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ГОСУДАРСТВЕННОЕ ОБРАЗОВАТЕЛЬНОЕ
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«ВОРОНЕЖСКИЙ ГОСУДАРСТВЕННЫЙ
УНИВЕРСИТЕТ»

BUSINESS INSIGHTS

Учебно-методическое пособие

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Методическое пособие подготовлено на кафедре английского языка в профессиональной международной деятельности факультета Романо – Германской филологии. Пособие составлено в соответствии с программными требованиями.
Рекомендуется для студентов 2 курса факультета международных отношений, обучающихся по специальности 080102 (060600) – Мировая экономика
Пояснительная записка

Методическое пособие “Business Insights” предназначено для студентов 2 курса факультета Международных отношений, обучающихся по специальности “Мировая экономика”.

Целью данного пособия является формирование у студентов иноязычной коммуникативной компетенции в процессе взаимосвязи умений чтения и говорения.

Пособие служит дополнением к используемому учебнику “New Insights into Business”, в котором, как показала практика его использования, недостаточно упражнений на интерпретацию значений профессионально-ориентированной лексики, на подбор русско-английских соответствий для описания национально-специфичных реалий организаций и бизнеса, на организацию ролевого проигрывания и на выполнение самостоятельных проектов в сфере профессиональной коммуникации.

Данная цель достигается в процессе решения следующих задач:
1. формирование умений обсуждать предлагаемую проблематику, расширение общего кругозора студентов и их профессиональной компетенции, сформированной на родной языке;
2. развитие умений читать профессионально-ориентированные тексты с целью извлечения информации и последующего ее обсуждения в различных формах ролевых и деловых игр;
3. формирование навыков подбора английских соответствий для национально-специфичных русских экономических терминов.

Особенностью данного учебно-методического пособия является большое количество упражнений, что дает возможность варьировать задания и подбирать их в зависимости от уровня подготовки студентов. В этой связи, выполнение предлагаемых упражнений обеспечивает активизацию учебного материала, способствует повышению речевых умений студентов и создает прочную базу для дальнейшего изучения английского языка.

Пособие составлено в соответствии с программными требованиями.
I Short discussion.
1. What is the typical company structure in the UK (see SB p. 4)?
2. Work impairs. Draw an organization chart of a typical Russian company.

II Vocabulary work.
1. Fill in the sentences in column B with the words from column A. Give Russian equivalents to the words from column A.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. senior</td>
<td>1) The … people in an organization or a company have the highest and most important jobs.</td>
</tr>
<tr>
<td>b. executive</td>
<td>2) An … is someone who is employed at a senior level. They decide what the business should do, and ensure that it is done.</td>
</tr>
<tr>
<td>c. executive</td>
<td>3) The … sections and tasks of an organization are concerned with the decision – making and with ensuring that decisions are carried out.</td>
</tr>
<tr>
<td>d. non-executive</td>
<td>4) A … is someone who has a position in a company or organization gives advice but is not responsible for making decisions or ensuring that decisions are carried out.</td>
</tr>
<tr>
<td>e. directors</td>
<td>5) The … of a company are its senior managers, who meet regularly to make important decisions about how it will be run.</td>
</tr>
<tr>
<td>f. board of</td>
<td>6) A company’s … is the group of people elected by its shareholders to manage the company.</td>
</tr>
<tr>
<td>directors</td>
<td></td>
</tr>
<tr>
<td>g. board</td>
<td>7) The … of a company or organization is the group of people who control it and direct it.</td>
</tr>
<tr>
<td>h. company</td>
<td></td>
</tr>
<tr>
<td>secretary</td>
<td>8) A … is a person whose job within a company is to keep the legal affairs, accounts, and administration in order.</td>
</tr>
<tr>
<td>i. chairman</td>
<td>9) The … of a company is the head of it.</td>
</tr>
<tr>
<td>j. chairperson</td>
<td>10) The … of a meeting, committee,</td>
</tr>
<tr>
<td>or a chair</td>
<td></td>
</tr>
<tr>
<td>k. managing</td>
<td></td>
</tr>
<tr>
<td>director</td>
<td></td>
</tr>
<tr>
<td>l. chief</td>
<td></td>
</tr>
<tr>
<td>executive officer</td>
<td></td>
</tr>
<tr>
<td>m. annual</td>
<td></td>
</tr>
</tbody>
</table>
or organization is the person in charge of it.

11) The … of a company is the most important working director, and is in charge of the way the company is managed. The abbreviation MD is also used.

12) The … of a company is the person who has overall responsibility for the management of that company. The abbreviation CEO is often used.

