

STORE BRANDS

Before you read

Do you buy store brands (ones owned by the chain store selling them) when food shopping? Why? / Why not?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Real chief says own brand is the way ahead

by Gerrit Wiesmann in Neuss, Germany

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

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

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

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

Given the power of own brands in good times and bad, it is surprising that German retailers only launched distinctive lines

last year. The cause lies with Germany's powerful discounters. Aldi and Lidl have in the past generation helped corner 40 per cent of the food retail market – as against 6 per cent in the UK – by selling little else than a small range of own brands, a move copied by Real, with, say, its low-cost 'Tip' range.

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

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

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

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

3 Use information from the first three paragraphs to complete the table. If the information is not given, write *not given*.

	Real	Tesco (UK)	Carrefour
Percentage of own-brand food products now			
Company's objective for percentage of its own-brand food products in its shops in 2–3 years from now			
Typical price of a store-brand product as a percentage of the price of a name brand for the same type of product			

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

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

5 Match the expressions in Exercise 4 to their meanings.

- i) retail organisations that sell cheap products and have a lot of influence on the market
- ii) where, when, how, etc. people usually buy things
- iii) when financial institutions were in extreme difficulty
- iv) when the time to do something is just right
- v) when sales, profits, etc. go down
- vi) when the economy is in difficulties

6 Why have own brands not been as important in Germany as elsewhere? (paragraph 5)

Over to you 1

In your experience, are own brands less good than name brands for these products?

- food
- cleaning products
- over the counter medicines (e.g. aspirin)

Over to you 2

Do name brands have a future in the face of store brands in your country? Why? / Why not?

BRAND LOYALTY IN CHINA

Before you read

Are you loyal to particular brands? Or are brands not important to you?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Chinese shoppers focus more on prices

by Patti Waldmeir in Shanghai

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

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

'China is still a gold mine, but now there are thousands and thousands of miners that have discovered it.'

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

But the weakening of brand loyalty could be good news for foreign companies, the report says, because shoppers are less nationalistic in choosing a brand: a small majority of those surveyed

showed no clear preference for brand origin. And premium brands could also benefit from a willingness to pay more for high-end products. The top 15 per cent of consumers will pay 60 per cent more for high-end consumer electronics and 300 per cent more for some personal care products.

If the trend continues, 'it will lead to the kind of polarised consumption patterns familiar in the West', between 'no-frills' goods and high-end products, the report says. Companies should compete at one or both ends of the market but avoid being stuck in the middle, it advises. Companies needed to differentiate more between regions too, the report says, noting that the traditional marketing strategy of classifying consumers by the size of the city they live in may no longer work.

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

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

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

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

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

- a) The *origin* (line 54) of a brand is ...
 - i) who buys it.
 - ii) where it comes from.
 - iii) who sells it.
- b) An example of *consumer electronics* (lines 59–60) is ...
 - i) TV sets.
 - ii) furniture.
 - iii) household goods.
- c) An example of a *personal care product* (line 61) is ...
 - i) washing powder.
 - ii) clothing.
 - iii) cosmetics.
- d) If a situation is *polarised* (line 63), it has ...
 - i) no extremes.
 - ii) two extremes.
 - iii) three extremes.
- e) *No-frills* (line 65) products ...
 - i) have lots of special features.
 - ii) are basic and cost less.
 - iii) cost more than other products.
- f) If a company is *stuck in the middle* (lines 69–70), it ...
 - i) makes lots of money from the mid-market.
 - ii) can't move to more profitable areas.
 - iii) doesn't serve any part of the market very well.
- g) If a company *differentiates* (line 71) between different regions, it ...
 - i) treats them differently.
 - ii) treats them the same.
 - iii) treats them indifferently.

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

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

Over to you 1

What are the current consumer trends in your country? Are consumers becoming more price-conscious, or is brand loyalty more important?

Over to you 2

Describe some of the regional differences in consumer tastes and behaviour in your country.

BUILDING HOTELS FAST

Before you read

Would you stay in a hotel made of modified shipping containers?
Why? /Why not?

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ○

Hotel changes the landscape of building

by Robert Cookson

The biggest hotel to be constructed from shipping containers opens in London this week. Travelodge, the budget hotel chain, imported the containers from China – complete with bathrooms, plastering and air conditioning units – then stacked them into a 300-room hotel near Heathrow in just three weeks. The steel modules are made by Verbus Systems, a London-based company that designs, manufactures and supplies what it calls a ‘Lego kit’ for developers. ‘Our proposition is absolutely unique,’ Paul Rollett, director of Verbus, says. Verbus supplies oversized shipping containers – as much as five metres wide – that are strong enough to build high-rise buildings anywhere in the world. It has provided a developer in Liverpool with two modules that came fully finished, with pillows on the beds.

For medium-sized hotels – those with more than 200 rooms and six storeys – Verbus claims

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

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

It remains to be seen whether developers will break with convention and adopt steel modules over bricks, concrete and timber en masse. But Mr Rollett argues that containers are

the most reliable option, as well as the cheapest, especially in extreme environments.

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

The future imagined by Mr Rollett, with buildings worldwide made from identical metal blocks, would require a profound shake-up of the established order and, in its most extreme form, would cause nightmares for traditional builders and architects. But as Mr Rollett says, industrialisation is a powerful force. ‘If Henry Ford in 1903 had started making houses and not cars, the world would be a completely different place. I just can’t understand why buildings aren’t made in factories.’

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

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

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

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

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

- start using
- make bigger
- take from one place to another
- use again
- improve something to its original state
- pile one on another
- take apart

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

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

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

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

Over to you 1

'If Henry Ford in 1903 had started making houses and not cars, the world would be a completely different place. I just can't understand why buildings aren't made in factories.' Do you agree? Why? / Why not?

Over to you 2

Go back to the answer you gave in Before you read on page 118. Would it still be the same? Why? / Why not?

VIDEOCONFERENCING

Before you read

Do you consider the environmental effects of travel when planning:

- business trips?
- private trips and holidays?

Why? / Why not?

Reading

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



LEVEL OF DIFFICULTY ● ● ●

Reluctant users slow to take up videoconferencing

by Danny Bradbury

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

The high-tech industry is quick to praise the benefits of flexible communication, but videoconferencing is one area where things have failed to live up

to the hype. 'Videoconferencing has not significantly displaced travel,' says Frank Modruson, CIO for global technology consulting firm Accenture. As the IT sector continues to push its green values, this mismatch between rhetoric and reality is becoming harder to ignore. So why are relatively few people using videoconferencing?

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

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

1 Look through the whole article and match the people to their jobs.

- | | |
|----------------------------------|--|
| 1 the writer of the article | a) Chief Information Officer, Accenture |
| 2 the public relations executive | b) a partner at Wainhouse, a market research firm |
| 3 Frank Modruson | c) a journalist interested in environmental issues |
| 4 Andrew Davis | d) someone representing an IT firm |

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

- a) An IT company said it was developing environmentally friendly services. The writer asked its public relations representatives to organise a videoconference in order to talk about its latest services, but nothing happened. Perhaps this was because it was too complicated to arrange.
- b) Videoconferences are good in theory, but it's better to travel to see someone, even if the environmental cost is high, as nothing can replace face-to-face communication.

3 Look at the expressions in *italics*. True or false?

If ...

- a) something does not *live up to the hype* (lines 25–26), reality is just as good as what people say about it.
- b) something *displaces* (line 27) something else, they both exist together.
- c) someone *pushes* (line 31) a particular idea, they encourage people to believe in it, use it, etc.
- d) there is a *mismatch between rhetoric and reality* (lines 32–33), people don't do what they say they do.
- e) you are *let down by the usability* (lines 40–41) of something, you can rely on it.
- f) something is *difficult to set up* (line 43), it is hard to arrange.
- g) you *emphasise* (line 44) something, you say that it is important.
- h) there is a *barrier* (line 45) to using something, it is easy to use.

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

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

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

- i) people in your company who work in another place
- ii) electronic pictures of people that are as big as in real life
- iii) the things that have to be done on a film before it can be shown
- iv) the place where the things in iii, above, are carried out
- v) very high-quality electronic pictures
- vi) the organisations that might use this sort of system and similar systems
- vii) television programmes made and shown within an organisation

Over to you 1

Would you like to talk to a life-size video representation of a colleague sitting opposite you across the table instead of going to see them face to face?

Why? / Why not?

Over to you 2

Have you tried using a webcam camera and microphone on a PC to talk to friends or colleagues? If so, describe the experience. If not, what do you think it would be like?

THE INEVITABILITY OF CHANGE

Before you read

Do you find it easy to make changes in:

- your personal life?
- your professional life?

Give some examples.

Reading

Read this book review from the *Financial Times* and answer the questions.

FT

LEVEL OF DIFFICULTY ●●○

Changeability

by Morgan Witzel

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

(by Michael Jarrett; published by Pearson Education)

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

Why? Jarrett argues that managers often mistake the nature of change. They see it as something logical that can be solved using step-by-step approaches. They are wrong. 'There is no simple recipe for organisational change,'

he says. 'There is no one single way that will deliver change.' But there are some basic principles that most managers can adopt. First, they need to make certain that the internal organisation is in a position to make changes and that people support them fully. Second, they need to make sure that they understand the environment around them.

