the same information put in a different way
Looking at it another way, …	
In this way …	a result from previous information
Say …	an example
What do I mean by (X)?	an explanation of X

Make sure you know what kind of information comes next.

'Given' and 'new' information in sentences

In English, we can put important information at the beginning or at the end of a sentence. There are two types of important information.

1 Information which the listener or reader already knows, from general knowledge or from previous information in the text. This can be called 'given' information. It normally goes at the beginning of the sentence.

2 Information which is new in this text. This can be called 'new' information. It normally goes at the end of a sentence.

Example:

In Lesson 2, the lecturer is talking about production methods, so production methods in general = given information.

Given	New
Production method type 1	*is job production.*
In this type of production,	*making the object is seen as one 'operation'.*

Giving sentences a special focus

We sometimes change the normal word order to emphasize a particular point, e.g., a person, an object, a time.

Examples:

Normal sentence	*Henry Gantt invented the Gantt chart in the 1900s.*
Focusing on person	*It was Henry Gantt who invented ...*
Focusing on object	*It was the Gantt chart which Henry Gantt invented ...*
Focusing on time	*It was in the early 1900s that Gantt ...*

Introducing new information

We can use special structures to introduce a new topic.

Examples:

Production methods are my subject today.
→ ***What I am going to talk about today is** production methods*

Viability is very important.
→ ***What is very important is** viability.*

Money causes the problem.
→ ***The reason for the problem is** money.*

Poor marketing leads to commercial failure.
→ ***The result of poor marketing is** commercial failure.*

Clarifying points

When we are speaking, we often have to clarify points. There are many expressions which we can use.

Examples:

Let me put it another way ...
Look at it this way ...
What I'm trying to say is ...
The point/thing is ...

OPERATIONS: EFFICIENCY, COSTS AND QUALITY

8.1 Vocabulary

synonyms • nouns from verbs • paraphrasing

A Discuss the following questions.

1. What is meant by *efficiency* in operations management?
2. What *inefficiencies* can there be in the items in box a?

B In pictures A–F, do the processes shown seem efficient? Why/why not?

C Look up each noun in box b in a dictionary.

1. Is it countable, uncountable or both?
2. What is its business meaning?
3. What is a good synonym?
4. What useful grammatical information can you find?

D Study the two lists of verbs in box c.

1. Match the verbs with similar meanings.
2. Make nouns from the verbs if possible.

E Look at the Hadford University handout.

1. How does the writer restate each section heading in the paragraph?
2. Find synonyms for the blue words and phrases. Use a dictionary if necessary.
3. Rewrite each sentence to make paraphrases of the texts. Use:
   - synonyms you have found yourself
   - synonyms from Exercise C
   - the nouns you made in Exercise D
   - passives where possible
   - any other words that are necessary

   Example:

   Cost savings from large-scale operations can play a role in business success.

   → *A contribution to profitability can be made by economies of scale.*

F Study the pictures of the wood-processing businesses on the opposite page again.

1. How could you improve the businesses?
2. What effects would your changes have?

a

machinery materials space time workforce

b

bulk economy inventory layout manpower plant premises profitability retailer savings stock unit waste wholesaler

c

1	2
buy	utilize
do, make successfully	assess
drive down	result (in)
increase	reduce
mean	achieve
measure	maximize
play a role (in)	aim
try	purchase
use	contribute (to)

HADFORD *University*

Concepts in operations management

A Economies of scale

Cost savings from large-scale operations can play a role in business success. For example, giant supermarkets order in large quantities from suppliers. This drives down the unit costs, so goods are cheaper. As a result, people buy more products. This means that the company makes bigger profits.

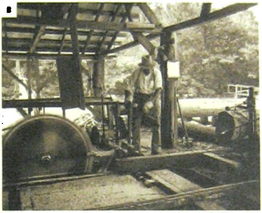
B Capacity utilization

We can measure how well a company is using its resources (i.e., buildings, machinery, workforce) like this: actual output divided by maximum potential output times 100. All firms try to increase profits. One way they can do this is to use full capacity with the least possible unused resources.

Making planks of wood in the early to mid 20th century in Canada

A

B

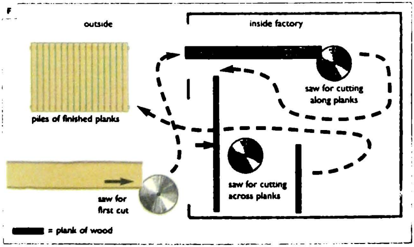


C

D

E

F



A Taking logs to the mill

B The first cut

C Using a mechanical saw

D Planks of wood coming out of the mill

E A week's worth of planks

F Floor plan of a wood-processing factory

8.2 Reading

essay types • complex sentences with passives • definitions

A Look at the products in the blue box.

1. What type of production process is most likely to be successful for each product?
2. What could go wrong in the production process in each case?
3. How can companies ensure the quality of their products?

a bag of crisps a cruise ship
a laptop a motorbike
parts for a car a sandwich

B Look at the four essay types on the right.

1. What should the writer do in each type?
2. Match each essay type with one of the questions below the slide (A–D).
3. What topics should be covered in each essay question?

HADFORD University

There are four main essay types in business studies:

- descriptive
- analytical
- comparison
- argument

C Read the title of the text on the opposite page and the first sentence of each paragraph.

1. What will the text be about?
2. Choose one of the essay questions in Exercise B. Write four research questions which will help you to find information for your essay.

D Read the text.

1. Using your own words, make notes from the text on information for your essay question.
2. Work with another person who has chosen the same essay question as you. Compare your notes.

E Study the **highlighted** sentences in the text.

1. Underline all the subjects and their verbs.
2. Which is the main subject and verb for each sentence?

F Study the table on the right.

1. Match each word or phrase with its meaning.
2. Underline the words or phrases in the text which the writer uses to give the definitions.

See *Vocabulary bank*

(A) What are the advantages and disadvantages of lean production for non-Japanese organizations?

(B) 'There is no business or activity for which lean techniques are unsuitable.' To what extent do you agree with this statement?

(C) Explain why Japanese management practices have become such an important approach in business today.

(D) What questions do companies need to ask when considering their efficiency? Describe how one or two companies have found answers to such questions.

Word/phrase	Meaning
1 Total Quality Management	a system for stopping a production line when there is something wrong
2 just-in-time	getting rid of anything which reduces efficiency
3 *poka-yoke*	making efforts all the time to meet the needs of customers better
4 *jidoka*	a way of involving the whole company in ensuring that the right quality is achieved
5 *kaizen*	a system designed to prevent errors
6 lean	a very economical way to manage quantities of stock

'Every Little Helps'

(or The Secrets of Japanese Management Practices)

The basic objective of operations management is to help companies to improve their efficiency and therefore their profitability. However, in business, companies need to compare their efficiency and their costs both internally and externally. If old practices are inefficient, or new initiatives cost too much, then profits will fall. Therefore, a company's existence may depend on achieving efficiencies.

Here is a list of questions which have to be considered by companies.

- How is it possible to improve the motivation of the workforce?
- What might be the costs of this improvement?
- What increases in production techniques are possible and how?
- How can the competitiveness of a company be maintained and improved, especially when this is in an increasingly global market?
- What is the relationship of quality of output to these questions?

Some answers to the above questions have been provided by Japanese management practices known as 'lean production' techniques ('lean' is the elimination of all forms of waste). These techniques include well-known concepts such as *kaizen* (continuous improvement) and 'just-in-time', which is a system of inventory control that ensures that exactly the right quantities are available at any one time. Another concept is 'Total Quality Management' (TQM), an approach to quality control which involves the entire business at all levels. Also important is *poka-yoke* – an error-proofing system using special devices designed to prevent wrong actions from occurring in the production process. Crucially, operations in manufacturing units tend to be managed by the Japanese with relatively little bureaucracy. A combination of specialized plants and team-based production means that high levels of efficiency are provided by a minimum of workers, equipment and materials.

The results of Japanese concepts have been spectacular across the world, particularly in car manufacturing. In 1990, in their study of lean production, *The Machine that Changed the World*, Womack et al. showed that it took US General Motors' workers 40.7 hours to assemble a car against 18 hours for Japanese Toyota workers. Business had known for a long time that costs are reduced by improved efficiency, and, at the same time, quality is improved, but the practice and theory did not always match. For example, production lines were designed by Japanese car manufacturers to stop automatically whenever there was a fault (this is known as *jidoka* in Japanese) but early managers at the UK's British Leyland refused to accept this because they hated stopping a production line. It took time for non-Japanese car manufacturers to understand the benefits of the technique.

Partly as a result of Womack et al.'s study, lean production methods have gradually become much more widespread. For example, Walkers Crisps uses a 'quality chain' system in which the whole supply chain is checked – the potato seeds, the growing conditions and all aspects of the factory production (slicing, cooking, packing, etc.). According to the company's website, 'Walkers prides itself on the quality of its products, and if its crisps do not meet consumer expectations, people will buy an alternative product.' In 2005, Corus Steel introduced 'continuous improvement' to make the company more competitive. Typical changes were the removal of non-profitable activities, improvements in efficiency, and an emphasis on consistency across the whole company. Another good example is the approach which is used by Tesco, the UK-based supermarket chain. Before the 1990s, it operated a chain of cheap, low-cost, city centre supermarkets. By 2004, helped by a *kaizen* approach, it had become Britain's biggest supermarket and was expanding abroad (Tesco's slogan: 'Every Little Helps').

At first it was thought that TQM techniques and lean production were best suited to manufacturing. However, it is clear that similar questions are now also being asked by service providers. Governments, too, are increasingly aware of the advantages of lean production techniques. For example, the National Health Service in the UK now tries to use some of the practices. According to the NHS Institute for Innovation and Improvement, 'Lean is basically about getting the right things to the right place, at the right time, in the right quantities, while minimizing waste and being flexible and open to change.'

8.3 Extending skills

passives in dependent clauses • essay plans

A Find the words in the box in the text in Lesson 2.

1 What part of speech is each word?
2 Think of another word which could be used in place of the word in the text. Use your dictionary if necessary.

initiative existence elimination entire device spectacular assemble widespread alternative consistency aware

B Study sentences A–D from the text in Lesson 2.

1 Identify the dependent clause.
2 Copy the table under the sentences and write the parts of each dependent clause in the table.
3 Rewrite the sentence using an active construction.

Example:

Here is a list of questions which companies have to consider.

(A) Here is a list of questions which have to be considered by companies.

(B) Business had known for a long time that costs are reduced by improved efficiency ...

(C) Walkers Crisps uses a 'quality chain' system in which the whole supply chain is checked ...

(D) However, it is clear that similar questions are now also being asked by service providers.

Subject	Verb	By whom/what
(questions) which	have to be considered	by companies

C Read the essay plans and extracts on the opposite page.

1 Match each plan with an essay title in Lesson 2.
2 Which essay is each extract from?
3 Which part of the plan is each extract from?

D Work with a partner.

1 Write another paragraph for one of the plans.
2 Exchange paragraphs with another pair. Can they identify where it comes from?

8.4 Extending skills

writing complex sentences • writing essay plans • writing essays

A Make complete sentences from these notes. Add words as necessary.

(A) lean production – techniques – designed – eliminate – waste – improve – quality

(B) lean production techniques – adopt – non-Japanese organizations – successfully

(C) nowadays – lean production – first – use – Japan – widespread

(D) in conclusion – lean production – efficient approach – operations management

(E) results of techniques – develop – period of 20 years – Eiji Toyoda and Taiichi Ohno – make – Toyota Motor Company – most successful – world

(F) on the other hand – despite – advantages – lean production – some disadvantages

B The sentences in Exercise A are topic sentences for paragraphs in essay A in Lesson 2. Put them in the best order for the essay. What is the main topic for each paragraph?

C Look at the essay question on the right.

1 What kind of essay is this?
2 Do some research and make an essay plan.
3 Write the essay.

See ***Skills bank***

Emma Jones had a business which made children's shampoo with natural ingredients. Emma operated on a just-in-time production basis. However, although Emma's products were very popular, the business ran into problems. For example, she could not supply enough products to her best customer, a big supermarket, and so she lost the contract. What were the possible effects on Emma's business of the JIT system?

plans

1 Introduction: importance of efficiency for competitiveness today, esp. in OM; aims of essay

2 Define efficiency

3 List areas which need to be investigated: workforce, costs, production practices and techniques, quality, etc.

4 Cases - (i) Walkers (ii) Tesco. What they did and the results; how and when they asked these questions

5 Conclusion: companies with good answers to these questions have been successful

1 Introduction: importance of lean; give essay aims

2 Definition of lean

3 Where lean came from + why it worked; the main types of industries (e.g., car) associated with it; Jap. and Brit. manufacturing

4 Where lean has also worked well: some other types of industries (e.g., service and some govt.)

5 Areas where it would not work, e.g., other govt. services: use education as an example. Give e.g.s of specific problems that might come from a lean approach

6 Conclusion: lean assoc. with manufacturing; has been used in other sectors; but has problems

extracts

Given the ideas above, it might be assumed that all kinds of industries and operations will benefit from a Japanese approach to efficiency and operations management. However, it is possible that some types of activities might be less suitable for 'lean' techniques. For example, in some other government-run activities, such as the education of children, efficiency techniques may not work as well as in manufacturing industries. One reason for this is that it is much harder to measure learning as a product than it is to measure quality and efficiency in the production of a packet of crisps or a car. Activities which revolve around people, although they need to be efficient, cannot be managed in the same way as a production line making computers.

If a company wishes to compete, especially in today's globalized world, then it has to perform to the very best of its abilities. This means being highly efficient, especially in the management of operations. In this essay I will look at the concept of efficiency and will attempt to summarize the main ways in which a company might be able to evaluate its practices. In addition, I will outline how two companies have made improvements in efficiency in their operations management.

Understanding new words: using definitions

You will often find new words in academic texts. Sometimes you will not be able to understand the text unless you look the word up in a dictionary, but often a technical term will be defined or explained immediately or later in the text.

Look for these indicators:

is or *are*	*'Lean' is basically about …*
brackets	*…'kaizen' (continuous improvement).*
or	*At the end of the production process we have the output, or finished product.*
which	*… 'just-in-time', which is a system of inventory control.*
a comma or a dash (–) immediately after the word or phrase	*Total Quality Management, an approach to quality control, …* *… poka-yoke – an error-proofing system using special devices …*
phrases such as *that is, in other words*	*… the core activity of a business: that is, how the business does what it does. In other words, how a company manages its production.*

Remember!

When you write assignments, you may want to define words yourself. Learn to use the methods above to give variety to your written work.

Understanding direction verbs in essay titles

Special verbs called **direction verbs** are used in essay titles. Each direction verb indicates a type of essay. You must understand the meaning of these words so you can choose the correct writing plan.

Kind of essay	Direction verbs
Descriptive	*State … Say … Outline … Describe … Summarize … What is/are …?*
Analytical	*Analyse … Explain … Comment on … Examine … Give reasons for … Why …? How …?*
Comparison/ evaluation	*Compare (and contrast) … Distinguish between … Evaluate … What are the advantages and/or disadvantages of …?*
Argument	*Discuss … Consider … (Critically) evaluate … To what extent …? How far …?*

Choosing the correct writing plan

When you are given a written assignment, you must decide on the best writing plan before you begin to write the outline. Use key words in the essay title to help you choose – see *Vocabulary bank*.

Type of essay — content	Possible structure
Descriptive writing List **the most important points** of something: e.g., in a narrative, a list of key events in chronological order; a description of key ideas in a theory or from an article you have read. Summarize points in a logical order. Example: *What are the key features of Japanese management?*	• **introduction** • **point/event 1** • **point/event 2** • **point/event 3** • **conclusion**
Analytical writing List **the important points** which **in your opinion** explain the situation. Justify your opinion in each case. Look behind the facts at the **how** and **why**, not just **what/who/when**. Look for and question accepted ideas and assumptions. Example: *Explain the rise of Japanese management practices.*	• **introduction** • **definitions** • **most important point:** example/evidence/reason 1 example/evidence/reason 2 etc. • **next point:** example/evidence/reason 3 example/evidence/reason 4 etc. • **conclusion**
Comparison/evaluation Decide on and define the **aspects** to compare two subjects. You may use these aspects as the basis for paragraphing. Evaluate which aspect(s) is/are better or preferable and give reasons/criteria for your judgment. Example: *Compare Japanese and American management practices.*	• **introduction** • **state and define aspects** Either: • **aspect 1:** subject A v. B • **aspect 2:** subject A v. B Or: • **subject A:** aspect 1, 2, etc. • **subject B:** aspect 1, 2, etc. etc. **conclusion/evaluation**
Argument writing **Analyse** and/or **evaluate**, then give your **opinion** in a **thesis statement** at the beginning or the end. Show awareness of difficulties and disagreements by mentioning counter-arguments. **Support** your opinion with evidence. Example: *'Japanese management practices are demotivating for the workforce.' Discuss with reference to two or three companies.*	• **introduction: statement of issue** • **thesis statement giving opinion** • **define terms** • **point 1:** explain + evidence • **point 2:** explain + evidence etc. • **conclusion:** implications, etc. Alternatively: • **introduction: statement of issue** • **define terms** • **for:** point 1, 2, etc. • **against:** point 1, 2, etc. • **conclusion: statement of opinion**

A Match the words to make fixed phrases.

1	cash	costs
2	unit	sales
3	profit	price
4	cost	flow
5	annual	margin
6	variable	savings
7	sales	volume

B Study the words and phrases in the blue box.

1 Complete each phrase in column 2 with a word from column 1.

2 Which phrase can you use to:

- agree only partly with a point
- begin talking about several points
- compare two ideas
- focus on an important point
- give a reason for a point
- mention an idea
- talk about certain circumstances
- mention a problem with someone's idea

C On the opposite page are some people who have an interest in Cheapco Supermarkets.

1 What is each person's connection with Cheapco?

2 What aspects of the company's finances is each person interested in? Why?

3 Match each person with the correct quote (A–F).

4 Replace the words in italics with a phrase from Exercise B.

D Read the extract from the Hadford University handout about company finances on this page.

1 Match the blue words in this extract with the definitions on the opposite page.

2 Use your dictionary to check words you do not know.

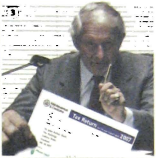
E Complete the table on the right.

1	2
to	... start with
the	... people think
some	on ... other hand
many	to ... extent
this	on ... one hand
that	... real question is
	on ... grounds that
	... would be great, except
	in ... sort of situation

HADFORD *University*

- Profit and loss accounts and balance sheets are formal documents which companies must produce to show their performance.
- Accounting methods such as cost-benefit analysis help managers to decide whether to invest in a project.
- Budgets and cash flow are financial methods of control used by most companies to maximize profit and check total turnover.
- A company needs to know the value of its assets, equity or capital in order to make decisions about investment for the future.
- A company needs to be able to assess its profit margins, operating costs and liabilities on a regular basis.

