

O‘ZBEKISTON RESPUBLIKASI VAZIRLAR MAHKAMASI

NODIRA ABDULLAYEVNA MUKHITDINOVA

ENGLISH FOR BUSINESS COMMUNICATION SKILLS

Self-study and classroom use

70411302 – Biznesni boshqarish (Master of Business Administration – MBA);

70410901 – Kapital bozori va birja ishi;

70411301 – Kichik biznes va xususiy tadbirkorlikni tashkil etish (Biznes innovatsiyalar va tadbirkorlik);

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This reference book is intended for intermediate and upper-intermediate learners of business English, who are already engaged in foreign economic activity or are just about to enter the international market, for those who want to find a good job in a foreign company, for everyone who seeks to improve their knowledge of the Business English. It can be used as a reference book for individual work and as a teaching aid in business English classes including units, like work and jobs, recruitment and selection, pay and benefits, problems at work, organizations, manufacturing and services; the development process, innovation and invention, materials and suppliers; business philosophies, marketing, marketing mix, promotion. time and time management, the internet and e-commerce, sales and costs, profitability and unprofitability, shipping and billing. assets, liabilities, the bottom line. share capital and debt.

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REVIWER

1. **Herbert Pankow** (V.d.P.) – Professor, Director, Senior Experten Service Bonn, University of applied sciences and arts Hannover;
2. **Feruza Ikromkhonova** – DS, Deputy rector of Tashkent State Pedagogical University named after Nizami;
3. **Bahodir Alimov** – PhD, Associate Professor of Graduate school of business and entrepreneurship under the Cabinet of Ministers of the republic of Uzbekistan.

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ENGLISH FOR BUSINESS COMMUNICATION SKILLS

Introduction

Business English communication skills are essential for getting ahead at work. Improving your professional business vocabulary and knowledge will help you work more effectively and open up new career opportunities.

English is recognized as the most internationally popular language, which makes it the most dominant language in the business world. Even if you have a good level of basic English, learning business English will give you the chance to demonstrate a wider professional vocabulary which can result in new opportunities in your career.

English for business communication skills is designed to help intermediate and upper-intermediate learners of business English to improve their business vocabulary. It is for people studying English before they start work in an economic sphere and for adults who are already engaged in different industries.

Studying business English allows you to develop English language skills that are useful in an office or other business environments. By understanding the business communication skills needed in the workplace, you can gain the confidence to build strong relationships with your colleagues and clients.

The book has 20 units which are thematic and look at the vocabulary of different business areas and units that focus on the language of skills you need in business.

Every unit has reading section where you can read articles from real world taken from different web-sites. This reading section includes events, news, explanations of different spheres of economy.

There is an Answer key at the back of the book. Most of the exercises have questions which require the answer of the readers' themselves depending on their occupations and spheres they are engaged in and exercises, including the Over to you activities at the end of each unit (see below), are designed for writing and/or discussion about yourself and your own organization or one that you know.

There is also an Index. This lists all the new words and phrases which are introduced in the book and gives the unit numbers where the words and phrases appear.

Unit 1. Work and jobs.

Types of presentation



JOB (Noun)

A **job** is a regular and official activity that you do, and receive money (a salary) for your activity. It is also called a **profession** or an **occupation**. You can have a **full-time job** (40 hours per week) or a **part-time job** (around 25 hours per week).

WORK (Noun)

“**work**” refers to general efforts and activities done to accomplish a goal. “**Work**” can be done both inside an official **job** and outside a **job**!

Where do you work?

- I work at...
- I work in...
- I work for...
- I work with...

Work at / for

I work at / for are used with the names of a company:

- I work at Graduate School of Business and Entrepreneurship.
- I work for Artel.

“**for**” is also used when you work directly with a famous person:

- I work for (a person)
- I work for Sevara Nazarkhan.

I am her producer.

Work in

“**I work in**” is used in 4 situations:
You can say



1. “I work in (a place)”

- I work in an office.
- I work in a section.
- I work in a hotel.

2. You can also use “I work in” with

a city or a country

“I work in (city/country)”

- I work in Samarkand.
- I work in Germany.



3. “I work in” can also be used with a department “I work in (department)”

- I work in Foreign relations department.
- I work in the Marketing department.
- I work in Business Administration department.



4. Finally, you can use “I work in” with a general area “I work in (general area)”

- I work in finance.
- I work in insurance.
- I work in consulting.



Work with

You can say ***I work with*** (things/people that are the objects of your day-to-day work)



- I work with computers
- I am an engineer. I work with different people from different spheres.

to be responsible for...

to be in charge of...

If you want to share with more details, you say:

- I'm *responsible for* delivering products on time
- I'm *responsible for* looking for the candidates to different positions.

You can also say

- I *am in charge* of marketing
- I *am in charge* of selection process

NOTE I am responsible for + noun
I am in charge of verb + -ing
Responsibility + infinitive or + ing...
One of my responsibilities is to make sure ...
One of my responsibilities is making sure ...

“Where do you work?” is commonly phrase as

= *“What do you do?” or*

= *“What do you do for a living?”*

Your answer for the question if you don't have a job.

You can say

- “I am unemployed.”
- “I'm between jobs at the moment.”



Word combinations with ‘work’

If you **work** or **have work**, you have a job. But you don't say that someone has ‘a work’. **Work** is also the place where you do your job. You don't say for example, ‘at the work’ or ‘to the work’. *Here are some phrases with ‘work’.*

The economy is growing fast and more people are **in work** – have a job – than ever before. The percentage of people **out of work** – without a job – has fallen to its lowest level for 30 years. Frank talks about his job: ‘I work in a bank in New York City. I leave **for work** at 7.30 every morning. I **go to work** by train and subway. I get to / arrive at work at about

9. I'm usually at work till 6. Luckily, I don't get ill very much so I don't often take time off work – away from work due to illness.'

Types of job and types of work

A **full-time job** is one for the whole of the normal working week; a **part-time job** is for less time than that. You say that someone **works full-time** or **part-time**.

A permanent job does not finish after a fixed period; a **temporary job** finishes after a fixed period.

You talk about **temporary work** and **permanent work**.

Types of Presentations

Presentations come in a lot of different forms and have a variety of purposes. In the business world, there are six main types of presentations. Get to know them and once you identify your purpose, choose the right type before you begin to prepare and practice your presentation. You can always modify your presentation to meet your specific purpose.

Everyone from those who present in front of large audiences on a stage to managers who need to pitch their ideas to co-workers can improve their delivery and impact of their message.

Six main types of presentations



Providing Information – this format encompasses anything from a team meeting that gives updates on a project or upcoming event to a demonstration that shows product functions;

Teaching a Skill – your company just installed a new system or implemented a new process that requires people to learn how to use the new tool and apply the process;



Reporting Progress – as you integrate the new system into your daily routine, your boss wants to know how it's working. You might schedule a divisional meeting or group off-site to share the progress;



Selling a Product or Service – a briefing like this might include a recap of the product or service, next steps and action items, or a discussion of needs and improvements before the product is ready to sell;

Making a Decision – it's time for the annual holiday party and ideas are being tossed around the office. When giving your input on the location, make sure to share the must-haves and nice-to-haves for the event. When it's time for the final decision, you can see how your idea stacks up to the other options;



Solving a Problem – this could be in a panel setting or other meeting where the problem is identified, the facts of the problem are presented and a list of causes is generated. From here, you lay out the ideal outcome, present solutions and discuss your recommendation.

With any presentation, know your objectives. If your purpose is to inform or update, you will most likely use one of the first three types of presentations. On the other hand, if

you're on a mission to persuade someone, use one of the last three presentation types. Not every presentation has to mold itself into a traditional presentation; it can be an interview, status report, program, pitch, speech or demonstration, for example.

EXERCISES

TASK 1. Write about your job. Answer the following questions?

1. If you work.....
What do you do?
What are you in charge of?
What are your responsibilities?
2. If you don't work....
What sort of job would you like to do?
What routine would you like to have?

TASK 2. Complete each gap in the text with one of the prepositions from the given material.

Rebecca lives in London and works in public relations. She leaves home for work at 7.30 am. She drives (1)..... work. The traffic is often bad and she worries about getting (2)work late, but she usually arrives (3)..... work at around 9. She finishes work quite late, at about 8. 'Luckily, I'm never ill,' she says. 'I could never take time (4)work.' She loves what she does and is glad to be (5)..... work. Some of her friends are not so lucky: they are (6)..... of work.

TASK 3. Sandra is talking about her work. Correct the expressions in italics.

'I work for a large French supermarket company. It is an international company and (1) I work *about* the development of new supermarkets abroad. (2) In fact, I *running* the devel-

opment department and (3) I am *manage* for a team looking at the possibilities in different countries. It's very interesting. (4) One of my *main* is to make sure that new supermarkets open on time. (5) I'm also *charged with* financial reporting. (6) I deal *at* a lot of different organizations in my work. (7) I'm *responsible of* planning projects from start to finish. (8) I work closely *near* our foreign partners, and so I travel a lot.'

READING

Coca-cola wants to recycle all packaging by 2030

Coca-Cola, the world's largest soft drink **corporation**, is planning to **recycle** all of its bottles and cans by 2030. The company wants to take on more **responsibility** and make its **contribution** to saving our **environment**. The company sells over 500 types of **fizzy drinks**, juices and mineral water around the world.

Coca-Cola has **announced** a **campaign** called "World Without Waste". It says that food and **beverage** companies



are responsible for much of the **litter** that can be found on streets and beaches.

The company said it wants to **increase** the **amount** of material that can be recycled in its products. By 2030 Coca-Cola **aims** at making 50% of all the content in bottles and cans recyclable. It also **intends** to **advise** users on how to recycle products best. Coca-Cola plans to work together with local **governments** and environmental groups.

On the other side, Coca-Cola has also stated that that **packaging** is important because it can **reduce** the amount of **spoilt food** and can **extend** the **shelf life** of food products.

Greenpeace, one of the most important environmental organizations, has **welcomed** the **move** but also said that the company should focus **especially** on reducing the amount of plastic that is produced. Plastic bottles are a **major** problem because plastic does not break down and **degrade** quickly. It is eaten by animals and fish and ends up in our **food chain**.

Words and word combinations and their definition:

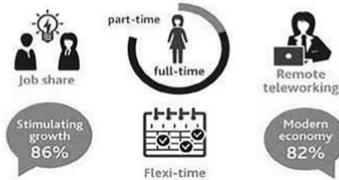
- amount = how much of something;
- announce = to say officially, in public;
- beverage = hot or cold drink;
- campaign = series of actions you do to achieve something; movement;
 - contribution = something that you give or do in order to be successful;
 - degrade = is a material that changes to a simpler form;
 - environment = air, water and land that is around us;
 - especially = above all;
 - extend = make longer;
 - fizzy drink = sweet, non-alcoholic drinks with bubbles of gas;
- food chain = when a smaller plant or animal is eaten by a larger one, which itself is eaten by something larger etc.;
- litter = waste that is thrown to the ground;

- recycle = to use something over and over again;
- reduce = lower;
- responsibility = something that you feel you must do because it is a good thing;
- shelf life = the length of time that a product, especially food, can be kept in a shop before it becomes too old to be sold;
- spoilt food = here: food that cannot be eaten anymore because it has already started to decay.

Read the article and answer the following questions:

1. What are the plans of Coca-Cola for the near future?
2. What are company's main responsibilities?
3. What is WWW? What is its main activity?
4. What is the connection of recycling with the environment?
5. What can extend the shelf life of food products?
6. What is the problem with plastic?
7. Can this process affect the profitability of a company? Why?
8. Can companies involve the society for this project? If yes, what are the advantages and disadvantages of being involved?

Unit 2. Ways of working. Presentation 2



Working hours

nine to five job – which is normal and routine job – a job during regular business hours usually in an office;

flexitime or flexitime – a system that allows employees to choose their own times for starting and finishing work within a broad range of available hours);

shifts – each of two or more recurring periods in which different groups of workers do the same jobs in relay. There may be day shift and night shift;



Telecommuting, telework, teleworking – **Telecommuting**, also called **telework, teleworking**, working from home, mobile **work**, remote **work**, and flexible workplace, is a **work** arrangement in which employees do not commute or travel (to a central place of **work**, such as an office building, warehouse, or store;

swipe card – a plastic card that you slide through a machine in order to be allowed into a building, pay for something, etc;

overtime – is time that you spend doing your job in addition to your normal working hours;

‘I’m an **office worker** in an insurance company. It’s a **nine-to-five** job with regular **working hours**. I need my **swipe card** to get into the office. The work isn’t very interesting, but I like to be able to go home at a reasonable time.’

‘I’m in computer programming. There’s a system of **flexitime** in my company, which means we can work when

we want, within certain limits. We can start at any time till 11, and finish as early as 3 – as long as we do enough hours each month. It's ideal for me as I have two young children.'

'I work in a car plant. I work in **shifts** and I have to **clock on** and **clock off** at the beginning and end of every shift. I may be on the **day shift** one week and the **night shift** the next week. It's difficult changing from one shift to another. When I change shifts, I have problems changing to a new routine for sleeping and eating. When the company is selling lots of cars, they ask us to work **overtime** – more hours than usual for more money.'

'I'm a commercial artist in an advertising agency. Unlike most other people in my department who **commute** to work every day, I **work from home** and avoid the long journeys that some **commuters** experience every day. That's the benefit of **teleworking** or **telecommuting** – working from home and using the computer and phone to communicate with other people.'

Nature of work

satisfying, stimulating, fascinating, exciting – the work is interesting and gives you positive feelings



dull, boring, uninteresting, unstimulating – the work is not interesting

repetitive, routine – the work involves doing the same things again and again



tiring, tough, hard, demanding – the work is difficult and makes you tired.

My work **involves**
I **like / dislike / prefer / enjoy**

+ **noun**
human contact
long hours
teamwork
+ **verb -ing**
working with figures
dealing with customers
solving problems

Effective Presentations

As we have mentioned in our previous unit there are 6 main types of presentation in business world. But we shouldn't forget about the other types or maybe the same ones in conducting negotiations meetings and business communication.

- **Informative**
- **Persuasive**
- **Instructional / Training**
- **Arousing / Motivational**
- **Decision-making**
- **Goodwill / Image Building**

Informative Presentations

- Purpose – to inform;
- Brief and to-the-point;
- Factual;
- Who, what, when, where, how, why;
- Organizational Structures:
 - Time;
 - Place;
 - Cause & Effect;
 - Logical Order.



Persuasive Presentations

- Purpose is to convince;



- Presents solution to a controversy, dispute, problem;
- Uses logic, evidence, emotion;
- A persuasive presentation must:

- Seize audience attention;
- Disclose the problem, dispute, controversy;
- Tantalize by describing the benefits of solving the problem;
- Create desire by describing the benefits of your solution;
- Close with a call to action:
 - What you want them to do;
 - How and when to do it.

Instructional Presentations

- Purpose – give specific instructions or orders leading to new knowledge or skill;
- An effective instructional presentation will:

- Explain the value of the new knowledge or skill;
- Explain the learning objectives;
- Explain & demonstrate the process;
- Ask the audience to practice/participate;
- Field questions and ask for feedback;
- Ask the audience how they will use what they learned;



Motivational Presentations



- Purpose – to arouse the audience's emotions and intellect so they will be receptive to your point of view;
- Use vivid language and voice;
- Project sincerity and enthusiasm;

Decision-making Presentations

- Purpose – to move your audience to accept your recommendation and to take action on it;
- Present ideas, recommendations and arguments logically;
- Explain the benefits of adopting your recommendation and the risks/costs of rejecting it;
- Call to action – what needs to be decided and how each participant can be a part of the solution;



Goodwill & Image Building Presentations



- Purpose – to build goodwill;
- Make the audience feel good about themselves, their peers, colleagues, organization;
- Ceremonial, awards presentations, dedications, eulogies, roasts, etc.;
- Should be entertaining, uplifting (avoid controversy);
- Often include videos, music, frequent calls for applause.

EXERCISES

TASK 1. Answer the following questions?

1. Do you have a nine-to-five job? Do you have to clock on and off? Is there a flexi time system in your organization?
2. Are there people who do shiftwork in your company?
3. Could you do your job working from home? If so, would you like to?
4. What sort of working hours would you like to have?

TASK 2. Look at the six expressions (a–f) from the given material. Which person (1–6) is most likely to do each of the things described?

- | | |
|--|--|
| a. work in shifts | 1. A designer in a website design company. Has to be in the office, but can decide when she wants to start and finish work each day. |
| b. work under a flexi-time system | 2. A manager in a department store in a large city. Lives in the country. |
| c. telecommute | 3. A construction worker on a building site where work goes on 24 hours a day. |
| d. commute to work | 4. A worker in a chocolate factory in the three months before Christmas. |
| e. clock in and out at the same time every day | 5. A technical writer for a computer company. Lives in the country and visits the company offices once a month. |
| f. work overtime | 6. An office worker in a large, traditional manufacturing company. |

TASK 3. Five people talk about their jobs. Put the words below into the correct grammatical forms.

1. Flight attendant:

‘Obviously, my work involves a lot. It can be quite physically, but I enjoy with customers, except when they become violent. Luckily this doesn’t happen often.’

a. travelling, demanding, dealing

b. travel, tire, deal

2. Accountant:

‘I likewith figures, but my job is much less and routine than people think. The work a lot of human contact and teamwork, working with other managers.’

- a. work, bore, involve
- b. working, boring, involves

3. Postwoman:

‘Of course, it involves getting up quite early in the morning. But I like out in the open air. And I get a lot of exercise!’

- a. being
- b. be

4. Software developer:

‘You’ve got to think in a very logical way. The work can be mentally, but it’s very satisfying to write a program that works.’

- a. tire
- b. tiring

5. Teacher:

‘I love my job. It’s very and not at all: no two days are the same. It’s good to see the children learn and develop.’

- a. stimulate, repeat
- b. stimulating, repetitive

READING

Chocolate in Danger of Becoming Extinct



Chocolate may be in danger of becoming **extinct** by the middle of this **century**. **Pests** and **fungal diseases** have been found in cacao trees that may **endanger** the crop’s **survival**.

In addition, cacao is also **under attack** by **global warming**. Trees grow in a very small area about 20° north and south of the **equator**, where **humidity** and temperatures are the same all year round. By 2050 **rising** temperatures and drier weather will push cacao production up into **mountainous** areas, many of which are home to wild animals.

Scientists from the University of California are trying to save the plant. Together with **researchers** from the American food company Mars, they are trying to grow cacao **seeds** that are more **resistant** and can grow at higher **altitudes**.

Most of the world's cacao production comes from two countries in western Africa, Cote d'Ivoire and Ghana. These areas may not be **suitable** for cacao production in the **decades** to come. Millions of farmers **depend on** cacao for a living.

Words and word combinations and their definition:

- **altitude** = how high up something is;
- **endanger** = to be a threat to something;
- **equator** = line around the middle of the earth;
- **extinct** = die out; not exist anymore;
- **fungal disease** = disease caused by a simple plant that has no leaves and grows in the ground or on other plants; mushrooms are a type of fungus;
- **global warming** = an increase in the world's temperatures caused by growing carbon dioxide levels in the atmosphere;
- **humidity** = the amount of water that is in the air;
- **pest** = a small animal or insect that can destroy crops and plants;
- **resistant** = here: it cannot be destroyed or damaged;
- **rise** = to go up;
- **seed** = small hard object from produced by plants, from which a new plant can grow;
- **survival** = existence; staying alive;
- **under attack** = to be attacked by something.

Read the article and answer the following questions:

1. What can put the crop's survival in danger?
2. What is considered to be the problem by the middle of this century according to the article?
3. What conditions are required to grow cacao?
4. What problem can mountainous areas cause to cacao tree?
5. What actions are being held to save the plant?
6. Which countries can suffer from the problem mentioned in the article?

Unit 3. Recruitment and selection



What is Recruitment?

In HR, “**recruitment**” is the process of finding and **hiring** the best and most qualified candidate for a job opening, in a timely and cost-effective manner. It can also be defined as the “process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization”.

It starts with identification of the needs of the company and ends with the introduction of the employee to the organization. A company may recruit employees directly or use outside **recruiters**, **recruitment agencies** or **employment agencies**. Outside specialists called **headhunters** may be called on to headhunt people for very important jobs, persuading them to leave the organizations they already work for. This process is called **headhunting**.

recruitment – the process of finding people to work for a company or become a new member of an organization;

hiring – the act of starting to employ someone;

recruiter – a recruiter is someone whose job involves signing people up as members or hiring them for jobs. Sometimes company recruiters visit college campuses to talk to interested students;

recruitment agencies – a business that is paid to find suitable workers for other companies and organizations;

headhunter – a person who tries to persuade someone to leave their job by offering that person another job with more pay and a higher position;

headhunting – the act or practice of actively searching for new employees, especially for professionals or executives;

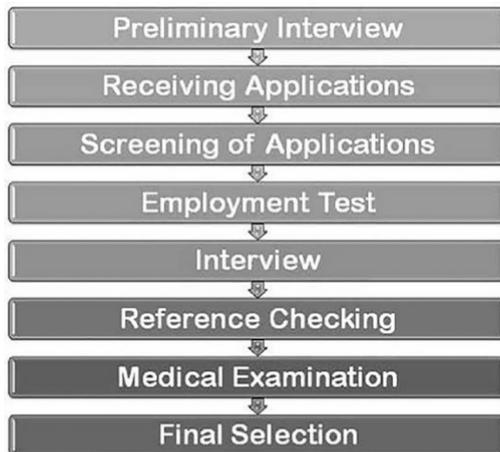
selection – the **selection** is the process of choosing the most suitable candidate for the vacant position in the organization. In other words, selection means weeding out unsuitable applicants and selecting those individuals with prerequisite qualifications and capabilities to fill the jobs in the organization.

What is the selection process?

The selection process is quite lengthy and complex as it involves a series of steps before making the final selection. The procedure of selection may vary from industry to industry, company to company and even from department to department. Every organization designs its selection process, keeping in mind the urgency of hiring people and the prerequisites for the job vacancy.



The selection procedure comprises of following systematic steps:



Preliminary Interview

The individuals are checked for their academic qualifications, skill sets, family backgrounds and their interest in working with the firm. The preliminary interview is less formal and is basically done to weed out the unsuitable candidates very much before proceeding with a full-fledged selection process;



Receiving Applications



Once the individual qualifies the preliminary interview he is required to fill in the application form in the prescribed format. This application contains the candidate data such as age, qualification, experience, etc. This information helps the

interviewer to get the fair idea about the candidate and formulate questions to get more information about him;

Screening Applications

Once the applications are received, these are screened by the screening committee, who then prepare a list of those applicants whom they find suitable for the interviews. The shortlisting criteria could be the age, sex, qualification, experience of an individual. Once the list is prepared, the qualified candidates are called for the interview either through a registered mail or e-mails;



Employment Tests

In order to check the mental ability and skill set of an individual, several tests are conducted. Such as intelligence tests, aptitude tests, interest tests, psychological tests, personality tests, etc. These tests are conducted to judge the suitability of the candidate for the job;



Employment Interview



The one on one session with the candidate is conducted to gain more insights about him. Here, the interviewer asks questions from the applicant to discover more about him and to give him the accurate picture of the kind of a job he is required to perform;

Checking References

Also, the briefing of certain organizational policies is done, which is crucial in the performance of the job. Through an interview, it is easier for the employer to understand the candidate's expectations from the job and also his communication skills along with the confidence level can be checked at this stage;



Medical Examination



Here the physical and mental fitness of the candidate are checked to ensure that he is capable of performing the job. In some organizations, the medical examination is done at the very beginning of the selection process while in some cases it is done after the final selection;

Final Selection

Finally, the candidate who qualifies all the rounds of a selection process is given the appointment letter to join the firm. Thus, the selection is complex and a lengthy process as it involves several stages than an individual has to qualify before getting finally selected for the job;



Applying for a job

Fred is a van driver, but he was fed up with long trips. He looked in the **situations vacant** pages of his local newspaper, where a local supermarket was advertising for van drivers for a new delivery service. He **applied for** the job by completing an **application form** and sending it in.

Harry is a building engineer. He saw a job in the **appointments** pages of one of the national papers. He made an application, sending in his CV (**curriculum vitae** – the ‘story’ of his working life) and a **covering letter** explaining why he wanted the job and why he was the right person for it.

*Note: **Situation, post and position** are formal words often used in job advertisements and applications.*

to apply for – if someone applies for something such as a job or membership of an organization, he/she writes a letter or fills in a form in order to ask formally for it;

situations vacant/appointments pages – is the title of a column or page in a newspaper where jobs are advertised;

application form – a form to be filled in when applying for job, grant etc;

curriculum vitae – a CV (short for the Latin phrase curriculum vitae, which means “course of life”) is a detailed document highlighting your professional and academic history. CVs typically include information like work experience,

achievements and awards, scholarships or grants you've earned, coursework, research projects and publications of your work. You may be asked to submit a CV when applying for jobs in academia or a job;

covering letter – a cover letter is a written document commonly submitted with a job application outlining the applicant's credentials and interest in the open position. Since a cover letter is often one of only two documents sent to a potential employer, a well- or poorly-written letter can impact whether the applicant is called for an interview;

EXERCISES

TASK 1. Complete the sentences with the words and word combinations below.

1. I phoned to check on my application, but they said they had already someone. (recruited, offered)

2. This job is so important; I think we need to. someone. (headhunt, hired)

3. The selection process has lasted three months, but we're going to someone next week. (appoint, accepts)

4. I hope she (turns down / accepts), because if she. the job, we'll have to start looking again. (accepts / turns down)

5. That last applicant was very strong, but I understand he's had two other already. (offers, appoints)

6. They've finally a new receptionist. (offered, hired)

7. Computer programmers wanted. Only those with UNIX experience should (hired, apply)

TASK 2. Answer the following questions.

If you work,

1. Where did you see the jobs advertised?
2. What did you send to apply for the job?

3. What selection procedure did you come across?

If you are a student,

1. When you applied for your course did you use an online application form or send an application in?

2. Did you need to provide referee?

3. What was the interviewing process like?

TASK 3. Look at each sentence. Would you see them in the Situation Vacant section of a newspaper VS, in an applicant's CV, or in a Covering letter (CL)? Tick the right box.

1. The post offers a starting salary of £17000 plus benefits.

2. I enclose my resume for your consideration.

3. 1997-2000 Economical University, MBA (Marketing and Public Relations).

4. I am looking for a more stimulating environment and your company offers this.

5. Training will be given but basic word-processing skills would be an advantage.

6. 1994-1997: The Artel company, Tashkent – Manager, responsible for 18 staff.

7. The successful applicant will be expected to take up the post in January.

READING

World Health Organization introduces Gaming Disorder

The **World Health Organization** has added the term “gaming disorder” to its International Classification of Diseases. It **refers** to people who are **addicted** to video and other games and cannot stop. It is the first **update** in the WHO’s catalogue in almost three **decades**.

According to the WHO, gaming becomes a **disorder** if you are unable to control how long you play and when to stop. When that happens, it gets control of your life, **influences**



everyday situations and affects your daily routine. WHO officials say that **excessive** gaming is a **serious** disorder that must be closely watched.

In order for a person to be **regarded as** having a gaming disorder, the **behavior** must be going on for at least one year, either **constantly** or in phases. Gamers put their **addiction** above their family life, meeting with friends and going to school.

On one side **studies** have shown that playing video games may help with problems like depression and **dementia**. **However**, gaming is **highly addictive** and many people play for a longer time than is healthy. As a result, people **get fired** for not going to work or miss school classes for a longer period of time.

Many continue with their addiction, even if they see and **realize** the negative **consequences** it leads to.

Words and word combinations and their definition:

- **addicted to** = not able to stop doing something that may be harmful
- **addiction** = when you have to and want to do something regularly

- **behaviour** = here: too much gaming
- **consequence** = result
- **constantly** = all the time, without interruption
- **decade** = ten years
- **dementia** = illness that affects the brain, in which you cannot think clearly and behave in a normal way; you also forget a lot of things
 - **disorder** = mental or physical illness which stops your body from working the way it should
 - **excessive** = too much
 - **highly addictive** = here: the will to play a game is so strong you cannot stop
 - **however** = but
 - **influence** = change
 - **realize** = understand how bad the situation is
 - **update** = change
 - **World Health Organisation (WHO)** = international organisation that is part of the United Nations, which helps countries improve the health of their population; it also offers information about diseases and provides medicine

Read the article and answer the following questions:

1. What can cause “gaming disorder”?
2. What is WHO?
3. How can Gaming disorder affects your daily routine?
4. When is the person considered to be someone who has a gaming disorder?
5. What other problems can a gaming disorder bring to?
6. What are its influences for personal career?

Unit 4. Pay and benefits



A **wage** is compensation paid to employees for work for a company during a period of time. Wages are always paid based on a certain amount of time. This is usually an hourly basis. This is where the term hourly worker comes from. Other forms of compensation include salary and commissions.

– *If you are a good employer, you will **pay** a fair **wage**.*

– *His 15 stores employ 200 workers at an average **wage** of \$7.40 an hour.*



A **salary** is the money that someone is paid each month by their employer, especially when they are in a profession such as teaching, law, or medicine.



– *The government has decided to increase **salaries** for all civil servants.*

– *Your **salary** will be paid on the third week of each calendar month.*

Benefits

Employee benefits are defined as indirect, non-cash, or cash compensation paid by employers to employees over and above regular salary or wages. Employee benefits come in many forms and are an important part of the overall compensation package offered to employees.

Some employee benefits are required by law. For example, employers are required to make payments on employees'

behalf for Social Security and Medicare. Employers must also pay for unemployment benefits on employees' behalf.

Other benefits are offered by employers to improve the company's recruiting and retention efforts. These benefits include health insurance, life insurance, paid vacation, flexible work schedules and workplace perks like on-site snacks and meals.