13) The … of a company or organization is a meeting which it holds once a year in order to discuss the previous year’s activities and accounts. AGM is also used.

14) The … are the owners of a company.

2. Managers and executives in the US. Study the following information about the structure of an American company. Make the organization chart. Compare it with the organigram of a British company (see SB, p.4). What are the main differences?

In the US, the top position may be that of a chairman, chairwoman or president. This job is often combined with the position of a chief executive officer or CEO. Some
companies have a chief operating officer to take care of the day-to-day running of the company. The finance director may be called the chief financial officer. In the US, senior managers in charge of particular areas are often called vice presidents (VPs).

III Reading
1. Before you read. Work in pairs. How many different ways of organizing a company can you think of? Think about departments, products and markets.
2. While reading.
   1) Skim-read the text and name four main types of organisational structures.

Doing the business
Roisin Ingle hears how efficient management structures are vital for success.
The need for a solid structure within all the business entities is “absolutely fundamental”, according to Ms Angela Tripoli, a lecturer in Business Administration at University College Dublin. “Organisational structure concerns who reports to whom in the company and how different elements are grouped together. A new company cannot go forward without this and established companies must ensure their structure reflects target markets, goals and available technology”.

Depending on their size and needs there are several organizational structures companies can choose from. Increasingly though, in the constantly evolving business environment, ‘many firms are opting for a kind of hybrid of all of them’.
The most recognizable set up is called the functional structure where a fairly traditional chain of command (incorporating senior management, middle management and junior management) is put in place. The main benefit of this system is clear lines of communication form top to bottom but it is generally accepted that it can also be a bureaucratic set up which does not favour speedy decision-making.

More and more companies are organizing themselves along product lines where companies have separate divisions according to the product that is being worked on. “In this case the focus is always on the product and how it can be improved.”

The importance for multinational companies of a good geographic structure, said Ms Tripoli, could be seen when one electrical products manufacturer produced an innovative rice cooker which made perfect rice – according to western standards. When they tried to sell it on the Asian market the product flopped because there were no country managers informing them of the changes that would need to be made in order to satisfy this more demanding market.

The matrix structure first evolved during a project developed by NASA when they needed to pool together different skills from a variety of functional areas. Essentially the matrix structure organises a business into project teams, led by
project leaders, to carry out certain objectives. Training is vitally important here in order to avoid conflict between the various members of the team.

During the 1980s a wave of restructuring went through industry around the globe. This process, known as delayering hierarchical structures with layers of middle management being removed. This development was driven by new technology and by the need to reduce costs. The overall results were organizations that were less bureaucratic.

The delayering process has run its course now. Among the trends that currently influence how a company organises itself is the move towards centralization and outsourcing. Restructuring has evolved along with a more “customercentric” approach that can be seen to good effects in the banks. They now categorise their customers and their complex borrowing needs into groups instead of along rigid product lines.

Another development can be seen in larger companies, which are giving their employees more freedom to innovate in order to maintain a competitive edge.

Ms Julia MacLauchlan, Director of Microsoft’s European Product Development Centre in Dublin, said the leading software company had a very flat organizational structure. “There would not be more than around seven levels between the average software tester and Bill Gates,” she said.

Microsoft is a good example of a company that is structured long product lines. In Ireland, where 1,000 employees work on localization of the software for all Microsoft’s markets, the company is split up into seven business units. Each unit controls the localization of their specific products while working closely with the designers in Microsoft’s Seattle Headquarters.

It works, said Ms Maclauchlan, because everyone who works inn the unit is “incredibly empowered”.

“Without a huge bureaucratic infrastructure people can react a lot more quickly to any challenges and work towards the company’s objectives.”
2) Scan-read the text and fill in the chart.

The main types of organizational structure.

1. A cross-functional structure where people are organised into project teams.
2. A structure rather like an army, where each person has their place in a fixed hierarchy.
3. A structure that enables a company to operate internationally, country by country.
4. A structure organised around different products.

3) Reading for details.

a. Julia MacLauchlan describes the process of “delayering”. Try to fill in the chart and discuss the main stages and benefits of this process.

Reasons: Delayering of hierarchical structures

Results:

b. These words and expressions are used in the text to describe different aspects of organizational structure. Which are positive and which are negative?

1. clear lines of communication positive
2. bureaucratic set up
3. speedy decision-making
4. traditional hierarchical structure line
5. customarised approach
6. freedom to innovate
7. flat organizational structure
c. Vocabulary tasks. Collocations. Match these nouns as they occur together in the text. Translate them into Russian.