Base form	Other related forms	
audit	auditor	audited
credit		
debt		
document		
expense		
interest		
invest		
liquid		
profit		
vary		



A 'Profits are up quite a lot this year. *When this happens* we usually give the staff a generous pay increase – but this year we want to fund overseas expansion.'

B 'There are several bad things in this company. *Firstly*, wages are very low.'

C 'I see that the share price has fallen over the last year, *but* the dividend is still reasonably good.'

D '*They say* that the quality of food is reasonably good here. I *don't agree completely*.'

E 'At the moment, we make about 25 deliveries of vegetables a week to Cheapco. But *the important thing* is whether our contract will continue.'

F 'You will need to pay us more corporation tax this year, *because* your profits have increased.'

Definitions

- **A** money spent in running the business, including wages and resources but excluding tax and interest on loans
- **B** putting money or capital into an enterprise or business, with the expectation of profit
- **C** the property of a person, company or business
- **D** money or other assets owned or used in operating a business
- **E** a technique used to compare the various costs with the possible benefits associated with an investment
- **F** money gained from a business activity after paying all costs
- **G** what an individual or a company owes to others
- **H** the gross revenue or the total business done by a company or organization
- **I** a list giving the amount of money to be spent and the likely revenue for the coming year
- **J** ownership – usually a synonym for stock or shares in a company
- **K** a percentage measure of profitability, calculated as: net income/revenue
- **L** a financial statement that summarizes a company's assets, liabilities and net value at a specific point in time
- **M** a financial statement that gives the income and expenses incurred during a specific period of time – usually a year (a legal requirement for companies)
- **N** the money that goes into and out of a company
- **O** keeping records of, and interpreting, financial transactions

9.2 Listening

using the Cornell note-taking system

A Study the slide on the right. What questions do you think the lecturer will answer?

B Listen to Part 1 of the lecture.

1 Complete the *Notes* section below.
2 What is the lecturer's story about? Why is it not given in the notes?
3 Complete the *Summary* section.
4 Answer the *Review* questions.

HADFORD

Financial Management (Lecture 1)

- Management accounting – purposes
- Financial accounting – purposes
- Financial accounting – documents

C Create a blank Cornell diagram. Listen to Part 2 of the lecture.

1 Complete the *Notes* section.
2 Write some *Review* questions.
3 Complete the *Summary* section.
4 Were your questions in Exercise A answered?

D Study the phrases in column 1 of the blue box. Listen to some sentences from the lecture. Which type of information in column 2 follows each phrase?

1	2
1 Research has shown that ...	a developing trend
2 It could be argued that ...	information about a point the speaker will make later
3 As we shall see ...	a statement the speaker agrees with
4 Increasingly we find that ...	a conclusion
5 It's true to say that ...	an idea the speaker may not agree with
6 So it should be clear that ...	

Review	Notes
2 types of accounting are _ ?	Accounting in companies: management accounting (MA) and financial accounting (FA)
Why MA + FA important ?	Attention to financial matters vital for ______ of company
	MA
Main purpose of MA _?	1) ______ planning
Information supplied by_?	• information given in ______
Aims of MA?	• aim is to help company
(5 specific aims)	a) decide how to ______ its money
	b) decide whether/how to ______ (e.g. to invest in a product, to ______, to employ more staff)
	c) keep a check on ______ + value of ______
	d) predict ______ /losses
	e) help monitor performance (incl. staff)
Required by law?	2) Not a ______ requirement
Management tool	3) Internal management mechanism
(advantages: why used?	• good ______
by whom?)	• powerful → ______ are based on the data

Summary

A Study the words and phrases in box a.

1. Mark the stressed syllables.
2. 🎧 Listen and check your answers.
3. Which is the odd one out in each group? Why?

B Study the phrases in box b.

1. Do you think the phrases show a digression (start or end) or a relevant point? Write D or R.
2. Look at the D phrases. Do they start or end the digression?

C 🎧 Listen to the final part of the lecture from Lesson 2.

1. Take notes using the Cornell system. Leave spaces if you miss information.
2. What topic does the lecturer mention that is different from the main subject?
3. Why does the lecturer mention this topic?
4. What is your research task?
5. Compare your notes in pairs. Fill in any blank spaces.
6. Complete the *Review* and *Summary* sections.

D 🎧 What information does the lecturer provide about sources? Listen to the extracts and complete the table below.

a

1. **strategy, customer, investor, turnover, shareholder**
2. **assets and liabilities, capital investment, financial transactions, operating costs**
3. **profit and loss, balance sheet, profit margins, cash flow**
4. **actually, generally, usually, financially, crucially**

b

Now, where was I?

It's the first of these points that I'm going to focus on now ...

By the way, ...

So to get back to the main topic ...

I have a little story to tell you ...

If we move on now to ...

You don't need to take notes on this ...

The point of that story was ...

If we turn now to ...

When we look at financial accounting we'll find ...

	Extract 1	Extract 2	Extract 3	Extract 4
Name of writer				
Title and date of source				
Location				
Type of reference				
Relevant to ...?				
Introducing phrase				

E Use your notes to write 75–100 words about financial accounting documents.

F Work in groups. Study the five types of management accounting documentation in box c. Choose one type you would like to find out more about and then discuss these questions.

1. What kind of information will you need to find?
2. What ideas do you have already?
3. Where can you go to find more information?

c

a cash flow statement

a break-even chart

a contribution statement

a budget

an investment appraisal

9.4 Extending skills
making effective contributions to a seminar

A Look at the words in the blue box. Identify their stress patterns.

analysis **assets** **diagram** **documents**
equity **expenditure** **salaries**
shareholders **techniques**

B Work in pairs.

Student A: Think of good ways to take part in a seminar.

Student B: Think of bad ways to take part in a seminar.

C You are going to hear some students in a seminar. They have been asked to discuss the question: 'Why is management accounting important?'

1 🎧 Listen to the seminar extracts. Put a ✓ for a good contribution and a ✗ for a poor one in the table below.

2 Give reasons for your opinion.

3 Think of some additional information to add to the good contributions.

Student	✓/✗	Reasons
Extract 1		
Extract 2		
Extract 3		
Extract 4		

D Work in a group of three or four.

1 Discuss your information for the topics in Lesson 3, Exercise F. Agree on the best definition.

2 Discuss how best to present this information.

3 Present a definition and description of your topic to the whole class.

E Study Figure 1 and Figure 2.

1 What do the pictures in Figure 1 show?

2 Study the information in Figure 2 on the opposite page. In pairs or groups, discuss the following:

a What does the information show about KaliAir?

b What other information not given here might be a threat to KaliAir?

c Would you buy shares in KaliAir? Tell the class about your decision, saying what it is based on.

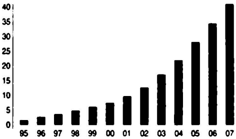
Figure 1

The KaliAir story

KaliAir is an airline company that operates cheap, no-frills flights to over 100 destinations in 26 countries.

KaliAir claims to have the lowest fares and best customer service to these countries. 2007 was a good year for KaliAir. The airline carried a record 40 million passengers. Also, in 2007 KaliAir started a web check-in service. This means that, as well as booking tickets online, passengers can also check in online and even choose their seats. KaliAir has also announced plans for onboard mobile phone use in all its aircraft. In addition, the company opened new bases in Prague, Budapest and Warsaw.

KaliAir Passenger Growth in Millions



A dissatisfied customer says:
"I can't seem to contact KaliAir. I wanted to complain to them about my lost luggage but there is no e-mail address and no one answers the phone!"

KaliAir's dangerous landings to be investigated

KaliAir has been accused of landing its aircraft dangerously, as a result of the way they run their operation. Their schedules and turnaround times are extremely tight and safety appears not to be a priority. A critic of the company says, "This dangerous flying is the result of flight crews being made to work too hard."

KaliAir's Income Statement

Year	Revenue (turnover)*	Net income (profit)*	Net income (as % of revenue)	Earnings per share (in US $)
2007	2,043.9	380.2	19	5.17
2006	1,726.3	366.1	21	4.64
2005	1,308.2	262.4	20	3.93

Definitions

Net income or profit is the actual income that a company receives after deducting the costs of doing business (e.g. costs of resources and raw materials, salaries, tax and interest payments).

Earnings per share is the net income of a company divided by the total number of shares it has. It is often used as a measure of a company's success.

Recognizing fixed phrases from business studies (2)

Make sure you understand these phrases from business studies.

balance sheet
capital investment
cash flow statement
cost-benefit analysis
financial tool
fixed assets
forward planning
internal management mechanism
long-term liabilities
management accounting
financial accounting
net profit
operating costs
profit and loss account
profit margin
shareholders' equity
tax inspector

Recognizing fixed phrases from academic English (2)

Make sure you understand these fixed phrases from general spoken academic English.

As we shall see, ...
But the real question is ...
From the point of view of ...
In a case like this, ...
In terms of ...
In the sense that ...
In this sort of situation, ...
That's the reason why ...
Increasingly we find that ...
It could be argued that ...
It's true to say that ...
Many people think ...
On the grounds that ...
On the one hand, ...
Research has shown that ...
So it should be clear that ...
That would be great, except ...
To some extent ...
To start with, ...

Using the Cornell note-taking system

There are many ways to take notes from a lecture. One method was developed by Walter Pauk at Cornell University, USA.

The system involves **Five Rs**.

record Take notes during the lecture.

reduce After the lecture, turn the notes into one- or two-word questions or 'cues' which will help you remember the key information.

recite Say the questions and answers aloud.

reflect Decide on the best way to summarize the key information in the lecture.

review Look again at the key words and the summary (and do this regularly).

Recognizing digressions

Lecturers sometimes move away from the main point in a lecture to tell a story or an anecdote. This is called a **digression**. You must be able to recognize the start and end of digressions in a lecture.

Sometimes a digression is directly relevant to the content of the lecture, sometimes it has some relevance and sometimes, with a poor lecturer, it may be completely irrelevant. Sometimes the lecturer points out the relevance.

Don't worry if you get lost in a digression. Just leave a space in your notes and ask people afterwards.

Recognizing the start	*That reminds me ...*
	I remember once ...
	By the way ...
Recognizing the end	*Anyway, where was I?*
	Back to the point.
	So, as I was saying ...

Understanding the relevance	*Of course, the point of that story is ...*
	I'm sure you can all see that the story shows ...
	Why did I tell that story? Well, ...

Asking about digressions	*What was the point of the story about the publishing company?*
	Why did she start talking about note-taking?
	I didn't get the bit about ...

Referring to other people's ideas

We often need to talk about the ideas of other people in a lecture or a tutorial. We normally give the name of the writer and/or the name of the source. We usually introduce the reference with a phrase; we may quote directly, or we may paraphrase an idea.

Name and introducing phrase	*As Baker points out ...*
	To quote Baker ...
Where	*in* Principles of Finance ...
What	*we can think of shareholders' equity as ...*

A Study the words in box a.

1 Use your dictionary to find out the meanings.
2 What part of speech is each word?

a
bill borrow cheque client
depreciation insolvency lend
overhead stock market takeover

B Read the Hadford University handout.

1 Use your dictionary or another source to check the meanings of the highlighted phrases.
2 Which are the stressed syllables in each phrase? Which two phrases have the same stress pattern?

HADFORD *University*

Sources of company finance

Most businesses have to borrow money at some point. The money may be needed for capital investment in order to acquire fixed assets. At the same time, working capital is also required to pay bills and staff costs. Business owners may take out a bank loan, or a personal loan from family or friends. In addition, a company, whether big or small, might need a bank overdraft facility or trade credit to help it survive. Large companies which want to finance expansion can raise money through shares issues or corporate bonds. They may even consider asset sales.

C Look at the pictures on the opposite page.

1 What do you think is happening in each picture?
2 For each picture, talk about the role that money plays. Use the highlighted phrases from Exercise B and words from Exercise A.

D Study the words in box b.

1 Check the meanings, parts of speech and stress patterns.
2 Put the words into the correct box in the table below, as in the example.

Neutral	Marked
rise, increase	rocket, soar
fall, decrease	
big, large	
good	
small	

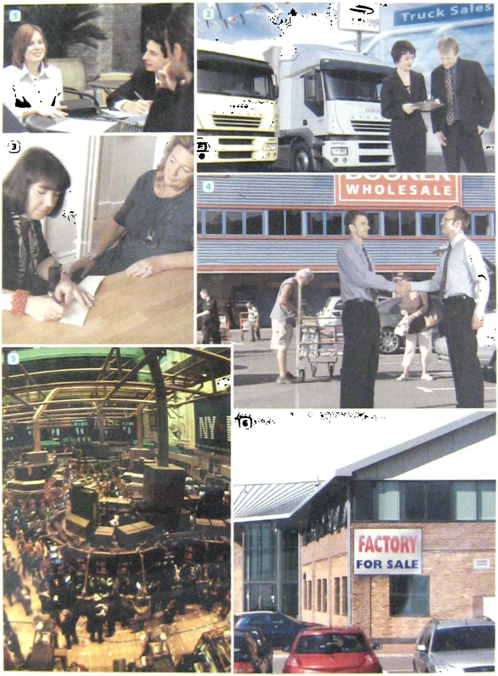
b
brilliant collapse enormous
huge insignificant massive minimal
outstanding plummet plunge
rocket significant slump soar
superb tremendous

E Read the extract from the Cheapco chairman's letter to shareholders.

1 Use a marked word in place of each of the blue (neutral) words.
2 Look at the red phrases. How strong are they?

It's clear that Cheapco profits have risen recently. It's generally accepted that all companies need to expand, and so we have decided to acquire some other companies. As a result of our outstanding success this year, we undoubtedly have a good opportunity to raise capital.

It's fair to say that our assets are not large at present but we could consider asset sales, or else further borrowing. However, you can be confident that we do not want to see our profits fall. It's unlikely that we will make any large changes to our financing, but there may be some small adjustments later in the year.


1
2
Truck Sales
3
4
WHOLESALE
5
NYSE
6
FACTORY
FOR SALE

A Study the sentence on the right. Each phrase in box a could go in the space. What effect would each one have on the base meaning? Mark from *** = very confident to * = very tentative.

B Survey the text on the opposite page.

1. What will the text be about?
2. Write three research questions.

C Read the text. Does it answer your questions?

D Answer these questions.

1. What are some ways in which a company can use its own resources to raise money?
2. What is the main way of getting money from outside the business?
3. Do you think internal or external sources of finance result in raising larger funds? Why?
4. What may short-term capital not help a company to do?
5. Is there more than one type of medium-term finance?
6. According to what two main criteria are sources of finances categorized?

E Find the phrases in box b in the text. Is the writer *confident* (C) or *tentative* (T) about the information which follows?

F Look at the writer's description of the development of Wal-Mart (paragraph 6).

1. Underline the marked words.
2. What does the choice of these words tell you about the writer's opinion of Wal-Mart?
3. Find neutral words to use in their place.

G Study the example sentence on the right, and then sentences A and B.

1. Divide sentences A and B into small parts, as in the example sentence.
2. Underline any joining words (e.g., conjunctions).
3. Find the subjects, verbs, objects/ complements and adverbial phrases which go together.
4. Make several short simple sentences which show the meaning.

The lack of funding last year

the decline in sales.

a

probably caused

may have contributed to

was possibly one of the factors which contributed to

could have been a factor which led to

caused

seems to have caused

b

It is obvious ...

Many writers seem to agree ...

It appears to be the case ...

many writers have claimed ...

the evidence does not support ...

a recent survey has found ...

much of the data suggests ...

Example:

Trade credit from suppliers | or | an overdraft | are usually thought of | as short-term, | while | medium-term borrowing | includes | the leasing or hire purchase of equipment.

A

Short-term capital needs to be repaid over a short period, whereas long-term capital, which a company needs in order to expand, will normally be paid back over a number of years.

B

Thus, much of the data suggests that James Cooper's experience was typical rather than unusual, and the suspicion that banks are often cautious in lending money to small businesses appears to be borne out in reality.

Sources of finance

One of the first principles of business is: all businesses need funds in one form or another in order to succeed. It is obvious, therefore, that successful businesses have to be good at finding sources of finance. So what are these sources?

Many writers seem to agree that a difference should be made between internal and external sources. For example, a company could use its profits, or sell off some of its assets, or reduce its stock inventory, and all of these would help to raise finance. Even so, these internal finance methods are rarely sufficient, and companies nearly always have to raise money externally as well. This happens in a variety of ways: for small businesses typical strategies might include borrowing from friends or family, or getting a loan or an overdraft from a bank. For bigger companies, external methods might involve raising share capital or loan capital from a bank or other lender.

In addition, sources of finance can be divided into short, medium and long-term borrowing. Palmerstone et al. (1999) define these as follows: 'Short-term refers to day-to-day requirements, medium-term is usually one to five years, long-term is more than five years' (p. 26). Trade credit from suppliers or an overdraft are usually thought of as short-term, while medium-term borrowing includes the leasing or hire purchase of equipment. Long-term finance depends on the size and success of the company but might comprise share issues or further loan capital (mortgages, for instance). Short-term capital needs to be repaid over a short period, whereas long-term capital, which a company needs in order to expand, will normally be paid back over a number of years.

Let's look at a couple of examples. In 1999, James Cooper decided to open a fresh fruit juice shop in the south-west of England called FreshTime. He had studied business at college and had several years' experience working in restaurants. In order to start the business, he needed to find the money but his bank was not very helpful, and so he was forced to borrow from his family (Venture, 2005). Grange (2005) asserts that '... for small businesses trying to get started, use of family resources is quite common' (p. 79). It appears to be the case, then, that raising finance is one among several problems that small businesses face.

In recent years, many writers have claimed that banks are very positive in offering help to small entrepreneurs (e.g., Brookes, 2003) but the evidence does not support this belief. For example, according to Grange (op. cit., p. 80), a recent survey has found that business start-ups experience considerable difficulty in this area. Thus, much of the data suggests that James Cooper's experience was typical rather than unusual, and the suspicion that banks are often cautious in lending money to small businesses appears to be borne out in reality.

However, even very large companies nearly always start out small, as can be seen in Wal-Mart's astonishing development from an insignificant cut-price chain store business in the southern USA to gigantic global retailer. Ortega (1998) describes how Sam Walton, the founder, and his wife had to scrape the money together themselves for their first Wal-Mart store in the 1960s. Later, Walton could only obtain enough funds to build 15 Wal-Mart stores. By 1970, however, Wal-Mart stock was being offered on the New York Stock Exchange; with the capital raised, Walton succeeded in expanding the business to 276 stores. At the end of the 1980s, there were nearly 1,400 stores generating sales of over $26 billion (Wal-Mart, n.d.). In 2007, Wal-Mart could boast a turnover of over $300 billion.