Employee benefit examples

Here is a list of popular employee benefits:

- Remote work
- Healthcare
- Paid time off
- Flexible hours
- Paid family leave
- Four-day work week
- Free food in the office
- Student loan assistance
- Perks
- Overtime



Remote work

The practice of an employee working at their home, or in some other place that is not an organization's usual place of business;

Healthcare

The set of services provided by a country or an organization for the treatment of the physically and the mentally ill;



Flexible hours



Flexible working hours refers to the schedule which allows employees to start and finish their workday when they want. This means that employees can come to work earlier or later than the set time;

Paid family leave

Paid Family Leave (PFL) income is money you receive from your employer, an insurer, or the government while you are away from work for an **extended period of time** so you can recover from a serious health issue, take care of a seriously ill family member, or bond with your newborn or newly adopted child;



Four-day work week



The standard full-time workweek for Americans is eight hours per day, five days a week. When you switch to a four-day workweek, you still work 40 hours, but you work 10 hours per day for four days. You do not have to have everyone on the staff work a four-day week; you can decide based on employee wants and your business needs.



The extra day off doesn't have to be a Monday or Friday so that the employee gets a three-day weekend - although your employees may prefer this schedule over others. You can designate any day of the week based on your business needs and the employees' preference;

Paid time off

Paid time off (PTO) is a benefit program offered by many companies which allows employees to take off for a specific number of days and still receive compensation. This generally includes absences related to vacation, illness or personal circumstances;



Perks



Informal word for perquisites which are privileges granted to employees in addition to their salaries and benefits. 'True' perks have little or no cash value or tax implications and may include company car, vacations, reserved

parking space, spacious office, private dining and washroom facilities, etc.;

Compensation

Compensation is the total cash and non-cash payments that you give to an employee in exchange for the work they do for your business. It is typically one of the biggest expenses for businesses with employees. Compensation is more than an



employee's regular paid wages. It also includes many other types of wages and benefits;

Remuneration



Remuneration is payment or compensation received for services or employment. This includes a base salary and any bonuses or other economic benefits that an employee or executive receives during employment. It can be in

the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the noncash incentives;

Performance related-bonus

A financial reward system for employees where some or all of their monetary compensation is related to how their performance is assessed relative to stated criteria. Performance related bonus can be used in a business context for how an individual, a team or the entire company performs during a given time frame;



Severance payment

Amount granted to an employee whose job has been eliminated, under a union (collective bargaining) agreement and for no other reason;



Severance package

Compensation package offered to a terminated employees from his/her company. This package may include severance pay, stocks, retirement packages, and other perks. The compensation included in the severance package typically covers a specified time-period unless other details were arranged before termination;



Fat cats



Someone who has a lot of money, especially someone in charge of a company who has the power to increase own pay.

EXERCISE

TASK 1. Wage or salary.

1. The government plans to raise the minimum _____ from £4.20 to £6 per hour.
2. The basic _____ is low, so she'll have to do overtime to make enough money.
3. His _____ goes directly into the bank on the last Friday of each month.
4. She earns a good _____ as a doctor, but not as much as a consultant gets.
5. The owner of the restaurant only pays the waiters a weekly _____ of £80.

6. He was offered a six-figure _____ to move to a rival company.

7. He's on quite a good _____ in his present job.

8. The monthly _____ increases will come into effect in May.

TASK 2. Complete the sentences with the words or expressions below.

company car

maternity leave

bonus

subsidized childcare

membership

1. Care of children while parents are at work is very important. That's why our employees benefit from _____.

2. How much do you pay a year for that golf club _____?

3. Heidi had a baby last week; she is on _____ for 4 months.

4. I save a lot of money in petrol because I've got a _____.

5. If we meet our sales targets, we get a _____.

TASK 3. Answer the following question.

In what order of attractiveness would you put these benefits in relation to your job or one that you would like to have?

- *salary*
- *share options*
- *company car*
- *performance-related bonus*
- *commission*
- *pension*
- *health plan*

READING

Ford To Invest \$11 Billion in Electric Cars

The electric version of the Ford Focus at an Amsterdam automobile show - Image: Overlaet

The Ford Motor Company has **revealed** plans to **invest** over \$11 **billion** dollars in the **development** and **production** of electric cars by 2022.

The **announcement** was **made public** at the Detroit Motor Show.

The American carmaker plans to produce 16 **fully** battery-driven **vehicles** and 24 **hybrid cars** by 2022. At the moment the Focus is the only Ford car that can be driven by batteries alone.

Apart from producing electric-driven cars for the North American market, Ford also **aims** at increasing **sales** to China, the largest growing car market in the world. **In addition**, it wants to become the world's leader in **fuel-efficient** trucks. The car producer also plans to bring a **battery-driven SUV** on the market by 2020.

Instead of creating completely new electric vehicles **from scratch**, Ford wants to **electrify** cars that are already **popular** because people will know what they get and buy more easily.

Automobile **manufacturers** around the world are **under pressure to develop** electric cars because many large countries, including China, India, France and the U.K. have said they would **phase out** vehicles powered by **internal combustion engines** within the next two **decades**. They also face **fierce**



competition from companies like Tesla, a car-maker that specializes in **innovative** technologies.

As battery costs are going down **rapidly**, carmakers may find it easier to produce electric cars with **higher mileage** and at cheaper prices.

Words and word combinations and their definition:

- **battery-driven** = run by a battery
- **competition** = trying to be more successful than other companies
- **decade** = ten years
- **electrify** = make electric
- **fierce** = here: strong
- **from scratch** = to start something from the beginning without using anything that has existed before
- **fuel-efficient** = car that burns fuel in a more effective way than usual; it does not need as much fuel as others do
- **higher mileage** = here: to make an electric car that can travel more miles or kilometers before you have to recharge it
- **hybrid car** = a car that has both a petrol or diesel engine and an electric motor
- **innovative** = new way of doing something; often better than existing methods
- **internal combustion engine** = engine that produces power by burning petrol or diesel; it is used in most cars
- **make public** = to say something for everyone to hear
- **manufacturer** = producer
- **phase out** = to slowly stop using or producing something
- **rapidly** = quickly
- **reveal** = announce to many people
- **sales** = selling cars
- **SUV** = *sport-utility vehicle* = car that is bigger and is made for travelling over rough ground; mostly with a 4-wheel drive

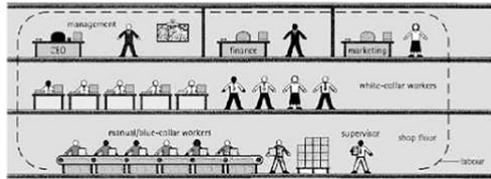
• **under pressure** = to make someone do something by using arguments and threats

• **vehicle** = a machine with a motor that is used to take people or things from one place to another

Read the article and answer the following questions:

1. **What is the intention of American Carmaker for 2022?**
2. **What does The Ford Motor Company aim?**
3. **Why does Ford believe that people will buy its cars?**
4. **What competition do Automobile manufacturers face and why?**
5. **What can cause producing more electric cars?**
6. **What is SUV?**

Unit 5. People and workplaces; Companies and careers



Management



The directors and managers who have the power and responsibility to make decisions and oversee an enterprise. The size of management can range from one person in a small organization to hundreds or thousands of managers in multinational companies;

Payroll

Pay sheet which records wage rates, deductions, and net pay;



Employee



An individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied and has recognized rights and duties. Also called worker, personnel, staff, workforce;

Sites

Spatial location of a building, facility, or structure;



Head office or headquarter



1. Overseas office that executes certain coordination and control functions on behalf of the central office in the home country.
2. an office building where the board of directors works and meets;

Open space

Flexible method of space layout where divisions between separate areas are implied by easily movable elements (such as screens and skeletal construction components, and modular furniture) instead of being defined by permanent walls and fixed shape furniture. Based on the ideas of the US architect Frank Lloyd Wright and French architect Le Corbusier (who called it 'Le plan libre');



Administration



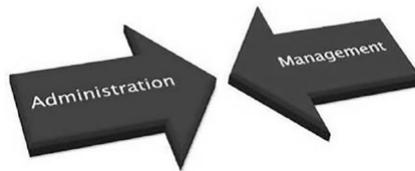
It is the range of activities connected with organizing and supervising the way that an organization or institution functions and a person who is responsible for that is – Support staff or administrative staff;

Technical support

A range of services providing assistance with technology such as televisions, computers, and software, typically aiming to help the user with a specific problem;



Management and administration



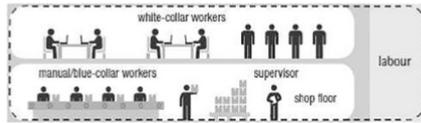
Simply put, **management** can be understood as the skill of getting the work done from others. It is not exactly same as **administration**, which alludes to a process of effectively administering the entire organization. The most important point that differs management from the administration is that the former is concerned with directing or guiding the operations of the organization, whereas the latter stresses on laying down the policies and establishing the objectives of the organization.

Broadly speaking, management takes into account the directing and controlling functions of the organization, whereas administration is related to planning and organizing function.

A company's activities may be spread over different **sites** in different places. A company's most important managers usually work in its **head office** or **headquarters (HQ)**. Some managers have their own individual **offices**, but often employees work in **open-space** – large areas where many people work. **Administration** or, informally, **admin** – the ordinary work supporting a company's activities – is often done in offices like these by **administrative staff** or **support staff**. For example, those giving technical help to buyers of the company's products are in **technical support**.

Labour

You use **labour** to talk about everyone except the management who works for a company, especially a company that makes things. It can be used with following words:



- labour costs** what companies have to pay for labour, rather than materials, etc.;
- labour dispute** a disagreement between management and labour;
- labour leader** someone in charge of an organization that represents workers;
- labour relations** the relationship between management and employees in general;
- labour shortage** a period when there are not enough people available to work;
- labour unrest** a period of disagreement between management and employees.

What Is a Labor Union?

A labor union, officially known as a “labor organization,” is an entity formed by workers in a particular trade, industry, or company for the purpose of improving pay, benefits, and working conditions. Also called a “trade union” or a “worker’s union,” a labor union selects representatives to negotiate with employers in a process known as collective bargaining. When successful, the bargaining results in an agreement that stipulates working conditions for a period of time.

When workers are not happy with pay or conditions, they may take **industrial action**.



a strike – a period of time when workers refuse to work because of an argument with an employer about working conditions, pay levels or job losses; **stoppage** – a time when work is stopped because of a disagreement between workers and employers or **walk-out** – to refuse to continue working and leave your office, factory, etc. to show your employer that you are unhappy about something;

a go-slow – an occasion when employees work more slowly and with less effort than usual in order to try to persuade an employer to agree to higher pay or better working conditions;



an overtime ban – a situation in which **employees** refuse to work longer than is required of them. For example, if office hours are from 8 a.m. to 5 p.m., employees following an overtime ban will not work outside that time. Overtime bans may be used as labor action or another form of employee protest. It is considered less disruptive than a strike

Human Resource Department

A human resources department is a critical component of employee well-being in any business, no matter how small. HR responsibilities include payroll accounting, benefits, hiring,

firing, needed qualification for the employees and keeping up to date with state and federal tax laws.

Any mix-up concerning these issues can cause major legal problems for your business, as well as major employee dissatisfaction. But small businesses often don't have the staff or the budget to properly handle the nitty-gritty details of HR. Because of this, more and more small businesses are beginning to outsource their HR needs. HR outsourcing services generally fall into four categories: PEOs, BPOs, ASPs or e-services.

The terms are used loosely, so a big tip is to know exactly what the outsourcing firm you're investigating offers, especially when it comes to employee liability.



A Professional Employer Organization (PEO) assumes full responsibility for your company's HR administration. It becomes a co-employer of your company's workers by taking full legal responsibility of your employees, including having the final say in hiring, firing, and the amount of money employees make.

Business Process Outsourcing (BPO) is a broad term referring to outsourcing in all fields, not just HR. A BPO differentiates itself by either putting in new technology or applying existing technology in a new way to improve a process. Specifically, in HR, a BPO would make sure a company's HR system is supported by the latest technologies, such as self-access and HR data warehousing.

Offshoring – outsourcing becomes offshoring when the third-party service provider is located overseas.

Application service providers (ASPs) host software on the Web and rent it to users-some ASPs host HR software. Some are well-known packaged applications (People Soft)

while others are customized HR software developed by the vendor. These software programs can manage payroll, benefits and more.

E-services are those HR services that are web-based. Both BPOs and ASPs are often referred to as e-services.

Career ladder – a series of jobs from the lower paid with less responsibility to the highest paid with the most responsibility within a company or particular profession;



A job for life – means a **job** which a person sticks to for all of his working life. **Job for life** is a concept where an individual commits oneself to working for one company for their entire career;

Retirement – is the withdrawal from one's position or occupation or from one's active working life. A person may also **semi-retire** by reducing work hours;



Career path – refers to the growth of the employee in an organization. **Career Path** basically means the various positions an employee moves on one by one as he grows in an organization. The employee may move vertically most of the time but also move laterally or cross functionally to move to a different type of job role;

Promotion – The advancement of an employee’s position within the organization;



Demoted – to reduce to a lower grade or rank, to relegate to a less important position;

Hand in notice – to tell an employer that you intend to leave a job soon within a set period of time;



Downsized – if you downsize a company or organization, you make it smaller by reducing the number of people working for it and if it downsizes, it becomes smaller in this way;

Delayed – to reduce the size of a business hierarchy, especially in terms of a reduction in management. This creates a flatter (less layered) organizational structure;



In-house refers to conducting an activity or operation within a company, instead of relying on outsourcing. This occurs when a firm uses its own **employees** and time to keep a division or business activity;



Freelancer – working on a contract basis for a variety of companies, as opposed to working as an employee for a single company. Freelancers are often considered to

be self-employed, and have the freedom to pick and choose their projects and companies they would like to be associated.

Loosing your job



dismissed/fired/sacked/terminated – to remove someone from a job, usually because they have done something wrong or badly, or sometimes as a way of saving the cost of employing them;

Laid off – termination of employment (with or without notice) by the employer or management. Layoffs are not caused by any fault of the employees but by reasons such as lack of work, cash, or material. Permanent layoff is called redundancy;



made redundant – having lost your job because your employer no longer needs you.

EXERCISES

TASK 1. Answer these questions about the company you work for or would like to work for?

1. Where is its head office? How many sites does the company have? How many employees are there in your company?

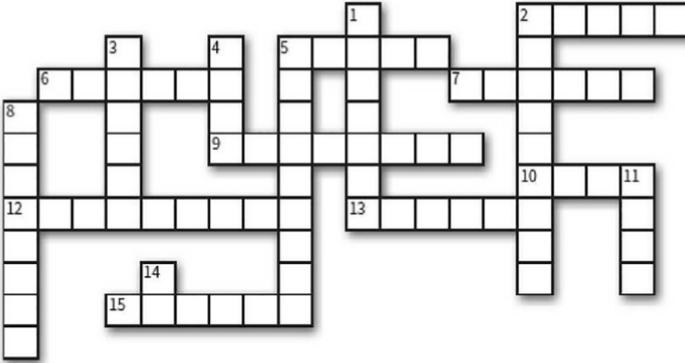
2. Do people have their own offices or are there open-plan offices? Which do you or would you prefer to work in?

3. Do you think you will work for the same company until you retire? Why? Why not?

4. What kind of work does your company outsource?

5. Do you know any companies which have restructured or downsized?

TASK 2. Complete the crossword with the correct form of words from the given material.



Across

2 and 15 Office workers may be described this way. (5, 6)

5 all of the people working for a company (5)

6 workers who use their hands are of this type (6)

7 when people stop working to protest (6)

9 one of the people working for an organization (8)

10 occasions when workers stop working in order to protest: walk- (4)

12 another name for the human resources department (9)

13 workers seen as a group (6)

Down

1 Everyone working for a company is on this. (7)

2 everyone, or everyone except top managers (9)

3 These are *trade* in the UK and *labor* in the US. (6)

4 and 15 across Manual workers are this, even if they don't wear this. (4, 6)

5 A place in a factory where the production lines are. (9)

8 when people stop work to complain about something (8)

14 and 11 Workers do this when they intentionally produce less. (2, 4)

TASK 3. Choose the best word from the brackets () to fill the gap.

1. I didn't like the way the company was being run so I (resigned/sacked/terminated).
2. They laid200 people in March and 50 more in September (on/off/out).
3. I joined this company because the career is excellent (path/way/contract).
4. I have regular performance with my manager (advice/support/reviews).
5. We now have fewer employees and so the company is much (efficient/leaner/fatter).
6. I have worked my way up and now I am a manager (main/old/senior).
7. She was for copying company software on to her PC (fired/promoted/retired).
8. I was appointed on a contract so my job isn't very safe (permanent/full-time/temporary).
9. When you join a company now you can't expect a for life (job/work/career).
10. If you break the safety rules you can be immediately (downsized/dismissed/delayered).

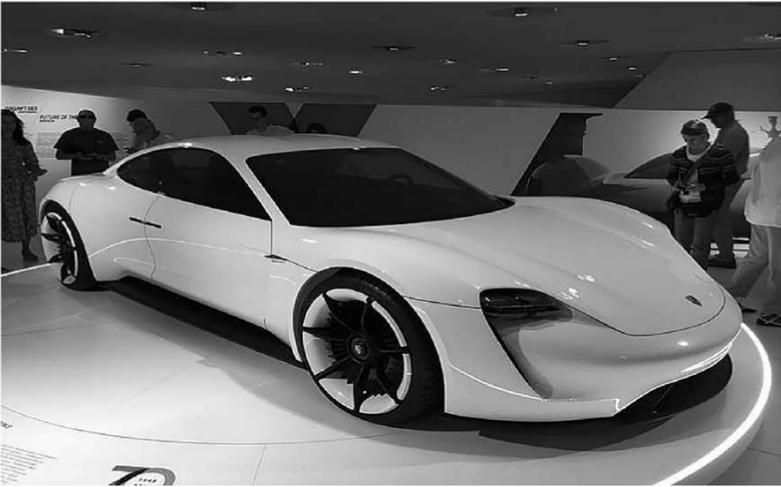
READING

Porsche To Stop Production of Diesel Cars

German sports car maker Porsche has **declared** that it would no longer produce diesel cars, but instead **concentrate** on **petrol-powered** , electric and **hybrid vehicles**. It is the first German automaker to completely **withdraw** from the diesel car sector.

The company made the decision in the **aftermath** of the **emission cheating scandal** that hit Porsche's parent company

Volkswagen. In an interview, Porsche's CEO Oliver Blume said that Porsche's image had **suffered due to** the scandal.



Taycan – Porsche's first fully electric sports car.
Image: Alexander Migl

For luxury car manufacturer Porsche, the production of diesel cars has not been that important. In 2017 only 12 % of all Porsche cars produced were diesel-powered. The company has been making diesel cars for 10 years, but since February has stopped **taking orders** for them. It has never **developed** or produced any diesel engines of its own.

Porsche is also reacting to the fact that more and more European cities are **considering** a **ban** on diesel vehicles in an **attempt** to **reduce** air pollution. **In addition**, the **demand** for diesel cars is also **decreasing**.

Currently, the German car maker is investing **heavily** in new hybrid and electric car technology. Next year it will **launch** its first fully-electric sports car, the *Taycan*. By 2025 Porsche expects that every second car it produces will be an electric sports car.

Words and word combinations and their definition:

- **aftermath** = the period of time that has passed after something important happened
- **consider** = think about
- **due to** = because of
- **emission cheating scandal** = in 2015 the United States found out that Volkswagen had lied about emission tests on its cars
- **declare** = to say officially
- **heavily** = a lot
- **hybrid** = here: car that has a petrol engine and an electric motor
- **in addition** = also
- **launch** = to start selling
- **petrol-powered** = engine that runs on petrol instead of diesel
- **suffer** = here: to be in a difficult situation
- **take orders** = people declare that they want to buy a product from a company
- **vehicle** = car
- **withdraw** = here: to stop production

Read the article and answer the following questions:

1. What has German sports car maker **declared**?
2. What was the reason of making that decision?
3. What suffered due to the scandal?
4. What was the percentage of diesel-powered cars produced by Porsche in 2017?
5. Why do European cities consider a ban on diesel vehicles?
6. What are the plans for future concerning electric cars?

Unit 6. Problems at work



Health and safety inspectors are civil servants who deal with health and safety in workplaces. They make sure that employers follow health and safety legislation. Inspectors visit workplaces to make routine checks on standards. They also investigate complaints and industrial accidents;

What to expect from a health and safety visit: Health and safety compliance officers are specially trained staff whose role is to support the Health and Safety Issues. Their main purpose is to give you advice, information and guidance. They check what companies do about things like following:



Temperature – in offices or similar environments, the temperature in workplaces must be reasonable. There is no law for maximum working temperature, or when it's too hot to work. Employers must stick to health and safety at work law, including: keeping the temperature at a comfortable level, sometimes known as thermal comfort providing clean and fresh air discomfort. Employees should talk to their employer if the workplace temperature isn't comfortable;

Passive smoking is the inhalation of smoke, called secondhand smoke (SHS), or environmental tobacco smoke (ETS), by persons other than the intended “active” smoker.



It occurs when tobacco smoke enters an environment, causing its inhalation by people within that environment. Exposure to secondhand tobacco smoke causes disease, disability, and death;

Repetitive strain injury (RSI), also called work-related upper limb disorder

(WRULD), is a general term used to describe the pain caused to muscles, nerves and tendons by repetitive movement and overuse. The condition mostly affects parts of the upper body, such as the forearm, elbow, wrist, hands, neck and shoulders;



Dangerous equipment and machinery can cause serious and catastrophic injuries, including burns, broken bones, neck and back injuries, knee and shoulder damage, spinal cord injuries, and even amputation. These types of severe injuries can affect not just your health, but every area of your life, including your financial security and plans for the future. If you or a member of your family were seriously injured by machinery or equipment on the job, you may not be limited to the benefits provided through workers’ compensation;



The term **hazardous substance** refers to any product or chemical that has properties that are explosive, flammable, oxidizing, toxic, corrosive or toxic to the environment.

Explosive – explodes or causes explosion;

Flammable – ignites easily and burns rapidly;

Oxidizing – could be gaseous, solid or liquid and can cause or intensify fire and explosion;

Toxic – can harm people if it enters the body through contact, being inhaled or ingested. The effects can range from mild to life threatening, and can be immediate or long term;

Corrosive – can cause severe skin burns and eye damage;

Ecotoxic – is toxic to the environment;



Fire hazards are workplace hazards that involve the presence of flame or the risk of an uncontrolled fire.

Fire hazards include:

- **Live flames;**
- **Sparks;**
- **Hot objects;**
- **Flammable chemicals;**
- **Chemicals that can aggravate a fire;**



Another category of fire hazards are situations and events that impede fire protection and prevention methods. This can include impediments to firefighting, compromised built-in fire safety systems, and situations that restrict the escape of people from an affected building or area in the event of a fire.



Bullying and harassment



Bully – someone who hurts or frightens someone else, often over a period of time, and often forcing them to do something that they do not want to do, and bullying is the behavior of a person.

Harassment – behavior that annoys or upsets someone, repeated or continual conduct that is unwanted by the recipient.



Discrimination



Treating a person or particular group of people differently, especially in a worse way from the way in which you treat other people, because of their skin color, sex, age...

Racial discrimination is the practice of letting a person's race or skin color unfairly become a factor when deciding who receives a job, promotion, or other employment benefit;



Sex discrimination involves treating someone (an applicant or employee) unfavorably because of that person's sex;

The glass ceiling is a metaphor referring to an artificial barrier that prevents women and minorities from being promoted to managerial- and executive-level positions



within an organization. The phrase “glass ceiling” is used to describe the difficulties faced by women when trying to move to higher roles in a male-dominated hierarchy;

Dignity at Work Policy The aims of the Dignity at Work Policy are to: Support and sustain a positive working environment for all staff, free from any form of inappropriate or unacceptable behavior; ... Set out the responsibilities for managing and supporting staff when concerns are raised under the Dignity at Work Policy.



EXERCISES

Task 1. Complete the following headlines and articles with expressions from the given material.

1. OFFICE MANAGER ACCUSED OF
A court heard today how an office worker was almost driven to suicide by a bullying office manager. James Blenkinsop, 27, told how boss Nigel Kemp victimized him by shouting at him, criticizing his work in front of others, tearing up his work and telling him to do it again.
2. NATIONAL RESTAURANT CHAIN FACES CLAIMS
Four waitresses claim they were repeatedly by male bosses in a branch of a well-known national restaurant chain. All four waitresses said they were subjected to sexist remarks at the restaurant.
3. JAPANESE WOMEN BREAK THROUGH
Naomi Tanaka, 23, last year started working on the Tokyo Stock Exchange as a trader. She complained about traditional and said she did not want to be a 'counter lady' answering phones and serving tea at a Japanese bank. Instead she got a job as a trader at Paribas, a French firm.
4. SHOP MANAGERESS IN CASE
A clothing shop's half-Burmese manageress, 24-year-old Marion Brown, claims her boss continually made remarks, and sacked her from her £110-a-week job when she objected. She claims that the company that owns the shop has racially against her.
5. ABOLISHED AT TEXAS LAW SCHOOL
Last year federal law court made affirmative action at the University of Texas law school illegal, and supporters of have said that it was a "disaster". The University of Texas law school last year admitted a class that was 5.9 per cent black and 6.3 per cent Hispanic. This year the black percentage stands at just over 0.7 and the Hispanic at 2.3.

Task 2. Choose the best word from the brackets () to fill the gap.

1. I have cut my finger. Can you get the aid kit for me? (health/injury/first).
2. That pile of waste paper is a fire (precaution/hazard/exit).
3. This special keyboard reduces the risk of repetitive injury. (stress/strain/stroke).
4. There is no smoking here because of the dangers of smoking. (passive/passionate/personal).
5. I reported the missing fire extinguisher to the health and inspector (danger/hazards/safety).
6. The poor air conditioning system makes it a bad working (environment/place/zone).

Task 3. Match the employees' complaints (1–7) with health and safety issues (a–g).

- | | |
|-------------------------------|---|
| <i>a. passive smoking</i> | <i>b. repetitive strain injury or RSI</i> |
| <i>c. dangerous machinery</i> | <i>d. hazardous substances</i> |
| <i>e. fire hazards</i> | <i>f. heating and air-conditioning</i> |
| <i>g. first aid</i> | |

1. I do a lot of data entry, and recently I've started getting really bad pains in my wrists.
2. My doctor says there's something wrong with my lungs, but I've never smoked.
3. It's either too cold and we freeze, or too hot and we all fall asleep.
4. There's all this waste paper, but there no fire extinguishers in the building.
5. The containers are leaking – one day someone is going to get acid burns.
6. There are no safety guards on the machines – you could easily get your hand caught.

7. There are all these problems, but no-one is trained to give medical assistance.

1.	2.	3.	4.	5.	6.	7.
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READING

Equal Pay For Men and Women in Iceland



Iceland has become the first country to make it **illegal** to pay women less than men. The new **law**, which **took effect** on January 1, **imposes** a fine on companies and government organizations **employing** more than 25 workers if they pay men more than women. The Scandinavian country wants to **eliminate** the **pay gap** between the sexes completely within the next four years.

Iceland has been **considered** the world's fairest country **in terms of gender equality** for the past nine years. In a country where half of the **parliamentarians** are female, women still earn about 15% less than men. The new Icelandic law **aims**

at helping to change the **attitude** towards women in business and politics.

According to the World Economic Forum, a **Swiss-based non-profit** organization, there is a **global** 58% difference in pay between the sexes. Economic experts **predict** that, if the **current trend** continues, women will have to wait over two hundred years to get **equal** pay and the same **opportunities** at work.

*Words and word combinations and
their definition:*

- **aims at** = wants to achieve something
- **attitude** = the feelings you have about someone or something
- **current trend** = if the situation of today goes on
- **eliminate** = get rid of; do away with
- **equal** = the same
- **gender equality** = the same chances and opportunities for men and women
- **illegal** = against the law
- **impose** = to force people to accept something
- **in terms of** = if you look at or observe closely
- **lack** = not enough
- **opportunities** = chances
- **parliamentarian** = member of parliament
- **pay gap** = the difference in the amount of money men and women get for their work
- **predict** = to say that something will happen in the future
- **quarter** = 25%
- **seat** = here: an elected member of parliament
- **Swiss-based** = organisation that operates out of Switzerland
- **take effect** = start; become law

Read the article and answer the following questions:

1. Why do Iceland impose a fine on companies and government organizations?
2. What do the new Icelandic law aim?
3. What are the differences between the sexes according to the World Economic Forum?
4. How many years are needed to get equal pay and the same opportunities for women?
5. What is the country also lack of concerning the problem?

Unit 7. Managers, executives and directors. Businesspeople and business leaders.



Managers – An individual who is in charge of a certain group of tasks, or a certain subset of a company. A manager often has a staff of people who report to him or her;

Executives – Person or group appointed and given the responsibility to manage the affairs of an organization and the authority to make decisions within specified boundaries;



Directors – An appointed or elected member of the board of directors of a company who, with other directors, has the responsibility for determining and implementing the company's policy.

President – the chief officer of an organization (such as a corporation or institution) usually entrusted with the direction and administration of its policies, the person who has the highest position in an organization or especially in the US in a company;

Chief executive officer (CEO) is the highest-ranking executive in a company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company. A CEO is elected by the board and its shareholders;



A board of directors is a team of people elected by a corporation's shareholders to represent the shareholders' interests and ensure that the company's management acts on their behalf. The head of the board of directors is the chairman or chairperson of the board;



A boardroom – a room in which a board of directors of a company or other organization meets regularly;

Non-executive directors are not managers of the company; they are outsiders, often directors of other companies who have particular knowledge of the industry or of particular areas;



A Marketing Director oversees a company's marketing strategy, including policies, goals and initiatives. This position is tasked with conducting marketing research and developing marketing plans for specific products or services in a company;

IT director – An IT director (information technology director) is an employee in charge of technology within an organization;



Chief operating officer (COO) –

Some companies have a chief operating officer to take care of the day-to-day running of the company.

Chief financial officer (CFO) – Senior-most executive responsible for financial control and planning of a firm or project. He or she is in charge of all accounting functions including (1) credit control, (2) preparing budgets and financial statements, (3) coordinating financing and fund raising, (4) monitoring expenditure and liquidity, (5) managing investment



and taxation issues, (6) reporting financial performance to the board, and (7) providing timely financial data to the CEO.

Businesspeople and entrepreneurs

A businessman, businesswoman or businessperson – A person who is employed by an organization or company. Businessmen are often associated with white collar jobs. In order to avoid sexism the term is often replaced with “businessperson”. The term “businesswoman” is less commonly used;



A businessperson is someone who works in business, especially someone with an important position in a company or someone who owns a company;



An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures;

Found – to start a new business or organization;

Establish – if someone establishes something such as an organization, a type of activity, or a set of rules, they create it or introduce it in such a way that it is likely to last for a long time.