<table>
<thead>
<tr>
<th>Product</th>
<th>Target</th>
<th>Borrowing</th>
<th>Project</th>
<th>Delayering</th>
<th>Country</th>
<th>Business</th>
<th>Software</th>
<th>company</th>
</tr>
</thead>
</table>

1) Banks need to be fully aware of their customers’ borrowing needs.
2) Silicon Valley is full of ….
3) Many companies are now organised along …., in which each division is responsible for a group of people.
4) A matrix organization groups people into ….
5) Some companies are divided into different …., often also called profit centers.
6) A multinational company will often have a number of …., in charge of activities in different parts of the world.

d. Complete the sentence. Use the appropriate phrase from Exercise A to complete each sentence
3. After reading.
   1) Describe Microsoft’s organizational structure.
   2) Make a plan of the text.

IV Speaking
Do you think people from certain cultures would favour one kind of organizational structure over another? Can you think of some examples and give some reasons.

V Project work.
Work in pairs. Draw an organigram of an organization you know or talk to someone who works for a company, ask them how it is organised. Find out about the jobs and responsibilities of some of the people.

VI Problem solving.
Surf the internet to find out a company profile of a large company. Find out what the company makes, what departments it has and how they are called. Use a company profile for TESCO (see Students Book, p. 5, p. 13).
If you don’t know the website address of a company you can try:

- www.the company name. com
- www.the company name.net
- www.the company name.org

For a UK based company, you can also try:

- www.the company name.co.uk

You also could use search engines which are systems on the Internet that will search for any key word, such as “Guiness”. Some of the main search engines are:

- www.yahoo.com
- www.Infoseek.go.com
- www.GoTo.com

- www.Lycos.com
- www.dogpile.com
- www.altavista.com
## Unit 2. Recruitment.

### I Short discussion
1. How do you decide what career is best for you?
2. Where do you find information about your chosen career?
3. Where do you find out about the necessary training and qualifications?
4. How do you go about getting a first job?

### II Vocabulary work
1. Fill in the sentences in column B with the words from column A. Give Russian equivalents to the words from column A.

<table>
<thead>
<tr>
<th>a. recruitment agency</th>
<th>1. The process of finding people for particular jobs is … or, especially in American English, hiring.</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. hire</td>
<td>2. A(n) … is a letter that is written by someone who knows you and which describes your character and abilities.</td>
</tr>
<tr>
<td>c. recruitment</td>
<td>3. A(n) … is a written record of your education, qualifications and employment, which you send when you apply for a job.</td>
</tr>
<tr>
<td>d. CV (curriculum vitae) (US resume)</td>
<td>4. A(n) … is a small number of candidates for a job, etc., who have been chosen from all the people who applied.</td>
</tr>
<tr>
<td>e. referee</td>
<td>5. A(n) … is a person who makes a formal request for sth (=applies for it), especially for a job, a place at a college or university.</td>
</tr>
<tr>
<td>f. headhunter</td>
<td>6. If you … someone, you employ them or pay them to do a particular job for you.</td>
</tr>
<tr>
<td>g. reference</td>
<td>7. A(n) … or recruitment consultant is a person or service that helps professional people to find work by introducing them to potential employers.</td>
</tr>
<tr>
<td>h. applicant</td>
<td>8. A(n) … is a letter containing extra information that you send with sth.</td>
</tr>
<tr>
<td>i. covering letter (US cover letter)</td>
<td>9. A company may recruit employees directly or use outside recruiters, … … or employment agencies.</td>
</tr>
<tr>
<td>j. shortlist</td>
<td>10. A(n) … is a person who gives you a reference, for example when you are applying for a job.</td>
</tr>
</tbody>
</table>
2. Here is a description of a typical procedure for recruiting a new manager. Complete the gaps in the flowchart with the phrases below.

- invites 12 candidates for interview
- makes a final selection
- resigns from his/her present job
- attends the interview
- applies for the post
- makes a shortlist

Employer: 1) advertises the post

Candidate: 2) ...

Employer: 3) sorts the applications

Employer: 4) ...

Employer: 7) invites four candidates for the second interview

Employer: 6) ...

Candidate: 5) ...

Candidate: 8) attends the second interview

Employer: 9) ...

Employer: 10) ...

Candidate: 11) accepts the post

Candidate: 12) ...

Candidate: 13) joins his/her new company
III Reading

1. Before you read. Work in pairs. What are the most popular subjects to study at universities and colleges in your country? Why?
If you wanted to find out about job opportunities or vacancies at a large company or international organization, how would you do it?

2. While reading.
1) Skim-read the text and say which of these statements gives the best summary of the text?
   a) A global company needs to recruit globally.
   b) The Internet will revolutionise the way new employees are recruited.
   c) Engineering is the discipline of the future.

2) Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.
   a) DaimlerChrysler is the largest employer in Baden-Wurttemburg.
   b) DaimlerChrysler employs more people in Baden-Wurttemburg than in other parts of Germany.
   c) The company plans to increase its investment in research and development.
   d) DaimlerChrysler’s policy is to recruit engineers in Germany whenever possible.
   e) DaimlerChrysler uses the Internet in its recruitment campaigns.
   f) BMW is a more attractive company to work for.
   g) Not enough students study engineering in Germany.
   h) DaimlerChrysler is planning to set up its own technical university.

3) How the text is organised
   These phrases summarise the main idea of each paragraph. Match each phrase with the correct paragraph.
   a) the need to recruit engineers globally to meet it’s business targets
   b) the lack of engineering graduates generally
   c) DaimlerChrysler’s position in the state of Baden-Wurttemburg
   d) the need to compete with other companies to attract new recruits
   e) DaimlerChrysler’s business targets
   f) use of the Internet for recruitment
   g) DaimlerChrysler’s plans to support private universities
   h) another recruitment approach

   Where have all the engineers gone?
   For the past year Daimler has been the part of the grouping with American manufacturer Chrysler. The German company’s roots go back to the very first days of motoring.
If Germans associate one company with the state of Baden-Wuerttemberg it is the automotive group DaimlerChrysler. The group was formed in 1998 through the merger of Daimler-Benz and Chrysler of the US. But the local association dates back to the late 1890s, when Daimler and Benz began the automotive age by producing the world’s first motor cars. DaimlerChrysler is one of the mainstays of the Baden-Wuerttemberg economy sustaining 242,000 people in employment across Germany – the bulk of them in the state.

To extend its global reach, the company has ambitious plans to grow in the automotive business, and will invest €46bn developing sixty-four new cars and truck models in the next few years. Research and development spending is set to soar to what a spokesman says is ‘a market leading position’. This year the company aims for sales of €146bn, compared with previous forecasts of €139.9bn.

One of the most critical issues facing the group as it attempts to achieve those targets is where it will find, in sufficient numbers, people with the right qualifications to make it all happen. Baden-Wuerttemberg and Germany alone will not be able to provide enough recruits. ‘DaimlerChrysler needs to hire 4,500 engineers and IT people in the next three years’, says Marc Binder of Human Resources. ‘That’s a big number and it will be impossible to find enough of them in Germany, let alone in one region. You have to hire them from the top schools in the world’.

Traditionally, Daimler-Benz always recruited engineers within Germany. In 1999, however, its recruitment campaign went global. Part of the impetus was that the transatlantic merger had broadened the spectrum of job opportunities. Using the Internet, DaimlerChrysler issued a blanket invitation to college graduates around the world – with emphasis on mechanical engineering, process technology and aerospace engineering – to attend an open day at eleven DaimlerChrysler locations around the world. Of the 800 who attended, about 55 per cent were invited for interview – a far higher proportion than in previous recruitment drives.

A few months later, the group launched a novel campaign to attract recruits for its International Management Associate Program. It advertised in the international press, inviting would-be trainees to call a company hotline during a four-hour period over two days. Some 200 applicants were interviewed.

Competition for talent from other large industrial groups is bound to increase. Rivals such as BMW, in neighbouring Bavaria, have similar needs. But Mr Binder says: ‘We try to convince would-be recruits that we’re the most global company and it’s more interesting to work at DaimlerChrysler in this exciting period after the merger.’ Recruits are also offered opportunities to work in different units of the group.

The recruitment problem has been made worse by a steady decline in the number of students electing to study engineering since the early 1990s – when there were too
many newly-qualified engineers entering the market. Large numbers of students chose to study other subjects, leading to today’s shortage.

DaimlerChrysler is supporting initiatives to try to ensure a steady flow of engineers and graduates from other technical disciplines. Over the course of the next few years, the group will be supporting the establishment of two private universities in Baden-Wurttemberg – the Stuttgart Institute of Management and Technology and the International University of Germany in Bruchsal.

4) Reading for details.