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

55 fines this as 'the sum of leadership, internal routines and organisational capabilities that make companies ready for change'.

60 A few years ago, for instance, McDonald's Europe faced declining sales and market share. Denis Hennequin, the new president, redesigned restaurants to make them more appealing and began sourcing food locally. Market share and profits rose. Dell, too, aware that its competitors were beginning to catch up with its original low-price model, embarked on a programme of market research. The information it gathered was analysed with a view to spotting emerging and future customer needs. The most dangerous state for a business, says Jarrett, is the steady state. Companies that resist change – he cites the pharmaceutical industry – run a greater risk of failure.

1 Look through the whole article and answer these questions.

- a) Who is Michael Jarrett?
- b) What is:
 - i) his subject?
 - ii) his speciality?

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

- a) A *progressive country* (lines 3–4) is one where people are willing to adapt and change.
- b) If something is *constant* (line 4), it happens only sometimes.
- c) If something is *inevitable* (line 7), you can avoid it.
- d) If you *resist* (line 10) something, you do it.
- e) If you *carry on* (lines 12–13) doing something, you continue to do it.
- f) If you *set out* (line 15) to do something, you finish doing it.
- g) If you *achieve* (line 15) something, you reach a particular objective.
- h) If you *fail* (line 16) to do something, you succeed.

3 Find expressions in paragraph 2 that mean the following.

- a) reasonable and sensible (1 word)
- b) an easy series of instructions, used for example in cooking (2 words)
- c) ways of doing things one at a time (4 words)
- d) a unique method (3 words)
- e) the most important ideas, etc., about something (2 words)
- f) the structure of a company, department, etc., rather than the way it relates to the outside world (2 words)
- g) the outside world (1 word)

4 Complete the table with words from paragraph 3. (Complete the last line of the table with two words, both from the same part of the article, that are related in the same way.)

adjective	noun
adaptable	..... a)
changeable	..... b)
flexible	..... c)
..... d)	organisation
ready	..... e)
..... f)	..... g)

5 Which of the words above has Michael Jarrett added to discussion about change? What meaning does he give it?

6 Complete the table with information from paragraph 4. If there is no information for a particular point, write *not given*.

company	president	problems	change	results

7 Which industry is Michael Jarrett pessimistic about in relation to its attitude to change?

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

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

Over to you 1

How do you rate your own organisation (school or company) on its changeability on a scale of 1 to 10 in relation to other similar organisations?

Over to you 2

Describe some actual examples of change (or resistance to it) in your organisation, how they were put into action, and what their results were.

MANAGING CHANGE SUCCESSFULLY

Before you read

What is the reputation of the legal profession in your country in terms of its attitude to change?

Reading

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



LEVEL OF DIFFICULTY ●●●

Law firms get into shape

by Laura Empson

Until quite recently, even the largest UK-based law firms were fairly loose organisations where partners had considerable personal autonomy. When important management decisions needed to be made, the partners could rely on their shared educational and social backgrounds and their long years of working together to help them reach a common understanding of what needed to be done. This represented the 'glue' that held the firms together. This glue does not work properly any more. In the past 10 years, the leading law firms have expanded rapidly and have grown to accommodate different kinds of lawyers, doing different kinds of work in different ways, with different expectations of their careers and their firms.

Law firms have responded to the challenge by developing and implementing more explicit methods of management that can accommodate this new-found

complexity. Senior managers have introduced a range of new management systems and structures and have expanded the teams of business services staff to support these initiatives.

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

In spite of (or perhaps because of) this, the leading law firms have been extremely successful. They have made plenty of mistakes, but have expanded at a phenomenal pace while maintaining profitability.

These firms have not simply grown – they have grown up.

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

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

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

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

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

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

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

If you ...

- a) something, you bring it into use for the first time.
- b) something difficult, you are able to deal with it.
- c) something, you make it bigger.
- d) something, you help it.
- e) something, you do something as a reaction to it.
- f) something, you put it into action.

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

- a) done in a proper, serious way (16 letters)
- b) done in a structured way (10 letters)
- c) done in the old way (11 letters)
- d) determined to be successful (9 letters)
- e) very big (4 letters)
- f) designed to last well into the future (4 letters, 4 letters)
- g) extremely fast (10 letters)
- h) the biggest and most successful (7 letters)

5 Why are law firms described as *adolescents* in line 43?

6 Which of these examples of change management are *not* mentioned among the competition entries?

- a) promoting people from ethnic minorities
- b) promoting women
- c) introducing flexible ways of working
- d) offering years off for study and personal development
- e) finding ways of getting into new markets
- f) finding new ways of providing services

7 Baker & McKenzie *seem to have taken the advice* (on complete emotional, physical and mental well-being) *literally* (lines 83–84). Which of these alternatives is the most probable explanation for the author writing this? She's suggesting that the firm ...

- a) does not really believe in its initiative, even if it pretends to and carries out a lot of activities that are not really useful.
- b) is doing something (perhaps something not mentioned here) that shows they are taking ideas on change management too far.
- c) has not taken ideas on change management far enough, despite putting a number of measures into action.

Over to you 1

Imagine a competition in your company or industry, or one you would like to work for, to find the best initiative in change management. Who would win, and what would these initiatives be?

Over to you 2

Is it the job of organisations to take care of their employees' complete emotional, physical and mental well-being? Why? / Why not?

COLLECTIVE INTELLIGENCE

Before you read

Will large companies still exist 100 years from now? Why? / Why not?

Reading

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

FT

LEVEL OF DIFFICULTY ●●●

Looking to Wikipedia for answers

by Thomas Malone

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

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

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

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

What if we could have any number of people and computers connected to, for instance, care for patients in a hospital? Or designing cars. Or selling retail products. We might find that the best way to do a task that

today is done by five full-time people would be to use one part-time employee and a host of freelance contractors each working for a few minutes a day.

One important type of collective intelligence is 'crowd intelligence', where anyone who wants to can contribute. Sometimes, as in the case of Wikipedia or video-sharing website YouTube, people contribute their work for free because they get other benefits such as enjoyment, recognition or opportunities to socialise with others. In other cases, such as online retailer eBay, people get paid to do so.

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

- 1 Look through the whole article and find:
 - a) three traditional companies.
 - b) four Internet companies.

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

Wikipedia ...

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

- 3 Look at paragraph 3 and find:
 - a) two benefits of large organisations.
 - b) four benefits of small ones.

- 4 Now match the expressions in Exercise 3 to their definitions.
 - a) when people have new ideas
 - b) the ability to work 'as your own boss'
 - c) to limit the effect of unexpected events
 - d) when people work with enthusiasm and a sense of purpose
 - e) the ability to work when and where you want to
 - f) when high levels of production result in lower costs per unit produced

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

- 6 Find the name the writer prefers for this new way of working in paragraph 4.

- 7 Which of these areas is *not* mentioned in paragraph 5 in relation to the potential application of collective intelligence?
 - a) healthcare b) wholesale c) retail d) design

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

- 9 Use correct forms of expressions from paragraph 7 to complete these statements.
 - a) If something exists in a lot of different places, it is
 - b) A social system with aristocrats and almost powerless farmers is
 - c) If something doesn't happen immediately, it doesn't happen
 - d) Something that is strange and old-fashioned is
 - e) If a process speeds up, it

Over to you 1

Do you share the writer's optimism about the potential of collective intelligence? Why? / Why not?

Over to you 2

Could collective intelligence be used in your own industry, or one that you would like to work in?

INSIDERS AND OUTSIDERS

Before you read

Some organisations recruit graduates and prepare them over time for senior positions, rather than recruiting senior managers directly from outside. What are the benefits and disadvantages for organisations of this approach?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Graduate recruitment

by Stephen Overell

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

At AstraZeneca, the pharmaceuticals company, graduates can choose between several different specialist schemes, such as in engineering, finance and product strategy. At any one time, 15 people are on a three-year course working towards qualifications as chartered management accountants. The explicit intention, says David Powell, Audit Director for Global Operations who manages the

30 scheme within the company, is to 'bring people on to be future finance directors and finance vice-presidents'.

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

45 Paul Farrer, Chief Executive of the Graduate Recruitment Company, a division of recruitment company PFJ, notes that graduate management trainee-schemes are heavily over-subscribed by applicants because they understand the nature of the future marked out for them if they are successful; every position has about 30 applicants. During their time on a management scheme, graduates will be rotated through various business units, get

60 access to high-profile people in the organisation, gain broad skills and be handed opportunities to work their way up. 'Organisations are hoping to get their CEOs of the future from these schemes,' he says. That is not to say they don't also recruit outside them, but, for people who come in from outside, there is less certainty, less of a definite future within the company.