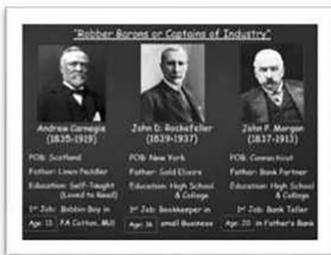


Start-up – to bring a business, organization or project into existence;

Someone who starts a company is its **founder**. An entrepreneur may found a series of companies or **start-ups**. **Entrepreneurial** is used in a positive way to describe the risk-taking people who do this, and their activities. Some entrepreneurs leave the companies they found, perhaps going on to found more companies. Others may stay to develop and **grow** their businesses.



Leaders and leadership skills



Business empire – A collection of businesses with shared high-level management, especially one ultimately under the control of one individual or family.

Successful businesspeople, especially heads of large organizations, are business leaders or, in journalistic terms, **captains of industry**;

The essential, fundamental and innate skills required to be a leader or to lead a team of people. **Leadership skills** are an essential component in positioning executives to make thoughtful decisions about their organization's mission and goals, and properly allocate resources to achieve those directives. Valuable leadership skills include the ability to delegate, inspire and communicate effectively. Other leadership traits include honesty, confidence, commitment and creativity.

EXERCISES

TASK 1. Answer the following questions.

1. Who is your country's most famous entrepreneur? What is this person famous for?
2. In your opinion, are entrepreneurs born or made?
3. If you work, draw an organigram of your organization and practice describing it to a new colleague.
4. If you don't work, think of a job you would like in an organization and write about why you would be good at the job.

TASK 2. Use words from the given material to complete the missing words.

The big place for people starting their own companies – for (1) _____ – is, of course, the internet. Take Sergey Brin and Larry Page. They met while doing their doctorates at Stanford, where they were encouraged to develop their mathematical research on the world wide web. Brin and Page are both very (2) _____. They (3) _____ Google together in 1998: some of the investment in the (4) _____ came from Andy Bechtolsheim, one of the founders of Sun Microsystems. Now Brin and Page are both very rich, with their own Boeing 767. In 2006, Brin and Page appointed Eric Schmidt to develop and (5) _____ the business. Like many entrepreneurs, they felt that they did not have the (6) _____ skills to head up and inspire a large business (7) _____.

TASK 3. Who are these famous businesspeople? Use the expressions below to describe them.

electric car entrepreneur

social media website founder

retail entrepreneur

e-commerce mogul

property tycoon

banking entrepreneur



Güler Sabancı (b.1955)



Cath Kidston (b.1958)



Jack Ma (b.1964)



Elon Musk (b.1971)



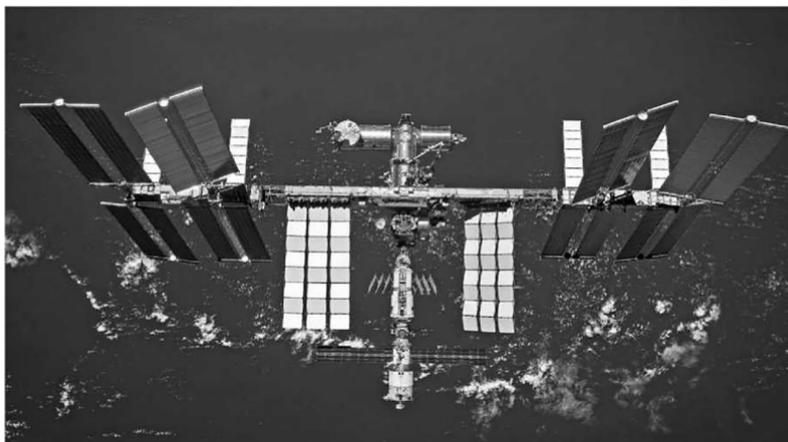
Zhang Xin (b.1965)



Mark Zuckerberg
(b.1984)

READING

The International Space Station



The International Space Station is a large **satellite** that **orbits** the Earth at an **altitude** of between 300 and 460 km. It travels at a **speed** of 27,000 km an hour (17 000 **mph**). The space station **serves** as a laboratory for scientific experiments in many fields. The **spacecraft** is also used to make tests for **future missions** that will travel to Mars and other planets.

The International Space Station is not **owned** by a single country. It is a project **carried out** by the **space agencies** of many nations. Japan, Russia, the USA and European countries

have sent astronauts and scientists to the space station in the last **decade**.

The first part of the ISS was **launched** into orbit by the Russian Soyuz spacecraft in 1998. Since then Russian and American spacecraft have been **delivering** modules to **expand** the space station. During this **period** of time **crews** have been **constantly** arriving and leaving the ISS. The space station has over 30 modules.

Before sunrise or after sunset you can see the ISS with the **naked eye** as a slow bright moving **dot** across the sky. The ISS is the biggest man-made object **orbiting** the earth, about as bright as Venus.

Experiments and research

Because of **zero gravity** scientists on the ISS can carry out experiments that cannot be done on Earth. They check out the **effects** that zero gravity has on plants and animals, or they can mix together **fluids** which react differently in **space**.

Scientists on Earth can watch the experiments or carry out new ones. They can also **monitor** the crew's **data**. Even students around the world can take part in certain ISS experiments and **compare** results.

Living on the ISS for a longer period gives **researchers** an **insight** on how the human body changes when it is **exposed** to **weightlessness** for a longer time. This data is important in order to see how astronauts react when they go on a longer trip, for example, to Mars. Such an **expedition** would take almost three years to **complete**.

Living on board the ISS

The atmosphere that is **created** on board the ISS is like the earth's atmosphere.

The food that the astronauts eat is mostly **frozen** and **canned**. There are kitchen **appliances**, like warmers and **refrigerators** on board. Drinks are made by adding water to

powder. **Waste** is collected in bags and then carried away by an **air stream**.

The space station gets its **power** from solar **sails** that turn the sun's energy into electricity. They are much more **efficient** than the solar cells on Earth. Some of the energy is turned into heat which keeps the space station at the same temperature all the time.

Oxygen is **delivered** to the ISS by spacecraft from earth. It can also make **breathable** air from **recycled** water.

Workday

A typical day for the ISS crew begins at six o'clock. After breakfast they have a conference with **ground controllers** before work starts. A lunch **break** and more work and exercises lead them up to 19.30. Then they have dinner, another conference and go to sleep at about ten.

Health risks and effects of long-term space travel

Although low earth orbit **partly protects** the ISS astronauts from **radiation**, they still are **exposed** to radiation levels that are five times higher than those in a passenger airplane

There are a number of health risks in **long-term** space travel. **Muscles** and bones become weaker. Pumping blood into the heart **slows down** and the immune system **weakens**. To **prevent** this from happening, astronauts and scientists have to exercise regularly. For this **purpose** there is **equipment** for **weightlifting**, a **stationary** bicycle and a **treadmill** on board. **Microgravity** is **similar** to what we **experience** when we get older. So scientists can get new **insights** on the aging **process**.

Words and word combinations and their definition:

- **orbit** = is the curved path in space that is followed by an object going round and round a planet, moon, or star;
- **altitude** = if something is at a particular altitude, it is at that height above sea level;

- **spacecraft** = a spacecraft is a rocket or other vehicle that can travel in space;
- **carry out** = to bring to a successful issue : complete, accomplish;
- **crew** = the crew of a ship, an aircraft, or a spacecraft is the people who work on and operate it;
- **naked eye** = if you say that something cannot be seen by the naked eye, you mean that it cannot be seen without the help of equipment such as a telescope or microscope;
- **dot** = you can refer to something that you can see in the distance and that looks like a small round mark as a dot;
- **orbit (v)**= if something such as a satellite orbits a planet, moon, or sun, it moves around it in a continuous, curving path;
- **zero gravity** = the state or condition of weightlessness;
- **fluid** = a liquid;
- **insight** = if someone has insight, they are able to understand complex situations;
- **weightlessness** = something that is weightless weighs nothing or seems to weigh nothing;
- **waste** = if you **waste** something such as time, money, or energy, you use too much of it doing something that is not important or necessary, or is unlikely to succeed;
- **air stream** = a stream of air; esp., the relative stream of air existing around an aircraft in flight or passing through its jets;
- **solar sail** = a reflective surface designed to use the pressure of solar radiation to propel a spacecraft;
- **breathable** = a **breathable** fabric allows air to pass through it easily, so that clothing made from it does not become too warm or uncomfortable;
- **recycled** = convert (waste) into reusable material;
- **ground controllers** = the personnel, radar, computers, etc, on the ground that monitor the progress of aircraft or spacecraft;

• **weightlifting** = the sport of lifting barbells of specified weights in prescribed manner for exercise;

• **stationary** = an exercise bike;

• **treadmill** = an exercise machine that consists of a continuous moving belt on which to walk or jog;

• **microgravity** = the very low apparent gravity experienced in a spacecraft in earth orbit.

Read the article and answer the following questions:

1. What does the space station serve for?
2. What kind of project is the International Space Station?
3. What kind of research do scientists conduct?
4. Is the research monitored and by who?
5. How can you describe living conditions on the board?
6. How do the crew start its working day?
7. What kind of risks do the crew face in long-term travel?

Unit 8. Organizations



Business – an organization or economic system where goods and services are exchanged for one another or for money. Every business requires some form of investment and enough customers to whom its output can be sold on a consistent basis in order to make a profit.

What is a Corporation?

A corporation is a business entity that is owned by its shareholder(s), who elect a board of directors to oversee the organization's activities. The corporation is liable for the actions and finances of the business – the shareholders are not. Corporations can be for-profit, as businesses are, or not-for-profit, as charitable organizations typically are.



The adjective, corporate, is often used in these combinations:

Corporate culture refers to the beliefs and behaviors that determine how a company's employees and

management interact and handle outside business transactions. Often, corporate culture is implied, not expressly defined, and developed organically over time from the cumulative traits of the people the company hires. A company's culture



will be reflected in its dress code, business hours, office setup, employee benefits, turnover, hiring decisions, treatment of clients, client satisfaction, and every other aspect of operations;

The term “**corporate ladder**” is a conceptualized view of a company's employment hierarchy in which career advancement is considered to follow higher rungs on a ladder, with entry-level positions on the bottom rungs and executive level, upper management, positions at the top. “Climbing the corporate ladder” is an expression used to describe one's advancement within a company through promotions;



A corporate headquarters

(HQ) is a place where a company's executive management and key managerial and support staff are located. A corporate headquarters is considered a business' most prestigious location and may also lend prestige to its host city and help attract other businesses to the area.



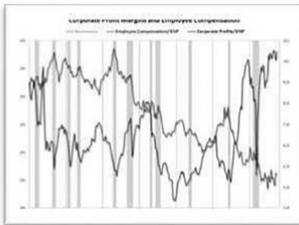
Businesses frequently locate their corporate headquarters in and around large cities because of the greater business

opportunities, access to talent, infrastructure, and services they offer;



A corporate logo is a distinctive design, mark, or symbol that uniquely identifies a firm. A corporate logo is a powerful corporate identity tool and, as the symbol by which public recognizes a firm, is in some cases more valuable than the physical assets of the firm;

Corporate Image is the perception held about an organization by the various stake holders in the company (like investors, customers, vendors & government), public and the society at large. It need not reflect the actual position but rather it is a view that the society has about the company. It is simply the impression that comes to the mind when one comes across the name of the company;



Corporate profit is the money left over after the corporation pays its expenses. All of the money collected by the corporation during the reporting period due to services rendered or sales of a product is considered top line revenue. From revenue, a company will pay its expenses. Money left after expenses are paid is considered to be the company's profit.

What is Commerce?

Commerce is the conduct of trade among economic agents. Generally, commerce refers to the exchange of goods, services or something of value, between businesses or entities. From a broad perspective, nations are concerned with managing commerce in a way that enhances the well-being of citizens, by providing jobs and producing beneficial goods and services.

commercial – describes money-making business activities:

- commercial airline
- commercial disaster
- commercial artist
- commercial land



- commercial television



Nationalization – 1. Nationalization refers to when a government takes control of a company or industry. 2. Takeover of privately owned corporations, industries, and resources by a government with or without compensation. Common reasons for nationalization include (1) prevention of unfair exploitation and large-scale labor layoffs, (2) fair distribution of income from national resources;

Bureaucratic – a type of business structure popular among governments and public administrations that were influenced by the thinking of Max Weber. Although often associated with excessive paperwork in modern times, a bureaucratic



organization was originally intended to have a hierarchical or pyramidal structure to help achieve the most rational and efficient operation at the lowest cost.

In 1970s Britain, there were **state-owned** or **government-owned** companies in many different industries such as car manufacturing and air travel. Some industries had been **nationalized** and were entirely state-owned, such as coal, electricity and telephone services. In the 1980s, the government believed that **nationalized companies** were **bureaucratic** and inefficient, and many of them were **privatized** and sold to investors.

Free or private enterprise – business activity owned by individuals, rather than the state.

Enterprise culture – an atmosphere which encourages people to make money through their own activities and not rely on the government.



Enterprise economy – an economy where there is an enterprise culture.

Enterprise zone – part of a country where business is encouraged because there are fewer laws, lower taxes, etc.

Self-employed people and partnerships

What is a **Self-Employed Person**?

A **self-employed person** is an independent contractor or sole proprietor who reports income earned from self-employment. Self-employed persons work for themselves at a variety of

trades, professions and occupations rather than working for an employer;

Working on a contract basis for a variety of companies, as opposed to working as

an employee for a single company. **Freelancers** are often considered to be self-employed, and have the freedom to pick and choose their projects and companies they would like to be associated with;

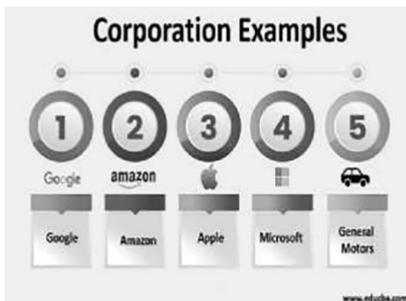


What Is a Limited Liability Company (LLC)?

A limited liability company (LLC) is a corporate structure in the United States whereby the owners are not personally liable for the company's debts or liabilities. Limited liability companies are hybrid entities that combine the characteristics of a corporation with those of a partnership or sole proprietorship.

While the limited liability feature is similar to that of a corporation, the availability of flow-through taxation to the members of an LLC is a feature of partnerships;

What Is Incorporation?



Incorporation is the legal process used to form a corporate entity or company. A corporation is the resulting legal entity that separates the firm's assets and income from its owners and investors.

Corporations can be created in nearly all countries in

PLC - Pros & Cons

Pros	Cons
Limited liability	Legal requirements
Offers continuity	Extra costs
Separate legal entity	Time-consuming
Possible to raise large amounts of capital	More rules and regulations
No limit on shareholders	Stockholders entitled to information
Shares sold to everybody	Risk of uncontrolled growth
Flexibility for shareholders	Management issues
Trade without agreement	Stock exchange listing expensive
Business has greater status	Original owners may lose control over the business

the world and are usually identified as such by the use of terms such as “Inc.” or “Limited (Ltd.)” in their names. It is the process of legally declaring a corporate entity as separate from its owners;

The name “**Public Limited Company**” is more commonly associated with

the British origins of the entity and is commonly used as PLC in the United Kingdom and some Commonwealth countries. Meanwhile, the designations “Ltd.” And “Inc.” are normally used in the United States and other countries around the world. The use of the term “PLC” is typically mandatory and is used as an indication to tell investors and other people dealing with the company that the company is both public and, in most cases, quite large.

A public limited company can be listed on a securities or stock exchange or not. It is very much like any major entity in that it is very strictly regulated and such companies are required to publish their financial documents so that shareholders and general stakeholders can see what the financial health of the company is like;

What is a Mutual Company?

Firm (such as a mutual insurance company) established for the benefit of its shareholders who are called members, and receive the firm’s profits as dividends in proportion to the amount of business they do with the firm;

What Is Demutualization?

Demutualization is a process by which a private, member-owned company, such as a co-op, or a mutual life insurance

6. Listening to customers is part of the corporate

methods to ensure that it's happening.

f. headquarters to set their own hours and work outside the office.

TASK 2. Complete this newspaper article with expressions from the given material.

NEWS ONLINE

Home News World Business Food Technology Science

Angry scenes as members reject (1)

There were angry scenes at the Suffolk (2)’s annual meeting as the society’s (3), rejected by two to one a recommendation from its board that the society be (4)

Members had travelled from all over the country to attend the meeting in London. The Suffolk’s chief executive, Mr Andrew Davies, said, ‘This is a sad day for the Suffolk. We need to (5) to bring the society forward into the 21st century. Our own resources are not enough and we need capital from outside shareholders.’

Gwen Armstrong, who has saved with the Suffolk for 32 years, said, ‘Keeping (6) status is a great victory. Profits should stay with us and not go to outside shareholders.’

Comment Like

TASK 3. Decide what each statement is about. Write the missing word. (The first letter is given)

1. We use our initials “TFT” inside a blue arrow. It’s on all our notepaper. *corporate l* _____.

2. It was a bad idea. We lost a fortune and the company collapsed. *commercial d* _____.

3. We’re based in the US but we operate in over 30 countries. *m* _____ *corporation*.

4. We specialize in helping SMEs’. *small or medium e* _____.

5. We want people to see us as expensive – but offering the very best quality. *corporate i* _____.

6. We meet once a month and we aim to help local businesses. *c* _____ *of commerce*.

7. By next year, all our business will take place on the Internet. *electronic c* _____.

8. I was a manager, but I'm working my way up and I hope to be a director soon. *corporate l* _____.

READING

Amazon – the largest internet company in the world



Amazon warehouse in Baltimore, Maryland

Amazon is the largest internet company in the world. It was **founded** by Jeff Bezos on June 5, 1994 in a garage in Seattle. At the beginning Amazon was an online bookstore. In the past 2 years it has become the largest **retail company** in the world and **dominated** the world of online **commerce**.

Amazon has changed the way people shop. It **expanded**, from selling only books to offering CDs, software and a **wide range of household appliances** and **smart devices**. There are few things you can't buy on Amazon. It has also become a marketplace where other companies can sell their products.

In 2018 Amazon became the largest online sales company in the world, selling over 500 billion dollars' worth of products worldwide. It has 600,000 **employees** and is **worth** almost 1 **trillion** dollars, second only to Apple. **CEO** Jeff Bezos is known to be the richest person on earth.

Amazon has **experienced** a period of strong growth whenever the company came out with new **innovative** products. In 2005, it **launched** Amazon Prime, which offered quicker **delivery** and special offers to **loyal customers**. Today more than a hundred million people are **subscribed** to Prime's video and music service. In 2007, Amazon **revolutionized** the world of reading with the company's first electronic reader. Since then the Kindle has **accounted** for 60% of all e-readers globally.

A few years ago, the company introduced Alexa, a voice-controlled personal **assistant**, which people can communicate with. In 2016 Amazon opened its first food store, which allows customers to pay without going through a **checkout desk**.

One of the reasons for Amazon's **huge** success is the way it **handles** deliveries. In many cases products are brought to a customer's home within one or two days. Amazon's **gigantic warehouses** are largely **automated**. A few years ago, the company started experimenting with delivering items through **drones**.

Even though Amazon is a **unique** story of success it has also **undergone** criticism. **Employees complain** about not being treated fairly and having to work under **enormous** pressure. The company has also been **accused** of offering low pay and poor working conditions to its employees. In Europe they have found ways to pay less **tax**.

Words and word combinations and their definition:

- **account** = here: to be part of something
- **accuse of** = to say that someone is guilty of doing something wrong

• **automated** = when machines and computers do things instead of people

• **checkout desk** = place where you pay for the things you buy in a store

• **commerce** = trade; the buying and selling of products

• **dominate** = control, lead, to be the best

• **drone** = object that can fly without a pilot

• **enormous** = strong

• **handle** = deal with

• **launch** = to start a company

• **loyal customer** = here: a person who buys from Amazon over and over again

• **retail company** = company that buys and sells products to customers

• **revolutionize** = change, transform

• **smart device** = a small machine that connects you to other objects and the internet

• **subscribe** = to pay money regularly in order to get something or use a service

• **tax** = money that you pay to a government when you sell something in a country

• **trillion** = 1,000,000,000,000

• **undergo, undergone** = experience, feel

• **unique** = special

• **wide range** = here: many kinds of products

• **worth** = the value of something

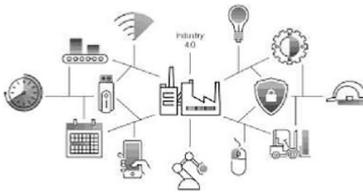
Read the article and answer the following questions:

1. When and whom was Amazon founded by?
2. What has Amazon changed and why?
3. When has Amazon become the largest online sales company and how much was the value of products sold worldwide?
4. What innovative product has Amazon produced and what for?
5. What problems has Amazon faced with employees?

Unit 9. Manufacturing and services; The development process.



Industry – any general business activity or commercial enterprise that can be isolated from others, such as the tourist industry or the entertainment industry.



Industry (uncountable) is the production of materials and goods. **An industry** (countable) is a particular type of business activity, not necessarily production.

What is Manufacturing?

Manufacturing is the processing of raw materials or parts into finished goods through the use of tools, human labor, machinery, and chemical processing.

Large-scale manufacturing allows for the mass production of goods using assembly line processes and advanced technologies. Efficient manufacturing techniques enable manufacturers to take advantage of economies of scale, producing more units at a lower cost.



What Are Economies of Scale?

Economies of scale are cost advantages reaped by companies when production becomes efficient. Companies can achieve economies of scale by increasing production and lowering costs. This happens because costs are spread over a larger number of goods.



What is the Service Sector?



The service sector produces intangible goods, more precisely services instead of goods, it comprises various service industries including warehousing and transportation services; information services; securities and other investment services; professional services; waste management; health care and social assistance; and arts, entertainment and so on... Countries with economies centered around the service sector are considered more advanced than industrial or agricultural economies.



Here are some of the **manufacturing industries** that make up the **manufacturing sector.**

Here are some of the **services or service industries** that make up the **manufacturing sector.**

aerospace	planes and space vehicles	call centres (BrE) call centres (AmE)	dealing with orders, complaints, etc. from customers by phone
cars (BrE) automobiles (AmE)	cars	catering	restaurants, bars, etc.
computer hardware	computers, printers, etc.	computer software	instructions for computers
construction	buildings	financial services	banking, insurance, etc.
defence (BrE) defence (AmE)	weapons	healthcare	medical care
electronics	mobile phones, etc.	leisure	cinemas, sport, etc.
food processing	canned, frozen, etc. foods	media	books, newspapers, film, television
household goods	washing mashines, refrigerators, etc.	property (BrE) real estate (AmE)	buying, selling and managing buildings
pharmaceuticals	medicines	retail	shops
stell	a strong metal used in the manufacturing of mashinery and cars	telekommunications	phone, internet services
textiles	cloth and clothes	tourism	travel and holidays

Emerging industries – Entirely new or restructured industrial sectors, growing at a rate faster than the overall economy. Such industries usually come into being when customers need change, new technologies replace older ones, or when new socio-economic conditions emerge.

In 1950, South Korea was a poor country, with most people living and working on the land. The government decided to **industrialize**, and the new **emerging industries** were textiles, and heavy industries like steel and shipbuilding.

1950s and 60s	1970–2000	Today
		
<p>In 1950, Brazil was a relatively poor country, with most people living and working on the land. The government decided to industrialize, and one of the new emerging industries in the 60s was the building of aircraft.</p>	<p>The Brazilian economy developed in many different areas: growth industries ranged from light industries such as textiles and telecommunications equipment to heavy industries like steel production.</p>	<p>Brazil's economy is diversified, with many different industries: the service sector makes up 70.8 per cent, industry 24 per cent and agriculture 5.2 per cent.</p>

The development process

What Is Market Research?



Market research is the process of determining the viability of a new service or product through research conducted directly with potential customers. Market research allows a company to discover the target market and get opinions and other feedback from consumers about their interest in the product or service.

Questionnaires or surveys

A **questionnaire** is a research instrument consisting of a series of questions (or other types of prompts) for the purpose of gathering information from respondents.

A **survey** – Marketing: A detailed study of a market or geographical area to gather data on attitudes, impressions, opinions, satisfaction level, etc., by polling a section of the population.

Surveys	Questionnaires
Process of collecting and analyzing data	Instrument of data collection
Research process	Research tool
Time consuming process	Fairly quick process
Is conducted	Is delivered
Answers are subjective or objective	Answers are objective
Open ended and close ended questions	Close-ended questions only
Conducted for research or studies	Used to collect information on a topic

In software, developers often produce a final test version, **the beta version**, where users are asked to point out **bugs** (problems) before the software is finalized;

CAD/CAM stands for computer-assisted design & computer-assisted manufacturing. **CAD/CAM** software



is used to design and manufacture prototypes, finished products, and production runs. An integrated **CAD/CAM** system offers one complete solution for design through manufacturing;



Researchers in laboratories may take years to develop new drugs, **testing or trialling** them in trials to show not only that they are effective, but also that they are safe. Drugs need to be made on an **industrial scale** before they can be sold;

A product launch is when a company decides **to launch** a new product in the market. **Product launch** can be of an existing **product** which is already in the market or it can be a completely new innovative product which the company has made;

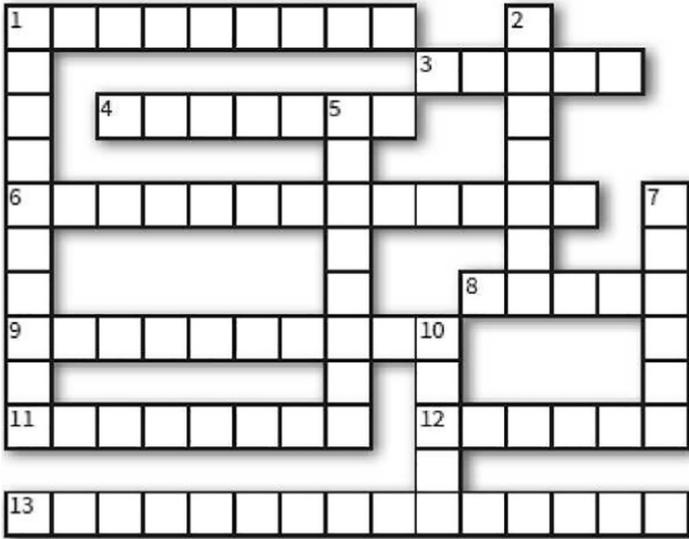


A design defect means that the product was manufactured **correctly**, but that there is something in the way the product is designed that makes it **dangerous to consumers**.

Since the design defect is a flaw in how the product is designed, the defect generally affects the entire product line, rather just one particular item.

EXERCISES

TASK 1. Complete the crossword with the correct form of words from the given material.



Across

- 1 plane and rocket industry (9)
- 3 metal industry (5)
- 4 an industry that doesn't sell goods (7)
- 6 making things (13)
- 8 television, music, the internet (5)
- 9 reflatd to industry or industries (10)
- 11 describing a new industry (8)
- 12 describing an industry that is getting bigger (8)
- 13 making drugs (15)

Down

- 1 making cars: the ___ industry (10)
- 2 making weapons (7)
- 5 serving food and drink, rather than making them (8)
- 7 keeping people well: ___ care (6)
- 10 making televisions rather than steel: __ Industry (5)

TASK 2. Over to you.

1. What products are manufactured in your country?
2. How diversified is your country's economy?
3. What does a pharmaceutical company need to do before it can release a new drug?
4. What kind of surveys have you taken part in?
5. What will a company do if they find a problem in a product after the launch? And why might this be a big problem?

TASK 3. Complete this talk by a marketing specialist using the words below.

*consumer
market*

*design
recall*

*groups launch
surveys*

A few years ago a famous car company launched a completely new car. They'd done years of technical research and (1) _____ research with focus (2) _____ and (3) _____ panels, and analysis of responses to questionnaires and (4) _____. Then came the (5) _____. Sales of the car were very good until a Swedish newspaper reported the results of its 'elk test'. They found that the car had a tendency to tip over if you turned quickly to avoid an elk. This was due to a (6) _____ fault in the car, so they had to (7) _____ all the cars they'd sold in order to correct the fault.

READING

Could you survive for a few days without your smartphone or without being connected to the Internet?

Could you survive for a few days without your smartphone or without being connected to the Internet? How about living in a cave with no mod cons for 40 days? Fifteen people did



just that. They took part in a project called Deep Time to see how they would react to and cope with being totally disconnected from the modern world. Scientists from the Human Adaption Institute led the \$1.9-million project. They wanted to understand how people would adapt to drastic changes in living conditions. They put the volunteers in a cave for nearly six weeks. There was no sunlight and the cave dwellers had no contact with the outside world. They had to rely on their body clock to know when to wake up, go to sleep and eat.

Most of the volunteers said they enjoyed the experience of total isolation. Two-thirds expressed a desire to remain underground a while longer in order to finish projects they had started. Deep Time's director Christian Clot said the experience would, "test humans' ability to adapt to the loss of their frame of reference for time and space". He said: "Our future as humans on this planet will evolve. We must learn to better understand how our brains are capable of finding new solutions, whatever the situation." One striking observation is

that participants lost their sense of time. Mr. Clot said: “In our heads, we had walked into the cave 30 days ago”. One team member estimated the time underground to be 23 days.

Words and word combinations and their definition:

- **mod cons** = the amenities and appliances characteristic of a well-equipped modern house that contribute to an easier and more comfortable way of life;

- **react** = act in response to something; respond in a particular way;

- **cope** = to deal with and attempt to overcome problems and difficulties – often used with;

- **volunteer** = a person who voluntarily undertakes or expresses a willingness to undertake a service cave;

- **rely** = if you rely on someone or something, you need them and depend on them in order to live or work properly;

- **dweller** = a person or thing that lives or resides in a specified place or environment;

- **drastic** = acting rapidly or violently;

- **adapt** = to change your behavior so that it is easier to live in a particular place or situation;

- **frame** = an open case or structure made for admitting, enclosing, or supporting something;

- **capable** = having or showing general efficiency and ability;

- **evolve** = to change or develop slowly often into a better, more complex, or more advanced state: to develop by a process of evolution;

- **observation** = the act of careful watching and listening: the activity of paying close attention to someone or something in order to get information.