1. The writer uses three different words to describe an institute of higher education. What are they? Are they exact equivalents?
2. Two words are used many times with the meaning of ‘to find and employ new people’. What are they?
3. The word ‘campaign’ is used twice in the article. What other phrase is used with a similar meaning to ‘campaign’?
4. ‘about 55 per cent of graduates who attendee DaimlerChrysler’s open day were invited for interview’
   a) What other word is used in the article with a similar meaning to ‘about’?
   b) Think of at least three other words or phrases to give the idea of approximation.

b. Word search.
1. The article deals mainly with the theme of recruitment. Find at least ten words or phrases in the text connected with the idea of recruitment.
2. The writer use several phrases to express the idea of time, either as an approximate date, e.g. ‘the late 1890s’ or to describe when something will or did happen, e.g. ‘in the next few years’. How many similar time expressions can you find in the article?

c. Complete the sentence.
   Use an appropriate word or phrase from exercise A or B to complete each sentence.
1) Due to rapid expansion the company had to carry out an extensive …………… to hire new employees.
2) In …………… very few people knew much about the Internet.
3) ……….. the next few years the use of the Internet is bound to expand even more.
4) There are literally hundreds of business ……….. around the world offering MBAs.
5) Many companies now ……….. new job vacancies on the Internet and in the press simultaneously.
6) ………. graduates in subjects such as information technology have a lot of opportunities for their first job.

7) Our recruitment campaign was so successful that we had over 100 …………. for each job.

8) We usually invite about 5 per cent of those who apply to come for …………. so we can meet them in person.

9) An MBA is one of the best …………. for an international management job.

d. Expanding vocabulary.
The article mentions that there is a ‘steady decline’ in the number of engineering students, leading to a ‘shortage’ of potential recruits.

a) Think of at least two other words similar in meaning to ‘decline’.

b) Think of at least three words with the opposite meaning.

c) Think of at least one word equivalent in meaning to ‘shortage’.

d) Think of at least one word with the opposite meaning.

e. Definitions.
Match these terms with their definitions.

1. mainstay a) an influence that makes something happen

2. global reach b) people who want to enter a training programme

3. set to soar c) a new and imaginative way to recruit

4. impetus d) having a presence all over the world

5. broadened the spectrum of job opportunities e) an offer open to everyone

6. blanket invitation f) about to increase a lot

7. a novel campaign g) increased the range of possible jobs

8. would-be trainees h) most important part of something

IV Speaking
Evaluate the job-hunting strategies and divide them into three groups accordingly: one for good, one for bad, and one for neutral strategies. Afterwards, discuss the results with the whole class by asking, for example, what people consider to be unwise strategies.

- You phone your local employment office to see if they can offer you a job.
- You squeeze in a hair appointment just before an important job interview.
- You send unsolicited letters of application to companies you are interested in working for.
- You see an interesting job advertisement in the newspaper while riding on a bus. You decide to get off and call immediately from a public call-box.
• You have a very definite idea of how much money you want to earn.
• As you sit down, you tell the interviewer you are really nervous.
• Your interviewer is uncomfortable looking you in the eye, so you avoid his gaze and look elsewhere as you talk to him.
• You go to the interview with some notes on how you would develop their product or some idea of improving customer service.
• Your interviewer has not prepared very interesting questions. You take the opportunity to direct the interview in your own way.
• You make a list of questions you want to ask the interviewer.
• You meditate for half an hour before leaving for your job interview.
• Before sending off your letter of application, you show it to a few friends for their comments.
• You find out which newspaper carries ads for the kind of work you’re looking for, and study the columns regularly.
• You ask some friends to practice the interview situation with you before the big day.
• You wear very flattering clothes for your job interview although the waistband pinches and you feel uncomfortable.
• You decide to wear your most comfortable clothes for the job interview although they are not very smart.
• You have a small whisky before you leave for your interview, to calm your nerves.
• You make it clear to a prospective employer that you have a number of other interesting interviews lined up.
• When the interviewer asks you ‘What job would you like to be doing in ten years’ time?’, your answer is ‘Your job!’.

V Project work. Work in groups.

Background.
Delaney is a Dublin-based call centre working for a major car-hire company. Delaney employs 240 full-time and part-time agents. The car-hire company has centralized most of its European operations to this call centre.

Task.
The company needs to recruit new people. You are members of the interviewing team. Write the job description for the position. Discuss and decide what experience, skills, abilities and personal qualities are important for candidates. Define what they will be responsible for.
VI Problem solving. Work in pairs. Find some adverts for jobs. Look in the newspapers or on the Internet. Choose an advert for a job you would like to do. Give your advert and CV to your partner and take theirs. Suggest ways your partner could adapt their CV to fit the job advert (see SB p. 21).

Use the following English language sites
http://iteslj.org (online TESOL journal whose articles can be downloaded and printed)
http://www.englishclub.com
http://www.englishpage.com
www.bbc.co.uk/
www.yahoo.com
www.Infoseek.go.com

www.GoTo.com
www.Lycos.com
www.dogpile.com
www.altavista.com
iteslj://org/Articles/Ho-email.html
I Short discussion.