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

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

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

- an employer of graduates
- someone who works there, and their job
- a recruitment organisation
- the group of which that recruitment organisation is a part
- its Chief Executive

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

- It is part of the *mythology* of the modern world of work ... (lines 1–2)
 - ideas about ancient Greece and Rome
 - ideas that may or may not be true
 - ideas that are interesting
- ... that the days when it was possible to enter a big company as a graduate fresh from *college* and stay there for 20 years, ... (lines 2–6)
 - secondary school
 - postgraduate institution
 - university or equivalent
- ... provided one was not *incompetent*, are long gone and will never return. (lines 6–8)
 - unable to do one's job
 - skilled at doing one's job
 - overqualified for one's job
- Today, the world changes too fast, it is sometimes *alleged*. (lines 8–10)
 - accused
 - claimed
 - denied
- People are more likely to *hop between jobs*. (lines 10–11)
 - change jobs frequently
 - change jobs infrequently
 - never change jobs
- How *reassuring*, then, to learn that many big companies ... (lines 12–13)
 - sad to know
 - good to know
 - uninteresting to know
- ... *are still keen to* catch graduates young, shape them over a long period, and turn them into executives. (lines 13–16)
 - are still unwilling to
 - are still undecided about
 - still want to

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

The three year course ...

- takes place in a company that produces drugs and medicines.
- is part of the specialist scheme in engineering.
- leads to a professional qualification that is recognised outside the company.
- is managed by someone who only deals with the UK.
- is designed to produce senior managers in the future, but this is not stated anywhere.
- produces all the senior managers that the company needs.
- gives trainees experience in working in different parts of the company.
- allows trainees to meet people whom it will be useful for them to know later.

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

- In-company programmes for graduate development are referred to here as *graduate management trainee* (1 word)
- If too many people apply to be on a programme like this, it is (1 word)
- The people who want to participate in these programmes are referred to as (1 word)
- If what you are expected to do is planned beforehand, it is for you. (2 words)
- If you are given different jobs to do, you are them. (2 words)
- If you get general abilities, useful in different parts of the organisation, you (3 words)
- If someone, thanks to their own efforts, is promoted to increasingly senior jobs in an organisation, they their way (2 words)
- People not recruited for a job from within an organisation (4 words)
- A list of companies and how good they are at keeping graduate recruits is referred to as the (2 words)
- People working for the state are in the (2 words)
- The number of people who join a company straight from college in a particular year is its (2 words)

5 Which statement best summarises the article? Choose the correct alternative.

- Companies' graduate schemes for recruiting people who will become senior managers are becoming rarer and will eventually disappear.
- Organisations often combine graduate schemes with recruitment from outside, and the outside recruits feel just as certain of their place there.
- Despite what many people think, some organisations still have graduate schemes for recruiting people who will become senior managers.

Over to you 1

How good is your organisation, or one you would like to work for, at keeping its graduate recruits?

Over to you 2

'... for people who come in from outside, there is less certainty, less of a definite future within the company.' Is this true of your organisation, or one you would like to work for?

INTERNET ADVERTISING

Before you read

Do you look at advertising on the Internet or do you ignore it? Why?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Advertisers try the soft sell as TV drifts online

by Joshua Chaffin

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

The Ad Selector, as Hulu calls it, is just one example of a burst of innovation in online advertising. As audiences increasingly move

to the web to consume video – be it full-length television episodes or short clips – media companies and advertising agencies are rushing to develop new and more effective advertising strategies in the hope of creating a profitable business.

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

'Internet video is a lean-forward experience. The audience

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

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

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

If ...

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

2 Look at paragraphs 1 to 3 and find:

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

3 How is the Internet experience described in relation to traditional television?

4 How quickly do nearly a third of users stop watching an Internet video on average? What do they do when this happens?

5 What, in a word, do advertisers want from users that they didn't have before? How will this be achieved?

6 Which of these statements sums up the article best?

Internet advertisers ...

- a) are only interested in the number of people who click on advertisements.
- b) don't know how to avoid users 'clicking away' from advertisements.
- c) are looking at ways of engaging users so that they do not click away from advertisements.

Over to you 1

Will Internet advertisers ever find a way of retaining the attention of users? Why? / Why not?

Over to you 2

Can you imagine clicking on an advertisement and making a purchase in one process? If so, what product or service might you buy in this way?

SHOCK ADVERTISEMENTS

Before you read

Where are pharmaceuticals (medicines) sold in your country, apart from in pharmacies or chemists? Is their sale strictly controlled?

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ●

Pfizer uses big screen to fight counterfeit drugs

by Andrew Jack

Pfizer, the world's largest pharmaceuticals company, has launched a hard-hitting cinema advertising campaign to warn consumers of the medical dangers of counterfeits when illegally purchasing prescription medicines on the Internet. The advert, to be shown in 600 cinemas around the UK, is best seen before filmgoers dig into their popcorn. It shows a middle-aged man spitting up a rat after swallowing a tablet delivered by post.

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

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

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

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

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

But the overall level of counterfeit medicines in the developed world is estimated at

only about 1 per cent, with most sold via the Internet rather than through normal supply chains. A recent Pfizer poll suggested 10 per cent of men purchased prescription-only medicines via unregulated sources, including the Internet. Pfizer is one of the hardest hit by Internet sales of medicines, since it produces a fifth of the top-selling prescription medicines in the UK by sales. The campaign, which includes a website, cost nearly £500,000 (\$731,000).

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

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

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

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

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

3 *The advert ... is best seen before filmgoers dig into their popcorn.* (lines 8–11) Why?

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

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

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

- i) when unauthorised products are sold
ii) when two organisations do something for the first time
iii) worries about the dangers of something
iv) a symbol used by a company
v) when no profit is made in selling something
vi) strict rules
vii) unauthorised sellers
viii) the ideas that people have about an organisation

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

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

7 What do these figures refer to?

- a) 1 per cent (line 51)
b) 10 per cent (line 55)
c) a fifth (line 61)
d) 500,000 (line 65)
e) 731,000 (line 65)

8 Why were rats used in making the advertisement?

Over to you 1

Do you think that shock advertisements such as this work? Give your reasons.

Over to you 2

Think of other examples of parallel trading. What steps, if any, do manufacturers and retailers take to prevent them?

FINANCIAL REPORTING

Before you read

Which is the biggest retailer in your country?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Wal-Mart profits reach \$13bn

by Jonathan Birchall

Wal-Mart, the world's largest retailer, beat expectations after its US discount stores accounted for about 50 per cent of all US retail growth last year – while its full-year global sales passed \$400bn (€318bn) for the first time and profits hit \$13.4bn.

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

The results again underlined the retailer's ability to generate cash in a recession and to use the money to invest in its business at a time when most of its rivals are cutting back. Wal-Mart has

been able to make acquisitions, concluding a \$2.6bn deal in January for a controlling share of D&S, the largest retailer in Chile.

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

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

Internationally, the strong dollar weighed on earnings, with the value of sales down 8.4 per cent from the last quarter to \$24.7bn

and operating income down 14.3 per cent at \$1.5bn. At constant currencies, international operating income would have been up 5.1 per cent and net sales up 9 per cent.

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

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

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

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

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

- i) become more successful
- ii) continue success
- iii) make money
- iv) increase a difference in performance
- v) buy other companies
- vi) exceed forecasts

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

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

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

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

- a) International sales: \$
- b) Operating income from international operations: \$
- c) Increase (+)/decline (-) in international sales in dollar terms: %
- d) US sales after costs: \$
- e) Increase (+)/decline (-) in US operating income after costs: %
- f) US operating income: \$

5 Which store chains does Wal-Mart own in the UK and Japan? How did they perform?

Over to you 1

Look at Exercise 4. Find similar information for a company you are interested in, perhaps by looking at its website.

Over to you 2

Which is the biggest retailer in your country? How is it currently performing in relation to its competitors?

SHORT SELLING

Before you read

Is it acceptable to be able to sell something that you do not own?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Are short sellers necessary?

by William Leith

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

Imagine if I go to a shop and see a big shelf of expensive handbags. Let’s say I look at these handbags for a while and come to believe they’re not worth anything like the price on

the label. To me, they look like rubbish handbags. So I go to the owner of the store and ask him, for a small fee, to borrow these handbags for a week. Then I take the bags out of the store and sell them to a trader for a fraction less than the price on the label. He’s happy – he thinks he can make a profit.

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

So what’s actually happened? I, the short seller, have spotted that somebody is charging a lot of money for handbags that are rubbish. Next, I’ve found somebody who is prepared to

sell any old rubbish as long as he thinks there’s something in it for him.

Now, who are these short sellers? What sort of people are they likely to be? Well, they are people who see things that look good on the surface but are actually rubbish. They are people, in other words, who see the difference between the appearance and the reality. They are the first to notice when something is a con. Short sellers, in fact, reveal the problem. It was short sellers, apparently, who made people realise that Enron was a rubbish product. No, the problem is not the short sellers. It’s the world of empty promises and false values that enables them to thrive. To ban them is to shoot the messenger.