Read the article and answer the following questions:

1. What do people in the cave have to live without for 40 days?
2. What is the name of the project in the article?

3. How much did the research project cost?
4. What did the cave dwellers have no contact with?
5. What proportion of the volunteers enjoyed the cave experience?
6. What did the participants lose their sense of?
7. What did the director say they must learn?
8. Would you like to participate in this project?

Unit 10. Innovation and invention; Making things



Innovation



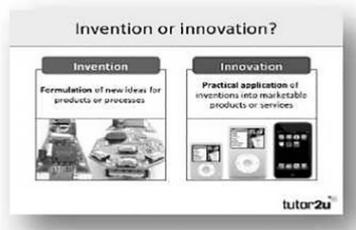
The process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results

when ideas are applied by the company in order to further satisfy the needs and expectations of the customers.



Invention

New scientific or technical idea, and the means of its embodiment or accomplishment. To be patentable, an invention must be novel, have utility, and be non-obvious. To be called an invention, an idea only needs to be proven as workable.

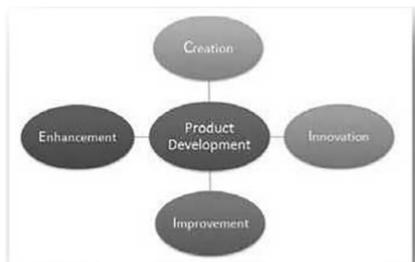




But to be called an innovation, it must also be replicable at an economical cost, and must satisfy a specific need. That's why only a few inventions lead to innovations because not all of them are economically feasible.

Product development

The creation of products with new or different characteristics that offer new or additional benefits to the customer. Product development may involve modification of an existing product or its presentation, or formulation of an entirely new product that satisfies a newly defined customer want or market niche.



Research and development



Systematic activity combining both basic and applied research, and aimed at discovering solutions to problems or creating new goods and knowledge. R&D may result in ownership of intellectual property such as patents. In accounting for R&D costs, the development costs may be carried forward but the basic and applied research costs are often written-off as incurred.

Cutting edge, Leading edge, State-of-the-art

Cutting edge – the most modern stage of development in a particular type of work or activity;

Leading edge – the most advanced position in an area of activity;

State-of-the-art – very modern and using the most recent ideas and methods;



Product

A product is the item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price. The price that can be charged depends on the market, the quality, the marketing and the segment that is targeted. Each product has a useful life after which it needs replacement, and a life cycle after which it has to be re-invented. In FMCG parlance, a brand can be revamped, re-launched or extended to make it more relevant to the segment and times, often keeping the product almost the same.



Mass production

Mass production is the manufacture of large quantities of standardized products often using assembly lines or automation technology. Mass production refers to the efficient production of a large number of similar products. Mechanization is used to achieve high volume, detailed organization of material flow, careful control of quality standards, and division of labor.



Capacity and output

The **capacity** of something such as a factory, industry, or region is the quantity of things that it can produce or deliver with the equipment or resources that are available.

Output – the act of turning out; production:

– *the factory's output of cars; artistic output.* The quantity or amount produced, as in a given time:

– *to increase one's daily output.*

Productivity is a measure of how much is produced in relation to the number of employees. High output per employee = high productivity.

The maximum amount that a particular plant, company or industry can produce is



its capacity. If it is producing this amount, it is working at full capacity. If it is producing more than what is needed, there is overproduction or: excess capacity, overcapacity, spare capacity, surplus capacity...

Overproduction

Avoid overproduction by balancing supply to demand



Copyright TE 2010

- Overproduction is the worst kind of waste because it causes other wastes and obscures the need for improvement
- Overproduction waste results from producing more (or faster) than required
- Overproduction is caused by
 - Large batch sizes
 - Unreliable processes
 - Unstable schedules
 - Unbalanced cells or departments
 - Working to forecast / inaccurate information not actual demand

Patents and intellectual property

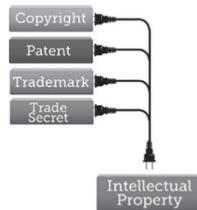
Information or knowledge that belongs to an individual or company is **proprietary**. A product developed using such information may be protected in law by **patents** so that others cannot copy its design.

Other companies may pay to use a design **under license** in their own products. These payments may be referred to as **royalties**.

In publishing, if a text, picture, etc. is **copyright**, it cannot be used by others without permission: this is **copyright infringement**. An example of this is **illegal downloading** of music, films and software from the internet: this is **piracy**.

Another form of piracy is when **fake** products, often luxury products such as Rolex or Chanel, are sold without the permission of the company that owns the **brand name** or **trademark** – a recognizable symbol used on the product.

The area of law relating to patents, copyright and trademarks is **intellectual property**.



EXERCISES

TASK 1. Complete this webpage using these expressions from the given material.

cutting edge

develop

developed

development

innovation

release

state-of-the-art

technologies

technology



TASK 2. Match the expressions (1-10) containing words in the given material with their meanings (a-j)

1. copyright infringement

a. a payment made to the owner of a design by someone else who uses it, or to an author by a publisher.

2. intellectual property

b. an arrangement between the owner of a design and another organization, allowing its use in exchange for payment.

3. patent application

c. a name or symbol used on a product

- | | |
|----------------------------|--|
| 4. proprietary information | d. an occasion when an inventor asks the authorities to officially recognize an invention as their property. |
| 5. royalty payment | e. designs, ideas, etc. that belong to someone. |
| 6. licensing agreement | f. a name used on a product. |
| 7. illegal download | g. the whole activity of using designs, text, pictures or copying products without permission |
| 8. piracy | h. an occasion when someone makes an illegal copy of music, etc. from an internet site |
| 9. trademark | i. the law relating to designs, ideas, etc. that belong to someone. |
| 10. brand name | j. an occasion when someone uses another's text, pictures, etc. without permission. |

TASK 3. Fill the gap in each sentence by writing the correct form of the verb given in brackets. The first one is an example.

- Suzanne King is in charge of product *development* at Westworld Electronics. (develop)
- I want to be a graphic when I graduate. (design)
- I think that the Internet is the greatest of the past 50 years. (innovate)
- We are looking for someone with of databases and spreadsheets. (know)
- Christopher Cockerell was the of the hovercraft. (invent)

6. You have to pay a lot to get a good software (develop)

7. Have you seen her for the new shopping center? (design)

READING

Fast fashion is harming the environment



Pictured: two appalling examples of widespread pollution of waterways. The image on the right is a river in China polluted by clothing dyes from a fast fashion factory, among other heaps of garbage.

Environmentalists are getting more worried about the effects of fast fashion on the environment. Fast fashion is the

mass production of clothes at a low cost. They are put in shops and online quickly to create a high demand. Manufacturers make 100 billion items of clothing every year. This is expected to grow by 60 per cent by 2030. The fast fashion business model is having a negative effect on the environment. Many of the clothes end up in landfills and are not recycled. Another negative effect on the environment is caused by the chemicals used to make the clothes. These cause health problems for people working in clothes factories. There are reports children make many of these clothes.

The way people are buying clothes is adding to the problem of clothing waste. Many years ago, people went to stores and tried clothes on. People took more time and thought more carefully before they bought clothes. They also wore them for longer. Today, people order cheap clothes on the Internet and if they don't like them, they send them back. Some people say this is causing a throwaway society. Some people buy clothes and never even wear them. The German media company Deutsche Welle wrote: "Every year in Europe, four million tons of clothing ends up in the trash. Less than one per cent of this is recycled." It seems the fashion industry is not so sustainable.

Words and word combinations and their definition:

- **mass production** = is the manufacturing of large quantities of standardized products, often using assembly lines or automation technology;

- **demand** = a need for something to be sold or supplied;

- **expected** = awaited, usually with excitement and impatience;

- **landfill** = a system of trash and garbage disposal in which the waste is buried between layers of earth to build up low-lying land;

- **waste** = to become gradually consumed, used up, or worn away;

- **try on** = put on an item of clothing to see if it fits or suits one;
- **recycled** = to treat or process (used or waste materials) so as to make suitable for reuse;
- **sustainable** = able to last or continue for a long time;
- **throwaway** = to use in a foolish or wasteful manner.

Read the article and answer the following questions:

1. What does fast fashion create by putting them in stores quickly?
2. How many items of clothing are made each year?
3. When will the scale of fast fashion increase by 60%?
4. Who is being affected by chemicals?
5. What is adding to the problem of clothing waste?
6. What kind of society is being created?
7. How many clothes that are thrown away in Europe are recycled?
8. What products can also be recycled in order to make a profit?

Unit 11. Materials and suppliers; Business philosophies



Inputs

Dyson makes vacuum cleaners. It takes **raw materials** like steel and plastic, and makes some of the **components** – or **parts** – used in its products. (Other components are made by other companies.)

Here are some typical combinations:



- **aerospace components**
- **automotive components**
- **car components**
- **computer components**
- **electronic components**
- **replacement parts**
- **spare parts**

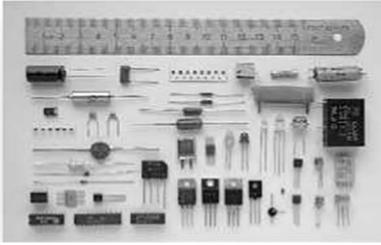
Materials and parts are just some of the **inputs**. The others are **labour** – workers and managers – and **capital** – money. **Knowledge** is also important because Dyson is a leader in vacuum technology.

Vacuum cleaners that are in the course of being made are **work-in-progress**. At any one time, Dyson has **goods** worth millions of dollars in its factories and warehouses; these are both the materials and components used to make its products, and its **finished goods** – the products that have been made.

Quantities of raw materials, components, work-in-progress and finished goods in a particular place are **stocks**.

raw materials – raw materials are materials or substances used in the primary production or manufacturing of goods.

Raw materials are commodities that are bought and sold on commodities exchanges worldwide;



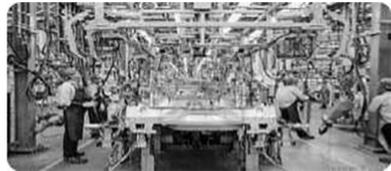
components – uniquely identifiable input, part, piece, assembly, system that (1) is required to complete or finish an activity, item, or job, (2) performs a distinctive and necessary function in the operation of a system, or (3) is intended to be included as a part of a finished, packaged item;

labour – workers, especially people who do practical work with their hands;



capital – wealth, esp. money used to produce more wealth through investment or a new business;

work-in-progress – something that is being developed or suggested but that is not yet complete;



goods – a commodity, tangible item that satisfies some human want or need, or something that people find useful or desirable and make an effort to acquire it;

finished goods – materials or products which have received the final increments of value through manufacturing or processing operations, and which are being held in inventory for delivery, sale, or use.



Suppliers and outsourcing

Dyson has its own **manufacturing operation**, but it works with its **suppliers** – companies that provide materials and components. Some companies refer to their suppliers as **partners**.

The company uses **subcontracting** – which means using **outside suppliers** to provide components and services. In other words, it uses **outsourcing** rather than doing these activities **in-house** – within the company.

suppliers – a person, company or country that provides goods of a particular kind;

outsourcing – the process of paying to have part of a company's work done by another company;

in-house – done by someone employed by a company on their premises, not by an outside contractor.

subcontracting – a business practice where main contractor hires additional individuals or companies called subcontractors to help complete a project;



Just-in-time (JIT) – Just in sequence (JIS)

It costs money to keep components and goods available for customers to buy **in stock**. Stocks have to be **financed** – paid

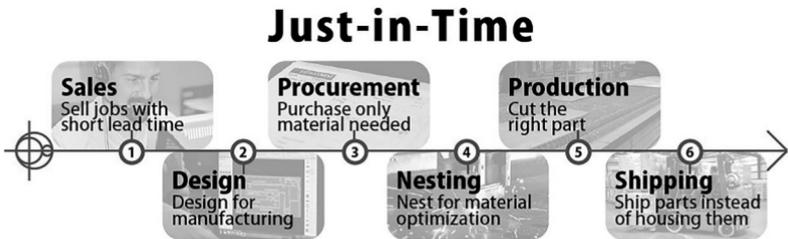
for. They also have to be **stored** – kept in special buildings called **warehouses** – and **handled** – moved from one place to another.

So Dyson is asking its suppliers to provide components **just-in-time** – when they are needed.

This is part of **lean production** or **lean manufacturing**, in which products are made in the most **efficient** way – doing things as quickly and cheaply as possible, without waste.



Just-in-time (Just in sequence) – a JIT or JIS system of manufacturing (producing goods) is based on preventing waste by producing only the amount of goods needed at a particular time and not paying to produce and store more goods than are needed;



TQM – a core definition of total quality management (TQM) describes a management approach to long-term success through customer satisfaction. In a TQM

effort, all members of an organization participate in improving processes, products, services, and the culture in which they work;

specifications – a detailed description of how something should be done, made, etc.



Exact statement of the particular needs to be satisfied, or essential characteristics that a customer requires (in a good, material, method, process, service, system, or work) and which a vendor must deliver;

zero defects – a system that tries to make certain that a company’s products or services contain no problems that will cause them not to work correctly;

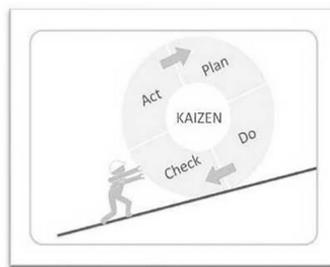
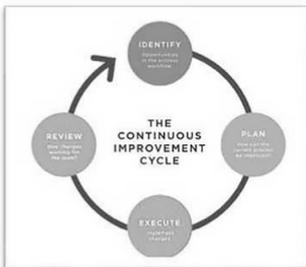


right first time - if something is done right first time, it is done perfectly every time, and no time and money is wasted correcting errors caused by doing it too fast or without controlling quality;

continuous improvement – the process of making regular small changes and improvements to the products, services, etc. of a company rather than a few big changes;

enhancement – a change or a process of change, that improves something or increases its value;

kaizen – a Japanese way of running a company by always trying to improve the way people work and they do;



mystery shoppers – someone employed to test the service in shops and businesses by pretending to be a normal customer;



Benchmarking – a measurement of the quality of an organization’s policies, products, programs, strategies, etc., and their comparison with standard measurements.

The objectives of benchmarking are (1) to determine what and where improvements are called for, (2) to analyze how other organizations achieve their high performance levels, and (3) to use this information to improve performance;

best practice – the way of running a business or providing a service that is recognized as correct or most effective;

BPR – Business process re-engineering – is a business management strategy, originally pioneered in the early 1990s, focusing on the analysis and design of workflows and business processes within an organization. BPR aimed to help organizations fundamentally rethink how they do their work in order to improve customer service, cut operational costs, and become world-class competitors.



EXERCISES

TASK 1. Match the sentence beginnings (1–6) with the correct endings (a–f) containing expressions from the given material

- | | |
|--|---|
| 1. The computer manufacturer is cutting back on in – | a maintenance is worrying train operating companies. |
| 2. The poor standard of some subcontractors’ | b spent \$157 million on the Cymbalta advertising campaign. |
| 3. Retail giants Sharks Ltd have decided to | c house production work in a bid to reduce costs and increase efficiency. |
| 4. Late deliveries from outside | d outsource canteen and cleaning services, to focus better on its buying and selling activities. |
| 5. Gruma has manufacturing | e suppliers are causing delays in production, the Azco group claims. |
| 6. Lilly and its partners | f operations on five continents, and its products are sold in more than 50 countries. |
-
- | | |
|--|---|
| 1. Wikinomics describes a scenario where the post-industrial age | a at peer collaboration as a way of coping with a new learning environment. |
| 2. Students are enthusiastic and positive about their many informal attempts | b Specifically, thousands of programmers contribute to Linux and over 75,000 people are writing and editing articles on Wikipedia. |
| 3. One goal of co-creation is to find a balance between the traditional emphasis on value extraction | c will naturally become the producers of the commodities which they want to produce. |
| 4. Linux, Wikipedia, YouTube and Facebook | d from consumers and the new stress on value creation with consumers. |
| | e is being transformed by |

are all examples of mass collaboration. allowing more people to put their intellectual muscle to the wheel.

5. It would be a mistake to think of outsourcing as simply an economic transaction; **f** it is a universal tendency, like gravity, that exerts a pull on everything.

6. In the prosumer society we can deduce that all the consumers

TASK 2. Replace the words in italics with the correct forms of words from the given material.

- 1 Let's get the materials *only when we need them* to keep costs down.
- 2 It's difficult to find the right *special buildings* to put our finished goods in.
- 3 You have to decide well in advance how to *pay for* all this.
- 4 It's very important that we *keep* these components at the right temperature.
- 5 The company found that using couriers on bicycles was a very *quick and effective way* to deliver documents in big cities.
- 6 They want to introduce a system of *making things efficiently without waste*.

TASK 3. Over to you (group discussion)

1. What are the advantages and disadvantages of the following?

- outsourcing
- asking for components 'just-in-time'

2. In what ways does your company or the place where you study try to improve efficiency?

READING

Going lean

Going green often comes with the opportunity to go lean.

Going lean means you'll be able to enjoy lower costs, which translates to greater profits.



Automating processes and moving to the cloud will save you time and effort on maintaining files of printed documents and receipts, and it'll also limit the use of paper to save the trees.

By moving your business online, you'll have all your purchase and sales orders at your fingertips, making it easy for you to keep track of your business records. There are integrations for every purpose, from accounting to inventory management, and these allow you to keep costs low while maintaining a close eye on your business.

Another benefit of going lean means you'll be able to deliver fresher products to your customer and reduce excess inventories. Like Pilot Coffee Roasters, you can try to avoid carrying big amounts of final inventory on hand, which prevents the risk of spoilage while guaranteeing their customers freshness and quality.

The green market will only continue growing, especially since millennials (age 21-34) are responsive to sustainability actions up to twelve times more so than baby boomers. Currently, 55% of global online consumers are willing to

pay more for products and services from companies that are committed to positive social and environmental impact.

Finally, as millennials become the largest share of the labor force, the demand for green products and services are slated to rise, and businesses will need to commit themselves to positive social and environmental impact in order to remain competitive.

Words and word combinations and their definition:

- **receipt** = a receipt is a piece of paper that you get from someone as proof that they have received money or goods from you;

- **fingertip** = a protective covering for the end of a finger;

- **keep track** = if you keep track of a situation or a person, you make sure that you have the newest and most accurate information about them all the time;

- **close eye** = to monitor someone or something closely;

- **spoilage** = when spoilage occurs, something, usually food, decays or is harmed, so that it is no longer fit to be used;

- **millennial** = denoting or relating to a period of a thousand years;

- **baby boomer** = a person born during a period of time in which there is a marked rise in a population's birth rate : a person born during a baby boom;

- **sustainability** = sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs;

- **to be slated** = if something is slated to happen, it is planned to happen at a particular time or on a particular occasion;

- **remain** = to continue in the same state; continue to be as specified.

Read the article and answer the following questions:

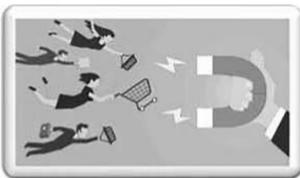
1. What can bring to lower costs and greater profits?
2. What is the result of implementing automation processes?
3. What is moving to the cloud?
4. How can business online make your life easy?
5. What can help you to keep costs low?
6. What other benefits of going lean can you mention according to the article?
7. What is slated to rise?
8. Would you like your business to go lean?

Unit 12. Buyers, sellers and the market; Markets and competitors



People who buy IBM's products and services are IBM's **customers** or **clients**. Foster and Partners, a big architectural firm, has clients, rather than customers. **Client** often refers to people and organizations who buy the services of professionals such as accountants, lawyers, etc. IBM's customers considered as a group make up its **customer base**. Foster and Partners' clients considered as a group form a **client base**. These are slightly technical expressions in business journalism.

People who buy a company's or a professional's products or services, especially expensive or exclusive ones, are its **clientele**. You can also talk about the **users** of a product or service who may not be the organizations who actually buy it. The expression **end-users** refer especially to people who use products, particularly computer equipment and other technology. These expressions are often used in contrast to the producers and distributors of a product. For example, IBM sells products through various channels, but the end-users are the employees of the companies that buy its products. People who buy products or services for their own use are **consumers**, especially when considered as members of large groups of people buying things in advanced economies.



Key Differences Between Customer and Client

► A person who purchases goods and services, from the company is known as the Customer. Client refers to someone who seeks professional services from the company;

► There exist an agency agreement between the client and the service provider. Conversely, there is no such agreement between the customer and the business entity;

► A company focuses on selling the product and services to the customer. On the other hand, the company focuses on serving the client;

► The company offers goods and services to its customers. Talking about clients, who seek for professional services like advisory, legal, consultancy and may more;

► The degree of personal attention required in case of the customer is less as compared to the client;

► A relationship between customer and business exist for a short term only. However, a customer can have repeated transactions but only for a limited time. In the case of a client, the business engages in a long-term project with the client.

CLIENT VS CUSTOMER

Client and Customer are sometimes used interchangeably but they differ in their conventional definitions.

CLIENT	CUSTOMER
A CLIENT is a person who only receives official and professional services.	A CUSTOMER is a person who buys goods and services from the businesses or stores.
Examples <ul style="list-style-type: none"> • The lawyer proved the innocence of his <u>client</u>. • She has an appointment with a <u>client</u> at 10.30. • Mr. Black has been a <u>client</u> of this firm for many years. • He refused to reveal the identity of his <u>client</u>. • She was engaged in conversation with a <u>client</u>. 	Examples <ul style="list-style-type: none"> • The <u>customer</u> cast his money on the counter and left. • <u>Customer</u> relations is an important element of the job. • We aim to maintain high standards of <u>customer</u> care. • The firm has an excellent <u>customer</u> service department. • We try to be responsive to the needs of the <u>customer</u>.

www.confusedwords.org



Customer



Client



Consumer

end – user - the person or organisation that uses something rather than an organization that orders, pays **for it**;



consumer – a person who buys goods or services for their own use;

Consumer vs end user

We can use the term “consumer” to refer to “consumer products” as in products sold to individuals (B2C) vs enterprise customers or B2B customers. End users exist in both consumer and business sales. For example, a mother may buy a child an educational toy. The mother is the consumer but the child is the end-user and both must have a satisfactory customer experience. Similarly, the decision maker for a B2B solution or enterprise sale is typically a department head while the end-users are the employees who consume the product, be it software or office furniture or equipment of some kind.

buyer – (a) is a person who is buying something or who intends to buy it; (b) is a person who works for a large store deciding what goods will be bought from manufacturers to be sold in the store;

purchaser – person or entity that is a recipient of a good or service provided by a seller under a purchase order or contract of sale. Also called buyer;



buying manager – the buying manager of a store is a senior employee whose job is to manage the purchase and delivery of products and supplies, maintaining stock levels;

vendor – someone who sells something, especially property;

street vendor – a vendor is someone who sells things such as newspapers, cigarettes or food from a small stall or cart in the street, sometimes illegally;



the market – is defined as the sum total of all the buyers and sellers in the area or region under consideration. The area may be the earth, or countries, regions, states, or cities;

the free market – is an economic system in which business organizations decide things such as prices and wages and are not controlled by the government;

market economy – is an economic system in which economic decisions and the pricing of goods and services are guided by the interactions of a country's individual citizens and businesses;





market forces (market pressures) – the actions of buyers and sellers that cause the prices of goods and services to change without being controlled by the government;

market place – a set of trading conditions or the business environment;

market price – is the current price at which an asset or service can be bought or sold.

The **market** for a particular product is the people/organizations that buy it, or might buy it.

Buyers and sellers of goods or services in a particular place form a **market**.

If a company	<ul style="list-style-type: none"> enters penetrates abandons gets out of leaves withdraws from dominates corners monopolizes drives another company out of 	} a market,	it starts selling there for the first time.
			it starts selling, or sells more and more, there.
			it stops selling there.
			it is the most important company selling there.
			it becomes the main company selling there.
			it is the only company selling there.
			it makes the other company leave the market, perhaps because it can no longer compete.

Market is often used in these combinations:

market	growth	There has been huge market growth in the sales of digital music, with Apple in particular seeing a massive increase in the number of people buying songs from iTunes.
	segment	Regional airlines are important customers for the Embraer ERJ-145. They are a big market segment for Embraer.
	segmentation	Microsoft divides the software market into large companies, small companies, home office users, and leisure users. This is how it does its market segmentation .
	share	In the US, Japanese carmakers have been gaining market share – they are selling a bigger percentage of cars sold, and US manufacturers are selling a smaller percentage.
	leader	Tesco is the biggest supermarket chain in the UK and is therefore the market leader .

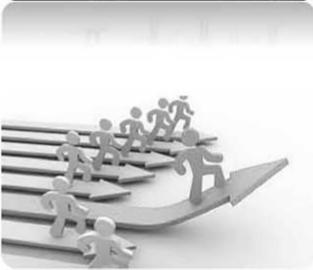
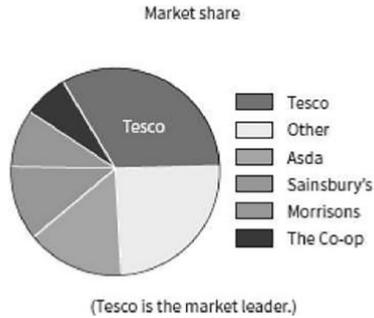
Competitors and competition

Companies or products in the same market are **competitors or rivals**. Competitors **compete** with each other to sell more, be more successful, etc.

The most important companies in a particular market are often referred to, especially by journalists, as **key players**.

Competition is used to talk about the activity of trying to sell more, be more successful, etc. When competition is strong, you can say that it is **intense, stiff, fierce or tough**. If competition isn't strong, it may be described as **low-key**.

The **competition** refers to all the products, businesses, etc. competing in a particular situation, seen as a group.



a competitor – is a person, business, team, or organization that competes against you or your company. If somebody is trying to beat you in a race, that person is your competitor;

a rival – is a person, business, or organization who you are competing or fighting against in the same area or for the same things;

key players – an important person or company, etc. in a particular area of activity;

low key – if you say that something is low-key, you mean that it is on

a small scale rather than involving a lot of activity or being made to seem impressive or important.

EXERCISES

TASK 1. Find appropriate forms of expressions in in the given material that refer to the following.

1. someone who buys food in a supermarket. (4 expressions).
2. all the people who buy food from a particular supermarket chain, from the point of view of the chain.
3. someone who buys the services of a private detective agency.
4. all the people who buy the services of the agency, seen as a group (2 expressions).
5. someone who sells goods or services.
6. someone selling a house (2 expressions).
7. someone buying a house (2 expressions).
8. someone who sells hamburgers to tourists outside the Tower of London.
9. someone whose job is buying tyres for a car company (4 expressions).
10. someone who uses a computer, even if they have not bought it themselves, but their company has (2 expressions).

TASK 2. Complete the TV reporter's commentary with expressions from the given material containing 'market'.

'In China, all economic activity used to be controlled by the state. Prices were fixed by the government, not by buyers and sellers in the (1) But in the last 20 years there has been a series of (2) that have allowed people to go into business and start their own companies. (3) are determined by what buyers are willing to pay, no longer by the state. There are still state-owned companies that lose a lot of money. Until recently, they have been protected from (4) (2 possibilities), but (5) (2 possibilities)

will eventually mean that they close down. Of course, the (6) has its losers – those without work, and victims of crime, which used to be very rare.’

TASK 3. Replace the underlined expressions with expressions from the given material. You may need to add a verb in the correct form.

I’m Olinka and I’m marketing manager for a soft drink company in the Czech Republic. In this market, we (1) *sell more drinks than any other company*. In fact, we (2) *have 55 per cent of the market*. (3) *Sales are increasing at seven to eight per cent per year*. There are two main (4) *groups of consumers*: those who drink them in cafes, bars and restaurants, and those who buy them to drink at home. Of course, many consumers belong to both groups, but this is our (5) *way of dividing our consumers*.

TASK 4. Over to you (Group discussion)

1. What companies in your country have a large customer base?
2. What is the purchasing manager responsible for buying in a large office?
3. Talk about the competitors in a particular market and their market shares. (You could talk about the market that your company, or a company you would like to work for, is in.)

READING

Plant-based milk becoming more popular

(2nd May, 2022)

Plant-based milk has grown in popularity in the past decade. More people are switching to vegan diets and sustainably produced food. A recent cause of people moving

from dairy to plant-based milk is the global rise in the prices of food. This has been worsened by Russia's war with Ukraine. This has increased the costs of fertilizer and feed for cows. Many countries rely on Russia for over 50 per cent of their fertilizer supply. In addition, Ukrainian corn used to feed cows is drying up. A farming union in the UK said fertilizer prices have risen fourfold and animal feed by 70 per cent.



Non-Dairy Milk, Taste-Tested and Ranked

The plant-based milk market will double in the next ten years. Experts say it will rise to \$53 billion in 2028 from \$22 billion in 2021. Consumers now have a huge choice of plant-based milks. Supermarket shelves are stocked with milk made from soy, almonds, coconuts, cashews, and oats. In February, a Swedish company launched the world's first potato milk, called Dug. It is described as being “deliciously creamy” and “the most sustainable plant-based dairy alternative on the market”. The dairy milk industry is reminding people its milk is rich in calcium and protein.

Words and word combinations and their definition:

- **receipt** = a receipt is a piece of paper that you get from someone as proof that they have received money or goods from you;

- **fingertip** = a protective covering for the end of a finger;
- **keep track** = if you keep track of a situation or a person, you make sure that you have the newest and most accurate information about them all the time;
- **close eye** = to monitor someone or something closely;
- **spoilage** = when spoilage occurs, something, usually food, decays or is harmed, so that it is no longer fit to be used;
- **millennial** = denoting or relating to a period of a thousand years;
- **baby boomer** = a person born during a period of time in which there is a marked rise in a population's birth rate : a person born during a baby boom;
- **sustainability** = sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs;
- **to be slated** = if something is slated to happen, it is planned to happen at a particular time or on a particular occasion;
- **remain** = to continue in the same state; continue to be as specified.

Read the article and answer the following questions:

1. What has increased the global rise in food prices?
2. What has happened to Ukrainian corn?
3. What Swedish milk product was launched this year? What do you think of the idea of potato milk?
4. What do you think of veganism?
5. Why are more people turning to veganism? How will the war in Ukraine affect food prices?
6. What do you think of when you hear the word 'milk'?

in the **marketing department**, should think in these terms of profitability through satisfying customer needs.