10.3 Extending skills

Essay types • situation–problem–solution–evaluation essays

A Read the three essay questions. What types of essay are they?

B Look at text A on the opposite page. Copy and complete Table 1.

C Look at text B on the opposite page. Copy and complete Table 2.

D Look again at the solutions in Exercise B (Table 1). What are their possible advantages and disadvantages?

E Read the title of essay 3 again.

1. Make a plan for this essay.
2. Write a topic sentence for each paragraph in the body of the essay.
3. Write a concluding paragraph.

1. **Compare the methods a company might use to raise short- and long-term finance.**
2. **Explain from a financial viewpoint how some of the main sources of income and funding might help a company to achieve its goals.**
3. **Describe, with some actual examples, the financial problems faced by small business start-ups. Consider how small businesses can best solve these difficulties.**

Table 1

Situation	
Problem	
Solutions	

Table 2

Solution	
Argument for	
Argument against	

10.4 Extending skills

Writing complex sentences • references • quotations

A Expand these simple sentences. Add extra information. Use the ideas in Lesson 3.

1. High street banks do not often give loans to new small businesses.
2. Small entrepreneurs cannot issue shares to the public.
3. The first four types of funds are fairly easy to obtain.
4. Borrowing from the family has certain risks.
5. Private investors will take some of the profits.

B Look at text C on the opposite page. Copy and complete Tables 1–3.

C Look at text D on the opposite page.

1. Complete a further row of Table 1.
2. How could you write this as a reference?

D What do the abbreviations in the blue box mean?

E Look at the direct quotes in the text on page 81.

1. Find all the research sources (e.g., Grange 2005, p. 79).
2. Mark the page numbers next to the correct reference on the opposite page.
3. What punctuation is used before and within each direct quote? Why?
4. What words are used to introduce each direct quote? Why does the writer choose each word?

Table 1: *Referencing books*

Author(s)	Place	Date	Publisher

Table 2: *Referencing journals*

Name of journal	Volume	Pages

Table 3: *Referencing websites*

Retrieval date	URL

& © cf. edn. ed(s). et al.
ibid. n.d. op. cit. p. pp. vol.

A

Case Study 1

In 2000, Sarah Stoppard left her nine-to-five job and set up a company called Three Bears Furniture which designed and sold children's furniture (such as child-sized chairs in the shape of a flower, and toy-boxes which looked like pirate ships). Her high street bank refused her a loan, but agreed to an overdraft of £4,000. With this and a government Small Business Start-up loan of £5,000, Sarah was able to lease a stall in a craft market in her local town and also set up a website through which she could sell her furniture. When, in 2002, she wanted to expand her retail outlets to a shop on the high street, her bank again refused her a loan, despite the fact that she was now beginning to make a profit. Eventually, Sarah borrowed the money for the shop lease from her mother and brother.

Source: Venture, 2005

B

It is clear that small businesses cannot rely on banks for financial help. Another alternative which may be considered by small entrepreneurs is to raise finance through the sale of equity in the business to a venture capitalist (Brookes, 2003, p. 231). Grange (2005, p. 84) argues that this represents 'a sound option' since these investors are often experienced business people and the small business owner may benefit from their business advice. However, Grange (ibid.) also points out that 'The disadvantage is that the small entrepreneur is no longer the sole owner, and more importantly perhaps, may well see their hard earned profits go to someone else.'

C

References

Brookes, S. P. (2003). *Introduction to the sources of finance*. London: Howe & Pole.

Grange, R. (2005). Low margins: A review of some successful small business enterprises. *Journal of Business and Entrepreneurialism, 1*, 75–89.

Ortega, B. (1998). *In Sam we trust*. New York: Times Books.

Palmerstone, P. J., Jackson, C., Webbings, S., & Burns, R. (1999). *How companies manage their finances*. New York: Mole & Rain.

Wal-Mart. (n.d.) *The Wal-Mart story*. Retrieved March 7, 2007, from http://www.walmartstores.com/GlobalWMStoresWeb/navigate.do?catg=5

D

Case Studies in Small Businesses

Brian Venture

Wentworth & Bourne

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Cornwall, UK

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Recognizing fixed phrases from environmental science (3)

Make sure you understand these key phrases from environmental science.

air pollutants	*human populations*
acid rain	*natural world*
catalytic converter	*nitrogen dioxide*
carbon dioxide	*power station*
carbon monoxide	*power generation*
end-of-pipe	*respiratory illness*
energy use	*sulphur dioxide*
fossil fuel	*tropospheric ozone*

Recognizing fixed phrases from academic English (3)

Make sure you understand these key phrases from general academic English.

One of the ...	*In this sort of situation ...*
In some circumstances, ...	*It is obvious/clear that ...*
Even so, ...	*It appears to be the case that ...*
..., as follows: ...	*The research/A survey found that ...*
The writers assert/maintain/conclude/	*Research has shown ...*
assume/state/agree/suggest that ...	*The evidence does not support this idea.*

Recognizing levels of confidence in research or information

In an academic context, writers will usually indicate the level of confidence in information they are giving. There is a strong tendency also for writers to be tentative when stating facts.

Examples:

It appears to be the case that ... / This suggests that ... (tentative)

The evidence shows that ... / It is clear that ... (definite/confident)

When you read a 'fact' in a text, look for qualifying words before it, which show the level of confidence.

Recognizing 'marked' words

Many common words in English are 'neutral', i.e., they do not imply any view on the part of the writer or speaker. However, there are often apparent synonyms which are 'marked'. They show attitude, or stance.

Identifying the parts of a long sentence

Long sentences contain many separate parts. You must be able to recognize these parts to understand the sentence as a whole. Mark up a long sentence as follows:

Locate the subjects, verbs and objects/complements by underlining the relevant nouns, adjectives and verbs.

Put a dividing line:

at the end of a phrase which begins a sentence

before a phrase at the end of the sentence

between clauses

Put brackets round extra pieces of information.

Example:

In recent years many writers have claimed that high street banks are very positive in offering help to small entrepreneurs, but the evidence has not supported this belief for a significant period of time.

In recent years | many writers have claimed | that high street banks are very positive in offering help to small entrepreneurs, | but the evidence has not supported this belief | (for a significant period of time).

Constructing a long sentence

Begin with a very simple SV(O)(C)(A) sentence and then add extra information.

Example:

	Small companies		**need**	**help.**	
As many recent studies have shown	*small companies*	*in every kind of industry*	*need*	*help*	*of many kinds, including money and advice.*

Writing a bibliography/reference list

The APA (American Psychological Association) system is probably the most common in the social sciences. Information should be given as shown in the following source references for a book, an Internet article and a journal article. The final list should be in alphabetical order according to the family name of the writer. See the reference list on page 83 for a model.

Author	Date	Title of book	Place of publication	Publisher
Close, J.	(1999).	*British financial management.*	London:	Allan & Unwin.

Writer or organization	Date (or 'n.d.')	Title of Internet article	Date of retrieval	Full URL
Google	(2007).	*Google Management.*	Retrieved April 4, 2007, from	http://www.google.com/corporate/execs.html

Author	Date	Title of article	Title of journal	Volume and page numbers
John, R., & Ouchi, W.	(1974).	Made in America (Under Japanese Management)	*Harvard Business Review.*	*52*, 61–69.

More information on referencing (including other systems such as MLA) can be found on: http://owl.english.purdue.edu/owl/resource/560/10/

11 EXTERNAL INFLUENCES

11.1 Vocabulary **linking ideas**

A Look at the diagram on the opposite page.

1 Name the factors.
2 Discuss how the example(s) of each factor might influence business.
3 Give more examples of each factor.

B Study the linking words and phrases in box a.

1 Put them into two groups for:
   a discussing reasons and results
   b building an argument.
2 Is each linking word used to join ideas:
   a within a sentence?
   b between sentences?
3 Can you think of similar linking words?
4 Put the words in question 1b in a suitable order to list points in support of an argument.

C Study the words in box b.

1 Sort the words into two groups according to whether they are concerned with *people* or with *change*.
2 In pairs, explain your decisions.
3 Are the words nouns, verbs or adjectives? What is their stress pattern?
4 What other words or phrases have the same meaning?

D Read the text on the right.

1 Complete each space with a word or phrase from box a or box b.
2 Can you think of other words with the same meaning as the blue words?
3 Find all the words and phrases in the text connected with *people and work* or *change*.
4 Match the phrases below with a later phrase that refers back to them, as in the example.

Example:
people ... in their 70s – these elderly employees

people ... in their 70s	*the effects*
fewer young people	*parts of the world*
markets	

E Do the quiz on the opposite page.

a

Another point is ... **As a result,** **because**
Finally, **Firstly,** **For example,** **In addition,**
Moreover, **One result of this is ...**
Secondly, **Since** **So,**

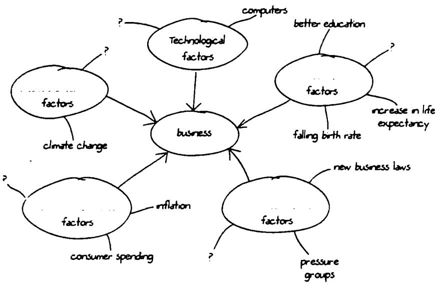
b

affect **ageing** **consultant**
demographic **diversify** **effect** **elderly**
immigrant **part-timer** **population** **rethink**
shrink **temporary** **youth**

According to Peter Drucker (2001), a well-known business thinker, there are many demographic changes which will ________ businesses profoundly over the next 25 years. Firstly, the ________ is ageing and ________ patterns of employment will ________. For ________, provision of pensions for retired people is becoming an ever more serious problem for governments. ________ many people will have to continue in their jobs until they are in their 70s. In ________, these ________ employees are not likely to work for companies on a full-time basis but as ________, part-timers or temporary staff. ________, there are the effects of fewer young people in many parts of the world. ________ that many of these countries will have to rely increasingly on an ________ labour force. ________ that markets will need to change, since the falling numbers of younger people mean fewer families, businesses which have built their markets on the basis of the family unit will now have to ________ their approach. ________, up to now there has been an emphasis on the ________ market; from now on, the middle-aged segment is likely to dominate. ________, because the supply of younger workers will ________, businesses will have to find new ways to attract and retain staff.

Drucker, P. (2001, November 3–9). The next society. *The Economist*, 3–20.

What factors have an impact on business?



HADFORD *University*

General Knowlege Quiz

1 What do these letters stand for?

- a EU
- b GDP
- c ASEAN
- d UN
- e G8
- f IMF
- g WTO
- h NAFTA

2 Who or what are these?

- a Mercosur
- b Kyoto agreement
- c Greenpeace
- d Friends of the Earth
- e McDonald's
- f Tesco
- g Margaret Thatcher
- h International Monetary Fund
- i World Bank
- j United Nations
- k Microsoft

11.2 Listening

recognizing the speaker's point of view • making notes • writing up notes

A You are going to listen to a lecture by a guest speaker in the Business Studies department at Hadford University. Look at the poster on the right.

1 What is the lecture going to be about?

2 Decide on how you are going to make notes. Prepare a page in your notebook.

B Listen to Part 1 of the lecture and make notes.

1 What is the focus of the lecturer's talk?

2 What are the two main factors that the lecturer will discuss?

3 What examples of these factors does he give?

4 To which factor does each example belong?

C Listen to Part 2 of the lecture and make notes.

D Using your notes, answer the questions on the handout on the right.

E Refer to the model Cornell notes on page 104.

1 Check your answers with the model.

2 Complete the *Review* and *Summary* sections of the Cornell notes.

F The lecturer talks about the World Bank. Listen again to part of the lecture. Which words tell us whether the information is fact or opinion?

G Study the phrases in the blue box. Which type of information below follows each phrase? Listen to some sentences from the lecture.

- restatement
- definite point
- summary of a source
- example
- statement of a topic
- another point
- tentative point
- clarification
- purpose for speaking

H Write out one section of your notes in complete sentences.

See ***Skills bank***

HADFORD University

Visiting Speaker: Dr William Mitchell
15th February 5.00p.m.

'The world as a global market: checks and balances on business'

Dr Mitchell will explore key factors affecting business decisions in today's global environment.

1 What factor did the lecturer discuss first?

2 What examples of this factor did the lecturer mention?

3 What happened in 1979?

4 What were the effects for business?

5 Which organization:
a campaigns on environmental issues?
b found it hard to recover from a negative image?
c made a government change its food laws?
d may not help poor people in underdeveloped countries?

6 What was the main economic activity in the early 20th century?

7 What type of economic activity has increased in developed countries?

8 What type of economic activity has increased in the new boom economies?

9 What might be the effect of the increasing economic power of India and China?

1 That is to say
2 Don't misunderstand me
3 To some degree
4 It is fair to say that …
5 not only that, but …
6 in an attempt to …
7 to the extent that …
8 with respect to …
9 … is a case in point
10 … gives a good description of … in …
11 Briefly, (he) explains how …
12 (She) has no doubt that …

A Study the phrases in box a.

1 Mark the stressed syllables in each phrase.
2 Listen and check your answers.
3 Which phrases have adjective + noun? Which word has the stronger stress in these phrases?

B Look at the topics below.

• global warming • pollution • waste management

1 What would you like to know about these topics?
2 Prepare a page in your notebook to make some notes.
3 Listen to Part 3 of the lecture and make notes. If there is information which you miss, leave a space.
4 Compare your notes with someone else. Fill in any blank spaces.

C Answer the questions on the Hadford University handout, using your notes.

D Study the stages of building an argument (a–f) in box b.

1 Put the stages in an appropriate order.
2 Match each stage with a phrase from box c.

E Look at box b again.

1 Listen to a section from the lecture. Make notes on what the lecturer says for each stage of the argument (a–f).
2 Check your answers to Exercises D and E1.

F Use your notes to write 75–100 words about the main points in the final part of the lecture.

G In groups, discuss the research task set by the lecturer. Talk about these questions:

1 What are the three environmental topics you need to consider?
2 Which one will you choose?
3 What ideas do you already have?
4 What kind of information will you need to find?
5 Where can you go to find more information?

Report back to the class on your discussion. In Lesson 4 you will take part in a seminar on this topic.

a

global warming
waste disposal
natural phenomena
business opportunities
threats to the environment
industrial emissions
environmental issues
a role in the solutions
a positive correlation
aspects such as pollution

HADFORD University

1 What seems to be the most serious environmental issue, according to the lecturer?
2 What should business do about this issue?
3 What other environmental problems does business contribute to?
4 What does taking responsibility for these issues mean for business?
5 What could it also mean?
6 What is your research task?

b

a giving a counter-argument
b giving your opinion
c stating the issue
d supporting the reason with evidence
e rejecting a counter-argument
f giving a reason for your opinion

c

It's quite clear that ...
The question is ...
The research has concluded that ...
I'm afraid that just isn't true.
Some people claim ...
The evidence lies in the fact that ...

11.4 Extending skills

stress in phrases • making effective contributions to a seminar

A Study the terms in box a.

1. Explain the meaning of the terms.
2. Mark the main stress in each term.

B Study the words in box b. Match the words in columns 1 and 2 to make phrases.

C Study the EVRegs web page on the opposite page.

1. What types of energy source are shown in the pictures?
2. What opportunities, useful suggestions or threats can you identify for business? Make three lists.

D Study the phrases in box c.

1. When would you use these phrases in a seminar and for what purpose?
2. Which phrases can you use for linking your new point to a contribution by another speaker?

E Listen to some students taking part in a seminar. They have been asked to discuss new technologies and some of the new environmental initiatives. While you listen, make a note of:

1. the main topic of each extract
2. further details of each topic.

F Study the Waste in the Workplace web page and discuss these questions.

1. What is the main message from this page?
2. What can businesses do to evaluate their level of waste?
3. Look at the two 'types of waste' lists.
   a. What examples can you think of in the categories under 'general waste'?
   b. Which categories of waste do you think it is most important to do something about and why?
   c. Which categories can (1) business and (2) individuals help with?
   d. What do the categories under 'manufacturing waste' mean? What examples can you think of? What links can you find with some of Toyota's principles? See *Unit 8*

G Discuss your research findings on environmental business opportunities and threats with your group. One person from the group should report the conclusions of the discussion to the class.

a

carbon trading scheme
climate change agreement
climate change levy
packaging reduction target
recycling business opportunity
renewable energy source
waste disposal regulation

b

1	2
biodegradable	energy
carbon emission	farm footprint
energy	friendly
environmentally	fuel gas
fossil	packaging
greenhouse	power
landfill solar	reduction
wave wind	saving site

c

I'd like to start by explaining ...

To carry on from this first point, I want secondly to look at ...

I don't think that is the main reason.

That seems like a very good point X is making.

I'm going to expand the topic by mentioning ...

On the other hand, you might want to say that ...

As well as this issue, we can also look at a very different issue.

So to sum up, we can say that ...

Does anybody have any opinions or anything they would like to add?

I think we need a different viewpoint.

OK, to continue then ...

Following on from what X has said

EVRegs.com the company that advises businesses on environmental issues

Look here for the latest regulations and information on:

Air pollution

- Climate change levies on businesses
- Join a carbon trading scheme
- Latest international climate change agreements
- Pollution prevention
- Laws on hazardous substances and emissions
- Start your own carbon offset business

Renewable energy

- Install an alternative energy source, save money and help the environment!

Waste management

- Waste disposal regulations
- Government packaging reduction targets
- Waste in the workplace

Recycling

- Why should we recycle? Problems with landfill
- How to recycle your business waste
- Look here for recycling business opportunities

Waste in the Workplace

All businesses produce waste as part of their working practices – but this waste is actually a business cost. If a business is as efficient as it possibly can be, there is less waste and therefore lower costs – not only that but you can help the environment too!

Seven Types of General Waste

1. Emissions into the air
2. Emissions into the ground
3. Emissions into water
4. Solid waste (rubbish)
5. Hazardous waste
6. Wasted energy
7. Wasted water

Seven Types of Manufacturing Waste (Toyota)

1. Product defects
2. Excess inventory
3. Waste in production process
4. Waiting times
5. Useless motions
6. Waste in transportation
7. Overproduction

Businesses need to take a look at how they can reduce waste.
For a waste audit and advice on waste reduction, go to

Linking words

We use linking words and phrases to join ideas together in a sequence, to show how the ideas are related.

Some linking words can be used to join independent and dependent clauses in a sentence.

Examples:

Workforces have become highly skilled in many countries ***because*** *they have improved education standards.*

OR

Because *many countries have improved education standards, their workforces have become highly skilled.*

Other linking words join sentences in a text.