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

- In *short selling* (line 1), you expect that the value of something will ...
i) fall. ii) stay the same. iii) rise.
- If you *go long* (line 6), you buy something expecting that its value will ...
i) fall. ii) stay the same. iii) rise.
- If someone is *optimistic* (line 14), they think the future will be ...
i) worse. ii) the same. iii) better.
- If someone is *discerning* (line 14), their judgement is ...
i) bad. ii) good. iii) mistaken.
- If the value of something *plummets* (line 16), it falls ...
i) a little. ii) an average amount. iii) a lot.
- If something *trebles* (line 19) in value, it is worth ...
i) twice as much.
ii) three times as much.
iii) four times as much.
- If someone is *bust* (line 20), they have ...
i) made a lot of money.
ii) sold their shares in something.
iii) lost a lot of money.

2 Look at paragraphs 2 to 4 and find:

- a noun used before another noun to say that something has very little value.
- an expression meaning that goods are not nearly as valuable as the price shown.
- a noun meaning an amount that someone pays for a particular service.
- a noun referring to someone who buys and sells things.
- an expression meaning that an amount is slightly lower than another amount.
- an expression to emphasise that someone has not sold anything at all.
- an expression used to talk about finding a way to 'lose' something that you no longer want.
- an adjective describing someone who does not trust someone else.
- an expression meaning that someone will benefit from a particular situation.

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

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

Short sellers ...

- are immoral.
- are useful because they show the real value of things.
- were useful in revealing the Enron scandal.
- were useful in revealing other scandals at the time of the Enron scandal.
- are only able to do well because people make false promises.
- should be banned.
- are like messengers.

Over to you 1

Go back to the answer you gave in Before you read. Is it the same now that you have read the article? Why? / Why not?

Over to you 2

Financial authorities ban the short selling of shares in some situations. Should they do this, or should short selling be allowed at all times?

THE PLACE OF ENGLISH

Before you read

What is the place of the English language in your country? How many people speak it? Who uses it?

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ○

The difficulties of cross-cultural communication

by William Barnes

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

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

Mr Graddol says research shows that, whereas intelligibility is the most important thing for non-native speakers, native

speakers – who have never been challenged to acquire the ability to make themselves clear to 'foreign' speakers – may struggle to overcome what may be, by international norms, their personal usage. It is likely that any manager working in Asia will agree that merely speaking a common language does not amount to mutual comprehension, let alone a guarantee of trust or friendship.

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

A man who runs a design company in Bangkok thinks that foreign-educated Thais often do not fit well into his work teams. 'They think that because they are fluent in the "global language", they somehow know all the secrets of the world. In acquiring an "international" culture, they have lost some of their cultural yardsticks and consequently

often don't communicate as well as they think they do,' says this continental European, who has worked in Asia for more than 30 years. They are, he explains, Thais who have forgotten how to switch between their social personalities.

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

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

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

- If something *flourishes* (line 3), it is successful.
- A *shared resource* (line 6) can only be used by one person.
- A *lingua franca* (line 9) is only spoken by a small number of people in one country.
- The *origin* (line 13) of something is where it comes from.
- A *native speaker* (line 16) of a language learns it as their first language.
- Conventional wisdom* (line 19) consists of opinions that only a few people believe.
- Someone's *presence* (line 26) in a place refers to the fact that they are there.
- If something *hinders* (line 27) something else, it helps it.

2 Complete the table with words from paragraphs 2 and 3, and related words.

adjective	noun
..... ^{a)}	convention
present	.....^{b)}
intelligible	.....^{c)}
able	.....^{d)}
..... ^{e)}	native
..... ^{f)}	person
..... ^{g)}	foreigner
comprehensible	.....^{h)}

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

- understandable (2 expressions)
- usual
- relating to an individual
- referring to someone from a particular place
- not from the speaker's country
- not absent
- capable

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

- English is like Latin, as it is now spoken everywhere and is used as a language of international communication.
- Most people think that native speakers are the best speakers of English, but this may not be true when considering English as a language for international communication.
- Some native speakers make great allowances when they speak with non-native speakers and are careful to avoid using unusual expressions.

5 Find two-word expressions in paragraphs 4 and 5 that mean the following.

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

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

7 Answer these questions using the words given and information from paragraphs 6 and 7 of the article. (The first one has been done for you as an example.)

Is ...

- the number of English speakers rising as fast as it was? – No, it *has peaked*.
- the centre of economic power moving? – Yes, it
- English declining as a world language? – No, its
- the number of English speakers in China rising? – Yes, it
- David Graddol right about the 'native-speaker' problem? – Not necessarily, but it's true that

Over to you 1

'Non-native speakers may be better at using English with each other than native speakers.' Do you agree? Why? / Why not?

Over to you 2

How long will it be before English is replaced as the world's *lingua franca*? What will replace it? Give your reasons.

LIVING AND WORKING ABROAD

Before you read

Would you find it easy to live and work in another country?
Why? / Why not?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Moving experiences

by Pauline Harris and Simon Kuper

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

About 200 million people, or 3 per cent of the world's population, already live outside their home countries, and relocation continues to rise. Each country presents its own oddities. In Germany, childcare is hard to come by. In the Netherlands, it's hard to arrange for cooked dinners to be delivered. In the US, without an American credit history, you

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

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

home again. Knowing that this will come and that it happens to a lot of people should help you get through it.

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

- 1 Look through the whole article for people who are mentioned. True or false?
- The name of the British person living in Japan is not given.
 - Soledad Aguirre works for an organisation in Spain that helps people to move to other countries.
 - She thinks that people should be careful not to make mistakes in other countries from their first day onwards.
 - Cathie Estevez works in Germany for another organisation offering intercultural training programmes.
 - Martine Ruiz works for the same organisation.
 - Her advice is specifically about learning the local language.
- 2 What is the main message of paragraph 1? Choose the best one.
- Finding addresses in Tokyo is difficult, so you should always carry a street map with you.
 - Japanese is difficult, so you should always carry a grammar book with you.
 - Adapting to a new culture is difficult, but you should always be as open as possible.
- 3 Find nouns in paragraphs 1 and 2 that mean the following.
- someone who lives and works abroad
 - moving to live and work somewhere different
 - things that are strange
 - the services of people, organisations, etc. that look after children
 - someone's record of repaying loans
 - someone whose job is to help people to move abroad
- 4 Which of these are *not* mentioned in paragraph 2?
Cultural difficulties relating to ...
- financial services.
 - food.
 - finding work.
 - childcare.
 - finding somewhere to live.
 - meeting people.
- 5 Use the expressions in the box to replace those in *italic* in the extract so as to keep the same meaning.

- be officially recognised as living in the country
- use the services of
- start crying
- be able to live
- difficult to obtain
- move to the new country

In Germany, childcare is *hard to come by*^{a)}. In the Netherlands, it's hard to arrange for cooked dinners to be delivered. In the US, without an American credit history, you might not get a credit card, and without a credit card, you will not *exist*^{b)}. To *survive*^{c)}, you should *emigrate*^{d)} with more official documents than you could possibly need and *hire*^{e)} a relocation agent, especially if your company is paying. These people can do everything from putting your new apartment in their names to sitting with you at your rented kitchen table as you *burst into tears*^{f)}.

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

When you move abroad, ...

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

7 In which order is this advice given in paragraph 4?

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

Over to you 1

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

Over to you 2

What advice would you give to someone learning your language:

- a) in your country? b) outside it?

THERAPEUTIC CONSULTANCY

Before you read

Are there any easy ways of telling employees that they are being fired?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Helping workers manage bad news

by Emma Jacobs

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

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

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

'Managing a fearful workforce is one of the greatest problems

for companies in the current economic climate,' says Dr Bruce Irvine, Executive Director of the Grubb Institute. He says that, if organisations do not manage anxiety in tough trading conditions, employees will not work effectively and performance will suffer at a time when every penny of revenue counts.

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

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

Ms Bell says that, in highly stressful conditions, people often believe that 'aggressive or bullying behaviour is justified'.

In fact, she suggests, leaders may need to take more care to understand why people are not performing well and work harder to motivate them.

Dr Irvine agrees. He has witnessed organisations take fright at the economic downturn and simply repeat behaviour that has been shown not to work rather than examine ways to improve. 'Team leaders may just go back to a tried-and-tested approach.'

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

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

- a) a business psychologist.
- b) two therapeutic organisations.
- c) the Executive Director of one of these organisations.
- d) another director in this organisation.
- e) a company and the name of a bank.
- f) a company head, and the name of his company.

2 Complete the table by finding grammatically related words in paragraphs 1 to 4 of the article.

noun	adjective
..... a)	anxious
..... b)	paralysed
..... c)	redundant
..... d)	stressful
..... e)	energetic
therapy	..... f)
..... g)	uncertain
fear	..... h)

3 Now match the adjectives in Exercise 2 to these definitions.

- a) out of work
- b) not sure
- c) causing worry, tiredness, etc.
- d) very worried (2 adjectives)
- e) unable to act
- f) curing an illness, bad situation, etc.
- g) active and hard-working

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

When redundancies are announced, employees ...