Companies point out how the special **features** – important characteristics and qualities – of their products and services possess particular **benefits** – advantages – in relation to the needs of the people who buy them.

Non-profit organizations have other goals, such as persuading people to give money to help people in poor countries, but these organizations also use the techniques of marketing. This is **social marketing**.

In some places, even totally different organizations such as government departments think about – or at least talk about – their activities in terms of the marketing concept.



What Are the 4 Ps?



The four Ps of marketing are the key factors that are involved in the marketing of a good or service. They are the product, price, place, and promotion. Often referred to as the marketing mix, the four Ps are constrained by internal and external factors in the overall business environment, and they interact significantly with one another

“**People**” is our 5th brand building block because great brands are all about People. They’re about the people who came up with the big idea, they’re about those who produced the brand as well as the products or services, those who brought them to market and those that continue to manage the brand. “People” also includes your brand champions; those who work at your company, and the customers who regularly refer others to your brand, your products or your services.



Packaging: Your packaging is the gold star of your marketing mix – it can dictate how well your strategy is working, and it involves each one of the points above. Packaging is what shows off your product in the best light, displays the price and value of the product, communicates the product’s benefits to consumers, and it what physically appears in your various distribution points. Your product may be the very best on the market, but its packaging needs to be the main tool that represents this. It’s the first thing people see, and it has the ability to catch or divert their attention within seconds.



Market orientation – Market orientation is an approach to business that prioritizes identifying the needs and desires of consumers and creating products that satisfy them;

Product orientation is defined as the orientation of the company’s sole focus on products alone. Hence, a product oriented company put in maximum effort on producing quality product and fixing them at the right price so that consumer differentiates the company’s products and purchase it.



Word combinations with “product”

product	catalogue (BrE)	a list of a company’s products (see Unit 18)
	catalog (AmE)	
	mix portfolio	a company’s products considered together and in relation to one another
	line range	a company’s products of a particular type
	lifecycle	the stages in the life of a product and the number of people who buy it at each stage
	positioning	how a product is seen, or how a company would like it to be seen, in relation to its other products and/or to competing products
	placement	when a company pays for its products to be used or seen in films and TV programmes

GOODS

Goods are the materials and components used to make products, or the products that are made. **Raw materials** are basic materials from which other things are made. **Finished goods** are products ready to be sold. **Industrial goods** are bought by other companies for use in their activities and products. **Consumer goods** are bought by individuals for their own use.

1. RAW MATERIALS.



Depending on its origin, raw materials can be classified into three groups:

1. Animal-based raw materials.

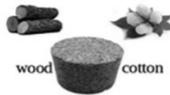
wool, silk, leather...



sheep's wool

2. Vegetable-based raw materials.

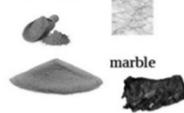
wood, cork, cotton ...



wood cotton

3. Mineral-based raw materials.

clay, sand, marble, iron ore ...



marble

consumer durables – are a category of consumer products that do not have to be purchased frequently because they are made to last for an extended period of time (typically more than three years). They are also called durable goods or durables.



FMCG – fast-moving consumer goods have a short shelf life because of high consumer demand (e.g., soft drinks and confections) or because they are perishable (e.g., meat, dairy products, and baked goods). These goods are purchased frequently, are consumed rapidly, are priced low, and are sold in large quantities. They also have a high turnover when they're on the shelf at the store.

A **brand** is an identifying symbol, mark, logo, name, word and/or sentence that companies use to distinguish their product from others. A combination of one or more of those elements can be utilized to create a **brand identity**.



Legal protection given to a brand name is called a **trademark**;

Branding – The process involved in creating a unique name and image for a product in the consumers’ mind, mainly through advertising campaigns;

brand awareness – is a marketing term that describes the degree of consumer recognition of a product by its name. Creating brand awareness is a key step in promoting a new product or reviving an older brand. Ideally, awareness of the brand may include the qualities that distinguish the product from its competition;



Own-brand product – Own brands are products which have the trademark or label of the shop which sells them, especially a supermarket chain. They are normally cheaper than other popular brands;



Own-label products – used to describe a product that has the name of the store where you buy it, rather than a name used by the company that made it;



generic product (generics) – in business, refers to products that companies market without a trademark, brand name, or other distinguishing feature. It is typically not heavily marketed and competes with other brand name products largely on a price basis. Packaged food and drugs are commonly offered to shoppers as generic products.

EXERCISES

TASK 1. Match the sentence beginnings (1–7) with the correct endings (a–g). The sentences all contain expressions from the given material.

- | | |
|---|---|
| 1 There are now more efficient and market-oriented | a in several markets at once. |
| 2 Since the 1990s, China has had a much more market-led | b and replaced state planning with a market-oriented system. |
| 3 Many of today's best market-led growth businesses – General Electric, Microsoft, Virgin and Sony – are | c – where a common spirit improves the work – are not easy to make or keep going in our market-driven society. |
| 4 Lack of investment and poor market orientation | d approach to economics. |
| 5 For 50 years, American television has been a market-driven industry, | e left the companies with falling sales and profits. |
| 6 Deng decentralized control over the economy | f farms with less dependence on government money. |
| 7 Communities of actors, writers, directors and technicians | g and the audience has decided the direction it takes. |

TASK 2. Choose the correct expression to complete each gap.

- 1.** Unlike traditional product (*line / mix / placement*), under which companies provided goods at no cost

in exchange for the exposure, TV advertisers will pay a lot of money for their products to get worked into the actual storyline.

2. At this food shop, the product..... (*lifecycle / mix / positioning*) includes local produce as well as nuts shipped from California, wine from France and olive oil from Italy.

3. The new product (*lines / range / placement*) are Mr. Ballmer's answer to the most difficult questions about Microsoft's future: Where will it find new growth as the Windows and Office businesses continue to mature?

4. There needs to be a tough cost-control policy throughout the different stages of the product..... (*catalogue / lifecycle / mix*) in order to keep costs down.

5. The firm must define its markets, position ranges of brands and identify gaps which offer opportunities for expansion or new product (*line / mix / positioning*).

6. Ford's CEO Mark Fields wants to streamline the company's product (*lifecycle / portfolio / positioning*) so more cars and trucks are produced in fewer plants.

TASK 3. Which group or groups in does each of these products belong to?

1. microwave ovens;
2. cotton;
3. cars;
4. hamburgers;
5. soap powder;
6. wood;
7. chairs;
8. corn;
9. bricks;
10. chips.

TASK 4. Over to you (Group discussion)

1. Think of an organization that is famous for being market-oriented. What factors are important?

2. What are typical product placements in a particular film or TV show that you know?

3. What are the most famous brands of chocolate, soft drinks, breakfast cereal and fast food in your country?

READING

The Fairphone 4: A Phone You Can Fix On Your Own



Gadget development and **sustainability** have not exactly gone hand in hand. This stretches all the way back to the early days of mobile technology, though admittedly things were much simpler in the **advent** of smartphones. These days however, manufacturers are known for designs which are hard to repair by users and service centers alike – **a stark reversal** of what has been the norm for the past decade or so. Long gone are the days when you can open up the back of your phone to replace a bad battery or go to the nearest service center to get your screen replaced for a relatively small fee. From the heavy use of glue to highly-specialized screws that

are just a step short of proprietary, modern-day gadgets are quickly becoming **nigh-impossible** to repair.

But should it be so? Fairphone doesn't seem to think this should be the case. Based out of Amsterdam, Fairphone is a rather unorthodox company with an even more unorthodox product. With a heavy emphasis on sustainability and **reparability**, the brand's phone is largely reminiscent of Google's Project ARA which was cancelled a few years ago.

The Fairphone 4, as the company puts it, is a very repairable phone utilizing a process so simple that end users can buy replacement parts **straight** from the company and **swap out** parts themselves. This is a far cry from the general **glass-slab** phones that we have today which are highly unrepairable unless you're willing to **shell out** more money getting the tools necessary, and that's not even considering the costs or getting the parts themselves which can be quite **elusive**.

The Fairphone 4 is the Dutch company's fourth attempt at making a sustainable, rather modular phone. And this time, it might be something that you might want to consider. It might not be **mature** enough **to make a splash** on the market just yet as it needs to improve a few things (that you can put in your Fairphone 4 as upgrades roll out), but it's a very **promising** concept nonetheless. More importantly, it is a concept that we might want to pay more attention to in the coming future.

Words and word combinations and their definition:

- **gadget** = a small mechanical or electronic device or tool, especially an ingenious or novel one;

- **sustainability** = in business, **sustainability** refers to doing business without negatively impacting the environment, community, or society as a whole;

- **reversal** = the act of changing or making something change to its opposite;

- **a stark** = complete or extreme;

- **high-impossible** = highly unlikely to succeed; extraordinarily difficult;
- **reparability** = a measure of the degree to and ease with which a product can be repaired and maintained, usually by end consumers;
- **straight** = in a straight line; directly;
- **glass-slab** = a glass slab is a substance with a cuboidal shape that is made of glass. A glass slab is made of glass with three dimensions length, breadth, and height;
- **shell out** = to spend a lot of money on something;
- **elusive** = difficult to find, catch, or achieve;
- **mature** = having reached full natural growth or development;
- **to make a splash** = attract a great deal of attention;
- **promising** = showing signs of future success.

Read the article and answer the following questions:

1. What are manufacturers known these days and why?
2. Modern-day gadgets are quickly becoming **high-impossible** to repair in comparison to what?
3. What does Fairphone emphasize on?
4. What differences does the company offer its end users?
5. Is the company ready to make a splash in the market?

Unit 14. Price, Place



Price – in commerce, price is determined by what (1) a buyer is willing to pay, (2) a seller is willing to accept, and (3) the competition is allowing to be charged. With product, promotion, and place of marketing mix, it is one of the business variables over which organizations can exercise some degree of control;

low-priced – used to describe things that do not cost much;

high-priced – costing more than the average; expensive; costly;

mid-priced – used to describe a product or service that is neither very cheap nor very expensive compared to other products or services of the same type;

pricing – the level at which prices are set by a company;

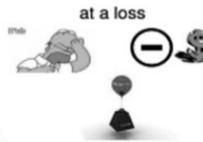


charge – to ask an amount of money for something, especially a service or activity;

at cost – if you sell something at cost, you sell it for the same amount that you spent when you made it or bought it; without a profit;

at a loss – at less than the cost of buying, producing, or maintaining (something);

loss leader – a loss leader is an item that is sold at such a low price that it makes a loss in the hope that customers will be attracted by it and buy other goods at the same shop;



discounting – the activity of reducing prices in order to sell larger quantities of goods or services;

at a discount – for less than the usual price;

recommended retail price – the selling price of a product officially suggested by a manufacturer to a retailer;

undercut – to offer a good or service at a price that is deliberately set below the price charged by the competitor(s).



The owner of Allmart Stores talks about its prices:

‘As you know, our goods are **low-priced** and this permanently **low pricing** means we **charge** low prices all the time. Our competitors say their goods are more **expensive** because they provide customer service. But we believe that our customers are interested in **cheap** goods and don’t want to pay extra for service.

‘It is true that we have **loss-leaders** – these are cheap items which are there to attract customers. We have a policy of selling our goods below the ‘official’ **list price** or **recommended retail price**. This policy of **discounting** – selling at a **discount** to the list price – has been very successful.’

The owner of Luxmart says:

‘Allmart’s goods are **cheap** – low-priced but not of high quality. Our top-quality goods are **high-priced**, I agree, but we have high levels of customer service. In fact, most of our goods are **mid-priced** – not cheap and not expensive. But Allmart are **undercutting** us on some products – selling the same ones at lower prices than us.’



Word combinations with ‘price’

price	boom	when prices are rising quickly, to the benefit of sellers
	controls	government efforts to limit the amount by which prices increase
	cut	a reduction
	hike	an increase, especially one not wanted by the buyer; used by journalists
	war	when competing companies reduce prices in response to each other
	tag	a label attached to goods, showing the price; also means ‘price’

Upmarket and downmarket

upmarket – more expensive or appealing to a wealthy section of the population;

high-end (top-end) – intended for people who want very good quality products and who do not mind how much they cost;

down market – cheaper or appealing to a less wealthy section of the population;

low-end (bottom-end) – a type of pricing method where a business sets a comparatively low price in order to enhance the demand for its product among consumers, as well as its competitive position in the market;



entry-level – is used to describe low-cost versions of products such as cars or computers that are suitable for people who have no previous experience or knowledge of them; the cheapest or simplest version of a particular product or service;

mid-range – you can use mid-range to describe products or services which are neither the most expensive nor the cheapest of their type;

trade up – if someone trades up, they sell something such as their car or their house and buy a more expensive one;

trade down – to spend less money when you buy things than you did before;

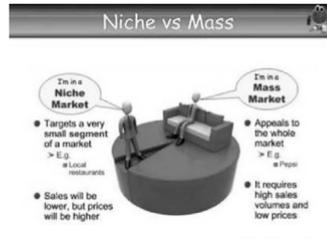


Products exist in different **models**. Take skis for example. Some are **basic** and others more **sophisticated** and **exclusive**. The cheapest skis are **low-end** or **bottom-end**. The most expensive ones are **high-end**, **top-end** or **premium** products – designed for very experienced users (or people with a lot of money!). The cheapest **entry-level** skis are intended for beginners who have never bought skis before. Those in between are **mid-range**. When you buy more sophisticated skis to replace basic ones, you **trade up** and **move upmarket**.

If you buy cheaper skis after buying more expensive ones, you **trade down** and **move downmarket**. To say that something is **downmarket** often shows disapproval. For example, if a publisher **takes** a newspaper **downmarket**, they make it more popular, less cultural, etc. in an attempt to increase the number of readers.

mass market – a product that is designed for the mass market is intended to be bought by as many people as possible, not just by people with a lot of money or a special interest;

niche market – a small area of trade within the economy, often involving specialized products.



Place

producer – a company, country or person that provides goods, especially those that are produced by an industrial process or grown or obtained through farming, usually in large amounts;

wholesaler – someone who buys and sells goods in large amounts to shops or businesses;

retailer – is a company that buys products from a manufacturer or wholesaler and sells them to end users or customers. In a sense, a retailer is an intermediary or middleman that customers use to get products from the manufacturers;

dealer – is a person whose business involves buying and selling things.





distributor – is a person or organization that supplies goods to shops or other businesses;

reseller – is a person or organization that buys products from manufacturers and sells them to customers; resellers are known to conduct operations on the internet through sites on the web;



middleman – a person who buys goods from the company that has produced them and makes a profit by selling them to a shop or a user;

SHOPS

- **chain store** – part of a group of shops, all with the same name;
 - **convenience store** – small shop in a residential area and open long hours;
 - **deep discounter** – a supermarket with very low prices;
 - **department store** – very large shop with a wide variety of goods, usually in a town center;
 - **drugstore** – shop in a town center in the US which sells medicines; you can also have coffee and meals there;
 - **hypermarket** – very large shop with a wide variety of goods, usually outside a town;
 - **supermarket** – very large shop, selling mainly food.
- shopping center (precinct)** – an area of a town or city in which no vehicles are allowed and where there are a lot of stores; a group of shops with a common area for cars to park;
- a shopping mall** – is a specially built covered area containing shops and restaurants which people can walk between, and where cars are not allowed, usually outside towns;

a **franchise** – is an authority that is given by an organization to someone, allowing them to sell its goods or services or to take part in an activity which the organization controls.



Direct marketing

‘Hi, I’m Beatrice and I work in a **direct marketing** company in Brussels. We organize **mailings**, sending information by post for everything from magazines to vacations. We call this **direct mail**, but the people who dislike receiving it sometimes call it **junk mail**. Of course, we **target** our mailing lists very carefully – choose who to send them to. There’s no point in sending **mailshots** for garden tools to people who live in apartments!

‘We also do **telemarketing** – selling by telephone from our **call centers**. The most difficult thing is making **cold calls** to people who have had no contact with us before.’

direct marketing – is a form of communicating an offer, where organizations communicate directly to a customer;

mailing – the act of sending letters, packages or electronic messages to a lot of people at one time;

direct mail – is a method of marketing which involves



companies sending advertising material directly to people who they think may be interested in their products;

junk mail – letters or emails, usually advertising products or services, that are sent to people although they have not asked to receive them.



EXERCISES

TASK 1. Look at the given material and the table below. Then say if the statements (1-6) are true or false.

Model	List price (£)	Our price	Average price of similar competing products
Small off-road 4x4	30,600	29,500	29,100
Medium off-road 4x4	31,095	28,999	29,000
Large off-road 4x4	59,700	58,999	58,600

1. The retailer has a pricing policy where the prices are below list prices.

2. The small off-road 4x4 model is low-priced, and cheap in relation to competing products.

3. This retailer charges £59,700 for the large off-road 4x4 model.

4. The large off-road 4x4 model is the highest-priced model.

5. The large off-road 4x4 model is cheap in relation to competing products.

6. All the models are sold at a discount to their list price.

TASK 2. Read an article and answer the questions.

1. What sort of image did Starbucks have when it was launched?

2. Was the fact that it was expensive a problem?

3. Did Starbucks grow just by opening new coffee shops?

 **STARBUCKS IN TROUBLE** 

From the beginning, the key to Starbucks' success was its upmarket image. That the coffee itself was rather expensive only added to its appeal. If you wanted cheap coffee, then go to a diner.

For a long while Starbucks managed to keep ahead of the game, expanding very fast, buying competitors and launching new products. Premium coffee remained the basic product – and one others could easily copy. Now McDonald's offers premium coffee,

not only cheaper than Starbucks' but of a quality that won first place in a survey in March by Consumer Report.

As a result, Starbucks finds itself caught in a new, unwelcome 'third place', pressed from below by the fast-food chains that until recently had been considered more downmarket, and from above by a new generation of more upmarket, exclusive and sophisticated coffee houses.

4. How has McDonald's coffee changed in the last few years?

5. Is Starbucks in a good competitive position? Why? / Why not?

TASK 3. Where do you go if you want to do the following?

1. park easily and visit a number of different shops without having to go to the town center;

2. visit different shops grouped together in a British town center;

3. buy a packet of sugar if all the supermarkets are closed;

4. buy food and some other products extremely cheaply;

5. buy clothes in a town center without going to a specialized clothes shop;

6. buy clothes, a computer and products for doing repairs on your house all in one shop, outside the town center.

TASK 4. Over to you (Group discussion)

1. Which companies in your country offer the lowest prices?

– for family cars – for home furniture – in supermarkets

2. What are the advantages and disadvantages for a company with an upmarket image trying to increase its sales by offering cheap products?

3. Do you prefer shopping in the city center or out of town? Why?

4. Which companies in your country often advertise by direct mail?
5. What do you think of telemarketing?

READING

How shops use psychology to influence your buying decisions

Published: April 7, 2022 1.12pm BST

You might think that you only buy what you need, when you need it. But whether you are shopping for food, clothes or gadgets, the retailers are using the power of psychological **persuasion** to influence your decisions – and help you part with your cash.

If you think back, I'll bet there's a good chance that you can remember walking into a **grocery store** only to find the layout of the shop has been changed. Perhaps the toilet paper was no longer where you expected it to be, or you struggled to find the tomato ketchup.

Why do shops like to move everything around? Well, it's actually a simple answer. Changing the location of items in a store means that we, the customers, are exposed to different items as we **wander** around searching for the things we need or want. This ploy can often significantly increase unplanned spending, as we add additional items to our baskets – often on impulse – while spending more time in the shop.

Buying on impulse

In fact, studies suggest that as much as 50% of all groceries are sold because of impulsiveness – and over 87% of shoppers make impulse buys.

While it is complicated and affected by many factors, such as a need for arousal and lack of self-control, it is known that external **shopping cues** – “buy one get one free” offers,

discounts and in-store promotional displays, for example – play a key role.

An appealing offer can lead to a rush of temporary delight, and this makes it harder to make a rational buying decision. We're overcome by the perceived value of the "saving" if we buy the item in the here and now – so we ignore other considerations such as whether we really need it. The need for instant **gratification** can be hard to ignore.

Bundling is another technique that retailers use to **trigger** impulse buying.

You've probably seen it quite often. Complementary products are packaged together as one product, with one price, which often provides a substantial discount. Game consoles, for example, are often sold together with two or three games, and grocery stores have "meal deal" **bundles** and even web pages dedicated to a whole range of bundle offers.

Shopping can be friend or foe

While these strategies can help to **swell** the profits of retailers, they can also contribute to problems for their customers.

Impulse buying can undoubtedly affect a consumer's mental wellbeing. It increases feelings of shame and guilt, which in turn can lead to anxiety, stress and depression.

And it's potentially even more serious when buying on impulse leads to excessive buying, especially if people spend money they don't have.

But there are some positives, too.

Online shopping has been found to give a **dopamine boost**, as it is released into our brains when we anticipate pleasure. So while we wait for our purchases to arrive, we tend to feel more excited than if we had bought things in store.

If this pleasurable feeling is well managed, then there's no harm in it. But, sadly, it doesn't always end there. That fleeting feeling of pleasure can sometimes lead to the onset of



Online shopping can be more exciting than buying from shops.

a shopping addiction. This can happen when a consumer wants to continuously experience the feel-good “hit of dopamine”, so they fall into a pattern of buying more and more items until it gets out of control.

On the flip side of the coin, shopping can help restore a person’s sense of control.

When we’re feeling unhappy or anxious, we tend to think that everything is out of our control. But as shopping allows us to make choices – which shop to go to or whether we like an item – it can bring back a feeling of personal control and reduce distress. So it can be a more meaningful activity than many think.

Retailers can help us too

While retailers might not **be keen** to reduce the amount of shopping we do, they could, if they wish, help to influence our buying decisions more positively.

There is a pressing need to **combat** obesity in most countries of the world. That’s why the UK government has

decided to restrict the promotions of unhealthy foods – those high in free sugars, salt and saturated fats – in prominent store locations from October 2022.



It's a strategy that could help.

Removing **tempting** treats from the checkouts can help to reduce the amount of sugary foods that are bought – in some cases by as much as 76%.

And a recent study found that by increasing the availability and promotions of healthier food options (such as stocking low-fat chips next to regular chips) – and making them more visible through positioning and clever use of **signage** – shoppers can indeed be encouraged to make better choices.

Ultimately, the key to resisting goods we don't want, or need – and making healthy decisions – lies with us. It helps to be conscious of what we are doing while shopping. A good personal strategy is to try to browse less and use a shopping list instead – and try to only buy what's on it. But be kind to yourself, because it can be easier said than done.

Words and word combinations and their definition:

- **persuasion** = the action or process of persuading someone or of being persuaded to do or believe something;
- **grocery store** = a store that sells food and household supplies
- **wander** = walk or move in a leisurely or aimless way;
- **shopping cues** = we define a shopping-cue construct as “a shopping environment that serves tangible and intangible signals to shoppers;
- **gratification** = pleasure, especially when gained from the satisfaction of a desire;
- **trigger** = an event or situation, etc. that causes something to start;
- **bundles** = a group of things fastened together for convenient handling;
- **swell** = become or make greater in intensity, number, amount, or volume;
- **dopamine** = is responsible for allowing you to feel pleasure, satisfaction and motivation;
- **fleeting** = lasting for a very short time;
- **to be keen** = to be very strong and sensitive: highly developed;
- **to combat** = to fight or contend against;
- **tempting** = appealing to or attracting someone, even if wrong or unwise;
- **signage** = signs collectively, especially commercial or public display signs.

Read the article and answer the following questions:

What can be used by retailers to influence your decisions?

1. What is your opinion of an example as a good chance to remember walking into the grocery store?
2. Why do shops like to move everything around?
3. What do studies suggest on buying on impulse?

4. What is bundling?
5. What cases shopping can be a friend and in what cases – foe?
6. What example is given in case if retailers help to influence our buying decisions? Your opinion about the case.
7. What can really help us to control our buying habits? What are its positive and negative sides?

Unit 15. Promotion. Time and time management



Types of advertising medium



classified advertisement – a small advertisement that you put in a newspaper or a magazine, usually because you want to sell or buy something or to find or offer a job;

hoarding (BrE) (billboard (AmE)) – a large board used for displaying advertising posters, as by a road;

neon signs – an illuminated sign constructed from fluorescent lights in the form of bent glass tubes;



display advertisements – display ads are a lucrative method of advertising for marketers looking for ways to reach and acquire customers. They make generous use of visual media in the form of texts, images, or even videos to catch people's attention;



TV commercial – television commercials are fundamental advertisements that are broadcasted through the television;



special display – printing or page design to attract people's attention, used in advertisements;

product endorsement – a product endorsement involves a celebrity, a relevant professional or a business giving its approval for the virtue of a product and recommending it to the customers as a good and safe product;



advertising campaign – a planned series of advertisements that will be used in particular places at particular times in order to advertise a product or service and persuade people to buy it or use

it;

advertising agency is a company whose business is to create advertisements for other companies or organizations;



The sales department consists of a set of business activities and processes that help a **sales** organization run effectively, efficiently and in support of business strategies and objectives. The sales department generally includes sales, sales support or business operations.

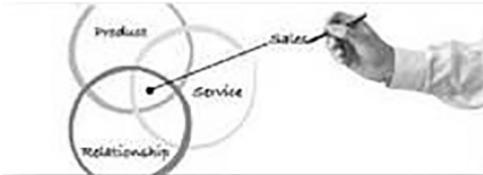
Jobs in sales are highly rewarding and easily accessible as anyone can develop the relevant skills and qualities of a good salesperson.

salesperson – is a person who sells things, either in a shop or directly to customers on behalf of a company;

salesforce – all the employees of a company whose job is persuading customers to buy their companies' products or services;

sales area – one of the areas where a company sells its products or services, often an area for which a particular sales person or particular sales people are responsible;

sales manager – a person in charge of a company's sales activities and its sales force.



a special offer – a product, service, or program that is offered at reduced prices or rates for a short period of time;

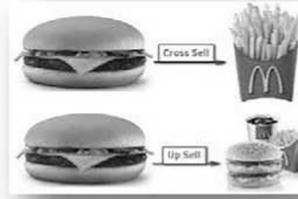
a free sample – a specimen or small amount of a product given free of charge to potential buyers to try or taste;



a free gift – a product that is given to a customer free when they buy something in order to encourage people to buy more of it;

loyalty cards – a plastic card that some shops give to regular customers. Each time the customer buys something from the shop, points are electronically stored on their card and can be exchanged later for goods or services;

cross-promotion – the use of one product or service to promote another; you buy one product, and you are recommended to buy another product, for example a washing machine with a recommendation for a particular brand of washing powder;



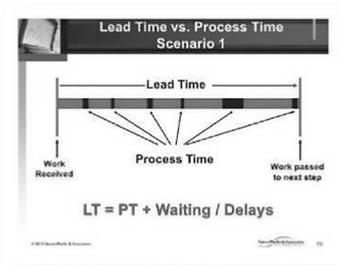
Time and time management

‘Time is money,’ says the famous phrase. The **timescale** or **timeframe** is the overall period during which something should happen or be completed. The **lead time** for something is the period of time it takes to prepare and complete or deliver all or part of something.



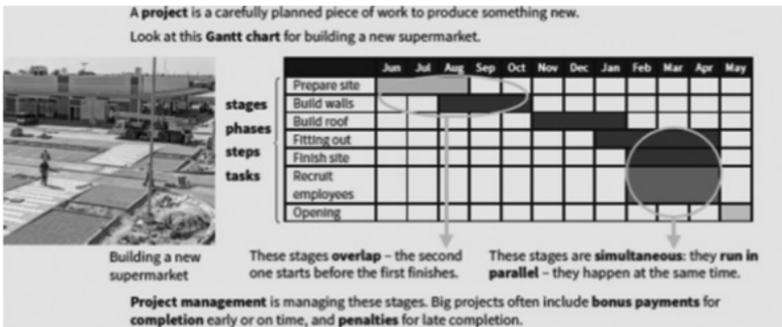
The times or dates when things in a plan should happen are its **schedule** or **timetable**. If a project is completed at the planned time, the project is **on schedule**; completion before the planned time is **ahead of schedule** and later is **behind schedule**. If something happens later than planned, it is **delayed**: there is a **delay**. If you then try to go faster, you try to **make up time**. But things can **take longer than planned!**

A period when a machine or computer cannot be used because it is not working is **downtime**.



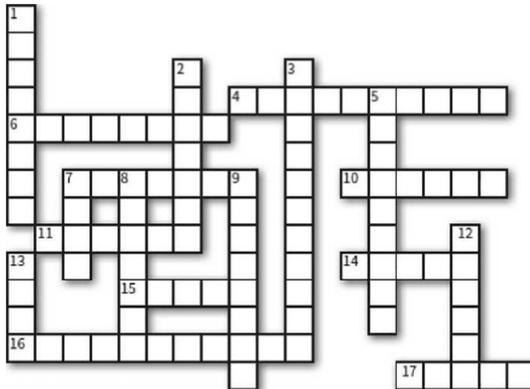
timeframe – a period of days, weeks, months, etc. within which an activity is intended to happen;

lead time – the time between the design of a product and its production, or between ordering a product and receiving it;



EXERCISES

TASK 1. Complete the crossword with the correct form of words from the given material.



Across

- 4 particular offers, competitions, etc. (10)
- 6 You find these at exhibitions: special .(8)
- 7 They give you direct experience of a product. (7)
- 10 You win these in competitions. (6)
- 11 an organizati onthatp I an sand designs campaigns: advertising (6)
- 14 all the sales people: sales (5)
- 15 given away with a product (5)
- 16 organ izatio ns that advertise [11]
- 17 The sales force is made up of salesmen and sales _..._(5)

Down

- 1 BrEfor ‘billboard’ (8)
- 2 can encourage customers to revisit the same store: cards (7)
- 3 TV advertisements (11)
- 5 One salesperson takes care of this. (9)
- 7 not necessarily neon (4)
- 8 head of the sales force: sales (7)
- 9 male salespeople (8)
- 12 TV is an example of a (6)
- 13 One salesperson takes care of this. (4)

TASK 2. Look at the Gantt chart for building a new supermarket in the given material and actual result in the task. Use appropriate forms of expressions from the given material to complete the text given below.