Example:

Many countries have improved education standards. ***As a result,*** *the workforce has become highly skilled.*

When building an argument, it is a good idea to use linking words to add points.

Examples:

Firstly, ...	*Another point is ...*	*In addition, ...*	*... whereas ...*
For example, ...	*Secondly, ...*	*Moreover, ...*	*Finally, ...*

Using words with similar meanings to refer back in a text

It is a good idea to learn several words with similar or related meanings. We often build cohesion in a text by using different words to refer back to something previously mentioned.

Examples:

First mention	Second mention	Third mention	Fourth mention
older workers	*elderly employees*	*those of pensionable age*	*people in their 70s*
fewer ...	*falling numbers of ...*	*declining ...*	*reduced ...*
parts of the world	*countries*	*areas*	*lands*

Recognizing fixed phrases from academic English (3)

In Units 7 and 9, we learnt some key fixed phrases from general academic English. Here are some more to use when speaking.

Don't misunderstand me.
I'm afraid that just isn't true.
in an attempt to ...
... is a case in point
not only that, but ...
Some people say ...
the effect of ...
the history of ...
the presence of ...
there is a correlation between ... and ...
to some degree ...
to the extent that ...
What's more ...
with respect to ...

Writing out notes in full

When making notes we use as few words as possible. This means that when we come to write up the notes, we need to pay attention to:

- the use of numbers and symbols for words and ideas, e.g.,
  Notes: (a) election result, e.g., Margaret Thatcher's new government
  ***One example** of the effect of election results can be seen when Margaret Thatcher's new government ...*
- making sure the grammatical words are put back in, e.g.,
  Notes: → policy copied by other countries
  This policy was copied by other countries.
- making the implied meanings clear, e.g.,
  Notes: Political factors (e.g., taxation policies, pressure groups)
  *Political factors **which affect business include**, for example, taxation policies, pressure groups ...*

Building an argument

A common way to build an argument is:

1 First, state the issue:
Can we change people's perception that waste is inevitable?

2 Next, give a counter-argument:
Research has shown that changing attitudes is extremely difficult.

3 Then give your opinion:
In fact, minimizing waste is far from being a new idea.

4 Then give evidence for your opinion:
The efficiencies in the Toyota lean production approach are based on waste reduction.

Seminar skills: Linking to a previous point

When you want to move the discussion in a new direction, introduce your comments with phrases such as:
Following on from what X said, I'd like to talk about ...
I'm going to expand the topic by mentioning ...
As well as (carbon trading), we can also look at a very different sort of issue.

Summarizing a source

When we talk about the ideas of other people in a lecture or a seminar, we often give a summary of the source in a sentence or two.

Examples:
A book by (name of writer) *called* (name of book) *published in* (year) *gives an explanation of how ...*
Briefly, (name of writer) *explains how ...*
An introduction to (topic) *can be found in* (name of writer).

A Study the words and phrases in box a.

1 Is each item *internal* or *external* to a company? Make two groups.

2 Check the stress and pronunciation.

3 Make smaller subgroups. Explain your decisions.

B Read text A on the opposite page.

1 What is a SWOT analysis?

2 Look at the highlighted words. Connect each word to the noun it refers to.

C Study the verbs in box b. They can be used to introduce quotations, or paraphrases/summaries.

1 Check the meanings of any words you don't know.

2 Which verbs have similar meanings?

3 Which verbs are **not** followed by *that*?

4 When can you use each verb?
Example: *accept* = agree but with some reluctance; the idea is often followed by *but*

D Read text B on the opposite page. Look at the highlighted sentences.

1 What is the purpose of each sentence?

Example: *Employees should be involved in workplace decisions* = opinion or recommendation

2 In an assignment, should you refer to the highlighted sentences by **quoting directly** or **paraphrasing**?

3 Choose an appropriate introductory verb and write out each sentence as a direct quotation or a paraphrase. Add the source references.

E Look at the SWOT analysis of Showstoppers on the opposite page.

1 To which functional area (HR, marketing, operations, finance) does each point in the *internal* audit refer?

2 Which words from Exercise A apply to the points in the *external* audit?

F How should Showstoppers respond to the issues affecting the business?

1 Discuss in pairs.

2 Write a paragraph giving your recommendations. Include one of your sentences from Exercise D, question 3.

absenteeism cash flow
competitors distribution channel
economic cycle employee satisfaction
government policy interest rates
labour turnover legislation
liability location
market leader market size
net profit operating costs
productivity product quality
product range promotion costs
sales trends stock inventory
taxation unit cost
waste minimization

accept agree argue assert
cite claim concede
consider contend describe
disagree dispute emphasize
illustrate indicate insist note
observe point out
report show state suggest

Showstoppers is a city-centre fashion boutique selling women's clothes.

A SWOT analysis

When a company's performance is looking poor, it may need to make some changes. However, before the company can do this, it should establish where it is now through a strategic analysis. A commonly used technique for this is the SWOT analysis. In this method, managers carry out an 'external audit' in which they examine their business and economic environment as well as the market conditions they face in order to understand the opportunities and threats to the company. Secondly, the organization needs to complete an 'internal audit' in which its strengths and weaknesses are compared with those of the competitors. This means that managers should look at all the functional areas: finance, HR, marketing and operations. The results of such audits are presented in a four-box summary of the business's current strengths and weaknesses, and the opportunities and threats which will affect its future development.

from Jones, M. (2007). *Analysing business performance*. Hadford: Hadford University Press.

B Managing change

'When a company is planning to make major changes, employees often react in negative ways. So managers need to persuade employees that change is necessary. An important point here is that *employees should be involved in workplace decisions. A useful approach is to get all employees to examine their operational practices using a common framework. Clearly, managers must place value on the contributions of staff at all levels, from the boardroom to the shopfloor. *As Albert Humphrey, who developed the SWOT analysis technique in the 1960s, asserts: managers must ' ... stop thinking that the company is composed of individuals with individual job descriptions and a layer-on-layer authority structure' (Humphrey & Groves, 2003)*. Only when comments and suggestions have been received from everyone, can the company start to consider its objectives and strategies for the future.

*Humphrey, A. & Groves, P. (2003). Turning a downturn into a major upturn. *Finance Today*, July 25

from Pickwell, M. (2006, p. 24). *Introduction to business strategy*. Hadford: Hadford University Press.

Showstoppers SWOT analysis

Internal audit	**Strengths**	**Weaknesses**
	• The workforce is experienced and skilled at selling. • Advertising costs have not been high because there is an established customer base. • Clothes are high quality and very fashionable. • The shop is well placed in the centre of the town.	• A lot of money is tied up in stock. • Sales figures are beginning to dip. • Profits are down on the same period last year. We could make a loss this year. • Some staff are absent a lot. • The clothes are badly displayed. • The rent on the shop premises is high.
External audit	**Opportunities**	**Threats**
	• Borrowing money is cheap so spending is high. • A new supplier of fashionable clothes for men has recently been in touch. • The Internet is now a growing means of retailing clothes. • There is a shop for rent in the new shopping centre.	• A new out-of-town shopping centre has recently opened. • It has several big chain stores which sell clothes with well-established brand names to all ages and income groups. • The local business tax will increase next year.

A Discuss the following questions.

1 What do customers expect from a transport service?

2 How can transport companies ensure that they are successful?

B Survey the text on the opposite page. What will the text be about? Write three questions to which you would like answers.

C Read the text. Does it answer your questions?

D Number the sentences on the right 1–8 to show the order in which they happened.

	A contract for transporting schoolchildren was given to Robins.
	Robins borrowed £250k for the second time.
	Robins Transport began operating.
	Robins bought more taxis and minibuses.
	Robins decided to start providing bus travel in Hadford.
	Robins leased some taxis and minibuses.
1	Robins lost his job.
	The company's gross income exceeded £2 million.

E For each paragraph:

1 Identify the topic sentence.

2 Think of a suitable title.

F Look at the underlined words in the text. What do they refer back to?

G Study the highlighted words and phrases.

1 What do they have in common?

2 What linking words can you use to show:
- contrast?
- concession?
- result?
- reason?

3 Write the sentences with the highlighted items again, using other linking words with similar meanings.

H Read the text on the right. A student has written about some of Robins Transport's external threats, but the quotations and paraphrases have not been correctly done. Can you spot the mistakes and correct them?

As Briggs (2007) explains that Donald Robins was slow to realize the opportunities offered by privatization in the 1980s. For example, Robins did not try to buy any of the state-owned bus companies, which were '**snapped up** by competitors' and he was also unsuccessful with contracts outside Hadford. According to Briggs, she says that one of the other larger transport companies in Hadford had a rail franchise and graphically demonstrating the importance of diversification in the road to becoming a national operator.

I Write a paragraph for a university lecturer, summarizing the weaknesses of Robins Transport, according to Briggs. Decide whether you should quote or paraphrase the material from the text.

Robins Transport

A case study in failure to take account of external factors

Donald Robins started Robins Transport in 1980 after he was made redundant from a state-run transport company. At that time in Britain, all train and most bus services were state-run. Robins spent his £5,000 redundancy money on the lease of four taxis and two minibuses, which he planned to use for private journeys, airport and school transport in Hadford, a town of 150,000 people in central England. He was ready to start trading.

Over the next ten years Robins gradually built up his company. In 1983, he borrowed £250,000 to buy a fleet of 50 taxis and 25 minibuses. In 1987, Robins gained a contract to provide school transport in Hadford, for which he purchased six second-hand coaches. Next, a strategic decision was taken to invest in both urban bus transport and the long-distance coach market. In order to do this, Robins took out another loan of £250,000. By the beginning of the 1990s, the company was achieving a turnover of more than £2 million and a pre-tax profit of around £100,000 a year. There were over 200 employees and several sites, including two large garages, where the vehicles were kept and maintained, and an office building.

Robins Transport prided itself on its customer service. As well as punctual and reliable transport services, it also offered cut-price travel for students, old people and the disabled. The company was a good employer, terms and conditions were some of the best in the sector. 'Our mission,' Donald Robins said, at a board meeting in 1992, 'is to provide a public service in a private world.'

However, Donald Robins had been slow to realize the opportunities offered by privatization of the state transport systems in the 1980s, after which the transport business became highly competitive. Although his business in and around Hadford was successful, he had missed the chance to bid for the old public bus companies with their urban and rural routes, so these had been snapped up by competitors. In addition, he had failed to win several other contracts in towns and cities elsewhere in England. Consequently, two other companies had set up operations in Hadford, both of which were bigger than Robins Transport and had more vehicles. One of these companies had gained a franchise on the now privatized railways, graphically demonstrating the importance of diversification in the road to becoming a national operator.

Robins Transport is now at a critical point in its existence. In the next few weeks, the board of directors will have to make some serious decisions about the future of the company. After a recent cost-cutting war in Hadford, the company was forced to reduce its fares and cut some of its routes. Because of this, it has now lost market share, and service to rural customers, in particular, is deteriorating. Operational control is difficult, as staff numbers are large and there are several sites. All the vehicles are old, so capital must be raised in order to replace them. Despite the fact that many of the vehicles are owned outright by the company, there are still outstanding loans. While annual turnover has grown (it is now in excess of £3 million), net profits have remained more or less static at around £100,000 per year. Recent increases in the cost of fuel have hit the company hard. Finally, Robins would like to bid for more franchises in different cities but cannot compete with the bigger players, some of whom have also moved into rail and air services. ■

12.3 Extending skills Research reports: introduction, method, conclusion

A Study the words in the box.

1. Check the stress patterns and part of speech.
2. What are their meanings in a research report?

> **conduct data discussion findings implication interview interviewee interviewer limitation method questionnaire random recommendation research question respondent results sample survey undertake**

B Read the introduction to Report A and the conclusion to Report B on the opposite page.

1. What methods were used in each piece of research?
2. What are the elements of an introduction and a conclusion?

C Read the two *Method* paragraphs on the right.

1. Copy them into your notebook. Put the verbs in brackets in the correct form.
2. Identify the original research questions, the research methods and other important information.

D What are the sections of a research report? What order should they go in?

Report A: Method

A written questionnaire (*design*) to find out perceptions of RT's quality of service and how RT (*see*) in relation to its competitors. Two thousand questionnaires (*send*) to a random sample of RT bus customers, of which 150 (*return*). In addition, 130 people (*interview*) while waiting at bus stops during one day in June. Seventy per cent of the whole sample (*be*) women.

Report B: Method

In order to find out the business activities of some successful transport companies, a survey of their websites (*undertake*) during the first week of June. The companies which (*investigate*) were First Group, Go Ahead and Stagecoach.

12.4 Extending skills Research reports: questionnaires, findings, discussion

A Describe the data in Figures 1 and 2.

B Look at the first paragraph from the *Findings* section of Report A.

1. Complete the spaces with linking words and quantity phrases. Put the verbs in the correct tense.
2. Write another paragraph, using Figures 1 and 2.

C Look at the Internet research notes on the opposite page.

1. Match the business strategies below with an *activity* and a *reason* for doing it from the research notes.
   - joint venture
   - stock market flotation
   - diversification
   - internationalization
2. Read the *Findings* section from Report B on page 102. Then write a discussion paragraph for Report B using the ideas from the notes.

Report A: Findings

__________, on the negative side, __________ (79%) of customers (*say*) that Robins Transport's vehicles were too old. Only __________ (10%) (*rate*) them as good quality. Although 43% of the respondents (*think*) that RT services did not cover enough routes in and outside the town, 57% did not agree. __________, a __________ minority (45%) (*state*) that the services over the past five years (*deteriorate*). __________, __________ the respondents (71%) (*want*) RT to provide more frequent bus services.

Report A: Introduction

For a long time, Robins Transport has been a highly successful business. However, because the company has lost market share recently, it is important to know what the customers think of the services provided. This report will describe a survey undertaken to find out customers' attitudes towards Robins Transport. Recommendations will also be made as to how the company can improve its customer care.

Report B: Conclusion

To conclude, it is clear that transport businesses which have prospered and grown are now offering a wide range of services, including non-transport services. In addition, in order to maintain success, a company needs to have strong financial control and to consider strategies such as joint ventures, internationalization and flotation on the stock market. In our opinion, Robins Transport should consider such strategies and look closely at the methods adopted by its competitors. Unless action is taken urgently, the company is in danger of going out of business. However, there is no reason why the company should not have a bright future if the right decisions are taken.

Report A

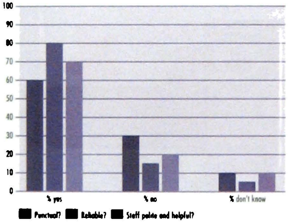


Figure 1: Robins Transport service quality

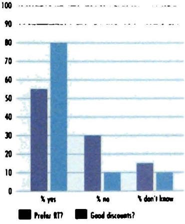


Figure 2: Robins Transport compared to other companies

Report B

Internet research notes on searches of transport companies

Activity	Reason/result?
1 new or non-transport activities	A strong financial backing; able to take over other companies
2 link-up with other companies	B increased opportunities and profits
3 takeover of companies abroad	C improved transport networks; greater access to new technology
4 sale of shares in the company to investors	D more opportunities for expansion

Introductory verbs

Choosing the right introductory verb is important. Your choice of introductory verb shows what kind of statement the writer is making.

Example:

Pickwell (2006) argues that everyone should be involved in shaping a company's future.

Your choice of introductory verb also shows what you think of another writer's ideas. This is an important part of academic work.

Example:

Briggs (2007) claims that Robins Transport failed to take adequate account of external factors.

Verb	The writer ...
agree	thinks this idea from someone else is true
accept, concede	reluctantly thinks this idea from someone else is true
*consider, emphasize, note, observe, point out, state, suggest**	is giving his/her opinion
argue, assert, claim, contend, insist	is giving an opinion that others may not agree with
cite	is referring to someone else's ideas
disagree, dispute	thinks an idea is wrong
*suggest**	is giving his/her recommendation
describe	is giving a definition/description
illustrate, indicate, show	is explaining, possibly with an example
report	is giving research findings

**suggest* can have two meanings

Linking ideas in a text

Linking words, which join ideas within a sentence or between sentences, convey different meanings.

	Within sentences	Between sentences
Contrast	*but, whereas, while*	*However, In/By contrast, On the other hand*
Concession	*although, despite/in spite of the fact that*	*However, At the same time, Nevertheless, Despite/In spite of* + noun, *Yet*
Result	*so, so that*	*So, As a result, Consequently, Therefore*
Reason	*because, since, as*	*Because of* + noun, *Owing to* + noun, *Due to* + noun

Referring to quantities and group sizes in a report

<table>
<tr><td rowspan="3">A/An</td><td rowspan="3">overwhelming/large/significant
slight/small/insignificant/tiny</td><td>majority</td><td rowspan="6">(of + noun)</td></tr>
<tr><td>minority</td></tr>
<tr><td>number</td></tr>
<tr><td colspan="2">Over</td><td rowspan="2">half
a quarter
a third</td></tr>
<tr><td>More</td><td rowspan="2">than</td></tr>
<tr><td>Less</td><td>x %</td></tr>
</table>

Structuring a research report

A research report is an account of some research which has been undertaken to find out about a situation or a phenomenon, e.g., *What do our customers think of our services? What are the business activities of transport companies?*

• Introduction	introduce topic; background information; reasons for research
• Methods	research questions; how research was carried out
• Findings/results	answers to research questions
• Discussion	issues arising from findings; limitations of research
• Conclusion	summary of main findings; implications; recommendations; possibilities for further research

Writing introductions and conclusions

Introduction

- Introduce the topic of the report.
- Say why the topic is important.
- Give background information.
- Give an outline of the report plan.

Note: No substantial information; this belongs in the body of the report.

Conclusion

- Summarize the main points in the report without repeating unnecessarily.
- Make some concluding comments such as likely implications or recommendations.

Note: No new information; all the main points should be in the body of the report.

Deciding when to quote and when to paraphrase

When referring to sources, you will need to decide whether to quote directly or to paraphrase/summarize.

- **Quote** when the writer's words are special or show a particularly clever use of language. This is often the case with strongly stated *definitions* or *opinions.*
- **Paraphrase/summarize** descriptions and factual information.

Incorporating quotations

- Use an introductory verb.
- Don't forget the quotation marks.
- Make the quote fit the grammar of the sentence.
- Show any missing words with '....'.
- Copy the original words exactly.
- Add emphasis with italics and write [emphasis added].
- Add words which are not in the original but are necessary to fully understand the quotation out of context. Put the extra word(s) in brackets.

Do not quote more than one sentence within the body of a paragraph. If you want to quote two or three sentences, put a colon and write the quote as indented text, so that it clearly stands out from the body of your essays.