1. Do you enjoy shopping? What are the main reasons why people don’t like shopping?
2. What types of retail outlets exist in your country?
3. Which types of shops do you use to buy different things? Why?

II Vocabulary work.

1. Fill in the sentences in column B with the words from column A. Give Russian equivalents to the words from column A.

| a. retail outlet/sales outlet | 1) A … a very large shop, selling mainly food. |
| b. department store | 2) A … … is a part of a group of shops, all with the same name. |
| c. chain store | 3) A … … is a shop or other place that sells goods direct to the public. |
| d. deep discounter | 4) A … is a very large shop with a wide variety of goods, usually outside a town. |
| e. hypermarket | 5) A … … is a small shop in a residential area and open long hours. |
| f. supermarket | 6) A … … is a supermarket with very low prices. |
| g. shopping centre/shopping precinct | 7) … is a shop in a town centre in the US which sells medicines; you can also have coffee and meals there. |
| h. retailing | 8) A … … is a very large shop with a wide range of goods, usually in a town centre. |
| i. convenience store | 9) A … … is a purpose-built area or building in a town centre with a number of shops. |
| j. drugstore | 10) … is the activity of selling goods direct to the public, usually in small quantities. |

III Reading.

1. Before you read.

Work in pairs. What problems do retail companies face? What are the reasons for losses? What can be done to offset losses?
2. While reading.
a. These phrases summarise the main idea of each paragraph. Read the text and match each phrase with the correct paragraph.
a) 'Shrink school'
b) Deterrence
c) Hard to ignore
d) Collaboration
e) Retailing, on the face of it, tends to be a straightforward business.
f) On the inside

Retail's shrinking feeling

1
Buy cheap. Sell dear, and plenty. Keep costs down. Do it right, and come home with a profit. But even the best retailers are doing well if they make a margin that goes much beyond a single-digit percentage. Consider what they are up against. There is competition. There is the fickle taste of customers. And then there is the steady 2% or so of sales that drips away each year through what the trade, euphemistically, calls "shrinkage" - and what the rest of us would simply call theft.

2
So keep the shoplifters out and the profits will benefit?
If only that were so.
In fact, shoplifting only accounts for 40% of the shrinkage problem, according to Philip Payne, director of professional services at loss reduction consultancy Intelliq. "Stores often end up spending millions on closed-circuit television, store detectives and so on - all to tackle a minority of the losses," he says.
Another small slice disappears in simple mistakes by staff, often the result of practices and systems that are badly designed and over-complicated.

3
But the biggest problem is leakage from within.
At the most basic level, there is the cashier with a hand in the till: relatively easy to spot, and to root out.
Then there are the more advanced cases, which happen when front-line staff either find ways of gaming the store's systems and processes - or managers do the same, often making significant amounts of money in the process.

4
And even if you do catch a thief - whether insider or shoplifter - what recourse do you have?
You can sack a member of staff, but they could easily get a job somewhere else - a problem moved, rather than solved, in a business where staff turnover is traditionally sky-high.
Instead, you could try to make crime pay. The idea came from the US, where almost every one of the 50 states has legislation allowing retailers not only to sue thieves for the cost of goods lost or money stolen - but also to claim up to four times the value, as well as what they spent on investigations. Another is to minimise the costs incurred once the investigation is complete. Drydens, a law firm used by several large High Street retailers, has developed the business of going after retail criminals into a production line. In the seven years since its retail loss recovery work began, it has processed 75,000 cases - with clients filing details of shoplifting cases over the web and letters going out to suspects automatically.

A third solution would be to cut back on opportunities by getting ahead of the crooks - particularly the insiders who cause many of the biggest losses. The business-government joint venture Action Against Business Crime is sponsoring databases of persistent offenders, both insiders and shoplifters, to make it more difficult for them to move from one target store to another with impunity. Eventually, the data should be included in a national fraud reporting system - although that remains at least two years away from going live.

b. Vocabulary tasks. The article deals mainly with the theme of losses. Find the words or phrases in the text connected with this idea.

c. Match these terms with their definitions.

1. Margin (also profit margin) a) the amount of profit that a company makes on sth
2. Loss reduction b) an act of making the amount of money which is lost by a business less
3. Turnover c) the rate at which workers leave a company and are replaced by new ones
4. Joint venture d) an agreement between two companies, especially in different countries, to do business together
5. Shrinkage e) the process of becoming smaller in size; the amount by which sth becomes smaller
6. Deterrence f) the place where you pay for goods in a large store/shop
7. Till g) the situation when there is a thing that makes sb less likely to do sth
c. Give Russian equivalents for the following expressions:
to keep costs down; to make a margin; fickle tastes of consumers; to sue thieves; to sell dear; loss reduction; persistent offenders.