	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	
Prepare site																		
Build walls																		
Buld roof																		
Fitting out																		
Finish site																		
Recruit employees																		
Opening																		

‘The overall (1) (2 expressions) was originally 12 months, but the project took 17 months. The project started

on (2) in June, but site preparation took (3) because of very bad weather in the autumn. Site preparation and building the walls should have (4), but the walls were started in January. We were able to (5) a bit of time on the roof: it took two months instead of three, but we were still (6) schedule. The next (7) (4 expressions) was fitting out the supermarket, but there was a series of strikes by the electricians, so there were (8) here too. The store opened in October, but now there's a lot of (9), when the computers don't work. Everyone seems to have had bad luck with this project!'

READING

Italy's largest river experiencing drought

(20th June, 2022)



River Po – Italy 2022

Large **swathes** of Europe are experiencing **droughts** and water shortages. One region is experiencing its worst drought for 70 years. The area, in northern Italy, has had hardly any

rainfall in the past four months. This year's snowfall was 70 per cent lower. This has caused the River Po, Italy's largest, to be three metres lower than average. A lot of the **riverbed** has dried up and people can walk across the mud. In one part, the **declining** water level has fully **exposed** a World War II shipwreck. Authorities are concerned that if it doesn't rain soon, there'll be a serious water shortage. This means water will be rationed for drinking. Farmers will also have problems finding water to **irrigate** their crops.

A spokesperson from Italy's Po Basin Authority said the water shortages are **unprecedented**. The river gets much of its water from Lake Maggiore in the Italian Alps. The lake is seeing its lowest water level since 1946. Problems are being **exacerbated** by higher-than-average temperatures and a mini **heat wave**. A farmer from the tiny rural town of Guastalla, 150 km southeast of Milan, said she is expecting a "disastrous year". She said: "With such high temperatures and with no rain...the situation is **catastrophic**." She added: "We believe that there will be a **drop** in wheat productivity by at least 20 per cent due to the lack of rain." The Po Valley will see a 30 to 40% **reduction** in fruit and vegetable production.

Words and word combinations and their definition:

- **swathes** = a long strip or large area especially of land;
- **drought** = a prolonged period of abnormally low rainfall, leading to a shortage of water;
- **riverbed** = the bottom of the channel a waterway flows along;
- **declining** = becoming smaller, fewer, or less; decreasing;
- **exposed** = not sheltered or protected from the weather;
- **irrigate** = supply water to land or crops;
- **unprecedented** = never done or known before;
- **exacerbate** = made a problem, bad situation, or negative feeling worse;

- **heat wave** = a prolonged period of abnormally hot weather;
- **catastrophic** = involving or causing sudden great damage or suffering;
- **drop** = make or become lower;
- **reduction** = the action or fact of making something smaller or less in amount, degree, or size.

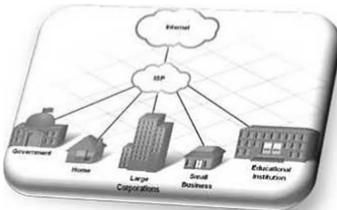
Read the article and answer the following questions:

1. What does the article say is experiencing droughts and water shortages?
2. How much lower was this year's snowfall?
3. What did lower water levels reveal in the River Po?
4. What might be rationed?
5. What might farmers not be able to do?
6. When was the last time the water level in Lake Maggiore was so low?
7. How far is the town of Guastalla from Milan?
8. What kind of year is a farmer expecting?
9. By how much did a farmer say wheat production might drop?
10. What might be produced at 20 to 40% lower rates?

Unit 16. The Internet and e-commerce



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ISP – an ISP (Internet service provider) is a company that provides individuals and other companies access to the Internet and other related services;

internet access – the process of connecting to the internet using personal computers, laptops or mobile devices by users or enterprises;

register – to make or secure official entry of in a register;

surf the internet – spend time finding and looking at things on the internet.



WWW – a computer system which links documents and pictures into a database that is stored in computers in many different parts of the world and that people everywhere can use;



search engine – computer software used to search data (such as text or a database) for specified information;

log on – to connect a computer to a computer system by typing your name, so that you can start working;



log off – to stop using a computer system or program by giving a particular instruction;

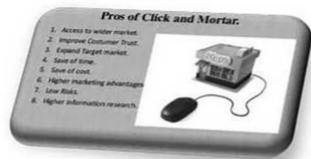
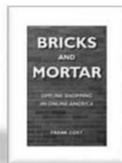
shopping cart – a shopping cart is a piece of software that keeps the record of the items a buyer has ‘picked up’ from the online store;

e-commerce – or electronic commerce means buying and selling of goods, products, or services over the internet. E-commerce is also known as electronic commerce or internet commerce;

securely – in a way that avoids someone or something being harmed by any risk, danger, or threat;



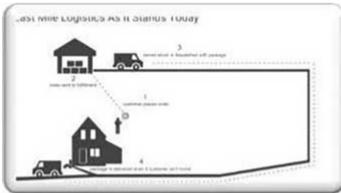
bricks and mortar – the term “brick-and-mortar” refers to a traditional street-side business that offers products and services to its customers face-to-face in an office or store that the business owns or rents. The local grocery store and the corner bank are examples of brick-and-mortar companies;



Click and mortar is a type of business model that has both online and offline operations, which typically include a website and a physical store. A click-and-mortar company can offer customers the benefits of fast online transactions and traditional face-to-face service and is thus potentially more

competitive than a traditional “bricks and mortar” type of business, which is offline only;

e-tailing – the electronic Retailing – is the process of selling the goods and services through electronic media, particularly the internet. Simply, the sale of retail goods and services online is called as electronic retailing;



last mile is used to describe the short geographical segment of delivery of communication and media services or delivery of products to customers located in dense areas. Last-mile logistics tend to be complex and costly to providers of goods and services who deliver to these areas;

physical delivery – delivery of actual commodity in the settlement of a futures contract, also called physical settlement.

B2C, B2B and B2G

Selling to the public on the internet is **business-to-consumer** or **B2C e-commerce**. **Business-to-business** e-commerce or **B2B**, with firms communicating with and ordering from their suppliers over the internet, is **e-procurement**.

The internet is also changing the way that citizens deal with their governments. In some places you can already communicate with government departments, apply for government contracts and pay taxes using the internet. Businesses doing this are using the internet for **business-to-government** or **B2G** purposes.



E-commerce companies

Amazon was founded in 1994, and launched online in 1995 by Jeff Bezos. It started by selling books but now sells everything from jewellery to electronics. It also **hosts** other sellers on its site – other sellers can offer their goods – and takes a **commission** – percentage of money from sales – from them on products sold through the site.

eBay was founded in 1995 by Pierre Omidyar. It's an **auction site** linking buyers and sellers, a method of selling where buyers put in **bids** – increasing offers – for goods: the **highest bidder** – person offering the most – wins, and eBay takes a commission on each sale.



EXERCISES

TASK 1. Say whether each of these uses of the internet is B2B, B2C or B2G.

1. Private individuals can rent a car without phoning the car rental company.

2. The city is looking for construction companies to build a new airport. There are hundreds of pages of specifications you can obtain from the city authorities.

3. Car companies are getting together to buy components from suppliers in greater quantities, reducing prices.

4. Businesses can get information about taxes from a government website.

5. Members of the public can buy legal advice from law firms.

TASK 2. Read the article and answer the questions.

SOCIAL SHOPPING

Stephanie Rahlfs is a keen follower of the latest fashion trends. She reads a dozen fashion magazines. She writes a blog called *fratruets* in the *Setto Jungle*, an online source for fashion product reviews. Rahlfs, a 30-year-old former lawyer in Santa Clara, also is one of the style-sellers helping to power the next generation of online shopping sites. On *The Next*, Rahlfs recommends must-have clothes and accessories, from a Mars Jacobs turtleneck to a Juicy Couture sweater. Her suggestions feed into an engine that lets other shoppers - not just her friends and readers of her blog - find products online. Cited social-shopping sites *ThisNext*, *Kaboodle Stylehive*, *StyleFeeder* and others are incorporating the community features of Web 2.0 into 'online shopping. They represent the latest tool for online shoppers this holiday season, using the power and expertise of friends and

others online to help locate the perfect gift. "I'm a really good shopper in fashion and beauty but I don't know anything about shopping for gadgets or kids" said Rahlfs. "The great thing is I can share my expense and I can pull from the expense of others and find out what other people would buy". Online Christmas holiday shopping is expected to grow this year, despite fears that the economic crisis could discourage people from spending too much money. A report by the Forrester research firm predicts that online shoppers will spend another \$33 billion this season, 21 per cent more than last year. "The online shopping population is more affluent and less price sensitive" said Sucharita Mulpuru, an analyst with Forrester, "They're busy and time-starved and looking for solutions on the Web".

1. What is Stephanie Rahlfs's blog about?

2. Can you buy products on her blog?

3. Are social-shopping websites like ordinary e-commerce sites?

4. What is the advantage of social-shopping websites for Stephanie Rahlfs?

5. Why is it surprising if online Christmas shopping grows by 21 per cent this year?

6. According to Sucharita Mulpuru, are online shoppers a) richer than average, and b) less worried about paying higher prices than most other people?

Could cargo bike deliveries help green e-commerce?



Published: August 9, 2022

As the world moves toward **decarbonization**, every option for slashing humanity's carbon footprint must be on the table. As it stands, transport represents almost a quarter of Europe's greenhouse gas (GHG) emissions, with the rise of e-commerce and on-demand, express deliveries worsening matters further.

Could **ferrying** parcels by bike rather than lorry help green our seemingly bottomless appetite for e-commerce? Basing ourselves on data from one of France's largest freight transport companies, our research shows two-thirds of its business to and from the city of Paris could be carried out by cargo bikes.

The results, which take into account the weight of the transported parcels, offer an interesting perspective for the **freight transport sector**, regularly denounced as a major **emitter** of greenhouse gases at 14% of French GHG emissions.

Indeed this mode of transport is responsible for a host of other ills, including **congestion** and noise pollution.

Despite this, road transport is still the leading means by which we delivery purchases in cities. In France, 88% of goods are carried by trucks. Although other long-distance transport options remain, such as by rail or river, cargo bikes currently represent the only sustainable solution to decarbonize the **last mile** – the most polluting one.

Micro-hubs in the heart of cities

We therefore need to **ramp up** the development of bicycle logistics. Nevertheless, the use of cargo bikes requires a specific organization. The general location of sorting terminals on the **outskirts** of cities does not favor this mode of transport. Bike's low transport capacity and reduced speed compared to a truck limit their range of action. The use of micro-hubs in the heart of cities, with cargo bikes operating in a **hub-and-spoke pattern** from these points, therefore seems essential. However, there are two constraints.

On the one hand, bicycle logistics requires the transformation of commercial real estate, traditionally occupied by stores, into logistics platforms. These new places also called **dark stores** (not open to the public) compete with the commercial fabric currently established in the heart of cities. On the other hand, the addition of a supplementary step in the logistics chain leads to additional costs (mainly the cost of land) that need to be compensated – for example, through a high density of activities in the catchment area of **micro-hubs**.

Thus, some geographical areas appear to be more suitable than others for the implementation of bicycle logistics. To overcome this additional cost, the use of containers or trucks acting as micro-hubs is currently being studied. Even though these solutions do not compete with the current commercial fabric, they still imply a property right-of-way in the public space.

Is this the end of trucks in the city?

Finally, bicycle logistics does not necessarily mean the end of trucks in the city. The **latter** are indeed necessary to supply the micro-hubs on a daily basis, which must themselves be connected to the sorting terminals located on city outskirts.

Moreover, it is currently impossible to operate heavy (maximum 250 kg) or **voluminous parcels** by cargo bike – this means transporting them by truck. The operators are therefore moving toward a **mixed fleet**.

In conclusion, if bicycle logistic represents a way to green logistics, it also raises some challenges that call for **vigilance**. Among others, the development of dark stores in the heart of cities which could harm the commercial fabric in the long run.

Finally, let's not forget that the consumer is behind demand for e-commerce and its associated flows. Modifying consumer behavior in favor of a less **instantaneous** demand remains the most relevant course of action to reduce the impact of logistics on the environment.

Words and word combinations and their definition:

- **decarbonization** = *the process of stopping or reducing carbon gases, especially carbon dioxide, being released into the atmosphere;*

- **ferry** = to transport people or goods in a vehicle, especially regularly and often;

- **freight transport sector** = *provides the last mile delivery of goods, a category of companies that provide services to transport people or goods;*

- **emitter** = something that emits (= sends out) light, a noise, or a substance, especially the gas carbon dioxide;

- **last mile** = the last mile refers to *the short geographical segment of delivery of communication and media services or delivery to customers in dense areas;*

- **ramp up** = increase the level or amount of something sharply;

- **outskirts** = the outer parts of a town or city;
- **hub-and-spoke pattern** = the point-to-point model has goods and services go directly from Point A to Point B without going to a centralized distribution hub;
- **dark stores** = *Dark Stores allow consumers to purchase from a brick-and-mortar retail store without having to enter it;*
- **micro-hubs** = A micro hub is a logistics facility where goods are bundled inside the urban area boundaries, that serves a limited spatial range;
- **voluminous parcels** = When passing through our sorting centers, parcels are automatically measured by calibrated volume scanners and classified according to defined threshold values. Based on the parcel dimensions – length, width and height – the volume is calculated according to the formula:
- **vigilance** = *careful attention that you give to what is happening;*
 - instantaneous = *happening or completed immediately, without any delay.*

Read the article and answer the following questions:

1. Which country was the research conducted in?
2. What modes of transport are the main ones for the transport of goods in France?
3. What is the need of bicycle logistics development?
4. What are the barriers for bicycle logistics implementation?
5. Can bicycle logistics solve the problem of trucks and why?
6. Who is behind the demand for e-commerce and can they impact the bicycle logistics development?

Unit 17. Sales and Costs



sales – the activity or business of selling products or services;

sales figures – the value or amount of the total sales of an industry's or company's products for a particular period;

turnover – sales turnover is the company's total amount of products or services sold over a given period of time - typically an accounting year;

sales revenue – the income generated from sale of goods or services;

sales volume – the quantity or number of goods sold or services sold in the normal operations of a company in a specified period.

Revenue vs Turnover Key Differences

The key differences between Revenue vs Turnover are as follows –

- Revenue represents the amount of money a company makes by selling its goods or services to the customers. On the other hand, turnover refers to the number of times a company burns through assets like inventory, cash, and workers;

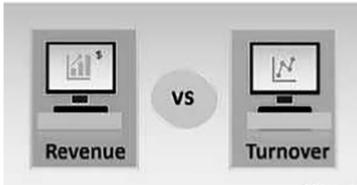
- Revenue is considered important because it helps in understanding the strength of the business, the customer base, size and also the market share. An increase in revenues is a sign of stability and showcases confidence in the business. For a company to get loans and capital on credit it is important for them to have stable revenues. Accounts receivable turnover and inventory turnover are the most commonly used metrics which help in determining the liquidity position of the company;

- Revenue is mentioned as Sales on the income statement and is mandatory for all the public companies to report. Turnover, on the other hand, is not mandatory to report and is calculated for understanding these reported statements better;

- Revenue can be of Operating and Non-operating. Operating revenue is the revenue earned from regular business activities while non-operating revenues are the additional revenue generated through other activities like rent, dividends etc;

Revenue is calculated as Total sales less any returns while Turnover ratios are calculated as Cash turnover – Net Sales/Cash, Total asset turnover – Net Sales/Average Total Assets and Fixed Asset turnover – Fixed Assets/Net Fixed Assets;

- Revenue affects the profitability of the company while turnover affects the efficiency of the company;



- Revenue for a computer selling company can be determined by multiplying the number of units sold by price per revenue while turnover can be determined by the number of computers sold in a year;

- Revenue is important to understand as it helps in determining the growth and the sustainability of the company, on the other hand, understanding the turnover is important to manage production levels and ensure that nothing is left idle as inventory for an extended period of time.

sales growth – the amount by which the average sales volume of a company’s products or services has grown, typically from year to year;



sales forecast – sales forecasting is the process that enables a business to estimate future sales;

Here are some more uses of the word “sale”:

make a sale – to sell something;

be on sale – be available to buy;

unit sales – the number of things sold;

Sales – a company department;

A sale – a period when a shop is charging less than usual for goods;

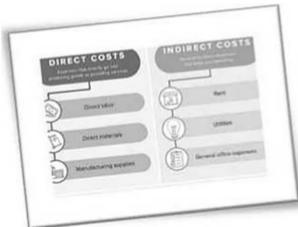
The sales – a period when a lot of shops are having a sale;

The money that a business spends are its costs:

Direct costs – a direct cost is a price that can be directly tied to the production of specific goods or services. (e.g. salaries);

Fixed costs – A fixed cost is a cost that does not change with an increase or decrease in the amount of goods or services produced or sold (e.g. rent, heating, etc.);

Variable costs – Variable costs increase or decrease depending on a company’s production volume; they rise as production increases and fall as production decreases. Examples of variable costs include the costs of raw materials and packaging;



Cost of goods sold (COGS) – refers to the direct costs of producing the goods sold by a company. This amount includes the cost of the materials and

labor directly used to create the good. It excludes indirect expenses, such as distribution costs and sales force costs.

Indirect costs, overhead costs or overheads –

Overhead refers to the ongoing business expenses not directly attributed to creating a product or service. It is important for budgeting purposes but also for determining how much a company must charge for its products or services to make a profit.

Example of calculation:

Selling price = 50,000 euros;

Direct production costs = 35,000 euros;

Selling price minus direct production costs = **gross margin** = 15,000 euros;

Total costs (Unit cost) = 40,000 euros;

Selling price minus total costs = **net margin, profit margin or mark-up** = 10,000 euros;

Markup
The difference between the cost price and the selling price. We often compute it as a percentage.

Buys bed for \$400 *Sells bed for \$500*

Gross Profit Margin Sales Price - Unit Cost \$500 - \$400 = \$100	Markup Percentage Gross Profit Margin ÷ Unit Cost \$100 ÷ \$400 = 25%
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Markup Percentage Formula = $\frac{\text{Gross Profit}}{\text{Cost of Unit}} \times 100$

The **net margin or profit margin** is usually given as a percentage of the selling price, in the above mentioned case 20 %;

The **mark-up** is usually given as a percentage of the total costs, in the above mentioned case 25 %.

EXERCISES

TASK 1. Complete the sentences with the correct expressions from the given material.

1. Can your four cleaners clean 30 hotel rooms in five hours at 45 minutes per room? Your answer to this will affect your _____ (unit sales / costings).

2. The bank's CEO said operating _____ (expenses / sales) rose due to a new wages agreement and higher staff numbers in Australia.

3. Last Christmas, many people realized they could get far better value if they waited until _____ (the sales / sales forecast) in January to buy their presents.

4. Our _____ (costings / sales) department specializes in organizing holidays and conferences tailored to individual group requirements.

5. The costs for external consultants are _____ (fixed / variable) as they change with the number of consulting days. The costs for internal consultancy, by contrast, comprise a large proportion of _____ (fixed / variable) costs because setting up the internal consultancy – hiring permanent staff, renting offices, etc. – and maintaining it involves _____ (fixed / variable) costs.

6. Pricing your cheese sandwich at £3 when the variable costs of making it are £2.80 does not mean that you have made 20p profit. If your _____ (overheads / unit sales) are £40,000 per year, you will have to sell 200,000 cheese sandwiches just to cover them.

TASK 2. Read what this company owner says and answer the questions.

'I'm Vaclav and I own a small company in Slovakia that makes furniture for IKEA. For example, we make a very popular line of wooden chairs. They cost €36 each to

make, including materials and production costs. We estimate overheads, including administration and marketing costs, for each chair at €4, and we sell them to IKEA at €50.’

1. What is the gross margin for each chair?
2. What is the net margin for each chair?
3. What is the mark-up for each chair as a percentage of total costs?
4. What is the profit margin for each chair as a percentage of the selling price?

TASK 3. Over to you (group discussion)

Think of the company you work for or one you would like to work for. Which of its products or services has the highest sales? What are its biggest costs?

READING

Cost of Sales Definition: What Is Cost of Sales?

Written by MasterClass (<https://www.masterclass.com/articles/cost-of-sales>)

Last updated: Aug 30, 2022 • 4 min read

Both large and small business owners need to take account of their production costs. As they **tally up** what it costs to develop their products or services, they can gain a greater degree of insight into what they’re actually making in profits and revenue. Learn more about what the cost of sales entails and how to calculate it.

What Is the Cost of Sales?

The cost of sales refers to all the direct and indirect costs it takes to create a product and sell it on the market. This can include the cost of labor, cost of raw materials, cost of storage, and other overhead expenses.



In general, cost of sales and **cost of goods sold** (or COGS) refer to the same thing, although the former might refer specifically to the sale of services whereas the latter might relate more directly to manufacturing products.

How to Calculate the Cost of Sales?

Calculating COGS (cost of goods sold) and cost of sales is simple. As a basic template, add the cost of raw materials, labor, operating costs, and any other overhead costs it takes to bring inventory items or services to market.

After adding all these elements together, you have your cost of sales and can compare it against revenue, profits, and the like. You can also find your cost of sales by adding your beginning **inventory** to the amount of revenue you bring in via customer purchases and then subtracting your ending inventory.

The Importance of Cost of Sales

Taking stock of how much it takes to sell your products and services is important for various reasons. Your cost of sales figure is important because it:

1. **Offers insight into your business:** When you know your cost of sales, you get a more in-depth look at your business' bottom line. By comparing this metric against others, you can see if the sales revenue you take in **surpasses** the cost to do those sales in the first place. A positive income statement in relation to your cost of sales is a sign your business is on the right track.

2. **Provides valuable information to investors:** Cost of sales is one of several line items investors hope to see when **pondering** whether or not to put money into your company. The more thorough your financial statements are on this front, the better. Alongside profits, revenue, and other key metrics, cost of sales helps determine the overall valuation of your company.

3. **Tracks your gross profit margins:** Comparing expenditures against gross and net profits helps you determine the overall success of your business. If your cash flow exceeds the amount of money you spend on selling goods, your gross margins are healthy. If the cost of revenue and sales comes in higher than your profit margins, it's a sign you're losing money.

Examples of Cost of Sales in Action

Different businesses will look at cost of sales from different angles. Consider these three examples:

1. **A law firm:** While some companies offer tangible products, law firms provide intangible and intellectual services to their clients. As a result, the cost of sales for an entity like this would more likely include administrative expenses and labor costs than anything related to manufacturing. These variable costs might fluctuate depending on a host of factors, like the type of case, experience of the **attorney**, and more.

2. **A restaurant:** To sell food, restaurants must pay a lot of direct costs up front. These include both variable and fixed costs for labor, ingredients, and **upkeep**. Restaurants then pass

these costs on to customers with a markup so they can bring in profits and build net income.

3. **A toy company:** Suppose a company sells toys to retailers. To sell these goods, the company must pay both direct material and direct labor costs to keep their production process moving smoothly. They also must cover any expenses involved in shipping their products to retailers (unless they pass these costs on to the retailers themselves). All these tally up to the total cost of sales.

The cost of sales formula is the same as the cost of goods sold formula (or COGS formula)—the only thing that might change is the potential inputs. Some companies prefer to use the term “cost of sales” when they specifically offer services rather than tangible products. The reverse is also true when it comes to companies offering tangible products and the term “cost of goods sold.”

Words and word combinations and their definition:

- **tally up** = to count or sum;
- **COGS** = cost of goods sold (COGS) refers to the direct costs of producing the goods sold by a company;
- **inventory** = a complete list of items such as property, goods in stock, or the contents of a building;
- **taking stock** = make an overall assessment of a particular situation, typically before making a decision;
- **surpass** = exceed; be greater than;
- **ponder** = think about something carefully before making a decision or reaching a conclusion;
- **gross profit margins** = Gross margin is net sales less the cost of goods sold (COGS);
- **attorney** = a person, typically a lawyer, appointed to act for another in business or legal matters;
- **upkeep** = the process of keeping something in good condition;

Read the article and answer the following questions:

1. What can cost of sales include?
2. What is COGC?
3. What can be a sign of losing money?
4. What must a Toy company do to keep their production process moving smoothly?

Unit 18. Profitability and unprofitability



Profit and profitability

Profit vs. Profitability

- **Profit** – the difference between the income of a business and its total costs.
 - Profit = Revenue – Total Costs
- **Profitability** – the ability of a business to generate profit or the efficiency of a business in generating profit
 - Profitability = $\frac{E\text{Profit}}{E\text{Revenue}} \times 100\%$
= Profitability %

Although the two terms are used interchangeably, profit and profitability are not the same. Both are accounting metrics in analyzing the financial success of a company, but there are distinct differences between the two. To adequately

determine whether a company is financially sound or poised for growth, investors must first understand what differentiates a company's profit from its profitability;

Profit

Profit is an absolute number determined by the amount of income or revenue above and beyond the costs or expenses a company incurs. It is calculated as total revenue minus total expenses and appears on a company's income statement. No matter the size or scope of the business or the industry in which it operates, a company's objective is always to make a profit;



Profitability

Profitability is closely related to profit – but with one key difference. While profit is an absolute amount, profitability is a relative one. It is the metric used to determine the scope of a company’s profit in relation to the size of the business. Profitability is a measurement of efficiency – and ultimately its success or failure. A further definition of profitability is a business’s ability to produce a return on an investment based on its resources in comparison with an alternative investment. Although a company can realize a profit, this does not necessarily mean that the company is profitable;



Unprofitability – the quality of affording no gain or no benefit or no profit;

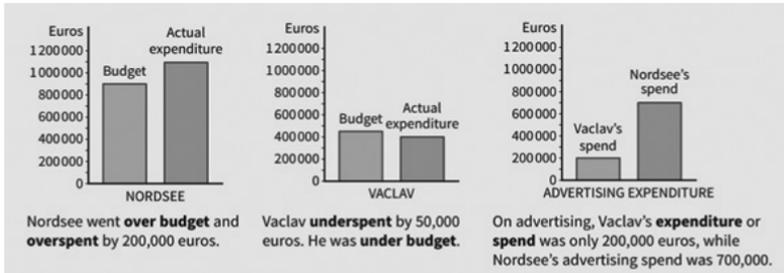
A supermarket manager talks about the costs and prices for some of its products.

Product	Cost per unit (euros)	Sale price per unit (euros)	Result
A	10	12	We make a profit : the product is profitable or profit-making .
B	15	15	We break even : we reach break-even point .
C	8	7	We make a loss . The product is loss-making , but we use Product C as a loss-leader (see Unit 23) to attract people to the store, knowing they will then also buy profitable products.
D	12	22	Product D is very profitable and we sell a lot of it. It's one of our money spinners or cash cows – products that have very good profitability.



Budgets and expenditure

Like all companies Nordsee and Vaclav have to budget for, or plan, their costs, and have a budget. Look at the graphs comparing their planned budgets with their expenditure (what they actually spend).



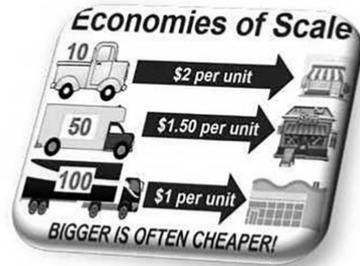
What is expenditure budget?

Expenditure Budget provides complete information about the total expenditure of the Union government in a financial year. This exhaustive information is classified into two broad categories as per the end-use – capital expenditure and revenue expenditure. While the former results in the creation of a physical asset or investment, the latter comprises mainly operational expenses such as payment of wages, pensions, subsidies, and interest.



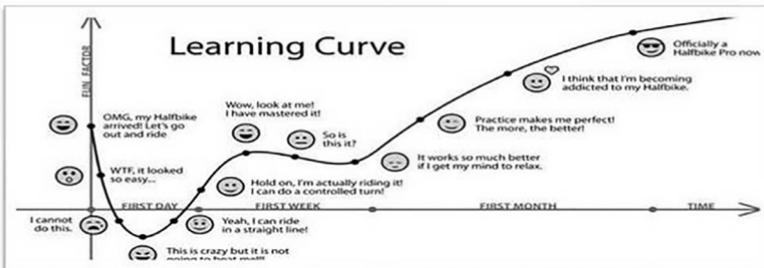
What Are Economies of Scale?

Economies of scale are cost advantages reaped by companies when production becomes efficient. Companies can achieve economies of scale by increasing production and lowering costs. This happens because costs are spread over a larger number of goods. Costs can be both fixed and variable.



Learning curve

The learning curve also is referred to as the experience curve, the cost curve, the efficiency curve, or the productivity curve. The idea behind this is that any employee, regardless of position, takes time to learn how to carry out a specific task or duty. The amount of time needed to produce the associated output is high. Then, as the task is repeated, the employee learns how to complete it quickly, and that reduces the amount of time needed for a unit of output.



EXERCISES

TASK 1. Look at the information about Fayz's products and answer the questions.

	Unit production cost (€)	Overheads per unit (€)	Selling price (€)	Number of units sold per year
Chairs	18	2	19.50	70,000
Armchairs	36	4	50	50,000
Coffee tables	55	5	60	30,000
Sofas	70	7	80	20,000
Dining tables	250	30	300	15,000

1. Which products make a profit?
2. Which product has the highest level of profitability as a percentage of its selling price?
3. Which loses money?
4. Which just breaks even?
5. Which is the biggest money spinner or cash cow, in terms of overall profit?

TASK 2. Read the article and answer the following questions.

1. Which of Nokia's markets does the article refer to?
2. What is the main difference in these markets, compared to a few years ago?
3. Do global economic problems mean that the markets will grow more slowly?
4. What percentage of its phones does Nokia sell in these markets?

Churning out nearly 40 per cent of the world's phones, Nokia has said h anticipates replacement phone unit sales in new growth markets to exceed first -time unit sales this year. Nokia dominates low-end phone sales in emerging markets.

"The name of the game is changing.- Ask Lamed. Nokia^ Vice President, Entry told Dow Jones Newstwsres. "It is changrg from sripy a first-time LEer. voce--dhion market, to a replacement market where we see an opportunity for providing additional services."

Lamed, who oversees Nokia's efforts h emerging markets, said he still sees 'very strong underlying growth" in these markets, despite broader economic weariness in global hnancal markets.