However, think very carefully before you include a long quote. It is usually better to paraphrase in this case.

Additional material

5.4 **Student A**	1 Secondary = info from sources, e.g., books, Internet, trade mags, reports, etc. (i.e., already exists) + cheap; good overview of market; based on real sales statistics; relatively fast - reports → sometimes expensive; poss. out of date

7.4 **Student D**	**Business location** **4 Qualitative factors** • Is there room for expansion? Businesses need to consider possible market growth. • Environmental effects: is the production process safe for the environment? • Quality of life: is it a good area? Will managers be happy to move there? • Local transport systems: are there road and rail links, ports, airport, etc.?

12.4 **Report B**	**Findings** Key findings are as follows. Firstly, all three of the companies studied have several features in common, such as being public limited companies and bidding for other transport companies. They all emphasize that they use the latest technology, both for passenger information systems and also to meet environmental concerns on emissions. They have a strong focus on safe, secure and relaxing travel. Secondly, there are a few differences between the three companies. Go Ahead has diversified into other areas such as aviation and aviation services, and car parking. It has also gone into joint ventures with companies in Europe. First Group has been active in the USA where it has bought up companies and been involved in transport management systems. Stagecoach is providing hovercraft services in Scotland.

5.3 Symbols and abbreviations for notes

Symbols

&, +	and, plus
−	less, minus
±	plus or minus
=	is, equals, is the same as
≈	is approximately equivalent to
≠	is not, is not the same as, doesn't mean, does not equal, is different from
>	is greater than, is more than, is over
<	is less than
→	gives, produces, leads to, results in
←	is given by, is produced by, results from, comes from
↑	rises, increases, grows
↓	falls, decreases, declines
"	ditto (repeats text immediately above)
∴	therefore, so
∵	because, as, since
@	at
C	century, as in 20^{th} C
§	paragraph
#	number, as in #1
?	this is doubtful

Abbreviations

e.g.	for example
c.	approximately, as in c.1900
cf.	compare
Ch.	chapter
ed./eds.	editor(s)
et al.	and the other people (used when referring to a book with more than one author)
etc.	and all the rest
ff.	and the following, as in p.10ff.
fig.	figure (used when giving a title to a drawing or table)
i.e.	that is, that means, in other words
ibid.	in the same place in the source already mentioned
NB	important
n.d.	no date given
No., no.	number
op. cit	in the source already mentioned
p.	page
pp.	pages, as in pp.1–10
re.	concerning
ref.	with reference to
viz.	namely
vol.	volume

Review	Notes
	1 Political factors: e.g., taxation policies, pressure groups, election results, protection thro' tariffs or quotas; foreign companies coming into country
	a) election results, e.g., Margaret Thatcher's new government 1979 UK
	→ mid-1980s privatization
	→ new business opportunities esp. service sector
	→ manufacturing declined
	→ policy copied by other countries
	b) pressure groups, e.g.,
	i) Greenpeace: environment → Shell lost 50% sales
	ii) Friends of the Earth: also environment; tries to control big businesses (e.g., Tesco)
	iii) McDonald's law case → negative image
	(iv) Pure Food Movement (US 1906) → new food laws
	c) regional trade organizations, e.g., EU or Mercosur, or ASEAN: internal markets & protect members from competition:
	→ e.g., in 2005 Chinese textile imports into the EU → clothes locked up until agreement reached ∵ fear for European jobs
	d) Other organizations (signed up to by governments), e.g., World Bank, World Trade Organization
	• WTO → the rules of trade between countries
	BUT
	• World Bank → benefits big business not country's people
	2 Economic factors: e.g., changing importance of different industrial sectors. Drucker ('The New Society' 2001):
	• 1913: farm products = 70% of world trade. Now < 1/5 of economic activity.
	• developed countries:
	- big ↓ in contribution by agriculture to GDP
	- also manufacturing decline → ↑ in service industries
	• 'new' economies: reduce farming → ↑ manufacturing (e.g., India & China) → competition with developed countries
	• ? will China / India, etc. → dominate world economy instead of US?

Summary

7.4 **Student A**	**Business location** **1 Fixed costs** (don't vary with level of production activity) • The cost of the site is important. Is it in the city or the country? What is the rent? How much will the interest be on a loan to buy the site? What is the cost of services, e.g., water, electricity? • Management salaries: salaries may depend on the place. For example, a high salary is needed to attract managers to an unpopular place. • However, costs may be reduced if there are government grants for establishing a business, for example in a poor area.

5.4 **Student C**	3 Quantitative = statistical info, usually thro' questionnaires + good for factual info; overview of trends ∵ large nos. - sample must be v. big; people lie ∴ results may ≠ reliable; low response rate for questionnaires

7.4 **Student B**	**Business location** **2 Variable costs** (vary with level of production activity) • Transporting products to markets: businesses should locate near the market if the product is 'heavier' or 'bulkier' than the raw materials needed to make it (e.g., bread, soft drinks). Services (e.g., shops) must locate *at* the marketplace. • Getting raw materials: businesses should locate near the source of the raw material if it is 'heavier' than the product (e.g., food production is located near farming areas). • Labour: costs will vary according to place and production levels.

5.4 **Student D**	4 Qualitative ≠ numbers; usually verbal info; used to find out attitudes, beliefs, etc. Methods inc. interviews, focus groups, etc. + reveal unknown probs; basis for quant. methods - in groups, opinions easily led by one person; only small numbers ∴ difficult to generalize

7.4 **Student C**	**Business location** **3 Revenue** • Convenience for customers: higher prices can be charged if a place is convenient. • Quantity of sales: some places may result in increased sales. Therefore high fixed costs may be justified. • The 'image' of the location: if a place has an 'upmarket' image high prices can be justified (e.g., holidays in parts of the Caribbean). • Local economy: if a shop is located in an area which is in decline, there will be poor sales.

5.4 **Student B**	2 Primary = new info: from (1) people, e.g., customers, retailers; (2) observation, e.g., of shoppers + info = recent; can ask specific questions (good method for psych. research) - expensive; time-consuming

9.3 Definitions of management accounting documents

Cash flow statement/forecast

Cash flow refers to how much money moves through a company. A cash flow statement shows how much of the cash generated by the business remains after both expenses and elements such as interest or repayment of loans have been paid. A cash flow statement also indicates whether the business will have enough cash to pay its expenses, service its loans, and make a profit.

For a plc, a cash flow statement shows where cash has come from and where cash has been used. So, a cash flow forecast is a forecast or prediction of the cash a company expects to receive and pay out during a given time period. It is useful because it can show basic financial details, such as how a company bank account looks, and it can help to predict, for example, if an overdraft is needed or how well something might sell or what happens if customers do not pay on time.

Break-even chart

Break-even charts are complicated. For a company the break-even point is the point on a chart indicating the time when something – a product – has broken even, or is no longer costing more money to produce than it makes in revenue. In other words 'break even' is a general term for not having gained or lost something in a process. To explain how this happens, a break-even analysis, which is a calculation, is carried out. The analysis usually indicates revenue and costs and can show the profits of any product. It also shows how much a company must sell in order to break even on a particular product. The analysis can be shown as a chart.

Contribution statement

Contribution usually refers to the difference between sales revenue and costs such as labour or raw materials. In other words, it looks at the income generated from sales of a product and the various costs of producing goods in order to sell them. If a company sells different products each of these can be analysed according to its costs and its ability to produce a profit for the company, i.e., its 'contribution'. The term is also sometimes used to mean how much each department or section is able to contribute to the overheads of a company (a useful tool for allocating resources). The statement is the document giving this information.

Budget

A budget is basically a financial plan. The plan refers to how much money you will earn and how much money you will spend and on what. In effect it is a list of planned income and expenditure. It is used as a way of predicting what will be spent over the next year and it can help control the activities and outgoings (the expenditure) of a business.

Investment appraisal

This analysis is used to help decide whether an investment is worth making for a company, e.g., new buildings or equipment. Capital investments are important for a company and the requirement to invest continues – it is not just at the beginning of a company's life. Whether a company decides to invest or not depends on its objectives and also its cash flow. Again the calculations are quite complicated but the principle is a straightforward one. In order to decide whether to invest or not a company needs to look at or 'appraise' various issues such as expansion, costs, income, cash flow, and so on.

Wordlist

Note: Where a word has more than one part of speech, this is indicated in brackets. The part of speech given is that of the word as it is used in the unit. So, for example, *brand* is listed as *brand (n)*, although it can also be a verb.

	Unit
A	
absenteeism	12
access (n and v)	4
accounting	9
accounts	9
acquire	10
acquisition	10
adjustment	10
administrator	2
advertising	5
analyse	5
annual budget	9
annual sales	9
annual turnover	12
appraisal	3
assemble	8
assembly line	7
asset sale	10
asset	9
automation	3
B	
balance sheet	9
bankruptcy	10
batch production	7
bid (v)	12
bill (n and v)	10
biodegradable	11
biofuel	11
boardroom	2
boom (n)	11
brand (n)	5, 6
break even	9
browse	4
budget (n and v)	9
bulk	8
business opportunity	11

	Unit
C	
capability	3
capacity utilization	8
capital (n)	1, 7
capital investment	9
carbon footprint	11
carbon offset	11
carbon trading scheme	11
case study	12
cash cow	6
cash flow	6, 7, 9
category	5
CEO (chief executive officer)	2
challenge (n and v)	3
collapse (n and v)	10
colleague	3
communication	2
complex (adj)	2
component	7
consistency	8
consultant	11
consume	1
consumer	1, 5
continuous	7
contract (n)	12
corporate bond	10
cost (n and v)	6
cost price	9
cost savings	8, 9
cost-benefit analysis	9
credit (n)	9
creditor	9
culture	3
customer care	12
cut-price	12

	Unit
D	
data	4, 12
data analysis	5
database	4
debt	9
debtor	9
decline (n and v)	5, 6
decrease (n and v)	5
default (adj)	4
defect (n)	8
delay (n)	7
delayered	2
delegate (v)	2
demographic	11
demotivated	3
depreciation	10
design (n and v)	6, 7
digital	4
digitize	4
director	1
disadvantage	3
dissatisfaction	3
distribution channel	12
diversification	12
diversify	11
dividend	9
document	4, 9
documentation	9
drop (n and v)	5
durable goods	1
E	
economic cycle	12
economical	8
economies of scale	8
efficiency	3, 8
electronic	4

Transcripts

Unit 1, Lesson 2, Exercise B 🎧 1.1

Part 1

Good morning, everyone, and welcome to the Faculty of Business Studies. I'd like to start today by asking a rather simple question. What is business? Of course, like many simple questions, it's quicker to ask the question than to give an answer.

Right. Let's take the word 'business' first. First, we need to make sure that it is commercial business we are talking about here, because the word 'business' can mean something more general. So what happens in commercial business? People sell things, don't they? I think everyone would agree with that. And other people buy these things, don't they? So, if I advertise my car in the newspaper, and someone buys it, is that 'business'? The answer is no – business is about a lot more than this.

Unit 1, Lesson 2, Exercise C 🎧 1.2

Part 2

So what does business involve? What do people in business do? Well, let's take a company that makes chocolate. Someone has to look after the production processes, from ordering and storing the raw materials – the cocoa beans, sugar and so on – to controlling the number of chocolate bars produced in the factory and deciding on the best production methods. This is the area of operations management.

Another important aspect is finding out what the consumers want through market research. Then prices have to be fixed, and the chocolate advertised and promotions planned. These functions are performed by the marketing department.

Businesses employ people, of course, so some people work in the area of human resources, which is concerned with looking after the employees. This means hiring and firing people, making contracts, questions of health and safety, industrial relations, equal pay, and so on.

Naturally, money is a key element in business and so financial management is a highly important function. Finance people pay attention to the flow of money in and out of the business, and also provide information about the business's performance. Finally, the company may also have a research and development section that concentrates on developing new products.

So we can see that there is a variety of jobs to be done in business, and it's very important, of course, that people doing these different jobs cooperate and work very closely together. For example, if the marketing people do their work well, they may increase the demand for the products. So the operations managers may have to rethink their production methods to produce more goods.

You'll have noticed, I'm sure, that I've been talking about what people do in business, and this gives us an idea about how to answer our original question, 'What is business?' So now perhaps we should ask the question a little differently: 'What does a business do?' In other words, we are asking 'What are the activities that a business organization engages in?'

Unit 1, Lesson 2, Exercise D 🎧 1.3

Part 3

We can look at business activity from the point of view of a process in which something is changed from one state to another. Taking the chocolate company as our example, what has to happen in order that you can buy a bar of chocolate from a shop? The answer is that the company buys in raw materials – the cocoa, sugar, etc. – and then in the factory the workers use them to make the chocolate bars. Then the bars are packaged and sent to a shop so you can buy one.

However, we can think of raw materials as inputs – that is, they are needed to go into the manufacturing process. These raw materials go through a transformation during the production processes – they are mixed together and they turn into solid chocolate. Finally, at the end of the manufacturing process, they come out as nicely packaged bars of chocolate. So we can call the chocolate bars the outputs.

So you can see that at a simple level, we have a basic model which explains the manufacturing process.

Unit 1, Lesson 2, Exercise E 🎧 1.4

Part 4

Actually, we can use this model (input – transformation – output) to look at all aspects of business. To do this, we have to apply these concepts to more than just the transformation of raw materials into finished products.

Let's take inputs first. Actually, the list of what we could put into this category is almost endless. Think about it. Suppose you want to start a business and you have what seems like a good idea. Let's say you want to set up a food bar selling lunchtime sandwiches and snacks. Before you even start making the food, you will have to:

- carry out some market research
- make a business plan
- learn about food regulations and hygiene
- design the food items and the food-making process
- find money to start the business
- buy or rent a suitable building
- rearrange the building to suit the business
- invest in equipment and machinery
- buy and store the raw materials
- hire and train staff to help make and sell the food

and so on. So we can see that inputs include more things than just raw materials. There are planning and decisions, time and space, investment, equipment, training – all the skills and abilities of the people involved. One view groups these different kinds of inputs into four main factors of production: firstly, land – which includes both the buildings or premises and natural resources; secondly, labour – that is, the people who work in the business; thirdly, capital – which includes both the money invested and also the equipment and machinery owned by the business; and finally, enterprise. Enterprise refers to the fact that someone – an entrepreneur – has to develop a business idea and then work to put it into effect.

Next let's think about outputs. One type of output is consumer goods. These are sold to the general public. If they are things that last a long time, such as furniture, cars, computers, etc., they are called durable goods. Or if they can be consumed soon after purchase, like food, newspapers, petrol, we call these things non-durable

Another rather different kind of output is services By this I mean things like banking, transport, hairdressing, and so on. Recently services have become a very important area of business activity. Services are intangible. In other words, you can't touch them and they don't last like durable goods. They are not things that you can own or use. Instead, a service provides people with some kind of non-material benefit or help.

Unit 1, Lesson 3, Exercise E 1.5

Introduction 1

Today I'd like to talk about some ways in which we can describe businesses. There are two important ways to classify businesses. Firstly, there is the type of production that the business is engaged in. In other words, what kinds of goods or services does it produce? Secondly, we can look at the type of business ownership. That means we need to see who owns it, how many owners there are, and so on.

Introduction 2

OK, today I'd like to follow on from last week's discussion by looking in a bit more detail at business ownership. In particular, I want to compare sole traders and partnerships. What are their advantages and disadvantages? Is it better to be your own boss or is it better to have a partner?

Introduction 3

Good morning, everyone. There are many people who are interested in businesses, both inside and outside the businesses themselves. The different types of people who have an interest in businesses and their activities are called the *stakeholders*. So who are these stakeholders? What is their interest in a business? In what ways do businesses and stakeholders interact? We will have a look at each group of stakeholders in turn.

Introduction 4

In today's lecture I'm going to look at the history of management. The study of business management is a relatively new subject, compared with, say, mathematics or philosophy – it is often said to have begun in the late 18th century or early 19th century. But it may surprise you to know that the roots of many of today's management ideas can be found in practices and activities that took place a very long time ago, as early as 3000 BCE.

Introduction 5

This week I want to examine some of the effects of the *external* environment on businesses. Businesses need to keep an eye on what is happening outside the walls of their factories and offices. Why? Because they will have to adapt to changes which are outside their control. I'm going to look at four types of external influence. Then I'll talk about the effects on business of *one* type of external influence.

Introduction 6

As we all know, money makes the world go round. In today's talk I want to consider the importance of the role of money by first tracing its development from ancient times to the present day. Then we'll look at the flow of money through a business.

Unit 1, Lesson 4, Exercise D 1.6

Lecture 1

OK. Of course, businesses produce different types of goods. And this is one way in which we can classify business activity – that is, according to the type of production. Here there are three main production types: primary, secondary and tertiary. First there are the industries which exploit the Earth's natural resources. This may be taking raw materials from the Earth, such as metals, oil, coal, and so on. Or it may involve the production of food through farming and fishing. These types of activity are called primary production. Secondary production involves the transformation of raw materials into goods. All manufacturing is secondary production, as are building and construction – of things like ships, houses, offices, and so on. Finally, tertiary production refers to the service industries. Tourism, entertainment, health care are some examples of services; I'm sure you can think of others.

The type of ownership is the second important way to distinguish between different businesses. It's concerned with whether companies have limited liability or not. In a limited company, the liability for debts is limited to the company. This means that if the business owes money, the owners themselves are not liable for the debts. In other words, they don't have to pay the debts with their own money. A limited company therefore has a separate legal identity from its owners.

In a business with unlimited liability, the owners are liable for the business's debts. This means that they must pay all the debts, even if it means that they have to lose everything they own – including their house. If a business that is not limited is owned and run by one person, they are called a sole trader. If there are two or more people, the business is called a partnership. Most sole traders can be found in tertiary production – in other words, the service industries. For example, they may be hairdressers, accountants or shop owners.

Unit 1, Lesson 4, Exercise D 1.7

Lecture 2

Let's start with sole traders. As we know, a sole trader is a one-person business. In the UK, this is by far the most common form of business ownership. Many people like this way of operating because they have total control of everything. They can make all the decisions quickly and easily. In fact, a common reason for people starting their own business is for exactly this reason. They want to be their own boss.

Secondly, sole traders get to know their customers well, which means they can quickly tell when markets change. And because they are small, they can adapt easily to changing market conditions and so they can remain competitive.

Another point is that, although a sole trader may employ one or two people, since they own the business, they get all the profits – which is of course a major benefit.

However, there are some disadvantages of running your own business. The first thing is that because you are working on your own, you may have to work very long hours. And you may not be able to take a holiday. Also, you have no one to talk to about problems with the business. And finally – possibly the worst problem – the amount of money you can raise to invest in your business is going to be quite small.