3) After reading.
1. What are reasons for profit leakage?
2. Discuss the advantages and disadvantages of the enumerated ideas. What are the best ways of loss prevention?
   a) to keep the shoplifters out
   b) to keep a close eye on the books
   c) to sack a dishonest member of staff
   d) to make thieves pay
   e) to work more closely with other retailers and to share information about criminals and dishonest employees

IV Speaking.
Work in pairs. Discuss all possible dangers that retailers face. What can they do about these problems in your opinion?

V Project.
Work in groups of 4 or 5. Surf the Internet and find as much information as possible about the development of retailing in Russia.

VI Problem Solving.
Work in groups. Surf the Internet to find information about retail companies and to make a presentation on the issue that seems interesting.

Use the following English language sites
http://iteslj.org (online TESOL journal whose articles can be downloaded and printed)
http://www.englishclub.com
http://www.englishpage.com

Unit 4. Franchising.
I Short discussion
What are the main advantages and disadvantages if franchising in Russia?

II Vocabulary work
Read the information about franchising in your Students’ book (see p. 34). What do the following words and expressions mean. Can you translate them into Russian?
Franchising, franchisor, franchisee, franchise agreement, franchise fee, to pay a royalty, management service fee, advertising fee, operations manual, master franchisee.

III Reading
1. Before you read. What is a franchise agreement and what does it include.
2. While reading.
   Student A, skim-read text 1 read the text, Student B skim-read Text 2. Find words and expressions connecting with franchising and business in general. Then do the exercises for your text.

Text 1
GreenThumb is a franchise hoping for rapid growth

Franchising is an ideal way to set up a business without taking a huge leap into the unknown.

GreenThumb is a franchise business, which provides a service to improve the health and look of lawns. It was started by Stephen Waring in 1986, when he was just 19. He got the idea from a visit to the United States, where one in four homes has its lawn treated by similar services.

1 …

He gradually built up his business until four years ago a customer asked how he could start something similar, and GreenThumb moved into franchising. Now his company treats 50,000 lawns across the UK through a network of 48 franchises.

The business has big plans. Stephen hopes to be working on one million lawns and have some 3,500 employees within five years.

2 …

To buy into the GreenThumb franchise you will need £30,000. For that you get training, a liveried van, a computer, lawn care products and national marketing. "It doesn't cost you a fortune," says Stephen, who is enthusiastic about the potential for growth.

"This is a business targeting a new market that will grow and grow, and you can run the business from home," he says.

3. …

Franchising is popular in the UK, with 660 businesses operating through 36,000 franchises. Some well-known names are franchised: McDonalds, Wimpy, Pizza Hut, Domino's Pizza, Thrifty Car Rental, Body Shop and the British School of Motoring, to name a few.

4. …
It's when a business owner - or franchisor - allows others - franchisees - to use its name, products and goodwill. The franchisee will have varying degrees of control over how products and services are marketed or sold.  

5. …

The initial fee can range from £5,000 to £500,000. If you want to run a Post Office Counter, that costs £250,000. A Snappy Snaps franchise is £120,000. On top of that, you can expect to pay a management service fee, which is usually a percentage of turnover - anything from 10% to 25%. There could be a contribution to an advertising pool and some franchisers insist you pay them for marketing or products - sometimes at marked-up prices, so watch out.

6. …

Simon Wise, deputy director of the British Franchise Association (BFA), says: "It's popular because there are many different types of business now embracing franchising - it's not just pizzas and burgers." He adds: "There are wider opportunities for people with different skills and experience."

Another reason franchising is popular is that figures show more than 90% of franchise-businesses make a profit within two years. This is much higher than for non-franchise businesses.

7. …

Also when it comes to money, banks tend to favour franchises over other start-up businesses. This is because they are proven brands with someone behind the scenes helping to ensure they succeed.

8. …

Simon Wise says that anyone thinking of buying a franchise simply must do their homework. When choosing a business, he recommends concentrating on four key areas:

- Brand - is it established, a proven success.
- System - what the BFA calls the know-how. Again, is it proven and can it easily be transferred to a new franchisee.
- Support - it might be your own business, but the back-up is vital.
- Agreement - the legal bits which tell you what you can and can't do.

When you've picked the business, see if it is BFA accredited - not all franchises are, but it means someone has already run the rule over it. Check it out in Companies House to find out more about it and have a professional examine the legal agreement. Most important of all, says Simon, is to speak to other franchisees to see how they're getting on.