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

5 Choose the correct alternative. *Coaches in white coats* (lines 50–51) implies that each consultant is a combination of:

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

6 Read paragraphs 8 and 9 and answer these questions.

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

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

Therapeutic consultancy is used ...

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

Over to you 1

Is it always possible to change the attitudes of people in difficult situations such as redundancy? Give some examples to support your opinion.

Over to you 2

What sort of consultancy or coaching would be the most suitable for improving conditions in your own organisation? Why?

HUMAN CAPITAL PLANNING

Before you read

What's the best way of finding the right person for a particular job?

Reading

Read this book review from the *Financial Times* and answer the questions.

FT

LEVEL OF DIFFICULTY ● ● ●

The right people for the right jobs

by Morgan Witzel

The Differentiated Workforce: Transforming Talent into Strategic Impact

(by Brian Becker, Mark Huselid and Richard Beatty; published by Harvard Business Press)

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

Instead, companies would be better advised to plan more rigorously, identify where and when particular talents and skills will be needed and then find, train and develop the right people for the right posts. This is neither quick nor easy. The authors cite a senior executive at one IBM division as saying it takes at least two years to prepare an employee

to fill a responsible position in a complex working environment.

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

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

Differentiating among employees and investing in the key ones means that talent should operate in the right place at the right time. This can have a

powerful impact on a business. According to the authors, Sears, the US retailer, measures its human capital carefully and believes its levels of human capital are responsible for both customer satisfaction and overall financial performance. It even believes its method has some predictive value of financial performance in the future.

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

1 Find expressions in paragraph 1 to complete these statements.

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

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

Companies should ...

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

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

- The book's main *impact* ... (line 43)
 - collision
 - hit
 - message
- ... is to *raise* the idea ... (lines 43–44)
 - lift
 - examine
 - hoist
- ... that human capital needs to be planned and treated *systematically*. (lines 44–46)
 - methodically
 - superficially
 - subjectively
- Out-of-date* HR policies ... (lines 46–47)
 - fashionable
 - contemporary
 - no longer relevant
- ... mean too many businesses end up following the 'Peter Principle', promoting employees to the level of their *incompetence* ... (lines 47–50)
 - corruption
 - inability to perform
 - irrelevance
- ... or they end up full of *clones* where every employee is recruited and trained according to a set pattern. (lines 51–53)
 - people who are quite like each other
 - people who differ from each other
 - people who are exactly the same as each other.

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

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

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

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

Over to you 1

What are the arrangements for human capital planning in your organisation, or one you would like to work for?

Over to you 2

... *differences in performance of 20- to 50-to-one are common, especially in knowledge-intensive roles* (lines 82–85). Do you agree with this? Give some examples to support your ideas.

GETTING INTO NEW MARKETS

Before you read

What are the leading brands of white goods (refrigerators, washing machines, etc.) in your country?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Panasonic enters European white goods market

by Robin Harding in Tokyo

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

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

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

The sale of white goods in Europe is on the direct instructions of Fumio Ohtsubo, Panasonic's President. In the revamped company, the project has gone from conception to launch in only 18 months. The move to sell white goods in Europe is backed by Panasonic's belief that it has an edge in green technologies, such as low power consumption, that will appeal

to Europeans. 'We don't just introduce ordinary products. In this case, we have environmental technologies,' said Mr Otsuki.

In the context of Panasonic's expected turnover of ¥7,750bn (\$80bn) this financial year – and its forecast net loss of ¥380bn – European appliance sales are unlikely to make much difference. The company's goal is to double current sales of €260m (\$331m) over the next five years.

However, Panasonic sees Europe as a stepping stone for white-goods sales in Russia and the Middle East, on top of its markets in Asia. Mr Otsuki said the company was also considering the launch of other products abroad, such as hearing aids in China and other Asian markets, while there was interest from buyers, including in the UK, for its new fuel cell-based systems that generate heat and power at home.

- 1 Look through the whole article to find two businessmen. Who are they, and what are their jobs?
- 2 Use appropriate forms of expressions from paragraph 1 of the article to complete the answers to these questions.
- Is it easy to make money in the European white-goods market? – No, it's very
 - Is it wise to try to enter this market? – No, it may be
 - Is this market growing fast? – No, it's
 - Does Panasonic avoid taking risks? – No, it has a
 - Do most Europeans prefer top-loading washing machines? – No, they
 - Is Panasonic going to sell the same products as in Japan? – No, the products
- 3 Choose the alternative with the closest meaning to the expression in *italic*.
- The arrival of such a *deep-pocketed* competitor ... (lines 15–16)
 - well-dressed
 - long-established
 - well-funded
 - ... will *shake up* a market ... (lines 16–17)
 - stabilise
 - transform
 - grow
 - ... *dominated* by European brands such as Electrolux and Bosch ... (lines 17–19)
 - where European brands sell the most
 - where European brands are less successful
 - where only European brands are sold
 - ... and is set to be the first of many new areas that Panasonic *invades*. (lines 19–21)
 - withdraws from
 - starts to sell in large quantities
 - does research in
 - That Panasonic is able to make such moves *reflects* the transformation that the company, ... (lines 21–24)
 - shows
 - denies
 - contradicts
 - ... which sells almost every electrical and electronic product imaginable in Japan, has *undergone* over the past 10 years. (lines 24–28)
 - imposed
 - overcome
 - been through
- 4 Read paragraph 3 and answer these questions.
- Why was Panasonic less competitive globally?
 - What did it do to compete more effectively?
- 5 Read paragraphs 4 and 5 and decide if these statements are true or false.
- Panasonic's Overseas Sales Director decided to sell white goods to Europe.
 - The project took one and a half years to put into action.
 - Panasonic's managers think that it is better at producing environmentally friendly products than some other companies.
 - Panasonic's President is quoted talking about these technologies.
 - One example given of an environmental technology is in relation to the amount of electricity that their products use.
 - Panasonic thinks it might be difficult to attract Europeans to these products because tastes are different there.
 - The company is expected make a loss this year but it will be less than a tenth of sales revenue.
 - In five years, the company hopes to have sales of about €520 million in Europe.
- 6 Find expressions in paragraphs 5 and 6 with these meanings.
- an intermediate stage (two words)
 - devices to help people to hear better (two words)
 - devices to produce energy (four words)
 - electricity (one word)
 - in addition to (three words)
 - objective (one word)
 - selling products for the first time (one word)
 - to produce (one word)
- Over to you 1**
- What other consumer goods are modified to reflect different tastes around the world? (Product size, characteristics, etc.)
- Over to you 2**
- What information and advice would you give to a white-goods manufacturer trying to sell in your country for the first time? (Main competitors, sales outlets, pricing, etc.)

BUSINESS-TO-BUSINESS E-COMMERCE

Before you read

How important is e-commerce in your country for:

- consumers (for example, eBay and Amazon)?
- business-to-business?

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Alibaba

by Kathrin Hille

Every time a salesperson at online trading site Alibaba signs up an important new account, the entire sales department cheers in triumph. But today they have been asked to keep the noise down, as Jack Ma, founder and chairman of the world's largest online trading platform for businesses, is being interviewed in the open-plan office. If Mr Ma feels most comfortable next to his sales force, it is because their work comes closest to what the 44-year-old has been doing over the past 15 years: preaching the importance of the Internet and convincing companies to pay for offering their products on Alibaba's business-to-business e-commerce website.

Today, Alibaba has 36 million registered users worldwide and generated revenues of 2.2bn renminbi (\$322m) in the first nine months of last year – 43 per cent up from the previous year. The group employs 12,000 people and intends to hire another 4,500 this

year. It also controls Yahoo China and Taobao, China's leading consumer e-commerce platform, which Mr Ma founded in 2003.

The key to Alibaba's business model is the assumption that small and medium-sized enterprises (SME) are those that can benefit most from the Internet because it gives them access to buyers they would otherwise only meet at trade shows. With access to a wider pool of customers, it also reduces their dependency on market-dominant clients.

'Companies like Wal-Mart, these big-size buyers, killed a lot of SME buyers,' says Mr Ma. 'But now most of the SME buyers and sellers started to do business throughout the world because of the Internet. So I think the world has moved. I strongly believe small is beautiful.'

Although China's economy is so far faring better than others, domestic trade has slowed, affecting a large chunk

of Alibaba's business – 28.7 million of its registered users are in its home market. To soften the blow, Alibaba has provided loans in excess of Rmb1bn to SMEs that would otherwise have struggled to get money.

But a bigger change for Mr Ma's company is the group's shifting geographic focus. 'Before this financial crisis, we were helping China's products abroad. Now we are thinking about helping SMEs in the other parts of the world. Help them sell across the nations. Help them to sell to China,' he says. 'In the next 10 years, we are moving from a pure China exporting centre to a global platform for SMEs to exchange products.' In the past six months, Alibaba has made a big push in this direction with a programme called Export to China, which offers non-Chinese sellers virtual Chinese-language storefronts.