One answer to these problems, of course, is to find one or more partners. This is what many people do when they want to expand their business. If you take on a partner for your business, you will obviously gain additional skills because everyone has different skills and abilities. So if you have people with different skills from your own, you can develop new activities and thus strengthen the business.

Bringing in more people also means that there is more money to invest, of course – which is a very important point. And finally, there are more people to do the work, so things may become easier.

However, having a partner does not solve all the sole trader's problems. With one or more partners, the sole trader is no longer able to make all the decisions but has to make sure everyone agrees. Also, of course, the sole trader no longer gets all the profits but has to share them with the partners.

Unit 1, Lesson 4, Exercise D 🎧 1.8

Lecture 3

First of all, obviously, there are the owners. The owners of a limited company invest capital in the company, and this capital is divided into shares. Each owner has a number of shares and is called a shareholder. Shareholders expect to receive some financial return, or dividend, for their investment. In the case of public limited companies, their shares can be bought and sold on the Stock Exchange. Public limited companies may have many thousands of shareholders, who are members of the public. Shareholders can vote on some matters of company policy, such as, for example, the appointment of a new director.

An important group of people are those who work for the company – in other words, its employees. Employers hire employees to do what is necessary for the business to operate. All employees are paid a wage or a salary by the business in return for their work. Some companies encourage their employees to take part in company decision-making – though some do not.

Who are the stakeholders that are outside the business? First, there are the other businesses which supply goods and raw materials to enable the business to function – in other words, suppliers. A business must have a good relationship with its suppliers, because, for example, it may need suppliers to respond quickly to requests for raw materials. Equally, suppliers are themselves businesses, and so they need to be paid in good time.

Another group of external stakeholders is the customers. In a way, this group is perhaps the most important of all, for without customers, no business can survive. Businesses must have a very good idea of what their customers want to buy. If they make a mistake about this, it can be disastrous. For example, when Coca-Cola decided to launch a new type of cola with a slightly different taste, customers didn't like it and the company lost a lot of money.

Then there is the community in which the business operates. Businesses provide work for people in the community, which of course can benefit the community. Businesses may also help their communities through raising money for local charities. At the same time, what a business does may affect the community in a negative way, for example through noise or pollution or increased road traffic. As a result, people may complain about what the business does and try to control its activity.

Finally, governments also have an interest in businesses. They want businesses to be successful because this generates work and wealth for the country. So they may support businesses through their economic or tax policies. At the same time, governments need to control the activity of businesses in order to protect society. For example, there are laws about how many hours people can work, about working in safe conditions, and so on.

Unit 1, Lesson 4, Exercise D 🎧 1.9

Lecture 4

Let's look at some examples. With the development of writing around 3000 BCE in Sumeria in Asia, the Sumerians started to use record-keeping systems – very important in business, obviously.

Later, from around 2000 BCE, in terms of people management, the Egyptians were using large teams of workers in the enormous projects to build pyramids. They also tried a kind of participatory management in which workers could 'get things off their chests'.

The Greeks had some sophisticated people management techniques in the 4th century BCE. These included job rotation, working to music, and division of labour. They also, like the Egyptians, had some worker participation in management.

In the Middle Ages, there were some important developments. For example, in the 15th century, the Venetians, who were expert shipbuilders, used assembly-line techniques for building their ships. They also established wine breaks several times a day for their workers – but I don't think this technique should be used today!

Also in Italy, in 1494, the first book on double-entry bookkeeping was published. The simple practice of recording sums of money in columns so that they could be added up easily was a key development in financial management.

Unit 1, Lesson 4, Exercise D 🎧 1.10

Lecture 5

In order to analyse external influences on business it is helpful to use a technique known as 'PEST' analysis. PEST is an acronym – that means each letter stands for a word. The first letter, P, stands for the *political* factors which can affect businesses. E stands for *economic* factors. There are a great many of these, and the economic environment is very important for businesses. S means *social* factors, or trends and activities taking place in society at large. Finally, T is for *technological* factors. Developments in technology have always been responsible for changes in the world of work.

So how might *social* factors cause businesses to change what they do? Well, one area of change is in the products themselves. If society changes, then businesses have to change the products that they offer. For example, in some countries there is a falling birth rate and a big rise in the number of older people. So companies need to think about increasing the types of products they have which are designed for older people. Society may also change its attitudes, or the way it thinks about certain things: for example, many people now believe that certain types of foods, such as french fries, burgers, and so on, are bad for health. As a result, McDonald's, the fast food chain, now sells low fat 'healthy' meals alongside its cheeseburgers.

Unit 1, Lesson 4, Exercise D 🎧 1.11

Lecture 6

Well, what is money? Money is anything that is used to pay for goods. Without money, we have to barter – that is, we exchange one type of good for another. But bartering has certain problems, such as: How do you compare the values of different goods? How do you give change?

In the ancient world, some goods were especially valuable and so they began to be used for payment. One of the oldest types of money, used as early as 9000 BCE, was cattle. In China around 1200 BCE, shells were used as money – and shells have continued to be used in primitive societies even to the present day.

The first known use of coins was in Asia Minor – at around 630 BCE. From Asia, the use of coins spread quickly to Greece, where they were used from 600 BCE. By around 270 BCE coins were in use throughout the Roman empire.

As time went on, the value of coins was fixed according to the amount of gold or silver that they contained. This type of money – where the money is itself valuable – is called *commodity* money. One problem with commodity money is that people often 'debased' it. That is, they mixed a cheap metal with the gold or silver.

An important development in the history of money came with *representative* or *credit* money – that is, with something which represented money but was not actually the valuable thing itself. Paper notes were used in China as early as 806 CE, but in England it wasn't until 1660 that people realized that notes could perform the same function as coins. By the early 20th century most countries were using banknotes linked to a 'gold standard'. However, in 1931 Britain left the gold standard and the US dollar abandoned it in 1971. Nowadays, the world's currencies are *fiat* money – that is, money which can't be changed into something valuable. Instead, the value of the currency is decided by market demand and by governments.

Money is, of course, one of the key factors of production. Businesses raise money to finance their activities, often through borrowing from banks or shareholders. Money has to be paid out to cover the production costs, such as wages and cost of raw materials. Then, when the goods are sold, money flows back into the business. So manufacturers must spend money on the input and transformation processes, but expect to receive back more than they spend, in order to make a profit.

Unit 3, Lesson 2, Exercise B 🎧 1.12

Part 1

Good morning, everybody. A key issue in the area of productivity is motivation. The reason for this is that motivation can affect productivity, both positively and negatively. As we know, a measurement of the productivity of a company is in fact a measurement of its efficiency, or in other words the size of its output in relation to its input. Of course a company can improve its efficiency by investing in more modern equipment. But that's not my concern today. A company's most valuable resource is its employees, and so in the next two lectures I want to consider how the management and behaviour of employees can impact on productivity.

One way to achieve productivity gains in a company is by somehow getting people to work harder, or in better, more efficient ways. So, today we'll consider two different theories which try to explain how people are motivated at work.

Unit 3, Lesson 2, Exercise C 🎧 1.13

Part 2

What makes somebody do something? What drives people to work to the best of their ability? Do you work because you enjoy it? Or because you will get some benefit from doing it – perhaps, for example, you will get some money, or someone will admire you?

Abraham Maslow, a famous American psychologist, believed that we do things because we have needs, and that these needs drive our behaviour. What are our most basic needs? The things we need before anything else? Clearly, our most basic needs are physical – that is, we need food, warmth and shelter. Maslow pointed out that we generally try to satisfy these needs first, before we consider doing anything else.

In the 1950s, Maslow developed a hierarchical model of motivation, in which physical needs are at the bottom of the hierarchy. You can see this model in Figure 1. Once we have enough food, shelter, etc., we can start to think about ensuring our 'safety' needs. Safety here means being in a safe and secure environment, with no worries or anxieties.

If we feel safe and secure, then our attention shifts to our social needs. People are social beings and they want to be able to socialize and communicate with other people, to have friends and a sense of belonging. In addition to this, people need a strong sense of self-esteem, which means that things like confidence, status and recognition for their achievements are important.

Finally, at the top of the hierarchy of needs comes 'self-actualization'. By this is meant achieving your full potential, developing and learning, so that you become as skilled and as capable as you can be.

How do these ideas work in business? Well, physical needs are met by the pay received for work and the actual working environment. Pay is turned into accommodation and food, for example. Safety needs can be seen as things like having job security, having a clear job description, having a clear structure of accountability. In other words, 'safety' here does not mean safety just for now, but for the future, too.

Social needs are satisfied in the workplace by aspects such as communication, working with others in multidisciplinary teams, socializing after work.

Self-esteem can be achieved in the workplace through recognition for achievements, through having power over others or being trusted by others

Finally, self-actualization occurs when people develop new skills or take on new challenges, thereby increasing and developing their capabilities.

Unit 3, Lesson 2, Exercise D 1.14

Part 3

In the 1950s, an American psychologist called Frederick Herzberg carried out some research into job satisfaction, and he came up with a two-factor theory of motivation at work. First, there are the aspects of work which contribute to job satisfaction. These are: achievement, recognition for achievement, interesting work, responsibility and advancement – the last one means not just promotion but a sense of progressing.

It is important to note that these things are about the job itself, not the material rewards for the job. These job satisfaction elements Herzberg said were 'motivators', because they improve people's motivation at work. However, some aspects of work can make people unhappy. Herzberg called these the 'hygiene' factors. These are basically concerned with the working environment and consist of the following: company rules and policies, supervision, pay, interpersonal relations and working conditions.

The hygiene factors don't motivate people but they can cause dissatisfaction and have a negative impact on motivation. For example, low pay makes people angry and frustrated. On the other hand, what really gets people to perform better is not so much better pay (which people quickly get used to) but job enrichment. To motivate people you need to give them interesting work, or responsibilities which challenge them. People need to be allowed to feel in control of their work.

Unit 3, Lesson 2, Exercise E 1.15

Part 4

So let's summarize Herzberg's ideas, then. There are two factors which managers need to bear in mind. Firstly, there are motivators, which actually encourage people to achieve more. Secondly, there are dissatisfiers, which are those aspects of work that cause people to become demotivated. Herzberg called these hygiene factors, because he saw them as aspects which have to be 'cleaned up' before we can expect people to be motivated. They are not motivators in themselves. Nobody would say 'I love my job because I get a lot of holidays,' but they may well complain if they don't get much holiday.

That's enough for now. Next time, we'll have a look at the way in which management systems can improve people's performance – in particular I want to talk about a concept known as Management by Objectives. So don't forget to do some research on this topic before you come.

Unit 3, Lesson 2, Exercise F 🎧 1.16

1 Productivity is only about how hard people work.
2 According to Maslow, one of the first things that people need is food.
3 People need to feel safe before they can have a social life.
4 According to Herzberg, improving the work environment motivates people.
5 People will work harder if they are paid more.
6 Bad relations with other people at work can make people feel demotivated.

Unit 3, Lesson 3, Exercise A 🎧 1.17

1 co'mmunicate
2 'hygiene
3 a'chievement
4 auto'mation
5 ob'jective
6 'issue
7 be'haviour
8 de'motivated
9 'negative
10 e'steem
11 'physical
12 se'cure
13 inter'personal
14 em'ployee
15 'status
16 responsi'bility
17 'factor
18 multidisci'plinary

Unit 3, Lesson 4, Exercise C 🎧 1.18

Part 1

In the last lecture, we talked about two theories of motivation. Today we will look at an approach to management which takes account of motivation factors. This system is called Management by Objectives, and it was developed in 1954 by Peter Drucker, one of the most important thinkers in management of the last century.

MBO – as it is known – is a system for ensuring that everybody in the company is working in the same direction; in other words, that all the activities are coordinated. This is done through setting objectives – or targets – at each level in the organization. So in this talk I will first define what is meant by 'objectives'. Then I'll explain how the system works through a mission statement and objectives at the level of the whole company, the department or team, and the individual employee. Finally, I'll consider some of the advantages and disadvantages of MBO.

Unit 3, Lesson 4, Exercise D 🎧 1.19

Part 2

An objective is an aim or a goal – that is, it's a statement about what you intend to do. Another word for objective is target. An objective must have four important qualities. First, it must be agreed by everyone involved. Second, it must be very clear. Third, it must be something that you can measure, such as a percentage increase. And finally, an objective must have a time limit. It's no good having an objective which goes on for ever!

As I've said, the purpose of MBO is to make sure everyone is working together for the same things. So how does the system work? First the company draws up a mission statement. This is a written document which says in a simple, general way what the company's aims are. For example, Google, the Internet search engine, aims to 'provide a fast, accurate and easy-to-use search service that can be accessed from anywhere'. Slide 1 shows another example of a mission statement, this time from a bank.

In order to make things clear so that everyone knows exactly how to try to achieve these aims and what must be planned, the mission statement is turned into specific objectives. So a director might set a target for the company such as 'to increase profits by 20% in the next five years'.

As well as whole company targets, each functional department or team should have targets which are agreed between the head of the department and the CEO. For example, the marketing department might have a target of a 5% increase in sales each year for the next five years. Therefore, they will need to plan activities which they will put in place to reach this target. For example, they may decide to increase their special promotions.

Finally, each person in the company also has targets which they agree with their manager or supervisor. The individuals themselves often draw up their own targets before discussing them with their boss. This is because for the objectives to be effective as motivators, they must be agreed by the individuals, not imposed from above.

Unit 3, Lesson 4, Exercise E 1.20

Part 3

So how good is this system? Does it have any disadvantages? Well, firstly, if MBO works well there are several advantages. For example, everyone knows exactly what they should do and how they should prioritize their work. Secondly, the system acts as a motivator since people are given responsibility to decide their own targets. Also for individuals and at company level, performance can be measured against the agreed targets. If a department's or an individual's performance deviates from the target, this can be spotted easily. Finally, an integrated system of targets ensures that everyone is united as a team, working harmoniously and in the same direction.

On the other hand, MBO doesn't always work well in practice. Firstly, sometimes people spend too much time on discussing the targets rather than doing the job. Secondly, sometimes targets can be unrealistic, and just by setting a target it does not mean that it will be achieved. Also, circumstances change very quickly so that targets can quickly become out of date. Finally, if targets are too specific they can prevent people from reacting quickly to changing situations.

Unit 5, Lesson 2, Exercise B 1.21

Part 1

Good morning, everyone. This morning we're going to begin the topic of marketing. In this first talk I'm just going to give you an overview of a few key concepts, and then other aspects will be dealt with in the next few lectures. Also, in your seminars and assignments you'll be able to cover all the important points in more detail. So ... er ... let's see - yes - to start with, we need to consider firstly what marketing is. In other words, why do businesses engage in marketing? And secondly, why is marketing so important? After that I'll talk about market research, because businesses need good information on which to base their marketing strategy. Part of this involves analysing markets. So then I'll discuss some basic characteristics of markets, and I'll finish by mentioning some different types of markets.

Unit 5, Lesson 2, Exercise D 1.22

Part 2

Actually, marketing is arguably the most important aspect of management. You can manage your staff and your production processes well, but if nobody buys your products, your business will fail. So, it follows that a business has to satisfy customers' needs if it is going to make a profit. So that's what marketing is all about - it's not just advertising. Marketing is all the processes involved in supplying customers with the right products at the right time and at the right price.

But what are the needs of customers? Of course, there are many products that people will always need, but really successful companies identify gaps in markets and create new markets with new products. What I mean is, they anticipate consumers' requirements. A good example of this is those little packets of sticky notes - they're called Post-it notes. They were invented by the 3M Company in 1977 and are now extremely popular, which is not surprising because they're incredibly useful. We never knew we needed them until 3M came up with them.

Unit 5, Lesson 2, Exercise E 1.23

Part 3

Anyway, er ... to return to the main point - fundamentally, successful marketing is about having accurate data so that customers' needs can be met. So what is it that marketers need to know? Well, first they must begin by analysing the market. For example, it's essential to identify basic characteristics of the market such its size, and which companies are the market leaders; that is to say, we need to look at the share of the market which each company has.

Naturally, it's the aim of all companies to become the market leader - or to have the top-selling brand in a particular field. If we take the sports shoe market in the US as an example – you can see the size statistics on this slide. As you can see, in 2006 this market was worth nearly $12 billion per year. In terms of sales, it had annual sales of more than 370 million pairs of sports shoes. And what's more, it seems to be getting bigger, too. Before the 1970s, buying a pair of running shoes was a simple matter. But these days, there's a huge variety. There are different running shoes for men and women, light and heavy people, different sports, different foot shapes, and so on ... Er ... Where was I? Oh, yes. We also need to be clear about the type of market.

One way to categorize the type of market is to think about whether the product is aimed at a mass market, like toothpaste, for example, which everyone needs. Or is it more suitable for a niche market – by that I mean a small part of a larger market. For example, vacations for people over 50 is a niche market inside the huge vacation market. In other words, is the product aimed at one narrow category of customer?

Unit 5, Lesson 3, Exercise B 1.24

Part 4

So how does the marketer get the necessary information? By research, obviously. There are several ways to categorize market research. Let me see ... one way is to distinguish between primary and secondary research. Another important distinction is between qualitative and quantitative research. However ... oh, dear ... sadly, I see that we've run out of time. This means that I'll have to ask you to do some research. I'd like you to find out what is meant by the four types of research I've just mentioned, that is, primary and secondary research, and qualitative and quantitative research. We'll discuss what you've found out next time I see you.

Unit 5, Lesson 3, Exercise C 1.25

1 'seminar
2 'overview
3 a'ssignment
4 'strategy
5 character'istics
6 suc'cessful
7 an'ticipate
8 'analyse
9 in'credibly
10 i'dentify
11 'category
12 va'riety

Unit 5, Lesson 3, Exercise D 1.26

Actually, marketing is arguably the most important aspect of management.

So, it follows that marketing must ensure that a business can satisfy customers' needs ...

What I mean is, they anticipate consumers' requirements.

Fundamentally, successful marketing is about having accurate data.

Anyway, er ... to return to the main point, ...

It's essential to identify basic characteristics of the market ...

Naturally, it is the aim of all companies to become the market leader ...

Unit 5, Lesson 4. Exercise B 1.27

Extract 1

LECTURER: Right, Leila and Majed, what did you find out about the segmentation of the pizza market?

LEILA: Well, first of all, we looked in the local supermarket to see what pizzas there were.

MAJED: I had pizza last night.

Extract 2

LECTURER: And what else did you do?

LEILA: We talked to the manager. She was quite helpful.

MAJED: That's rubbish. She obviously didn't want to talk to us.

Extract 3

LECTURER: Leila, can you give us an explanation of your market map?