Thanks to its massive size, Nokia is a oow-erfijl force in these high-growth regions with its ability to produce large numbers of low-end handsels at over lower cost. Nokia says emerging markets made up fiO per cent of the industry's device volumes last year, up ham 55 per cent in the previous year.

TASK 3. Over to you (group discussion)

1. What kind of products are money spinners in your country?
2. What kind of companies have very large advertising spends in your country?
3. How do companies benefit from economies of scale?

READING

Identifying Profitable Customers (I part)

Identifying profitable customers is **essential** to a business's success. Often I hear from financial leaders... "I don't need to worry about the customers; that's the marketing and sales team's job." **WRONG.** Everyone in your company should be concerned with your customers because without them, there is no business.



If it turns out that most of your customers are unprofitable, you have a problem.

The two most effective ways to address unprofitable customers is by either cutting costs or raising prices.

There's an easy way to do both, but you can only find the detailed plan in our Pricing for Profit Inspection Guide.

Why Identify Your Most Profitable Customers?

So why should you focus on identifying profitable customers? If you are in charge of managing profits and **cash flow**, you must know your customers. Truth is, not all customers are created equal.



Ever heard of the 80/20 rule? Typically, it is used in reference to productivity. But the reason why you need to identify your most profitable customers is because often, 20% of your customer base makes up 80% of your profit.

There are several things that you need to ask yourself when identifying profitable customers...

- What is your customer segmentation by channel?
- Who are your least profitable customers?
- What products are being bought by most profitable customers?
 - What product most often purchased?
 - Which are your most profitable products?
 - What services are utilized by profitable customers?
 - What are the costs (tangible and intangible) associated with profitable customers? Unprofitable customers?

How to Identify Profitable Customers

An example... in working with one of our clients, we discovered that people ages 45-65 were their most profitable customers based upon the length of time they subscribed to their product. On average, those in that age category subscribed for 14 months. Whereas, those under the age of 45 only subscribed for 3 months. When we worked with our client to calculate cost **to acquire** each customer and the lifetime value, we were able to make an educated decision to invest in those ages 45-65.

Now that we have identified our client's most profitable customers, our client puts a large portion of marketing funds to the ages 45-65. A customer outside of that target market is still a **viable** customer, they just don't get as much marketing

attention the since they are not their primary and most profitable customer segment.

Service Companies

For example, in the service side of our company, we monitor the costs associated with that particular client. If we find that we are spending more than we are making, there are two things that we need to do: figure out why the costs are so high and calculate whether we need to charge more. By knowing our unit economics, we are able to quickly judge whether a client is profitable or not.

If your costs are too high for what you are charging, it's time to price for profit.

Product Companies

Typically, a product is sold at one price point. Because of that, some companies may fail to look at the profitability of their customers. As we have worked in multiple industries, we have found that there are several areas to look at to improve profitability, including the following:

- Customer Base of Products Purchased
- Demographics
- Lifetime Value of Customers
- Channels

By using these areas, our clients have been able to shift their focus on their profitable customer base (and lookalike audiences) and consequently increase the number of products purchased per customer, decrease refunds, and increase the lifetime value of a customer. Sounds a little bit like marketing, right? But as a financial leader, you must operate in sales, marketing and operations to effectively lead the company forward financially.

Nurture Profitable Customers

If you're identifying profitable customers, you might see how the company can **nurture** its most profitable customers.



What does your support department do differently with the favorite customers versus those that ruin their day? Partner with your sales and support teams to address how to better nurture them.

Words and word combinations and their definition:

- **essential** = one of the basic or most important ideas or qualities in something;
- **cash flow** = the term cash flow refers to *the net amount of cash and cash equivalents being transferred in and out of a company*;
- **to acquire** = *to get or obtain something*;
- **viable** = *capable of life or normal growth and development; able to work as intended or able to succeed*;
- **fail** = *to be unsuccessful*;
- **nurture** = *to provide with things essential to healthy growth and development*.

Read the article and answer the following questions:

1. What can be done if you have problems with unprofitable customers?
2. What is the percentage of your profit in case your customers make up 20 %?
3. What are the questions in identifying profitable customers?
4. What are the differences between service and product companies in identifying profitable customers?
5. Which departments can help in nurturing your customers.



date. Usually businesses that operate with trade credits will give buyers 30, 60, or 90 days to pay, with the transaction recorded through an invoice.

discount – a reduction in the usual price for something;

upfront – paid or obtained in advance;

credit policy – a set of principles that a financial organization or business uses in deciding who it will loan money to or give credit;

payment terms – the statement by a business about when and how it should be paid for goods or services that it has supplied;

cash flow – the amount of money moving into and out of a business.



Vaclav talks about his furniture business.

‘Of course, we don’t expect our business customers to pay immediately: they are given **trade credit** – a period of time, usually 30 or 60 days, before they have to pay. If a customer orders a large quantity or pays within a particular time, we give them a **discount** – a reduction in the amount they have to pay.

‘But we ask some customers, especially ones we haven’t dealt with before, to pay **upfront** – before they receive the goods. Like all businesses, we have a **credit policy**, with **payment terms** – rules on when and how customers should pay. This is part of controlling **cash flow** – the timing of

payments coming into and going out of the business.’

account – a customer who does business with a company;

key accounts – the most important customers;

debtor – someone who owes money;

owe – to have the responsibility to pay or give back something you have received from someone;

creditors – someone who money is owed to;

The Inland Revenue – the former name for the government office in the U.K. that collects the main taxes; Inland Revenue Service (AmE);



accounts receivable – the amounts in a company’s accounts that show money that is owed to the company by its customers;

accounts payable – the amounts in a company’s accounts that show money that it owes, for example to suppliers;

bad debts – a debt that is not likely to be paid;

write off – an amount of money that has been lost, for example, from a bad investment or a debt that will never be paid, shown as a loss in a company’s accounts;

Something that has value or the power to earn money for a business is an **asset**. These include:

current assets – money in the bank, investments that can easily be turned into money, money that customers owe, stocks of goods that are going to be sold;

fixed assets – equipment, machinery, buildings, land;

intangible assets: goodwill – the value that a company has through its reputation with;

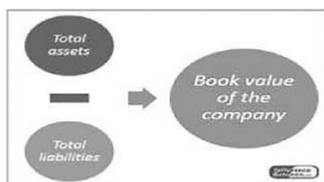
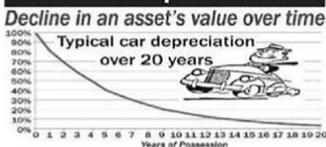


existing customers – and **brands**, because an established brand allows its owner to earn money from it, rather than having to build up a brand from nothing.

If a company is sold as a **going concern**, it is sold as a functioning operation.



What is Depreciation?



depreciation – the process of losing value;

amortization – the process of reducing a cost or total in regular small amounts;

charge – to ask an amount of money for something, especially a service or activity;

book value – the value a company gives to something it owns in its accounts, which could be more or less than its real value if sold.

TASK 1. Look at the given material and rearrange these events involving two companies into a logical order.

- a. Shadiza eventually settled the invoice.
- b. Shadiza ordered goods from Serpanic, which dispatched them to Shadiza.
- c. Shadiza then received the invoice but did not pay it on time.
- d. Two weeks later Shadiza had still not received an invoice from Serpanic and began to think that Serpanic's invoicing was not very efficient.
- e. Someone in the accounts department at Serpanic chased the invoice by phoning the accounts department at Shadiza.
- f. After the goods were shipped, someone in the accounts department at Shadiza noticed that they had not received an invoice for them and asked Serpanic to issue one.

TASK 2. Replace the underlined parts of what Salim says with expressions from the given material, using British English.

'My name's Salim and I own a clothing company. Our (1) most important customers are department stores. Getting paid on time is very important and we have an employee whose job is to chase (2) people who owe us money. Of course, we pay (3) suppliers and other people we owe money to as late as possible! Luckily, I haven't had much of a problem with (4) people who don't pay at all, so we haven't had to (5) decide not to chase them anymore.'

TASK 3. Use correct forms of expressions from the given material to complete the sentences (1–6). The first one has been done as an example.

1. A bank lent money to people who did not repay the loans, and decided to show that they would never be repaid: it*wrote*.....them.....*off*....

2. An oil company reported a reduction of \$118 million in the value of its oil reserves: it showed an amount for in its accounts, which meant an equivalent reduction in the of its oil reserves.

3. A firm owes €550,000 to the tax authorities, payable at the end of this month. These are one of its.....

4. A manufacturing company bought a machine and decreased the value shown in its accounts by 20 per cent per year for five years: it (2 possibilities) the machine's value over five years.

5. A company showed a charge of \$1.5 million in the value of its spare parts inventory in its accounts, reducing its estimated value from \$6 million to \$4.5 million: it the value of this inventory.

6. A company pays pensions to retired employees and will have to go on doing so indefinitely: these are
-

TASK 4. Over to you (group discussion)

1. What kinds of companies offer discounts, and why?
2. Obtain a copy of your company's balance sheet or a copy of the balance sheet of a company that you are interested in. What are its main assets and liabilities?

READING

Identifying Profitable Customers (II Part)

What do you do with the unprofitable customers?

Some indicators that a particular customer is likely unprofitable are **abusive** behavior to your sales and support team, general **aggravation**, seeking undeserved credits, requiring more time than the typical customer, and not completing tasks to move along project. Although there are more indicators, this list gives you an idea of what to look for to identify your unprofitable customers.

How to Deal With Unprofitable Customers

Because there is a limited amount of time in the day, deal with your unprofitable customers and set up procedures to address them to ensure economic success.

Don't Focus On Them

If you keep giving five star service to those that abuse it and continue to demand or expect excellence, you are going to experience increased costs (and **frustration** from your service team) associated with servicing that customer. Remove the focus from them.



How would you go about doing this? Encourage your front line employees to provide limited attention. Sure, some customers will leave. But in all reality, you don't want to keep those customers AND it's easier than you having to fire them.

Set Boundaries

In the case that you have a client who abuses the kindness of your front line employees, you need to call a meeting to address those behaviors AND set **boundaries** between the customer and the company. If you've been in business long enough, think of that client who did all of the following things:

- Demanded too much time
- Didn't do what they were told
- Expected more than they were willing to pay for

How is this a financial leader's role? Make employees feel like it's okay to do so, and they won't be punished for

impacting the financial success of a company. Show your team the economics, and give them the power to **push back** against those unprofitable customers.

Increase the Price for a Service

Price is often one of the largest deciding factors for a prospective customer when deciding which firm they want to work with. It would only make sense that to make up for the **hassle** factor of unprofitable customers, you need to increase the price you are charging for your service. Chances are, if you find them difficult to deal with, your competitors do too and have **adjusted** *their* prices accordingly.

Words and word combinations and their definition:

- **abusive** = *treating someone badly or cruelly, esp. physically;*
- **abuse** = *to treat in a cruel or harmful way;*
- **aggravation** = *an act or circumstance that intensifies something or makes something worse;*
- **frustration** = *the feeling of being annoyed or less confident because you cannot achieve what you want;*
- **boundary** = *something that indicates bounds or limits;*
- **push back** = *negative reaction to a change or to something new that has been introduced;*
- **hassle** = *a situation that causes difficulty or trouble, or an argument;*
- **adjust** = *to change (something) so that it fits, corresponds, or conforms.*

Read the article and answer the following questions:

1. What are the indicators of unprofitable customers?
2. What can bring to experience increased costs?
3. What cases should boundaries be set?
4. Why is increasing price important for a service?

Unit 20. The bottom line. Share capital and debt

Profit and Loss

Pro Forma Profit and Loss	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Sales	\$2,939,000	\$11,130,000	\$35,900,000	\$21,450,000	\$30,750,000
Variable Cost of Sales	\$6,854,000	\$10,200,000	\$13,790,000	\$10,217,000	\$21,387,000
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$6,854,000	\$10,200,000	\$13,790,000	\$10,217,000	\$21,387,000
Gross Margin	\$766,000	\$1,094,000	\$1,540,000	\$2,172,000	\$1,962,000
Gross Margin %	9.72%	9.87%	10.07%	10.19%	10.26%
Bottom Line					
Expenses:					
Depreciation	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0
Profit Before Interest and Taxes	\$766,000	\$1,094,000	\$1,540,000	\$2,172,000	\$1,962,000
EBITDA	\$766,000	\$1,094,000	\$1,540,000	\$2,172,000	\$1,962,000
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$214,000	\$0	\$402,000	\$691,750	\$940,750
NET PROFIT	\$501,200	\$765,800	\$1,078,000	\$1,520,750	\$2,213,750



accountant – someone who keeps or examines records of money received, paid and owed by a company or person;

bookkeeper – someone whose job is keeping an exact record of the money that has been spent or received by a business;

accountancy – the job of being an accountant;

auditor – someone whose job is to carry out an official examination of the accounts of a business and to produce a report;

true and fair view – used in a company's accounts by its auditors to say that the accounts are accurate and complete;

creative accounting – ways of explaining how money has been spent, that hide what has really happened to;

window dressing – window dressing is a strategy used by mutual fund and other portfolio managers to improve the appearance of a fund's performance before presenting it to clients or shareholders;

Hi, I'm Fiona and I'm an **accountant**. I work in Edinburgh for one of the big **accountancy firms**. We look at the financial records or **accounts** of a lot of companies. We work with the



accountants of those companies and the **book-keepers** – the people who work under them. Sometimes we act as **auditors** – specialist outside accountants who check a business’s accounts at the end of a particular period to see if they give a **true and fair view** – in other words, that they are accurate and complete.

‘When a company’s results are presented in a way that makes them look better than they really are, it may be accused of **creative accounting** or **window dressing**. Of course, one of our jobs is to spot this and to prevent it happening!’

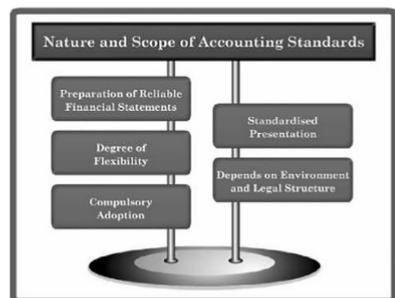
‘**Audits** are only part of what accountants do, but it’s a very important part.’

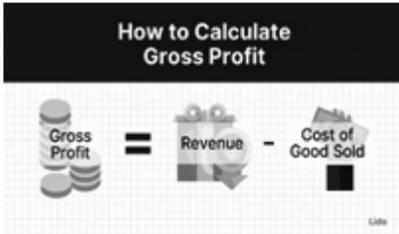
profit and loss account – a document that shows a company’s profit or loss in a particular period;

accounting standard – a rule that describes how the financial information of a company or organization must be recorded;

pre-tax profit – also known as earnings before interest and taxes (EBIT), is the profit a business makes after it pays its costs and before paying taxes;

pre-tax loss – is the total loss made by a company before tax has been taken away;





gross profit – a company’s profit from selling goods or services before costs not directly related to producing them are subtracted;

net profit – the money made by a company or part of a company for a particular period after all costs, taxes, etc. have been paid;

exceptional loss – a loss shown in a company’s accounts that relates to an unusual event that does not happen regularly;

The Net Profit Formula

The basic equation for net profit is:



Profit and Loss

McForman Profit & Loss	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Sales	\$7,175,220	\$14,130,000	\$15,350,220	\$14,450,000	\$10,750,000
Cost of Goods Sold	\$4,014,000	\$4,930,000	\$4,500,000	\$4,200,000	\$2,500,000
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0
Total Costs of Sales	\$4,014,000	\$4,930,000	\$4,500,000	\$4,200,000	\$2,500,000
Gross Margin	\$716,220	\$1,204,000	\$1,540,220	\$2,150,000	\$1,842,000
Gross Margin %	9.2%	8.5%	10.0%	14.9%	17.2%
Operating Expenses	\$0	\$0	\$0	\$0	\$0
Depreciation	\$0	\$0	\$0	\$0	\$0
Rent	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Insurance	\$0	\$0	\$0	\$0	\$0
Payroll Taxes	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0
Profit Before Interest and Taxes	\$716,220	\$1,204,000	\$1,540,220	\$2,150,000	\$1,842,000
EMTCL	\$716,220	\$1,204,000	\$1,540,220	\$2,150,000	\$1,842,000
Interest Expense	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$244,000	\$0	\$462,000	\$891,750	\$244,750
NET PROFIT	\$691,220	\$766,000	\$1,078,000	\$1,620,750	\$1,213,750

Bottom Line



bottom line – the final line in the accounts of a company or organization, stating the total profit or loss that has been made;

in the red – a company or organization that has lost money in a particular period;

red ink – a situation in which a company is losing a lot of money;

bleeding red ink – to have severe financial problems;

A firm **reports** its performance for a particular period in its **results**. In Britain, results for a particular year are shown in the company’s **annual report**. This contains, among other things, a **profit and loss account**; in the US, they call this the **income statement**.

In theory, if a company makes more money than it spends, it **makes a profit**. If it makes less than it spends, it **makes a**

loss. But it's possible for a company to show a profit for a particular period because of the way it presents its activities under the **accounting standards** or **accounting rules** of one country, and a loss under the rules of another. They are very intelligent my brother tries to speak English every day and sleeps in the morning with his children

A **pre-tax profit** or a **pre-tax loss** is one before tax is calculated. An **exceptional profit** or **loss** is for something that is not normally repeated, for example the sale of a subsidiary company or for the costs of restructuring. A company's **gross profit** is before charges like these are taken away; its **net profit** afterwards. Profits are also referred to as **earnings**. The final figure for profit or loss is what people call informally the **bottom line**. If a company makes a profit, it is **in the black**. If it makes a loss, commentators may say that it is **in the red**. They may also use expressions with **red ink**, saying, for example, that a company is **bleeding red ink**.

Capital



Capital is the money that a company uses to operate and develop. There are two main ways in which a company can **raise capital** – find the money it needs: it can either use **share capital** or **loan capital** from **investors**. These are people or organizations who put money in, hoping to make more money from their **investment** or **stake** in the company.

Share capital

Share capital is contributed by **shareholders**. They are individuals or organizations that have provided or **put up money** to buy **shares** or **stock** in the company. Each share

represents a part of the ownership of the company. If you **hold shares** in a company, you may receive **dividends** periodically, usually based on the company's **earnings** – profit – in the relevant period, if any. But some companies do not pay dividends, and investors make a profit as the company grows and the value of its shares increases.



Capital in the form of shares is also called **equity**.

Loan capital



A company can also obtain capital in the form of money lent by investors who do not then have part of the ownership of the company. This is **loan capital**; an investor or a financial institution providing money in this way is a **lender**, and this money is referred to by them as **lending**.

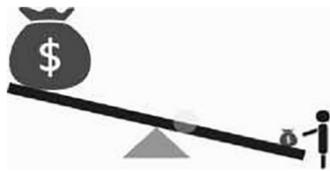
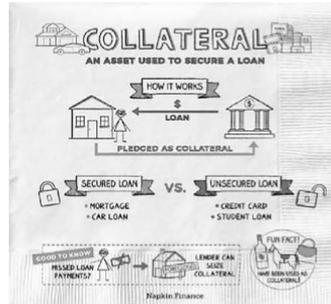
The company borrowing money is the **borrower** and refers to the money as **borrowing** or **debt**.

A company's total debt is its level of **indebtedness**. The sum of money borrowed is the **principal**. The company has to pay **interest** – a percentage of the amount it has borrowed – on its debt whether it has made a profit in the relevant period or not.

Security

Borrowing by companies and other organizations is often in the form of **bonds** or **debentures** that they **issue** – make available and sell to lenders. Different types of bonds and debentures have particular technical conditions.

One of these conditions is whether there is **collateral** or **security** for the loan – if the borrower cannot repay the loan, the lender has the right to take equipment, property, etc. from the borrower and to sell it in order to get their money back. This equipment or property may be an asset that was bought with the loan.



Leverage

The amount of loan capital that a company has in relation to its share capital is its **leverage**. A company with a lot of borrowing in relation to its share capital is **highly leveraged**. A company that has difficulty in making payments on its debt is **overleveraged**.

Financial leverage is the use of debt to buy more assets. Leverage is employed to increase the return on equity. However, an excessive amount of financial leverage increases the risk of failure, since it becomes more difficult to repay debt. The financial leverage formula is measured as the ratio of total debt to total assets. As the proportion of debt to assets increases, so too does the amount of financial leverage.

EXERCISES

TASK 1. The article below contains expressions in the given material. Read the article and say if the statements are true or false.

FORTH PORTS ANNOUNCES RESULTS

Charles Hammond, chief executive of Edinburgh-based Forth Ports, announced first-half results that showed increased pre-tax profits at its ports division of £18.6 million, on revenue of £89.4 million. The figures contributed to overall pre-tax profits – including the group's property division – that fell from

£12 million to £9 million on revenue of £90.1 million. The pre-tax figure was hit by an £8.3 million loss from Forth's property investments, mainly a result of Forth's £7.5 million writedown in value of the company's Ooan Terminal development in Leith, on Edinburgh's waterfront.

1. The company's results are for a full financial year.
2. The company made an overall pre-tax loss for the period.
3. All its activities made a profit.
4. Revenue in its port activities was about £90 million.
5. Overall pre-tax profit was only about half of that for its port activities alone, because of losses in another activity.
6. Profit in its property activities was badly affected by the reduction in value of one of its developments.

TASK 2. Answer these questions, using expressions from the given material.

1. You want to raise money for your company, but you do not want to sell shares. What can you use instead? (2 expressions)

2. You want to raise money and you want to reassure lenders that they will get their money back if your company cannot repay. What would you offer them? (2 expressions)

3. You are interviewed by a financial journalist who wants to know why you are borrowing money. What do you tell them that you want to increase? (2 expressions)

4. The financial journalist writes an article saying that your company has a lot of debt in relation to its share capital. Which two expressions might she use in her article?

5. A few months later the financial journalist writes an article saying that your company has too much debt in relation to its ability to pay. Which expression might she use in her article?

TASK 3. Over to you (Group discussion)

1. What industries are likely to bleed red ink if the price of oil rises?

2. What happens to companies if they are involved in creative accounting in your country?

3. Have you ever thought of starting your own business? What sort of business would it be? Where would you get the capital?

4. Where do existing companies in your country normally get capital? Describe two methods of doing this and give some of the advantages and disadvantages of each.

READING

How the Customer Experience Affects Your Bottom Line

Opinions expressed by Entrepreneur contributors are their own.

It's **vital** for every business owner, leader and entrepreneur to understand the intricacies of how customer perception and experience can impact a business's success or failure.

Without a solid base of happy customers, even the greatest of business ideas is simply that: an idea. The most successful companies are those who initially win over customers, then continue evolving and adapting to the expectations of those customers. You can have the greatest idea for a business or the most amazing new product or service, but without a solid understanding of the importance of the customer experience (CX), your business's bottom line will be at the mercy of a customer base that becomes disassociated with your brand.



Improve your Bottom line – Net Profit

A customers' **perception** and experience have more power now over a business's success or failure than at any other point in history. Technology allows influential information to reach consumers in an instant, making online reviews, social media websites and **word-of-mouth referrals** crucial factors for every business to consider. When a business can surpass a customer's expectations, this positive CX can create a larger base of loyal customers who come to you with consistent future sales. Likewise, a negative CX can be the difference that breaks a business's sales goals or reputation for months, if not years. This is why every business owner, leader and entrepreneur should understand the **intricacies** of how CX affects their bottom line.

Improving CX is crucial to building loyal customers

When we think of how to deliver the highest quality CX possible, many business leaders believe this means delivering innovative ways to do so. However, according to a 2019 report from Gartner, the majority of CX leaders focus on trying to fix existing challenges with their company's CX rather

than creating new projects or methods. But by attempting to **remedy** issues within a customer's interaction experience – rather than their experience with a specific product or service – those leaders are unable to help customers reaffirm their purchase decisions, leading to an overall drop in CX quality as well as customer loyalty. This tells us that getting feedback from customers is vital to your company's bottom line.

For businesses looking to boost their bottom line through improving CX, this means that focusing on improving product experience for the customer is key to winning repeat sales. These repeat customers are the lifeline of your business; they are the ones who are not only easier to upsell, but their **heightened** loyalty to your business is a crucial generator of word-of-mouth referrals to **bolster** your customer network.

Increasing value for customers increases revenue

To give each one of your customers a winning CX with your business and its products or services, you first need to understand your customers' demographics. By better understanding who your customers are, their pain points and how to solve them, your business will be better positioned to provide exactly what they need. In this regard, your business will need to understand your customers better than they do themselves.

To better understand your customers, your business will need to coordinate all of its departments to align in ways that lead to increased customer satisfaction. Some of these ways include:

- Listening to your customers and paying attention to their wants and needs
- Asking questions about their experiences with your products or similar products from your competitors: What did they like or dislike about it? How do they think it could best be improved?

- Uncover where your customers spend their time online – is there a specific social media platform they prefer to use that you can reach them on? Are there any specific online groups they're a part of that relate to your business or its offerings?

If your business can focus on improving its CX in these ways or others like them, it can lead to an increase in revenue without having to focus on other revenue streams such as finding additional leads. When customers feel valued by the brands they purchase from, they are more likely to increase their average order value, **cross-sales**, **up-sales**, and external referrals – all of which are key factors to improving lifetime customer value, customer loyalty, the overall CX and revenue.

Investing in comprehensive customer service brings returns

Think of a time when you bought a product or service from a company, only to feel dissatisfied with your purchase. Chances are, you felt hesitant to purchase the same good from that company in the future, unless you left feedback about your unsatisfactory experience and received some sort of customer service that attempted to **remedy** the situation. Perhaps it was a bad Uber or Lyft ride and the company gave you a \$5 credit towards your next ride. Maybe you bought a drink at Starbucks that was made incorrectly, and the barista offered to remake your drink for free along with an apology.

In either case, that company's prompt response and attempt to fix the situation likely left you with a positive feeling about the brand. The overall experience can make you feel safe about future purchases and can lead to your continued business with them. This is the **ROI** generated for businesses that invest in comprehensive customer service solutions.

It's not a new idea, either. Even 15 years ago, McKinsey found that more than two-thirds of all buying experiences are

based upon how customers feel they are treated by a specific business. When looking at how to improve your business's CX, understand how the emotions of your customers influence their buying decisions and behavior. If your business can create a comprehensive strategy to improve customer service, it can more easily turn a customer's negative emotions and perceptions of your business into positive ones.

To add to this, research conducted by the Tempkin Group found that 86% of customers are willing to pay higher prices in return for better customer service, and nearly half of all customers are more likely to make future impulsive purchases after receiving a personalized service experience with a company. When your business can provide a more personalized and comprehensive service to its customers, it creates a snowball effect that leads to increased feelings of loyalty from them, additional sales in larger sales volumes and a healthier bottom line.

Words and word combinations and their definition:

- **vital** = *necessary for the success or continued existence of something; extremely important;*
- **perception** = *the quality of being aware of things through the physical senses;*
- **word-of-mouth** = *orally communicated, the process of telling people you know about a particular product or service;*
- **referral** = *an act of referring someone or something for consultation, review, or further action;*
- **intricacy** = *a detail that is part of something complicated;*
- **remedy** = *to do something to correct or improve something that is wrong;*
- **heightened** = *to increase or make something increase;*
- **bolster** = *to support something, or make something stronger;*

• **cross-sale** = *to sell related or complementary products to an existing customer;*

• **up-sale** = *to try to convince (a customer) to purchase something additional or at a higher cost;*

ROI = Return on Investment (ROI) A calculation of the monetary value of an investment versus its cost.

Read the article and answer the following questions:

1. What is the importance of getting feedback?
2. What is the understanding your customers' demographics?
3. How can CX lead to an increase in revenue?
4. How can you turn customer's negative emotions and perceptions of your business into positive ones?
5. What is the result of the research conducted by the Tempkin Group?