1 Look through the whole article and match the figures to the things that they refer to.

- 1 12,000 a) Jack Ma's age
- 2 15 b) the number of employees at Alibaba
- 3 28.7 million c) the number of years Alibaba has existed
- 4 44 d) the number of people to be recruited by Alibaba this year
- 5 4,500 e) the number of Alibaba's registered users in China
- 6 36 million f) Alibaba's revenues for the first three quarters of last year
- 7 \$322 million g) the number of Alibaba's registered users worldwide

2 Find expressions in paragraph 1 of the article that mean the following.

- a) workplace without walls
- b) telling people about the benefits of something
- c) shout with joy
- d) relaxed
- e) persuading
- f) between companies rather than consumers
- g) group of salespeople
- h) get a new customer
- i) be quieter than usual

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

- a) Alibaba's revenues for the whole of last year will be less than Rmb2 billion.
- b) There are nearly seven renminbi (Rmb) to the dollar.
- c) The increase in revenue in relation to the previous year is more than 40 per cent.
- d) By the end of this year, Alibaba will employ nearly 17,000 people.
- e) Jack Ma's group only deals with business-to-business e-commerce.
- f) Alibaba gives small businesses access to a larger number of customers.
- g) The customers that SMEs can find on Alibaba are the same ones that they would meet at trade fairs.
- h) SMEs until now have relied on a few, very large customers.
- i) Large buyers in the past pushed out smaller ones.
- j) The world has changed, according to Mr Ma.

4 Replace each expression in *italic* in the extract below with an appropriate form of one of the expressions in the box.

- supply
- reduce the negative effects
- perform
- part
- internal (used twice)
- find it difficult

Although China's economy is so far *far*^{a)} better than others, *domestic*^{b)} trade has slowed, affecting a large *chunk*^{c)} of Alibaba's business – 28.7 million of its registered users are in its *home*^{d)} market. To *soften the blow*^{e)}, Alibaba has *provided*^{f)} loans in excess of Rmb1bn to SMEs that would otherwise have *struggled*^{g)} to get money.

5 Combine the words in the box below to make expressions from paragraph 6 that refer to the following.

- a) websites in Chinese for companies outside China who want to sell there (4 words)
- b) suppliers not based in China or run by Chinese people (3 words)
- c) changing emphasis on different parts of the world (3 words)
- d) a website that has users all over the world (2 words)
- e) a website used only by companies based in China that want to sell abroad (4 words)
- f) a period when banks do not lend, businesses go bust, people lose their jobs, etc. (2 words)

virtual	storefronts	shifting	sellers
pure	platform	non-Chinese	language
global	geographic	centre	financial
exporting	crisis	Chinese	China
focus			

Over to you 1

Imagine that you work for an SME. Would you use the Internet to buy supplies, equipment, etc. from another SME that you had never heard of in another country? What guarantees would you require?

Over to you 2

In what ways has the Internet made it easier for small companies to do business, apart from e-commerce?

ETHICAL CVS

Before you read

In some places, employers are using Google to check the information in job applicants' CVs. Is this reasonable? Why? / Why not?

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ●

Beware the risky business of résumé fraud

by Jonathan Guthrie

Recent research by the Chartered Institute of Educational Assessors found that 30 per cent of job applicants embellished the truth or lied on a curriculum vitae. The level of lying is increasing as unemployment increases and competition for jobs rises. It was the same during the downturn of the early 1990s. A journalist colleague admitted to me then that his degree from a top university was entirely fake. Another friend explained a year of total inactivity by telling possible employers that he had been writing a guide to the wild flowers of the Pyrenees.

Charles Thomas of Kroll, a company whose services include background checks on job applicants, says that inaccuracies on CVs divide into three main groups. First, there are honest mistakes, typically made when candidates mix up dates. Second, there is deliberate lying about qualifications. Mr Thomas says: 'A lie told 20 years ago to get a

job can become part of the liar's reality. So he tells it again when he switches jobs, even though he has become a successful finance director.' Third, applicants close up suspicious gaps in their employment history. In one case investigated by Kroll, a candidate turned out to have spent a three-month gap in prison for fraud.

How can the honest candidate compete? A newspaper job advertisement can attract up to 700 applicants, reports Owen Morgan of Penna, a human resources consultancy. A junior HR officer will typically reduce these to a long list, spending no more than 15 seconds examining each CV. Or they may simply do a keyword search on CVs submitted electronically. Kerwin Hack, a counsellor at HR consultancy Fairplace, therefore suggests using phrases from the job ad in the CV.

When I last encountered Mr Hack, he was discouraging a

redundant investment banker from using the words 'I really need the money' in an application for a new job. There are other elements applicants may safely leave out. Date of birth is one. If you are over 40, you will increase your chance of an interview by leaving this out. You will not get the job, but at least there will be free coffee and biscuits.

What troubles me most about lying on résumés is that those who have done it are often very good at their jobs. The academic qualifications of Patrick Imbardelli, Asia boss of InterContinental Hotels, were exposed as false only during routine checks when he was promoted to the board. Colleagues described Neil Taylor, whose fake degree got him a £115,000 salary as the Chief Executive of a large UK hospital group, as 'highly competent'.

1 Look through the whole article and find these expressions related to lying.

- Someone who tells lies is a *liar*.
- If someone 'improves' their exam results, previous job performance, etc., they *improve*.
- Something that is not true or genuine is *false* or *fake*.
- A period on a CV that is not explained may look like a *suspicious gap*.

2 Look through the whole article again and find six examples of lying on CVs and the people responsible for them.

3 Look at paragraph 1. Why is the amount of lying on CVs increasing?

4 Read paragraph 2 and answer these questions.

- What are the three types of false information on CVs?
- Which of these involve actual lies?
- What can be done to see if lying has occurred (two possible expressions of two words each)?

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

- A newspaper job advertisement might get over 700 applications.
- All the applications are looked at in detail.
- The applications are reduced to a long list.
- The CVs in the applications may only be looked at by doing word searches on a computer.
- It isn't good to use expressions from a job advertisement in the application.

6 Read paragraph 4. What two things should applicants leave out from their CV?

7 Use appropriate forms of the expressions in the box to replace those in *italic* in the extract below so as to keep the same meaning.

- university
- make (someone) a director
- show to be
- bother
- extremely good at (one's) job

What *troubles*^{a)} me most about lying on résumés is that those who have done it are often very good at their jobs. The *academic*^{b)} qualifications of Patrick Imbardelli, Asia boss of InterContinental Hotels, were *exposed as*^{c)} false only during routine checks when he was *promoted to the board*^{d)}. Colleagues described Neil Taylor, whose fake degree got him a £115,000 salary as the chief executive of a large UK hospital group, as '*highly competent*^{e)}'.

Over to you 1

Is it acceptable in your country to leave out one's date of birth and marital status (single, married, divorced, etc.) from your CV? Why? / Why not?

Over to you 2

How much should employers take account of each of the following when considering someone for a job?

- The overall look of their CV
- Their experience
- Their qualifications
- Their performance at the job interview

Give your reasons.

WHISTLEBLOWERS

Before you read

A whistleblower is an employee who tells the authorities about wrongdoing in their organisation.

What cases of whistleblowing have you heard about or could you imagine in these industries?

- a) airlines b) chemicals c) cars d) banking

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ○

What whistleblowers should know

by Michael Skapinker

The House of Commons Treasury Committee has been examining the management of UK banks leading up to the banking crisis.

5 In evidence to the committee, Paul Moore spoke publicly for the first time of his warnings three years ago to HBOS, the UK bank, that it was expanding too fast.

10 Mr Moore's evidence to the committee quickly led to the resignation of Sir James Crosby as Deputy Chairman of the Financial Services Authority, the regulator of the UK banking industry. It was Sir James, at that time HBOS Chief Executive, who had forced Mr Moore out of his job at the bank.

20 Few whistleblowers enjoy such sweet revenge. The Government Accountability Project, a US organisation that supports whistleblowers, has a message 25 for anyone else thinking of exposing an employer's wrongdoing: think hard before you do because you are going to suffer. It warns that whistleblowers 'pay an enormous 30 professional and personal price for their actions – often a price

they did not expect. Long after the public has forgotten your 35 brave actions, your former bosses will remember what you did to them.'

Mr Moore was in a far stronger position to blow the whistle than most. He was not just any 40 HBOS employee. He was Head of Group Regulatory Risk. That meant that it was his job to point out the risks the bank 45 was running. HBOS made him redundant after a restructuring. He sued for unfair dismissal under whistleblower protection laws and reached a 'substantial' 50 settlement. He had agreed to a gagging order that prevented him talking publicly about what had happened, but gagging orders against whistleblowers 55 have no force under the UK's Public Interest Disclosure law.

Whistleblowers are essential in pointing out cases of corruption or incompetence, but they need 60 to know how to go about it. Whistleblowers can be extremely bitter about their experiences. The Government Accountability Project recognises the dangers

65 It advises whistleblowers on how to deal with the media: 'Do not talk about all the injustices you have been through. Be an advocate for the story, not for yourself.'