LEILA: Well, yes, it has a vertical and a horizontal axis: children versus adults, and economy versus luxury. And as you can see, we've put some different pizza brands on it.

LECTURER: What do the rest of you make of this? Evie, what about you?

EVIE: Well ... erm ... I'm not sure really.

Extract 4

LECTURER: Majed, can you explain how you decided where to place the different pizzas on your map?

MAJED: Well, yes, it's based on what the supermarket told us.

JACK: So it's secondary.

Extract 5

LECTURER: What do you mean by 'secondary', Jack?

JACK: I mean it's an example of secondary research. They did two things – they asked someone for information and …

EVIE: Actually, that's primary.

Unit 5, Lesson 4, Exercise C 1.28

Extract 6

LECTURER: Let's go back to this diagram for the moment to see how it can help with segmentation. First of all, tell us about the dimensions you chose.

LEILA: Well, the supermarket used price and age group as the main ways to distinguish the pizzas. Didn't they, Majed?

MAJED: Absolutely. Those were really the only criteria they used. So that's why we chose them.

Extract 7

MAJED: They put the children's pizzas in one display cabinet, with cheap ones at the bottom and expensive ones in the middle and top. And the same with the adult pizzas.

JACK: Sorry, I don't follow. Could you possibly explain why that's important?

MAJED: Well, basically they arrange the pizzas according to their target markets.

Extract 8

EVIE: I don't understand how the retailers know exactly which pizzas are suitable for which market.

LEILA: Well, the manager said that the manufacturers give very specific information about their target markets. For example, they say that pizza fingers are for children.

Extract 9

MAJED: Yes, manufacturers tell retailers exactly how and where to arrange their goods in the shops to achieve maximum sales.

JACK: If I understand you correctly, you're saying that manufacturers supply their retailers with information about how to market their products.

MAJED: Yes, that's right.

Extract 10

LECTURER: This is all very interesting, isn't it?

EVIE: Yes, but if we just go back to the market map, the pizza fingers are for children so they go on the left, and they're in the cheap to middle price range, so they go around the middle on the vertical axis.

LEILA: Correct!

Unit 7, Lesson 2, Exercise B 1.29

Part 1

Good morning, everyone. What I'm going to talk about today is the core activity of business: that is, how the business does what it does. In other words, how does a company manage its production processes? Bearing in mind that this process also depends on many other operations, beginning with getting raw materials. Plus, of course, transporting the finished products to a place where they can be sold. This whole operational sequence is also known as the 'supply chain'. What I mean is … it's everything from getting the raw materials, making the products, to getting the products to the consumer. It's the flow of resources through these stages. Anyway, we'll look at the supply chain later on, I mean, another time.

So, er … in later lectures, we'll also go on to consider how companies balance the quality of their goods or services with the need to control costs of production. Today, however, we will deal with production processes and methods.

Unit 7, Lesson 2, Exercise C 1.30

Part 2

As we have seen in an earlier session, the production process can be thought of as input, transformation and output. As we know, the inputs include all the raw materials and other components that are needed for the transforming, or manufacturing, process. Now, another term for these inputs is resources. Of course, as well as the raw material resources, the production processes themselves will also involve resources. In other words, the buildings, machinery, computers and people that are necessary to carry out the production – or transforming – processes. In this case, we call these resources the 'transforming resources'. And then, finally, as we saw previously, at the end of the manufacturing process, we have the output – or finished product.

Unit 7, Lesson 2, Exercise E 🎧 1.31

Part 3

Now, an important concept in business is the notion of 'value added'. What do I mean by value added? Well, to help you understand this idea clearly, can you look for a moment at the leaflet I have given you from the Monckton Crystal Company? As you can see, the ingredients for making glass – i.e., sand, lead oxide and other chemicals – go though several stages of production in order to be made into beautiful glass objects that customers will want to pay money for. However, looking at it another way, when a business makes raw materials into something else, it is actually 'adding value' to the raw materials. In fact, at each stage of production, value is added to the raw materials. In financial terms, we can calculate added value by comparing the cost of the raw materials and the price which the goods are actually sold for.

Let's look at an example of this. Say the company buys in some raw materials for £3,000. From these materials, the company makes 2,000 glass products which it sells for £4 each. The income from sales will be £8,000. Subtract the cost of the raw materials from the income from sales. The difference between these two figures is £5,000, and that's the 'value added'.

Why is value added so important? Well, the point is that if companies know exactly which stages of production add the most or least value, then they can develop and improve their products and their production methods. In this way they can maximize the benefits of the production operation to the business.

Unit 7, Lesson 2, Exercise F 🎧 1.32

Part 4

Now … er … let's see … oh dear, I see we're running short of time … but perhaps I should just say something about production methods.

There are three main types of production method. To start with, production method type 1 is job production. In this type of production, making the object is seen as one operation. So, because it's one operation, it has to be finished before the next one can start. Job production is used where there is a need for only one product. Examples of these products are things like ships or aeroplanes. In other words, very big things. In the early days, cars were made like this, too, before Henry Ford came along with his mass production ideas. Projects with one customer in mind can also be seen as a type of job production: for example, building an extension to a house, or repairing a car.

On the other hand, making one thing at a time is clearly not very economical. So the second method is called batch production. What's important about batch production is that many products can be made simultaneously. It's what happens, for example, in a bakery, where a baking company will make, say, 50 cakes all at the same time, and then start the process again with another 50, and so on. Batch production is suitable for products such as food or clothes. The glasses that we have looked at are also made in batches. At the same time, disadvantages of this system are that sometimes people have to wait around for a batch to finish before they can start a new batch, so the process is not continuous.

Lastly, there are the flow production methods. What's different is that in flow production, there are no delays between batches while workers wait for each batch to be finished. Instead, the products move along an assembly line and are made in a continuous, linear sequence as each worker does his or her part. This method of production is of course associated with car manufacturing, mechanical parts for machines, and products such as toys.

Now … oh dear, I was going to mention the advantages and disadvantages of these methods of production, but … ah … I see that time is moving on. So instead, I'm going to …

Unit 7, Lesson 3, Exercise A 🎧 1.33

1 con'tinuous
2 in'gredient
3 simul'taneously
4 re'source
5 manu'facturing
6 'sequence
7 'calculate

8 de'lay

9 'linear

10 com'ponent

11 fi'nancial

12 'maximize

Unit 7, Lesson 3, Exercise B 1.34

Part 5

I'm going to finish with some comments on the planning of production – in other words, scheduling.

Now, the fact of the matter is, it's a highly complex task to plan production. The reason for this is that planning decisions are based on a wide variety of different factors – not to mention the fact that some of these factors are totally outside the control of the company. Let's take clothes: a change in the weather can affect the demand for clothes, which of course companies can't control. Plus there's the fact that the design of the product affects the type of production method, as we've just seen.

OK. Where was I ? Oh, yes ... So, scheduling means working out what the different processes are, when they start, when they finish, etcetera, in relation to other processes. You've probably heard about Gantt charts? It was Henry Gantt who came up with a very simple idea to help with scheduling – the Gantt chart. Many organizations use Gantt charts to help with organizing and planning these types of production methods. The advantage of Gantt charts is that they show what processes are happening at any one time. In batch and flow production, it is very expensive and a waste of time if workers have to wait for one job to finish before another one can start. So, although it was in the early 1900s that Gantt invented his charts, they are still very much used today.

To sum up, then, production must be carefully planned. Let me put it another way ... Planning must take into account the necessary processes and variables if the company is to succeed.

Oh, I almost forgot to mention your research topics. OK, well, what's very important for the whole operation is the location of the business. So I'd like you to find out what are the main criteria that need to be borne in mind in deciding where to locate a business.

Unit 7, Lesson 4, Exercise B 1.35

Extract 1

Now, as we know, the location of their operations is one of the most important decisions that companies have to make. I asked you to look at the case of Continental Airlines, which in 2005 established a new non-stop route from Bristol Airport in the south-west of the UK to New York. Why did they do this? They already had routes to several other places in the UK, including London Gatwick and Birmingham, which are not far away. Also, there are many other airlines flying from the London airports to the USA. So, let's have some views.

Unit 7, Lesson 4, Exercises C and D 1.36

Extract 2

JACK: Well. I'd like to make two points. First, Bristol gives easy access to several popular tourist destinations.

LEILA: Can you expand on that, Jack?

Jack: Sure, Leila. Bristol is near Wales and the south-west peninsula of the UK.

LEILA: So?

JACK: So the point is that both areas are famous for their beaches and natural beauty.

LECTURER: OK. So, what's your second point, Jack?

JACK: I was coming to that! My second point is that Bristol is an important regional business centre.

LEILA: Yes, but that's true for London, too. Even more so, I'd say. So there's no need to expand outside London.

MAJED: Well, I don't agree with that, Leila, because from what I've read, there's huge untapped potential for business customers based in or near Bristol.

EVIE: Sorry, but who are we talking about, exactly? People flying into the UK from the USA? Or people going to the USA?

LEILA: Yes, we need to be clear here. It must be both. Anyway, I'd just like to say that according to what I've read, in the case of a service industry like travel, convenience for customers is a major factor in location.

EVIE: In what way?

LEILA: Well, if you can bring your service nearer to the customer, you can charge a bit more. Also, you may be able at the same time to offer a more attractive service than the competitors.

EVIE: I don't get that. How can it be more attractive if it's more expensive?

LEILA: What I'm trying to say is, the company can charge more for their product but actually the customer might get the product more cheaply overall.

EVIE: I still don't understand. Can you give me an example, Leila?

LE · OK. Look at it this way. People who live near Bristol would have to travel to London or Birmingham to fly to the USA. That will cost them money – say, £100. If they go from Bristol they don't have to spend that money. If Continental Airlines charge £50 more for the flight than a flight from London, the customers still get the flight for £50 less.

MAJED: So everybody wins! It's all about money, in fact.

LECTURER: Absolutely. In making a decision on location, companies have to think about their fixed and variable costs, as well as the revenue they're likely to get from a particular site.

MAJED: Yes, and I'd just like to say something else. As I mentioned before, there are potentially a lot of business customers who might use the Bristol flight. So it's a good investment, as business usage is likely to increase in the future.

Unit 9, Lesson 2, Exercise B 2.1

Part 1

Good morning, everyone. I'm going to talk to you this morning about accounting, and in particular, two important types of accounting. These two types of accounting are known as management accounting and financial accounting and, as you can probably guess from the names, they are both methods for dealing with a company's finance in one form or another. I'm going to talk first about the topic of management accounting and I will outline some of the major points connected with this type of accounting. After I've described management accounting then I will go on and do the same for financial accounting. I'll also give you a summary of the major differences between them at the end.

But before we begin I have a little story to tell you ... I once worked for a small publishing company with a very dynamic boss who had lots of good ideas and was very good with people. However, he wasn't very good at the financial side of the company. He didn't like working with numbers and details and he was very forgetful. Sadly, the person he relied on for his finance management was also not good at numbers. I lost my job after a year because the company went bust.

Of course the point of that story is that it is really very dangerous for managers – from both your own and your employees' point of view – if you don't pay enough attention to financial matters! So ... to get back to the main part of my lecture.

Now, as we have already noticed, finance and financial matters are vital for companies if they're going to be successful. So to help them manage their finances effectively, it's important to stress that they need to make use of both management accounting and financial accounting methods. There are major differences between these two approaches to managing finance, and it's the first of these approaches that I'm going to focus on now.

OK, so to start with let's take a few moments to consider the role of management accounting. What is it exactly that management accounting is supposed to do? Well, research has shown that there are three important aspects of management accounting. It could be argued that these three aspects also exist for financial accounting. But, as we shall see here, these tend to have a different emphasis – I'll come back in a little while and tell you some of the similarities and differences.

The first important point to note here is that management accounting often deals with the forward planning aspect of business, that is to say, with how a company is going to perform, rather than concentrating on how well or how badly it has performed in the past. From the point of view of management, for example, it is fair to say that it is management accounting which provides detailed financial information which helps managers to plan for the future.

One form of financial information is the annual budget, and the main aim here, of course, is to help a company to decide how to spend the money it has available, or – and this is also very likely – whether and how to borrow further funds if it needs them. So as a result of this we find that management accounting deals with questions such as what kind of financing a company will need in the future. This might be needed, for example, to invest in a product or to buy new equipment, or to employ more staff and so on.

Management accounting also helps to keep a check on cash flows and the value of investments, and to calculate profits – or indeed losses – for the future. Increasingly we find that businesses and other organizations use this predicting or future-oriented role of management accounting as an internal management tool. The kind of things it is used for is to help monitor the performance of divisions or separate units of the company (this is especially important, for example, if the company is a very big one like ICI or BP).

So as we can see, management accounting is used extensively to both control and predict financial aspects. Just to recap for a moment, as we have seen, these aspects cover a lot of different areas but two good examples here would be a company's borrowing, how much it needs to borrow, and its profitability – that is, how likely it is to be able to make a profit in the future (and of course predictions about how much that profit might be). It's true to say that a lot of aspects of a company can be measured using management accounting, and that's the reason why companies use it. Even staff performance, for instance, can be measured by some management accounting techniques.

The second major point in relation to management accounting is that management accounting, unlike financial accounting, is not actually essential. What I mean, in other words, is that it's not required by company law. It may be considered good practice (in fact it usually is) but companies do not *have* to use management accounting. When we look at financial accounting we'll find that there are some legal requirements which a company must adhere to. However, as far as management accounting is concerned, there are no requirements or legal matters that a company must pay attention to. They can decide whether they want to use management accounting techniques, employ people such as management accountants and so on, or not.

Thirdly, management accounting is an internal company management mechanism. Crucially, because management accounting is able to look at various different parts or units of the company as required, and because it can provide financial data inside a company for managers to use, it is a powerful management tool. The power of management accounting within this context – the internal one – lies in the fact that decisions can be made inside a company, based on the data and conclusions which come from management accounting techniques. So it should be clear that management accounting is very useful for a company.

Let's turn now to financial accounting ...

Unit 9, Lesson 2, Exercise C 2.2

Part 2

Let's turn now to financial accounting: as opposed to management accounting, we find that financial accounting is exclusively concerned with the past and with what has already taken place financially. And in the sense that financial accounting records what has happened in the past, there are specific prescribed documents required, usually in the form of a company balance sheet and a profit and loss account (and often a cash flow statement). Thus financial accounting shows how the business has performed over a specific period of time. The balance sheet describes the assets and liabilities of a company and – quite important this – it will give a 'snap-shot' viewpoint of the company's finances at a particular point in time.

OK. Now we also need to remember the fact that unlike management accounting, companies do not have a choice about financial accounting. All registered companies must provide a financial report in a particular form. In the UK and the USA, for example, this is a legal requirement and is monitored against professional standards such as GAAP (Generally Accepted Accounting Principles). Accounts have to be checked ('audited' as this is known) and this checking must be done by independent accountants, provided in a standard format (for example, the balance sheet) and the results must be sent to shareholders and to Companies House. There are agreed standards and principles that financial accounting must use to provide this information, and if any illegal practices are discovered then this can result in serious charges against company directors.

If you want a good example of how this can happen and the problems it can cause then you may well remember or have heard about the Enron scandal (Enron was the biggest power company in the USA at the time) in which senior company officials were found to have been hiding the debts of the parent company in other companies; the whole question of accounting practices was opened up and the directors and the accountancy firm of Arthur Andersen were prosecuted. So the real question is: Is a company doing what it needs to do within the law?

Now, where was I? Oh, yes, right, I was talking about the importance of the regulation of financial accounting – which is, of course, not the same as for management accounting, which as we have already seen, does not have any legal requirements.

Yes ... and a further important point about financial accounting is that it deals with the whole company, rather than just some bits or sections of it, and is available to external observers. This means that lots of different people, for example, investors, potential shareholders, customers and financial analysts as well as bankers and the tax inspector, can all see how well or badly a company has done over the past year or more.

So what exactly have we looked at this morning? Well, to sum up, we need to understand that the major differences between management accounting and financial accounting can be seen to happen in three distinct ways (although it is fair to say that these three different ways are also connected!).

Firstly, whereas financial accounting looks at the past, management accounting is much more concerned with the present and future; secondly, financial accounting is part of the legal regulations that companies must observe, while management accounting is in a sense optional (a company can choose whether to use it or not, although many now do); and a third major difference is that management accounting produces information for an internal audience, while the results of financial accounting are available to outsiders. These three main differences between management accounting and financial accounting are also reflected in the kind of documentation which is provided for accounting purposes ...

Unit 9, Lesson 2, Exercise D 2.3

1 Well, research has shown that there are three important aspects of management accounting.

2 It could be argued that these three aspects also exist for financial accounting.

3 But, as we shall see here, these tend to have a different emphasis – I'll come back in a little while and tell you some of the similarities and differences.

4 Increasingly we find that businesses and other organizations use this predicting or future-oriented role of management accounting as an internal management tool.

5 It's true to say that a lot of aspects of a company can be measured using management accounting.

6 So it should be clear that management accounting is very useful for a company.

Unit 9, Lesson 3, Exercise A 2.4

1 'strategy, 'customer, in'vestor, 'turnover, 'shareholder

2 assets and lia'bilities, capital in'vestment, financial trans'action, 'operating costs

3 'profit and 'loss, 'balance sheet, 'profit margins, 'cash flow

4 'actually, 'generally, 'usually, fi'nancially, 'crucially

Unit 9, Lesson 3, Exercise C 2.5

Part 3

OK, so moving on to look at some financial documentation. Now, it's important to remember here that the three major differences that we saw between management accounting and financial accounting are also reflected in the kind of documentation which is provided for accounting purposes. Today I'm going to focus on the three types of documents which you will typically find in the area of financial accounting: balance sheets, profit and loss accounts and cash flow statements.

Let's begin then with the basic document: the balance sheet. Now, we already know from what I have said earlier that this particular document is a requirement for companies – that is, it is necessary for legal reasons. In other words, a company *has* to produce one, it doesn't have a choice.

So let's look in a bit more detail at the different sections you will find in a typical balance sheet. It's fairly obvious if you look at a balance sheet that it is usually divided into three main sections, and the three main pieces of information are as follows.

Number one is a company's assets. That is, what a company owns and how much this is worth. There are two types of assets: fixed and current assets. Typical fixed assets could include factories or vehicles, for instance. The things which can be used many times. Current assets are things like money – for instance, money that is held in an account at the bank. Current assets can also be stocks of materials used in production and amounts owed by debtors.

Number two is a summary of the liabilities of a company, which if you like is the kind of opposite of the assets. Liabilities as we have already seen are what a company – or an individual, we can use the same word – owes to others. This could be a bank loan which needs to have interest paid on it or some other debt.