**List of words and word combinations studied in the above
given units and their pages and units**

1. <i>job</i>	Unit 1	2. <i>full time job</i>	Unit 1
3. <i>work</i>	Unit 1	4. <i>part time job</i>	Unit 1
5. <i>profession</i>	Unit 1	6. <i>to be responsible for</i>	Unit 1
7. <i>occupation</i>	Unit 1	8. <i>to be in charge of</i>	Unit 1
9. <i>temporary job</i>	Unit 1	10. <i>permanent job</i>	Unit 1
11. <i>flexitime</i>	Unit 2	12. <i>overtime</i>	Unit 2
13. <i>night shift</i>	Unit 2	14. <i>commute</i>	Unit 2
15. <i>day shift</i>	Unit 2	16. <i>nine-to-five</i>	Unit 2
17. <i>telework</i>	Unit 2	18. <i>clock on</i>	Unit 2
19. <i>swipe card</i>	Unit 2	20. <i>clock off</i>	Unit 2
21. <i>exciting</i>	Unit 2	22. <i>satisfying</i>	Unit 2
23. <i>dull</i>	Unit 2	24. <i>stimulating</i>	Unit 2
25. <i>boring</i>	Unit 2	26. <i>fascinating</i>	Unit 2
27. <i>uninteresting</i>	Unit 2	28. <i>repetitive</i>	Unit 2
29. <i>unstimulating</i>	Unit 2	30. <i>routine</i>	Unit 2
31. <i>hard</i>	Unit 2	32. <i>tiring</i>	Unit 2
33. <i>demanding</i>	Unit 2	34. <i>tough</i>	Unit 2
35. <i>recruitment</i>	Unit 3	36. <i>selection process</i>	Unit 3
37. <i>hire</i>	Unit 3	38. <i>employment interview</i>	Unit 3
39. <i>identification the needs</i>	Unit 3	40. <i>checking reference</i>	Unit 3
41. <i>headhunting</i>	Unit 3	42. <i>situation vacant pages</i>	Unit 3
43. <i>introduction of the employee</i>	Unit 3	44. <i>medical examination</i>	Unit 3
45. <i>preliminary interview</i>	Unit 3	46. <i>to apply for</i>	Unit 3
47. <i>attracting candidates</i>	Unit 3	48. <i>covering letter</i>	Unit 3
49. <i>receiving applications</i>	Unit 3	50. <i>final selection</i>	Unit 3
51. <i>screening applicants</i>	Unit 3	52. <i>appointment letter</i>	Unit 3
53. <i>employment test</i>	Unit 3	54. <i>unsuitable candidate</i>	Unit 3
55. <i>healthcare</i>	Unit 4	56. <i>paid time off</i>	Unit 4
57. <i>remote work</i>	Unit 4	58. <i>wage</i>	Unit 4
59. <i>flexible hours</i>	Unit 4	60. <i>salary</i>	Unit 4
61. <i>paid family leave</i>	Unit 4	62. <i>remote work</i>	Unit 4

63.	<i>four-day work week</i>	Unit 4	64.	<i>benefit</i>	Unit 4
65.	<i>overtime</i>	Unit 4	66.	<i>remuneration</i>	Unit 4
67.	<i>perks</i>	Unit 4	68.	<i>performance related-bonus</i>	Unit 4
69.	<i>fringe benefit</i>	Unit 4	70.	<i>severance payment</i>	Unit 4
71.	<i>compensation</i>	Unit 4	72.	<i>severance package</i>	Unit 4
73.	<i>remuneration</i>	Unit 4	74.	<i>fat cats</i>	Unit 4
75.	<i>compensation</i>	Unit 4	76.	<i>delayed</i>	Unit 5
77.	<i>management</i>	Unit 5	78.	<i>an overtime ban</i>	Unit 5
79.	<i>payroll</i>	Unit 5	80.	<i>retirement</i>	Unit 5
81.	<i>site</i>	Unit 5	82.	<i>a job for life</i>	Unit 5
83.	<i>employee</i>	Unit 5	84.	<i>promotion</i>	Unit 5
85.	<i>head office</i>	Unit 5	86.	<i>demoted</i>	Unit 5
87.	<i>support staff</i>	Unit 5	88.	<i>downsized</i>	Unit 5
89.	<i>open plan office</i>	Unit 5	90.	<i>hand in notice</i>	Unit 5
91.	<i>technical support</i>	Unit 5	92.	<i>freelancer</i>	Unit 5
93.	<i>labor union</i>	Unit 5	94.	<i>in-house</i>	Unit 5
95.	<i>labour costs</i>	Unit 5	96.	<i>dismissed</i>	Unit 5
97.	<i>labour dispute</i>	Unit 5	98.	<i>fired</i>	Unit 5
99.	<i>labour leader</i>	Unit 5	100.	<i>laid off</i>	Unit 5
101.	<i>labour relations</i>	Unit 5	102.	<i>sacked</i>	Unit 5
103.	<i>labour shortage</i>	Unit 5	104.	<i>temperature</i>	Unit 5
105.	<i>labour unrest</i>	Unit 5	106.	<i>made redundant</i>	Unit 5
107.	<i>a strike</i>	Unit 5	108.	<i>a go-slow</i>	Unit 5
109.	<i>industrial action</i>	Unit 5	110.	<i>stoppage</i>	Unit 5
111.	<i>walk out</i>	Unit 5	112.	<i>administrative staff</i>	Unit 5
113.	<i>career ladder</i>	Unit 5	114.	<i>passive smoking</i>	Unit 6
115.	<i>equal opportunities</i>	Unit 6	116.	<i>Health and safety inspectors</i>	Unit 6
117.	<i>harassment</i>	Unit 6	118.	<i>repetitive strain injury</i>	Unit 6
119.	<i>sex discrimination</i>	Unit 6	120.	<i>fire hazards</i>	Unit 6
121.	<i>boardroom</i>	Unit 6	122.	<i>dangerous machinery</i>	Unit 6
123.	<i>glass ceiling</i>	Unit 6	124.	<i>first aid</i>	Unit 6
125.	<i>found</i>	Unit 6	126.	<i>hazardous substances</i>	Unit 6
127.	<i>Dignity at Work Policy</i>	Unit 6	128.	<i>bully</i>	Unit 6
129.	<i>racial discrimination</i>	Unit 6	130.	<i>affirmative action</i>	Unit 6

131. Managers	Unit 7	132. <i>establish</i>	Unit 7
133. <i>Executives</i>	Unit 7	134. <i>start-up</i>	Unit 7
135. <i>Directors</i>	Unit 7	136. <i>racist</i>	Unit 7
137. <i>President</i>	Unit 7	138. <i>entrepreneurial</i>	Unit 7
139. <i>Chief executive officer (CEO)</i>	Unit 7	140. <i>business empire</i>	Unit 7
141. <i>board of directors</i>	Unit 7	142. <i>magnate</i>	Unit 7
143. <i>Non-executive directors</i>	Unit 7	144. <i>captains of industry</i>	Unit 7
145. <i>IT director</i>	Unit 7	146. <i>mogul</i>	Unit 7
147. <i>Chief operating officer (COO)</i>	Unit 7	148. <i>business leaders</i>	Unit 7
149. <i>Chief financial officer (CFO)</i>	Unit 7	150. <i>tycoon</i>	Unit 7
151. <i>an entrepreneur</i>	Unit 7	152. <i>leadership skills</i>	Unit 7
153. <i>self-employed</i>	Unit 8	154. <i>enterprise economy</i>	Unit 8
155. <i>commercial airline</i>	Unit 8	156. <i>bureaucratic</i>	Unit 8
157. <i>multinational</i>	Unit 8	158. <i>enterprise zone</i>	Unit 8
159. <i>commercial disaster</i>	Unit 8	160. <i>privatized</i>	Unit 8
161. <i>corporate culture</i>	Unit 8	162. <u><i>self-employed</i></u>	Unit 8
163. <i>commercial land</i>	Unit 8	164. <i>free enterprise</i>	Unit 8
165. <i>corporate ladder</i>	Unit 8	166. <i>limited liability</i>	Unit 8
167. <i>corporate profit</i>	Unit 8	168. <i>demutualization</i>	Unit 8
169. <i>corporate headquarter</i>	Unit 8	170. <u><i>corporation</i></u>	Unit 8
171. <i>commercial artist</i>	Unit 8	172. <i>nonprofit organizations</i>	Unit 8
173. <i>corporate logo</i>	Unit 8	174. <i>public limited company</i>	Unit 8
175. <i>commercial television</i>	Unit 8	176. <i>charity</i>	Unit 8
177. <i>corporate image</i>	Unit 8	178. <i>mutual</i>	Unit 8
179. <i>state-owned enterprise (SOE)</i>	Unit 8	180. <i>building societies</i>	Unit 8
181. <i>corporate profits</i>	Unit 8	182. <i>government-owned</i>	Unit 8
183. <i>nationalization</i>	Unit 8	184. <i>enterprise culture</i>	Unit 8
185. <i>manufacturing</i>	Unit 9	186. <i>consumer panels</i>	Unit 9

187. <i>industry</i>	Unit 9	188. <i>bugs</i>	Unit 9
189. <i><u>economies of scale</u></i>	Unit 9	190. <i>focus group</i>	Unit 9
191. <i><u>service sector</u></i>	Unit 9	192. <i>CAD/CAM</i>	Unit 9
193. <i>emerging industries</i>	Unit 9	194. <i>testing</i>	Unit 9
195. <i>industrialize</i>	Unit 9	196. <i>trialing</i>	Unit 9
197. <i><u>target market</u></i>	Unit 9	198. <i>product launch</i>	Unit 9
199. <i>market research</i>	Unit 9	200. <i>industrial scale</i>	Unit 9
201. <i>a questionnaire</i>	Unit 9	202. <i>design defect</i>	Unit 9
203. <i>a survey</i>	Unit 9	204. <i>launch</i>	Unit 9
205. <i>the beta version</i>	Unit 9	206. <i>recall</i>	Unit 9
207. <i>innovation</i>	Unit 10	208. <i>state-of-the-art</i>	Unit 10
209. <i>invention</i>	Unit 10	210. <i>patents</i>	Unit 10
211. <i>design</i>	Unit 10	212. <i>hi-tech</i>	Unit 10
213. <i>product development</i>	Unit 10	214. <i>obsolete</i>	Unit 10
215. <i>develop</i>	Unit 10	216. <i>low-tech</i>	Unit 10
217. <i>research center</i>	Unit 10	218. <i>royalties</i>	Unit 10
219. <i>breakthroughs</i>	Unit 10	220. <i>output</i>	Unit 10
221. <i>laboratories</i>	Unit 10	222. <i>intellectual property</i>	Unit 10
223. <i>cutting edge</i>	Unit 10	224. <i>copyright infringement</i>	Unit 10
225. <i>leading edge</i>	Unit 10	226. <i>trademark</i>	Unit 10
227. <i>capacity</i>	Unit 10	228. <i>productivity</i>	Unit 10
229. <i>raw materials</i>	Unit 11	230. <i>industrial robots</i>	Unit 11
231. <i>assembly line</i>	Unit 11	232. <i>labor-intensive</i>	Unit 11
233. <i>mass production</i>	Unit 11	234. <i>craft industry</i>	Unit 11
235. <i>cost effective</i>	Unit 11	236. <i>churn-out</i>	Unit 11
237. <i>workshop</i>	Unit 11	238. <i>handmade</i>	Unit 11
239. <i>lean production</i>	Unit 11	240. <i>production line</i>	Unit 11
241. <i>TQM</i>	Unit 11	242. <i>components</i>	Unit 11
243. <i>specifications</i>	Unit 11	244. <i>labor</i>	Unit 11
245. <i>zero defects</i>	Unit 11	246. <i>capital</i>	Unit 11
247. <i>right first time</i>	Unit 11	248. <i>work-in-progress</i>	Unit 11
249. <i>enhancement</i>	Unit 11	250. <i>goods</i>	Unit 11
251. <i>continuous improvement</i>	Unit 11	252. <i>finished goods</i>	Unit 11
253. <i>kaizen</i>	Unit 11	254. <i>supplier</i>	Unit 11

255. <i>mystery shoppers</i>	Unit 11	256. <i>outsourcing</i>	Unit 11
257. <i>stock</i>	Unit 11	258. <i>subcontracting</i>	Unit 11
259. <i>lean production</i>	Unit 11	260. <i>just-in-time</i>	Unit 11
261. <i>warehouse</i>	Unit 11	262. <i>in-house</i>	Unit 11
263. <i>benchmarking</i>	Unit 11	264. <i>best practice</i>	Unit 11
265. <i>business process re-engineering</i>	Unit 11	266. <i>market price</i>	Unit 12
267. <i>customer base</i>	Unit 12	268. <i>abandon a market</i>	Unit 12
269. <i>end – user</i>	Unit 12	270. <i>enter a market</i>	Unit 12
271. <i>clientele</i>	Unit 12	272. <i>get out of a market</i>	Unit 12
273. <i>consumer</i>	Unit 12	274. <i>penetrate a market</i>	Unit 12
275. <i>buyer</i>	Unit 12	276. <i>dominate a market</i>	Unit 12
277. <i>purchaser</i>	Unit 12	278. <i>market growth</i>	Unit 12
279. <i>vendor</i>	Unit 12	280. <i>corner a market</i>	Unit 12
281. <i>buying manager</i>	Unit 12	282. <i>market segment</i>	Unit 12
283. <i>the market</i>	Unit 12	284. <i>drive another company out of a market</i>	Unit 12
285. <i>street vendor</i>	Unit 12	286. <i>market segmentation</i>	Unit 12
287. <i>the free market</i>	Unit 12	288. <i>a competitor</i>	Unit 12
289. <i>market economy</i>	Unit 12	290. <i>market share</i>	Unit 12
291. <i>market forces</i>	Unit 12	292. <i>market leader</i>	Unit 12
293. <i>market place</i>	Unit 12	294. <i>marketing</i>	Unit 12
295. <i>key players</i>	Unit 12	296. <i>a rival</i>	Unit 12
297. <i>low key</i>	Unit 12	298. <i>branding</i>	Unit 13
299. <i>customer needs</i>	Unit 13	300. <i>brand awareness</i>	Unit 13
301. <i>market orientation</i>	Unit 13	302. <i>product positioning</i>	Unit 13
303. <i>product orientation</i>	Unit 13	304. <i>product placement</i>	Unit 13
305. <i>features</i>	Unit 13	306. <i>FMCG</i>	Unit 13
307. <i>marketing mix</i>	Unit 13	308. <i>a trademark</i>	Unit 13
309. <i>product catalogue</i>	Unit 13	310. <i>own-brand product</i>	Unit 13
311. <i>product mix</i>	Unit 13	312. <i>own-label products</i>	Unit 13
313. <i>product lifecycle</i>	Unit 13	314. <i>generic product (generics)</i>	Unit 13
315. <i>product line (range)</i>	Unit 13	316. <i>brand identity</i>	Unit 13
317. <i>consumer durables</i>	Unit 13	318. <i>price control</i>	Unit 14

319. <i>price</i>	Unit 14	320. <i>price hike</i>	Unit 14
321. <i>high-priced</i>	Unit 14	322. <i>price war</i>	Unit 14
323. <i>pricing</i>	Unit 14	324. <i>recommended retail price</i>	Unit 14
325. <i>charge</i>	Unit 14	326. <i>price boom</i>	Unit 14
327. <i>discounting</i>	Unit 14	328. <i>price cut</i>	Unit 14
329. <i>generic product (generics)</i>	Unit 14	330. <i>upmarket</i>	Unit 14
331. <i>low-priced</i>	Unit 14	332. <i>high-end (top-end)</i>	Unit 14
333. <i>mid-priced</i>	Unit 14	334. <i>price leader</i>	Unit 14
335. <i>at cost</i>	Unit 14	336. <i>price tag</i>	Unit 14
337. <i>at a loss</i>	Unit 14	338. <i>entry-level</i>	Unit 14
339. <i>loss leader</i>	Unit 14	340. <i>trade up</i>	Unit 14
341. <i>at a discount</i>	Unit 14	342. <i>mass market</i>	Unit 14
343. <i>undercut</i>	Unit 14	344. <i>producer</i>	Unit 14
345. <i>hypermarket</i>	Unit 14	346. <i>downmarket</i>	Unit 14
347. <i>dealer</i>	Unit 14	348. <i>low-end (bottom-end)</i>	Unit 14
349. <i>reseller</i>	Unit 14	350. <i>mid-range</i>	Unit 14
351. <i>deep discounter</i>	Unit 14	352. <i>trade down</i>	Unit 14
353. <i>convenience store</i>	Unit 14	354. <i>niche market</i>	Unit 14
355. <i>drugstore</i>	Unit 14	356. <i>retailer</i>	Unit 14
357. <i>supermarket</i>	Unit 14	358. <i>wholesaler</i>	Unit 14
359. <i>shopping center (precinct)</i>	Unit 14	360. <i>distributor</i>	Unit 14
361. <i>a franchise</i>	Unit 14	362. <i>chain store</i>	Unit 14
363. <i>mailing</i>	Unit 14	364. <i>middleman</i>	Unit 14
365. <i>telemarketing</i>	Unit 14	366. <i>department store</i>	Unit 14
367. <i>call centre</i>	Unit 14	368. <i>mailing</i>	Unit 14
369. <i>a shopping mall</i>	Unit 14	370. <i>direct mail</i>	Unit 14
371. <i>direct marketing</i>	Unit 14	372. <i>junk mail</i>	Unit 14
373. <i>classified advertisement</i>	Unit 15	374. <i>cold call</i>	Unit 14
375. <i>hoarding, billboard</i>	Unit 15	376. <i>loyalty cards</i>	Unit 15
377. <i>neon signs</i>	Unit 15	378. <i>cross-promotion</i>	Unit 15
379. <i>display advertisements</i>	Unit 15	380. <i>timescale (timeframe)</i>	Unit 15
381. <i>TV commercial</i>	Unit 15	382. <i>lead time</i>	Unit 15
383. <i>special display</i>	Unit 15	384. <i>schedule (timetable)</i>	Unit 15

385. <i>product endorsement</i>	Unit 15	386. <i>on schedule</i>	Unit 15
387. <i>advertising campaign</i>	Unit 15	388. <i>ahead of schedule</i>	Unit 15
389. <i>advertising agency</i>	Unit 15	390. <i>behind schedule</i>	Unit 15
391. <i>salesperson</i>	Unit 15	392. <i>delayed</i>	Unit 15
393. <i>salesforce</i>	Unit 15	394. <i>make up time</i>	Unit 15
395. <i>sales area</i>	Unit 15	396. <i>downtime</i>	Unit 15
397. <i>sales manager</i>	Unit 15	398. <i>timeframe</i>	Unit 15
399. <i>a special offer</i>	Unit 15	400. <i>lead time</i>	Unit 15
401. <i>a free sample</i>	Unit 15	402. <i>a free gift</i>	Unit 15
403. <i>ISP</i>	Unit 16	404. <i>securely</i>	Unit 16
405. <i>internet access</i>	Unit 16	406. <i>bricks and mortar</i>	Unit 16
407. <i>register</i>	Unit 16	408. <i>click and mortar</i>	Unit 16
409. <i>surf the internet</i>	Unit 16	410. <i>e-tailing</i>	Unit 16
411. <i>WWW</i>	Unit 16	412. <i>last mile</i>	Unit 16
413. <i>log on</i>	Unit 16	414. <i>physical delivery</i>	Unit 16
415. <i>log off</i>	Unit 16	416. <i>B2C</i>	Unit 16
417. <i>shopping cart</i>	Unit 16	418. <i>B2B</i>	Unit 16
419. <i>e-commerce</i>	Unit 16	420. <i>B2G</i>	Unit 16
421. <i>commission</i>	Unit 16	422. <i>e-procurement</i>	Unit 16
423. <i>sales</i>	Unit 17	424. <i>direct costs</i>	Unit 17
425. <i>sales figures</i>	Unit 17	426. <i>fixed costs</i>	Unit 17
427. <i>turnover</i>	Unit 17	428. <i>variable costs</i>	Unit 17
429. <i>sales revenue</i>	Unit 17	430. <i>cost of goods sold (COGC)</i>	Unit 17
431. <i>sales volume</i>	Unit 17	432. <i>indirect costs</i>	Unit 17
433. <i>sales growth</i>	Unit 17	434. <i>direct production costs</i>	Unit 17
435. <i>sales forecast</i>	Unit 17	436. <i>net margin</i>	Unit 17
437. <i>make a sale</i>	Unit 17	438. <i>gross margin</i>	Unit 17
439. <i>be on sale</i>	Unit 17	440. <i>total costs</i>	Unit 17
441. <i>unit sales</i>	Unit 17	442. <i>the sales</i>	Unit 17
443. <i>Sales</i>	Unit 17	444. <i>a sale</i>	Unit 17
445. <i>profit</i>	Unit 18	446. <i>budget</i>	Unit 18
447. <i>profitability</i>	Unit 18	448. <i>expenditure</i>	Unit 18
449. <i>unprofitability</i>	Unit 18	450. <i>economies of scale</i>	Unit 18
451. <i>order</i>	Unit 19	452. <i>learning curve</i>	Unit 18

453. <i>place an order</i>	Unit 19	454. <i>account</i>	Unit 19
455. <i>dispatch</i>	Unit 19	456. <i>key accounts</i>	Unit 19
457. <i>ship</i>	Unit 19	458. <i>debtor</i>	Unit 19
459. <i>an invoice</i>	Unit 19	460. <i>owe</i>	Unit 19
461. <i>invoicing</i>	Unit 19	462. <i>creditor</i>	Unit 19
463. <i>billing</i>	Unit 19	464. <i>accounts receivable</i>	Unit 19
465. <i>settle an invoice</i>	Unit 19	466. <i>accounts payable</i>	Unit 19
467. <i>trade credit</i>	Unit 19	468. <i>bad debts</i>	Unit 19
469. <i>discount</i>	Unit 19	470. <i>write off</i>	Unit 19
471. <i>upfront</i>	Unit 19	472. <i>current asset</i>	Unit 19
473. <i>credit policy</i>	Unit 19	474. <i>fixed asset</i>	Unit 19
475. <i>payment terms</i>	Unit 19	476. <i>intangible asset</i>	Unit 19
477. <i>cash flow</i>	Unit 19	478. <i>goodwill</i>	Unit 19
479. <i>amortization</i>	Unit 19	480. <i>going concern</i>	Unit 19
481. <i>charge</i>	Unit 19	482. <i>depreciation</i>	Unit 19
483. <i>book value</i>	Unit 19	484. <i>bleeding red ink</i>	Unit 20
485. <i>accountant</i>	Unit 20	486. <i>capital</i>	Unit 20
487. <i>bookkeeper</i>	Unit 20	488. <i>raise capital</i>	Unit 20
489. <i>accountancy</i>	Unit 20	490. <i>share capital</i>	Unit 20
491. <i>auditor</i>	Unit 20	492. <i>loan capital</i>	Unit 20
493. <i>true and fair view</i>	Unit 20	494. <i>investment</i>	Unit 20
495. <i>creative accounting</i>	Unit 20	496. <i>put up money</i>	Unit 20
497. <i>window dressing</i>	Unit 20	498. <i>dividend</i>	Unit 20
499. <i>profit and loss account</i>	Unit 20	500. <i>earnings</i>	Unit 20
501. <i>accounting standard</i>	Unit 20	502. <i>equity</i>	Unit 20
503. <i>pre-tax profit</i>	Unit 20	504. <i>borrower</i>	Unit 20
505. <i>pre-tax loss</i>	Unit 20	506. <i>indebtedness</i>	Unit 20
507. <i>exceptional loss</i>	Unit 20	508. <i>principal</i>	Unit 20
509. <i>gross profit</i>	Unit 20	510. <i>bonds</i>	Unit 20
511. <i>net profit</i>	Unit 20	512. <i>collateral</i>	Unit 20
513. <i>bottom line</i>	Unit 20	514. <i>security</i>	Unit 20
515. <i>in the red</i>	Unit 20	516. <i>leverage</i>	Unit 20
517. <i>red ink</i>	Unit 20	518. <i>highly leveraged</i>	Unit 20
519. <i>overleveraged</i>	Unit 20		

Answer key

Unit 1.

T-2. 1. – to; 2. – to; 3. – at; 4. – off; 5. – in; 6. – out

T-3. 1. – I work *on*; 2. – In fact I *run*; 3. – *manage*; 4. – One of my *main responsibilities*; 5. – I am also *in charge of*; 6. – I deal *with*; 7. – I'm responsible for . 8. – I work closely *with*

Unit 2.

T-2. 1. – b; 2. – d; 3. – a; 4. – f; 5. – c; 6. – e

T-3. 1. – a; 2. – b; 3. – a; 4. – b; 5. – b;

Unit 3.

T-1. 1. – recruited; 2. – headhunt; 3. – appoint; 4. – accepts/turns down; 5. – offers; 6 – hired; 7. – apply.

T-3. 1. – SV; 2. – CL; 3 – CV; 4. – CL; 5. – SV; 6. – CV; 7. – SV.

Unit 4.

T-1. 1. – wage; 2. – salary; 3. – salary; 4. – salary; 5. – wage; 6. – salary; 7. – salary; 8. – salary;

T-2. 1. – subsidized childcare; 2. – membership; 3 – maternity leave; 4 – company car; 5. – bonus.

Unit 5.

T-2. Across 2 – white; 5 – staff; 6 – manual; 7 – strike; 9 – employee; 10 – outs; 12 – personnel; 13 – labour; 15 – collar;

Down 1- payroll; 2 – workforce; 3 – unions; 4 – blue; 5 – shopfloor; 8 – stoppage; 11 – slow; 14 – go.

T-3. 1. – resigned; 2. – off; 3. – path; 4. – reviews; 5. – leaner; 6. – senior; 7. – fired; 8. – temporary; 9. – job; 10. – dismissed.

Unit 6.

T-1. 1. – bullying; 2. – sexual harassment, harassed; 3. – glass ceiling, sex discrimination; 4. – racial discrimination, racist, discriminated; 5. – affirmative action, affirmative action.

T-2. 1. – first; 2. – hazard; 3. – strain; 4. – passive; 5. – safety; 6. – environment.

T-3. 1. – b; 2. – a; 3. – f; 4. – e; 5. – d; 6. – c; 7. – g.

Unit 7.

T-2. 1. – entrepreneurs; 2. – entrepreneurial; 3. – founded; 4. – start-up; 5. – grow; 6. – leadership; 7. – empire.

T-3. 1. – Guler Sabancı: banking entrepreneur; 2 - Cath Kidston: retail entrepreneur; 3. - Jack Ma: e-commerce mogul; 4. - Elon Musk: electric

car entrepreneur; 5. - Zhang Xin: property tycoon; 6. - Mark Zuckerberg: social media website founder.

Unit 8.

T-1. 1. - d; 2. - c; 3. - a; 4. - f; 5. - b; 6. - e.

T-2. 1. - demutualization; 2. - building society; 3. - members; 4. - demutualized; 5. - demutualize; 6. - mutual.

T-3. 1. - logo; 2. - disaster; 3. - multinational; 4. - enterprises; 5. - image; 6. - chamber; 7. - commerce; 8. - ladder.

Unit 9.

T-1. Across: 1. - aerospace; 3. - steel; 4. - service; 6. - manufacturing; 8. - media; 9. - industrial; 11. - emerging; 12. - growth; 13. - pharmaceuticals.

Down: 1. - automobile; 2. - defence; 5. - catering; 7. - health; 10. - light.

T-3. 1. - market; 2. - groups; 3. - consumer; 4. - surveys; 5. - launch; 6. - design; 7. - recall.

Unit 10.

T-1. 1. - innovation; 2. - state-of-the-art; 3. - development; 4. - cutting edge; 5. - technologies; 6. - developed; 7. - technology; 8. - develop; 9. - release.

T-2. 1. - j; 2. - i; 3. - d; 4. - e; 5. - a; 6. - b; 7. - h; 8. - g; 9. - c; 10. - f.

T-3. 1. - development; 2. - designer; 3. - innovation; 4. - knowledge; 5. - inventor; 6. - developer; 7. - design/designs.

Unit 11.

T-1. 1. - c; 2. - a; 3. - d; 4. - e; 5. - f; 6. - b.

1. - e; 2. - a; 3. - d; 4. - b; 5. - f; 6. - c.

T-2. 1. - just-in-time; 2. - warehouses; 3. - finance; 4. - store; 5. - efficient; 6. - lean manufacturing/production.

Unit 12.

T-1. 1. - buyer, consumer, customer, purchaser; 2. - customer base; 3. - client; 4. - client base, clientele; 5. - seller; 6. - seller, vendor; 7. - buyer, purchaser; 8. - street vendor; 9. - buyer, purchaser, buying manager, purchasing manager; 10. - user, end-user.

T-2. 1. - market-place; 2. - market reforms; 3. - Market prices; 4. - market forces / market pressures; 5. - market forces / market pressures; 6. - market economy.

T-3. 1. - are the market leader; 2. - have a 55 per cent market share; 3. - Market growth is; 4. - market segments; 5. - market segmentation.

Unit 13.

T-1. 1. – f; 2. – d; 3. – a; 4. – e; 5. – g; 6. – b; 7. – c;

1. – placement; 2. – mix; 3. – lines; 4. – lifecycle; 5. – positioning;
6. – portfolio.

T-3

3. microwave ovens – consumer durables;

11. cotton – consumer durables;

12. cars – consumer durables;

13. hamburgers – FMCG;

14. soap powder – consumer durables;

15. wood – consumer durables;

16. chairs – consumer durables;

17. corn – FMCG;

18. bricks – consumer durables;

19. chips – FMCG.

Unit 14.

T-1. 1. – true; 2. – false; 3. – false; 4. – true; 5. – false; 6. – true.

- T-2.** 1. – It had an upmarket image; 2. – No, this added to its appeal;
3. – No, it also bought competitors, and launched products in addition
to coffee; 4. – It has improved a lot; 5. v No, it's squeezed from below
by fast food chains and from above by more sophisticated coffee shop
chains.

Unit 15.

- T-1. Across:** 4. – promotions; 6. – displays; 7. – samples; 10. – prizes;
11. – agency; 14. – force; 15. – gifts; 16. – advertisers; 17. – women.

- Down:** 1. – hoarding; 2. – loyalty; 3. – commercials; 5. – territory;
7. – sign; 9. – manager; 12. – medium; 13. – area.

- T-2.** 1. – timescale / timeframe; 2. – schedule; 3. – longer than
planned; 4. – overlapped; 5. – make up; 6. – behind; 7. – stage / phase /
step / task; 8. – delays; 9. – downtime.

Unit 16.

T-1. 1. – B2C; 2. – B2G; 3. – B2B; 4. – B2G; 5. – B2C.

- T-2.** 1. – fashion products; 2. – no; 3. – no; 4. – She can get information
about buying things that she previously knew nothing about; 5. – Because
the general economic situation is so bad; 6. – a) yes, b) yes

Unit 17.

- T-1.** 1. – costings; 2. – expenses; 3. – the sales; 4. – sales; 5. – variable,
fixed, fixed; 6. – overheads.

T-2. 1. – €14; 2. – €10; 3. – 25 per cent; 4. 20 – per cent.

Unit 18.

T-1. 1. – armchairs, sofas, dining tables; 2. – armchairs; 3. – chairs; 4. – coffee tables; 5. – armchairs.

T-2. 1. – emerging markets; 2. – more users ready to buy second phones with more features; 3. – no; 4. – 60 per cent.

Unit 19.

T-1. 1. – b; 2. – f; 3. – d; 4. – c; 5. – e; 6. – a.

T-2. 1. – key accounts; 2. – debtors; 3. – creditors; 4. – bad debts; 5. – write them off.

T-3. 2. – amortization, book value; 3. – current liabilities; 4. – depreciated / amortized; 5. – wrote down; 6. – long-term liabilities.

Unit 20.

T-1. 1. – false; 2. – false; 3. – false; 4. – true; 5. – true; 6. – true.

T-2. 1. – loan capital / borrowing; 2. – collateral / security; 3. – leverage / gearing; 4. – highly geared, highly leveraged; 5. – overleveraged.

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O'quv-uslubiy qo'llanma

N.A.MUHIDDINOVA

**ENGLISH FOR BUSINESS
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Muharrir	Z.HAYITOVA
Badiiy muharrir	B.MURODOV
Sahifalovchi	F.BOTIROVA
Texnik muharrir	S.SAHMEVODA

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«Yangi asr avlodi» NMMda tayyorlandi.

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100113. Toshkent, Chilonzor-8, Qatortol ko'chasi, 60.

Murojaat uchun telefonlar:

Nashr bo'limi – (71) 230-00-50;

Savdo va Marketing bo'limi – (77) 013-00-50;

(77) 013-00-60;

[@bookuzbekistan](http://www.book.uz)

[email: yangiasravlodi@mail.ru](mailto:yangiasravlodi@mail.ru)