70 Mr Moore followed that advice, which is why his intervention at the Treasury committee was so devastating. But he made plenty of enemies along the way. A 75 previously unpublished review of his departure by accountants KPMG accused him of 'stating matters in an overly dramatic way'. Mr Moore's response: 80 'Well, they would say that, wouldn't they?'

The first lesson of whistleblowing is that people will try to discredit you so, hard as 85 it is, keep your cool. The second is: after every discussion, e-mail a note repeating your concerns. The lesson for corporate management is even clearer. 90 When you start receiving polite e-mails telling you the company is doing something wrong, pay attention. You may see the same words in a parliamentary 95 report.

1 Look through the whole article and match the people and organisations to their descriptions.

- | | |
|---|---|
| 1 Paul Moore | a) a body in the UK parliament that looks at problems in the economy and finance industry |
| 2 Sir James Crosby | b) an accountancy firm who wrote a report about Mr Moore's actions at HBOS |
| 3 House of Commons Treasury Committee | c) the Chief Executive of HBOS and then Deputy Chairman of the FSA before he had to resign |
| 4 HBOS | d) the bank where Mr Moore worked |
| 5 the FSA | e) Head of Group Regulatory Risk at HBOS until he was made redundant |
| 6 the Government Accountability Project | f) the organisation in the UK that oversees banks to make sure that they are managed properly |
| 7 KPMG | g) a US charity that supports whistleblowers |

2 Answer the questions using information from paragraphs 1 to 4 and the words shown.

- What did Paul Moore warn HBOS management about three years ago? – That it was
- What happened to him? – He was forced; he was made
- Where did he give evidence about his experiences? – To the
- How did he get his revenge? – His former boss at HBOS from his job at the FSA.
- What happens to most whistleblowers? – They for their actions and pay an
- What happens in the long run? – People forget, but the whistleblower's bosses

3 Decide if these statements are true or false.

If ...

- a company undergoes *restructuring* (line 46), it reorganises.
- an employer *sues for unfair dismissal* (line 47), they lose their job without getting extra money.
- someone in a legal dispute *reaches a substantial settlement* (lines 49–50), they get a little money.
- there is a *gagging order* (line 51) after an agreement between two sides, the people involved cannot talk about it.

4 Look at paragraphs 5 to 7 and find:

- a noun used to talk about someone not doing their job properly.
- an adjective describing the negative feelings of many whistleblowers.
- a plural noun referring to the bad treatment that they often receive.
- a noun meaning someone who expresses a particular opinion.
- a formal noun referring to a time when someone speaks at a meeting, etc.
- an adjective to say that something is very effective.
- an adverb to say that something is done too much, too intensely, etc.
- a verb used to say that someone should not be believed.

5 Look at paragraphs 5 to 7 again and find three pieces of advice for being an effective whistleblower.

Over to you 1

What sort of legal protection do whistleblowers receive in your country?

Over to you 2

Why are whistleblowers so often badly treated by their colleagues, even if everyone knows that the company is doing something wrong?

THE NORDIC LEADERSHIP STYLE

Before you read

Which one of each of these pairs of characteristics do you associate with a Nordic or Scandinavian style of leadership?

- high-profile/low-profile
- consultation before making decisions / telling people what to do without consulting them
- symbols of power such as large offices / modest lifestyle

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Jorma Ollila

by Richard Milne

Despite chairing two of Europe's largest companies and heading a group of the continent's leading industrialists, Jorma Ollila is hardly a household name. This suits the operational style of the 58-year-old Finn, who is Chairman of both Nokia, the world's largest mobile phone company, and Royal Dutch Shell, Europe's biggest oil group. He is also Head of the European Roundtable of Industrialists, a grouping of the continent's leading 50 or so chief executives or chairmen. 'We like to work in the background,' says Mr Ollila, in what could almost be his mission statement.

As well as masking his level of influence today, his low-key style contrasts sharply with his record. During his 15 years as Chief Executive of Nokia, he turned what was once a struggling industrial conglomerate into a global mobile phone powerhouse.

He has long had a focus on

the social aspects of business. Indeed, Mr Ollila says he is most of all 'a people manager'. For example, although Nokia was in trouble when he took over as the company's CEO in 1992, he still found time to set out values on how the group should behave, treat its people and deal with internal conflicts. He argues that management has to take such a task seriously, instead of making it 'an annexe in the annual report'. As CEO, he felt his role was 'to get everybody involved, create a sense of urgency, who does what, and then: run'.

Mr Ollila was helped at the start by the fact that nobody expected much. 'We could work for the first two years without anybody expecting anything other than survival at best.' Most fondly, however, he talks of his time as part of a team with an average age under 40 who then turned Nokia around. 'It was an entrepreneurial task. It was extremely rewarding,'

he says.

The concern for what he calls 'the human role' above things like skills and strategy comes across in his passion for the Nordic approach to business. He echoes Jack Welch, the former boss of General Electric, in criticising some companies' sole focus on shareholder value. 'The current crisis will lead to a rethink in the corporate world. It is not just about short-term, mid-term or long-term profitability but it is also about certain values.'

Values are not the only Nordic thing Mr Ollila thinks the world should adopt. He argues that the Nordic way of capitalism – being open to globalisation but protecting people from its negative aspects and providing everyone with a good education – provides the answers that are needed.

1 Find expressions in paragraphs 1 and 2 that refer to the following.

- the way that someone works
- someone who is very well known
- heads of companies
- behaviour that is not meant to be noticed
- an unsuccessful group of companies
- a very important business person working in industry
- a sentence that describes a company's main purpose
- a dynamic company

2 Decide if these statements are true or false.

If ...

- something *suits* (line 6) something else, it helps it to succeed.
- you *work in the background* (line 17), you want to be seen.
- something *masks* (line 20) something else, it hides it.
- something *contrasts with* (line 22) something else, they are the same.
- you *turn* something *into* (lines 25–26) something else, you transform it.

3 Look at paragraph 3. What did Jorma Ollila focus on at Nokia?

- technical skills
- people management
- competitive strategy

4 Which of these management tasks is *not* mentioned in paragraph 3?

How a company should ...

- decide salary levels.
- treat its people.
- manage disagreements.
- involve people.
- create a sense that things had to be done quickly.
- pay performance-related bonuses.
- allocate tasks.

5 Complete these sentences with appropriate forms of words used in paragraphs 4 to 6 of the article. The first one is done for you as an example.

- Nobody expected Nokia to do more than *survive*, at best.
- Mr Ollila talks of his time as part of a team with f.....
- He approached the work like an e.....
- He talks about the Nordic approach to business with p.....
- What he says about business is an e..... of what Jack Welch has said.
- Companies should not f..... s..... on shareholder value.
- The way that companies are managed needs to be r.....
- We need to think less about how to make a p..... and more about the a..... of human values.
- There should be o..... towards globalisation but we should give p..... to people against its negative effects.

Over to you 1

Would it be easy to apply similar Nordic approaches to management in your country? Why? / Why not?

Over to you 2

Is it always possible for managers to work in the background? Why? / Why not?

LEADERSHIP IN DIFFICULT TIMES

Before you read

What should leaders do and say during difficult times for their company? Should they tell their employees how bad things are, or should they sound optimistic?

Reading

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

FT

LEVEL OF DIFFICULTY ● ● ●

The challenges facing leadership

by Rob Goffee and Gareth Jones

Leadership is more important than ever. Organisations that are well led have a much better chance of surviving in difficult times.

This is not the occasion to take your eye off critical processes of leadership development – and smart organisations know this. First, since leadership is always contextual – leading in a pharmaceutical company is different from leading in a shipyard – the ability to adapt is vital. Effective leaders have a real sense of what is going on in their company. The old idea of ‘managing by walking around’ contained one great truth: you need to be in a position to collect soft data, to know what is happening on the shop floor before the management information system tells you.

Business leaders will also be tested by their capacity to make sense of a difficult situation. Rudolph Giuliani, Mayor of New

York at the time of the terrorist attacks of 2001, was not only in the right place at the right time, he also offered New Yorkers hope for the future – he assured them that New York would be back.

In much the same way, Andrew Higginson, Finance Director of UK retailer Tesco, recently said that the unpopularity of the retail banks represented an opportunity for them to further develop their popular brand in the financial services business. Michael O’Leary, Chief Executive of low-cost airline Ryanair, goes even further. He welcomes the recession. In his view, it will kill off poor operators and show what a great business Ryanair is.

Each of these examples demonstrates that effective leaders both read context and rewrite it. In difficult times, the danger is that business leaders are trapped and become entirely reactive. Skilled

leadership involves not just reacting but proactively and constructively reshaping events.

Second, a strong focus may be a required for survival. Leaders will need to be focused on hard-nosed, tough prioritisation, including cutbacks and cost control. These actions are likely to be painful. But they should not come at the expense of team or organisational cohesion. If people must leave, they must leave with dignity.

Finally, sensing situations and building team cohesion will require social closeness to ensure a company-wide sense that ‘we are all in this together’. The criticism targeted at some senior business leaders, for example, stems from the fact that they continue to pay themselves bonuses while others suffer. But strong ‘identification with the troops’ should not limit the ability of leaders to step back and see the bigger picture.