Thirdly, and this is the final main section on the balance sheet, we have capital and reserves. Part of this is made up of what is usually called the shareholders' equity; this is also sometimes called share capital and is defined as the amount of money which a company has raised through shares. In other words, this is the money which is helping to finance the company. You can see, of course, that share capital is also money owed by the company to its shareholders. The key point about the balance sheet, as Baker points out in *Principles of Business Finance* (which is one of your core texts – the 2nd edition was published in 2002) – the key point is that it must balance. In other words, the value of what the company holds or owns, its assets, which it is using for its activities, should be the same as its liabilities, and share capital and reserves – but you don't need to worry about this at this stage.

OK, so now we can see that these three sections or parts of the balance sheet – the assets, the liabilities and the capital and reserves section – together can provide shareholders and others with a good, accurate picture of a company. To quote Baker again, 'At a specific point in time, these three parts of a balance sheet can give investors an idea about what the company has (that is, what it owns) as well as describing its debts (what it owes).'

By the way, I see that some of you are using the Cornell note-taking system. That's very good. Do you all know about this? No? Right, well, if you want to know more about it, I suggest you look at *How to Study in College* by Walter Pauk, P-A-U-K, the 8th edition, published in 2004. It's very good, and it should be in the university library. I'm sure that you all know the importance of taking good notes – and this system is particularly useful.

So to get back to the main topic ... there is some other documentation that is required for financial accounting. The second element is a profit and loss account, which can show whether a company is financially healthy (and perhaps also whether it is being managed successfully or not).

One definition of the profit and loss account given by *thefreedictionary.com* on the Web is: 'An account compiled at the end of an accounting period to show gross and net profit or loss.' Typically, this account shows, for example, the cost of sales, which if taken away from the sales income, gives the gross profit.

You then deduct other items of expenditure, such as salaries or rent, and you are left with a net profit (or perhaps a loss!). In the US a profit and loss account is known as an income statement.

Now the third element of financial accounting, that's the cash flow statement, is slightly different because it is not always necessary. To be more precise, this third element is only required when a company is a plc (that's a public limited company whose shares can be bought on the stock exchange). So to summarize briefly: this particular part of the accounting process, the cash flow statement, answers questions about how a company was able to find the cash to finance its recent activities and where the money came from (for example, whether this money came from inside or from outside the company).

Now I think that's all I'm going to say for the moment on the basic parts of financial accounting documentation. Are there any questions so far? ... No, good. Now when I see you in tutorials we'll look in more detail at management accounting. In the meantime, I'm going to set you a research task. Right, now listen carefully ... your task is to find out about the different documents that are used in management accounting. I'd like you to work in groups of four. Each group should find out about the various management accounting documents that are used and report back on your findings.

Unit 9, Lesson 3, Exercise D 2.6

Extract 1

The key point about the balance sheet, as Baker points out in *Principles of Business Finance* (which is one of your core texts – the 2nd edition was published in 2002) – the key point is that it must balance. In other words, the value of what the company holds or owns, its assets, which it is using for its activities, should be the same as its liabilities, which of course include its share capital – but you don't need to worry about this at this stage.

Extract 2

OK, so now we can see that these three sections or parts of the balance sheet – the assets, the liabilities and the capital and reserves section – together can provide shareholders and others with a good, accurate picture of a company. To quote Baker again, 'At a specific point in time, these three parts of a balance sheet can give investors an idea about what the company has (that is, what it owns) as well as describing its debts (what it owes).'

Extract 3

By the way, I see that some of you are using the Cornell note-taking system. That's very good. Do you all know about this? No? Right, well, if you want to know more about it, I suggest you look at *How to Study in College* by Walter Pauk, P-A-U-K, the 8th edition, published in 2004. It's very good, and it should be in the university library.

Extract 4

The second element is a profit and loss account, which can show whether a company is financially healthy (and perhaps also whether it is being managed successfully or not). One definition of the profit and loss account given by *thefreedictionary.com* on the Web is: 'An account compiled at the end of an accounting period to show gross and net profit or loss.'

Unit 9, Lesson 4, Exercise C 🎧 2.7

Extract 1

It seems quite clear that management accounting is a very useful way of controlling what happens in a company. Let's look at three basic advantages: firstly, management accountants can show where the strengths and weaknesses are in a company; secondly, it's possible to look at a wide range of different types of performance in different sections or units of a company; and thirdly, pretty important this, ...

Extract 2

Erm, I think one big difference is management accounting. This is very important. It is possible, we can see, how this is very important. So let's look at the chart and ... oh sorry, that's the wrong chart, just a minute ... right, so here is some difference between financial and management ... er you can see I think, this difference ... do you have any questions about this chart? ...

Extract 3

... We could ask the question: how much does it cost to use an accountant? Usually, this is very expensive but it is necessary because if you use an accountant you can get a good balance sheet and then you can show the customers how well the company is performing. On the other hand, a good accountant is also very important for the public because in England you have to have a balance sheet for the public and this balance sheet is the basic sheet for the whole company. Here we must look also at the profit and loss account because that is ...

Extract 4

So this is the main difference – the fact that unlike financial accounting which is public, management accounting is an internal mechanism. This difference shows us one of the main functions of management accounting. In fact we could say that this summarizes the main importance of this type of accounting, and it also explains why more and more companies are using financial accounting methods to improve their efficiency. If we look at the chart I've prepared here we can see the main areas that management accounting will be looking at. For example, if we examine in a bit more detail the section called cash flow forecasting we can see that this can be a very effective method for a company to examine its profitability. Another area is ...

Unit 11, Lesson 2, Exercise B 🎧 2.8

Part 1

Good morning. My name is Dr William Mitchell and I'm a business consultant. It's a pleasure to be here today. I am going to try and explain some of the major factors which exert pressure on companies from the outside, that is to say, I shall mainly be looking at some different types of *external* influences which affect the way business operates.

Don't misunderstand me, I don't want to imply that there are no internal questions for a company – as we all know, companies have to think about how they manage their operations and their finance and so on. But there are also matters at a national and an international level which greatly influence business decisions. To some degree, individual companies will be affected differently but it is fair to say that they will all have to keep an eye on which way inflation or interest rates are going, or demand and competition in a particular location. Not only that, but the government policies of the country or countries where they operate. So in an attempt to try and keep the discussion of external pressures on business reasonably simple, I'm going to summarize a few of the more interesting points to do with political and economic factors.

Unit 11, Lesson 2, Exercise C 🎧 2.9

Part 2

To start with, then: the political influences on business. Whether it is taxation policies, election results or pressure groups, politics has a crucial role to play. Will a particular government try to protect its country's businesses by signing up to a regional trading group which imposes tariffs or quotas? Will the government encourage foreign companies to come into the country and set up new business operations? These questions and many more demonstrate the political dimension of business. The answers will affect business for the good or for the bad.

Well, let's take the example of election results. The UK is a good example of how a new government can bring about a major change affecting the business world. When Margaret Thatcher's Conservative government came to power in 1979, they started to address some of the difficulties of state-owned industries in both manufacturing and service sectors. By the mid-1980s the process of privatization of state industries had begun to change the business landscape for ever. Many new business opportunities were created, particularly in the service sector, and while manufacturing declined overall, it is clear that the business world benefited greatly. These politically driven policies have since been copied all over the world, and notably in the former communist countries.

Another area which we can include in the political domain is the effect of pressure groups. Governments and businesses have to deal with the political influence and public protests of these groups. There is Greenpeace, for instance, who campaign on environmental issues: in 1995 their protests made the company Royal Dutch Shell seem so morally wrong that the company lost about 50% of their sales. Another environmental organization is Friends of the Earth, who as well as campaigning for the environment, also try to control the immense power of big businesses, such as Tesco, the largest UK supermarket chain.

A good example of the damage that can be caused by protesters is the famous law case involving McDonald's. Two environmental protesters were taken to court by McDonald's for writing bad things about the company's business practices. In fact, during the trial, the company's allegedly poor business practices were discussed and McDonald's has since found it hard to recover from the negative image that was generated.

There are many other pressure groups which have been able to bring about major changes in public awareness of issues with serious consequences for business. In the US, for example, in 1906, a campaign by the Pure Food Movement forced the government to bring in laws which controlled food additives and food safety.

An important aspect of the political landscape is, of course, the regional trade organizations – such as the EU or Mercosur, or ASEAN – which governments may elect to belong to. These groups provide a highly advantageous internal market and often protect their members from competition from businesses from outside the group. A good example of this is the situation in 2005 involving the flood of Chinese textile imports into the EU. Too many Chinese clothing products came into Europe, breaching the quota limits allowed. European manufacturers were afraid that European jobs would suffer and the clothes were kept locked in warehouses until an agreement was reached.

There are also other organizations – such as the World Bank or the World Trade Organization – which can have a strong influence on how countries organize their business. The WTO deals with the rules of trade between nations. The main structure of the WTO is a set of trading agreements, which are negotiated and then signed up to by the governments of the world's trading nations. There is a clear overlap here between business and politics, to the extent that it is the government of a country that takes the decision on whether to be a member of an international trading group.

However, some people say that these types of organization are mainly concerned with the interests of big business. The evidence shows that this is especially true with respect to under-developed countries. In my view, the World Bank is a case in point. The influence of the World Bank, for example, on the economies of these countries has been very harmful. A very good book by John Perkins called *Confessions of an Economic Hit Man* published in 2004 gives an interesting explanation of how the World Bank actually benefits big business rather than a country's own people.

So, as we can see, the effect of politics on the way businesses develop is very important, particularly in the context of today's multinational and global environment.

Now, let's turn to *economic* influences on the business world. An important economic dimension is the history of the changing importance of the different industrial sectors. Peter Drucker, who was a major business thinker, gives a good description of this in his article entitled 'The New Society' published in *The Economist* in 2001. By the way, if you don't know anything about Drucker, a good introduction to his work can be found on a website at the University of Pennsylvania (I'll give you the URL later). Briefly, in *The Economist* article, Drucker explains how at the beginning of the 20th century (in 1913) farm products accounted for 70% of world trade, but farming has now fallen to less than one fifth of the world's economic activity.

In many developed countries, the contribution by agriculture to their GDP has reduced dramatically. More recently also, manufacturing has seen a substantial decline in many of the developed nations. Manufacturing as an economic activity in many developed countries has given way to a major increase in service industries, with a consequent rise in the importance of finance and the money markets. These changes in the nature of economic output are, of course, reflected in the types of business which we find in these countries.

At the same time, in the newly emerging boom economies, the governments are trying hard to reduce the reliance on subsistence farming in favour of new manufacturing. India is an example of this; and China, too, of course, is another country which has seen a boom in manufacturing. These new boom economies are offering stiff competition in the manufacturing domain to companies in the older established developed countries.

And a thought to finish with is the question of to what extent these booming economies will become the main drivers of the global economy. One writer in *Money Management* magazine has no doubt that, and I quote, 'China will continue to be a dominant player driving world growth, which will have flow through to other economies.' This means that we may see the older economies such as the United States losing out increasingly to China and India. Now, I'm going to stop at this point …

Unit 11, Lesson 2, Exercise F 2.10

However, some people say that these types of organization are mainly concerned with the interests of big business. The evidence shows that this is especially true with respect to underdeveloped countries. In my view, the World Bank is a case in point. The influence of the World Bank, for example, on the economies of these countries has been very harmful. A very good book by John Perkins called *Confessions of an Economic Hit Man* published in 2004 gives an interesting explanation of how the World Bank actually benefits big business rather than a country's own people.

Unit 11, Lesson 2, Exercise G 2.11

1 I am going to try and explain some of the major factors which exert pressure on companies from the outside, that is to say, I shall mainly be looking at some different types of external influences which affect the way business operates.

2 Don't misunderstand me. I don't want to imply that there are no *internal* questions for a company.

3 To some degree, individual companies will be affected differently.

4 But it is fair to say that they will all have to keep an eye on which way inflation or interest rates are going.

5 Not only that, but the government policies of the country or countries where they operate.

6 So, in an attempt to try and keep the discussion of external pressures on business reasonably simple, I'm going to …

7 There is a clear overlap here between business and politics, to the extent that it is the government of a country that takes the decision on whether to be a member of an international trading group.

8 The evidence shows that this is especially true with respect to underdeveloped countries.

9 … the World Bank is a case in point.

10 Peter Drucker gives a good description of this in his article entitled 'The New Society' published in *The Economist* in 2001.

11 Briefly, in *The Economist* article, Drucker explains how at the beginning of the 20th century (in 1913) farm products accounted for 70% of world trade.

12 One writer in *Money Management* magazine has no doubt that, and I quote, 'China will continue to be a dominant player driving world growth, which will have flow through to other economies.'

Unit 11, Lesson 3. Exercise A 2.12

global 'warming

'waste disposal

natural phe'nomena

'business opportunities

'threats to the en'vironment

industrial e'missions

environmental 'issues

a 'role in the so'lutions

a positive corre'lation

'aspects such as po'llution

Unit 11, Lesson 3, Exercise B 2.13

Part 3

Turning now to the issue of the effect of environmental issues on business ... of course, a major concern is the problem of global warming. If it's as serious as some people claim, then it is likely to have a great many implications for business.

So how serious a problem is it? First of all, there is no question that the Earth is heating up. We have to accept the evidence, such as the mean rise in temperatures, the melting of the polar ice-caps, the changing patterns in the habits of wildlife, and so on. But the real question is: is global warming the result of human activity? Some people claim, even some scientists have said, that it is nothing to do with humankind; it's the result of natural phenomena such as sunspots or volcano activity. But I'm afraid that just isn't true. It's quite clear that global warming is the direct result of human – especially business – activity. Most of the research into global warming has concluded that the burning of fossil fuels in the processes of industrialization is what is responsible. The evidence for this lies in the fact that there is a clear, positive correlation between the increase in the presence of CO_2 in the atmosphere and the rise in the Earth's temperature.

So if business is the cause, then business will have to be a part of the solution. Although some people may continue to claim that climate change is inevitable, what seems obvious is that business must play a key role trying to improve a dangerous situation – dangerous for the entire human race.

What's more, of course, we can see other threats to the environment from other aspects such as pollution, waste, and so on, many of which derive directly from the effects of the activities of business. As everyone is aware, emissions from industry are often toxic and can damage both human and animal health as well as the environment generally. Waste disposal is becoming an ever more serious problem too. It's just not possible any more to put all our garbage in a hole in the ground. Attitudes to waste – not just from industrial processes but also waste from the service industries – need to change radically.

When we look at environmental concerns such as these, the big question is how are we going to manage these problems? What strategies need to be put into place to help control CO_2 emissions, pollution and waste disposal? To some degree, as I've said, business must take responsibility for what is happening and must do something about it. This means ultimately that business must bear the costs of the changes that are necessary.

On the other hand, rather than being a threat, perhaps we should think about whether environmental issues actually offer business something positive too. Can business actually *benefit* from the steps which will be needed? We could argue that possible environmental solutions offer many business opportunities. For example, environment consultants can use their knowledge to advise companies; companies can develop environmental initiatives which appeal to consumers and boost sales; some measures, such as recycling, may actually result in lower business costs; and so on.

Now I'm going to set you a task which will involve investigating some of the points I've raised. I want you to do some research into which areas of business might actually be able to benefit from the changes which are going to be necessary for the environment. I want you to focus, firstly, on some of the new plans, methods and technologies for dealing with environmental problems, with respect to the environmental categories I've mentioned. Secondly, I'd like you to think about whether these methods and plans to save the environment could actually benefit business in the future or whether they will mainly affect business in a negative way.

Unit 11, Lesson 3, Exercise E 2.14

But the real question is: is global warming the result of human activity? Some people claim, even some scientists have said, that it is nothing to do with humankind; it's the result of natural phenomena such as sunspots or volcano activity. But I'm afraid that just isn't true. It's quite clear that global warming is the direct result of human – especially business – activity. Most of the research into global warming has concluded that the burning of fossil fuels in the processes of industrialization is what is responsible. The evidence for this lies in the fact that there is a clear, positive correlation between the increase in the presence of CO_2 in the atmosphere and the rise in the Earth's temperature.

Unit 11, Lesson 4, Exercise E 2.15

Extract 1

The lecturer we listened to last week introduced a number of interesting issues. In my part of the seminar, I would like to build on what he said and talk about a number of new technologies which have recently been introduced as alternatives to fossil fuels: these include wind, wave and solar power. It's obvious that these depend to some extent on the climate and on where a country is located but there is a lot of scope for development (although some people dislike the impact on the countryside, for example, of wind-farms). Hydroelectric power is also an important source that has been around for quite a long time in countries such as Norway, where they have a lot of snow and heavy rainfall. And of course, there's also the idea of biofuels, which are anything based on vegetable matter, such as wood, corn, etc., which we can use for heating and to replace petrol.

Extract 2

OK, following on from what Majed has said, I'd like to mention some important environmental initiatives. You can see that as a result of global warming and because of worries about the environment a new form of trading between companies has been created. This is usually called 'carbon trading'. Basically, what this means is that companies have an allowance for carbon emissions. If they create pollution beyond these emissions/ that is, if they are heavy polluters, then they will have to buy 'carbon credits' from those companies who pollute less than their allowances (if they do not do this they will face heavy penalties). This is what is known as the carbon 'trade'. So, what this means is that one company can be fined for creating pollution, while another may be rewarded if it reduces carbon emissions. The idea is to reduce overall production of greenhouse gases. Several trading systems already exist, the biggest of which is the one in the EU. The 'carbon market' is getting more popular in business circles as a way to manage climate change.

Extract 3

Right. Thank you, Evie. I'm going to expand the topic by mentioning another important initiative. What is usually called 'carbon offset' is similar in many ways to the concept of carbon trading. Carbon offsetting involves the calculation of your carbon footprint and then depending on the result, the possible purchase of 'carbon offset credits' from emission reduction projects. Let me try and make this clearer with an example. For instance, if you travel a lot by plane, then you might need to offset your carbon footprint by some more environmentally friendly green action such as reducing your energy levels in your house or not using your car so much. Several companies already exist to advise on and manage this: for example, *carbonfootprint.com*.

Extract 4

As well as carbon issues we can also look at a very different sort of initiative. Here, I'm going to explain about the concept and philosophy of *zero waste*. Zero waste has been around for a while; basically, it is a strategy which looks for inefficiencies in the way materials are produced, packaged, used and disposed of. As well as community, home and school programmes, there are business and industrial opportunities, for example in the design of products, maximization of energy use, and improved efficiency methods. The aim is to remove the 'Take, Make, Waste' principle which we have at present and to replace it with the 'Waste Equals Resource' cyclical approach. This would help to remove all waste from the environment. Zero waste aims to promote industrial, social and domestic ecology via a concerted effort (for example, through education in schools and colleges).

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