1 There are three main points in the article. Look through the whole article and find the first word that introduces each point.

2 Match the adjectives (1–6) to the nouns (a–f) that they relate to in the article.

- | | |
|--------------|---------------------|
| 1 vital | a) processes |
| 2 soft | b) leadership |
| 3 smart | c) data |
| 4 critical | d) organisations |
| 5 effective | e) ability to adapt |
| 6 contextual | f) leaders |

3 Now match the phrases from Exercise 2 to their meanings.

- i) related to the human or emotional rather than the factual or statistical
- ii) extremely important capacity to change
- iii) extremely important ways of doing things
- iv) ways of leading that depend on when or where something occurs
- v) leaders who produce results
- vi) intelligent companies, etc.

4 Look at paragraphs 2 and 3 and find three leaders, their jobs and their organisations.

5 Now match the leaders in Exercise 4 to their ideas.

- a) He thinks that declining economic activity is a good thing as it will eliminate the weaker companies in his industry.
- b) He said that the city would recover.
- c) He says that the banking crisis is good for his company because it will be more able to offer financial services.

6 Look at paragraph 4. Which adjective refers to someone who only acts following events, and which adverb describes the actions of someone who tries to anticipate events? What expression is used in relation to each of these types of leadership?

7 Complete the table with words from paragraphs 5 and 6 and related words.

noun	adjective
focus	..... a)
toughness	..... b)
pain	..... c)
..... d)	dignified
..... e)	cohesive
organisation	..... f)
..... g)	close

8 What is the danger when a leader is too close to the workforce?

Over to you 1

Think of someone who provided leadership through difficult times. What was the most important aspect of their leadership style?

Over to you 2

What, if anything, should be done about leaders who continue to receive bonuses even when their organisations are in trouble?

TAKING ON COMPETITORS

Before you read

Think of situations where a new competitor might be able to do better than existing companies. For example, what improvements could a new competitor bring to the way these products and services are sold?

- a) fast food b) cars c) consumer electronics

Reading

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

FT

LEVEL OF DIFFICULTY ●●○

Best Buy's competitive threat to rivals

by Tom Braithwaite in London

Best Buy, the world's largest electronics retailer, has sent a shockwave through the troubled European market with a plan to open stores across the continent. The US group will take on brands such as Germany's MediaMarkt and France's Fnac, as well as Currys and Comet in the UK, at a time when the retailers are struggling with depressed margins and worries over consumer spending. However, it will be some time before Best Buy's European operation is firing on all cylinders.

By announcing a tie-up with Carphone Warehouse in the UK, the US group's £1.1bn purchase of a 50-per-cent share in the joint venture will open up a new avenue of growth for a company that has 923 stores in the US, as well as smaller operations in Canada and China, and plans to open up in Mexico and Turkey. Over the next three months, Carphone

will start to stock laptops at each of its 2,400 stores, following its successful entry into the PC market last year. The new joint venture will inherit Carphone's stores, which will continue to operate under the Carphone brand.

Plans for the roll-out of Best Buy's trademark 'big box' format, with stores trading under its own name, were being made by Brad Anderson, Chief Executive of the US retailer, and Charles Dunstone, his counterpart at Carphone. The UK will be the launchpad next year, although both men have dodged questions as to how many Best Buy-branded stores the joint venture would open. Mr Anderson did acknowledge there was an 'incentive to develop a meaningful business in Europe as rapidly as we possibly can'.

But he was keener to talk about the less tangible aspects of selling consumer electronics – which lie

at the heart of the deal. 'I think that our industry is not doing a terribly good job for the consumer,' said Mr Anderson. After consumer research in the US and the UK, he was struck by the 'tech stress' suffered by shoppers, attempting to buy and link together increasingly complicated electronic products: 'Except for the accent, we couldn't tell the difference between the people we were talking to in Minnesota and the people we were talking to in London.'

Mr Dunstone, who has already brought Best Buy's successful Geek Squad, a team of roaming technical service specialists, to the UK, added: 'Consumers in Europe are really ready for someone to come and try to do a better job.'

1 Look through the whole article and match each company (1–7) to its description (a–f).

- | | |
|----------------------|--|
| 1 Best Buy | a) a French retailer of consumer electronics |
| 2 Carphone Warehouse | b) a German retailer of consumer electronics |
| 3 MediaMarkt | c) a US company that wants to get into the European market |
| 4 Comet | d) a team of technical experts who travel round fixing computers, etc. |
| 5 Currys | e) a UK company that is in a joint venture with Best Buy |
| 6 Geek Squad | f) a UK retailer of consumer electronics (two companies) |
| 7 Fnac | |

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

If ...

- an event *sends a shockwave* (lines 2–3) through a place, it has a big effect.
- a competitor *takes on* (line 6) others, it competes with them for the first time.
- you *struggle* (line 11) with something, it is hard to do.
- margins are *depressed* (line 11), the profit for each product sold is more than before.
- there are *worries* (line 12) over something, people are optimistic.
- something is *firing on all cylinders* (line 16), it is working less well than it could.

3 Look at paragraphs 2 and 3 and answer the questions.

- Will the joint venture involve building new stores immediately?
- Will the joint venture operate under the Best Buy brand?
- Will it extend this activity?
- Why has Best Buy entered into a joint venture?
- How much is Best Buy investing and what does this give them?
- How are Best Buy and Carphone going to work together in the UK?
- Has Carphone Warehouse already started selling PCs?
- Does Best Buy already have stores in Mexico and Turkey?

4 Now put your answers to the questions in Exercise 3 in the correct order to make a summary of that part of the article.

5 Find these expressions in paragraph 3.

- an adverb meaning 'fast'
- an adjective used to say that something is worth doing
- a verb meaning 'avoid' (give the infinitive)
- a verb meaning 'admit'
- a noun used to talk about someone in an organisation with the same job as someone in another
- a noun referring to the size and shape of something
- a noun referring to the first stage in a process
- a noun used to talk about a reason for doing something
- a noun referring here to the introduction of a new chain of stores

6 Find expressions in paragraphs 4 and 5 that mean the following.

- travelling
- more willing
- concrete characteristics
- complex
- are the main reason for
- anxiety when dealing with electronic products

7 Which of these possible reasons for the joint venture are *not* given in the article?

Best Buy ...

- can offer lower prices than competitors.
- thinks that some European competitors may go out of business soon.
- thinks it can offer a better service to people who are confused when buying electronics.
- wants to expand in Europe.
- wants to use the UK as a launchpad for new stores in Turkey.

Over to you 1

Do you suffer from 'tech stress' when buying electronic products? If so, what are the main causes?

Over to you 2

Retailers often have trouble breaking into new markets. What are some of the possible reasons for this?

1 Look through the whole article to find names of companies in these industries in Mexico. (In some cases, no company is named.)

- a) cement
- b) banking
- c) paints
- d) mobile telecommunications
- e) fixed-line telecommunications
- f) beer
- g) television

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

- a) If something is *notoriously absent* (line 23), people don't mind about it not being there.
- b) The *principal* (line 25) reasons for doing something are the main ones.
- c) A *decade* (line 27) is a period of 20 years.
- d) If prices are *unnecessarily high* (lines 28–29), there is no way of avoiding this.
- e) When there is a *lack* (line 29) of something, there is a lot of it.
- f) *Innovation* (line 30) is the development of new ideas, products, etc.

3 Complete the table with expressions from paragraph 3 and related expressions.

noun	verb
..... ^{a)}	distort
privatisation	.....^{b)}
..... ^{c)}	compete
..... ^{d)}	consider
behaviour	.....^{e)}
operation	.....^{f)}

4 Now match the nouns in Exercise 3 to their meanings.

- a) the way people act
- b) the way something works
- c) when state-owned businesses are sold off
- d) when thought is given to something
- e) when something does not work as it normally would because of a negative influence
- f) when companies try to be more successful than others in a particular market

5 Replace the words in *italic* with nouns from Exercise 3.

- a) *It* was when state companies were bought by investors.
- b) There hasn't been enough *of it*, and the Mexican economy is suffering.
- c) Not much *of this* was given to how companies would act after they were sold by the state.
- d) *This* and *this* were not in people's minds when the companies were sold off.
- e) *They* have led to the market not being as efficient as it should be.

6 Find words or expressions in paragraphs 4 and 5 that mean the following.

- a) when you think of something that you should have thought of earlier
- b) when the situation gets better
- c) when systems, organisations, etc. do not work effectively
- d) what is best for people as a whole
- e) researchers and teachers in universities and similar institutions
- f) rules for effective competition
- g) people whose job is to ensure that there is effective competition
- h) people who watch a particular situation
- i) groups of industries that make up the economy as a whole
- j) companies whose behaviour is governed by particular rules

7 Which two improvements for consumers are mentioned in paragraphs 6 and 7?

Over to you 1

How easy is it to transfer a mobile phone number between networks in your country? What do you have to do? Has it become easier?

Over to you 2

Are there activities where a monopoly might be the best solution? (Railways, healthcare, etc.)

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