2. Read the text again and complete the headings in the text with these words:
   a. Things to consider
   b. Getting backing
   c. Popularity of franchising
   d. Getting on board
3. Scan-read the text and find equivalents to the following words and expressions.

Иметь потенциал для роста, отдавать предпочтение, быть нацеленным на новый рынок, строить свой бизнес, авторский гонорар, ценообразования путем «накидки», проверенный брэнд, внешний вид газонов, бизнес процветает, предприятие в начальной стадии развития, юридическое соглашение, первоначальный взнос, процент с оборота, отчисления на рекламу, поддержка, получить прибыль в течение двух месяцев.

4. There are four idioms in the text. Try to find them and translate into Russian.

5. Reading for details. Read the text again and fill in the table:

<table>
<thead>
<tr>
<th>Advantages of franchising</th>
<th>Possible shortcomings</th>
<th>Cost</th>
<th>Things to be aware of</th>
</tr>
</thead>
</table>

**Text 2**

**GreenThumb is a franchise hoping for rapid growth**

Stephen Waring came up with a great idea.

All sorts of people would like to hand over the care of their lawn to someone else.

His business thrived and he wanted to make it grow even more - but how to go about it?

Stephen came up with the notion of selling franchises.

The business now treats 50,000 lawns across the UK.

There are 48 people running their own Green Thumb businesses but paying Stephen for the right to do so and for the materials he supplies.

1. ...

In every high street there are franchises. The amount of money that you have to put up to buy a franchise will depend on:

- The start up kit the company supplies
- The likely return on your investment
- The number of people who want to buy a franchise

2. ...

All businesses are risky.

Some are more risky than others. Plans that look good when the economy is booming can suddenly look very sorry for themselves when uncertainty sets in.
Buying a franchise is one way of reducing the risk. You are responsible for knowing the local market for the product but the franchisor will be doing national marketing and keeping the product and image up to date. They can do things that you couldn't dream of as a small business. Keep your eyes open for marketing campaigns for well-known franchises. Could a local burger bar negotiate with the latest movie to use its images or give away model characters with every burger? The fact that banks are happier to lend to someone who is buying a well-known franchise rather than someone setting up their own business, shows that the risk is lower. Banks really don't like risks.

3. …

Running a business that treats 50,000 lawns would be a complex affair. How many people would you have to employ? Stephen is aiming at 1,000,000 lawns. Think how complex that will be. People, offices, vans and lawn movers to maintain, etc...etc...

By selling franchises, he hands over responsibility for all these things to franchisees. He is now in the business of selling franchises and looking after the franchisees. He only gets a cut of every lawn that Green Thumb looks after but his costs are much lower than if he ran a huge business that cut lawns itself.

He has to be sure that the franchisees are reliable. If Green Thumb gets a bad reputation because people don't turn up to appointments or turn lawns yellow instead of green, his business will start to wilt.

4. …

It is really a two-way arrangement:
• A franchisor must provide good, reliable support. If supplies don't turn up when ordered, a local business will be unable to provide a good service.
If the central business takes its eye off the market and doesn't move with the times, the local business will be left behind.
• The franchisee must run an efficient business which meet the standards of the big organisation. There are opportunities to show your flair but in a more secure environment.

2. Read the text again and complete the headings in the text with these words:
   a. A strategy for growth
   b. A risky business?
   c. Big business
   d. Two-way arrangement

3. Scan-read the text and try to find the equivalents to the following words and expressions:
Предлагать (выдвигать) идею, главная (центральная) улица, рентабельность инвестиций, процветающая экономика, передавать полномочия, отвечающий

26
современным требованиям, внимательно следить за рынком, быть направленным на что-либо, отвечать требованиям, обнаруживать способность.

4. Fill in the gaps and find these words in the puzzle.

1) Keep your eyes ... for marketing
2) Negotiate ...
3) Hand ... responsibility
4) Turn ... to the appointment
5) His business will start to ...
6) Take an eye ... market
7) ... the standards
8) To show your ...
9) Come ... with the idea
10) Hand ... the care
11) ... street
12) Start–up ...
13) Reduce the ...
14) Keep up the product

5. Reading for details. Read the text again and fill in the table:

<table>
<thead>
<tr>
<th>Advantages of franchising</th>
<th>Possible shortcomings</th>
<th>Cost</th>
<th>Things to be aware of</th>
</tr>
</thead>
</table>

3. After-reading task. Work in groups. Student A and Student B, share your ideas about issues mentioned in Exercise 5. Add new information.

IV Speaking

Work in pairs. Think the following ideas over and fill in the table. Think of other possible factors.

<table>
<thead>
<tr>
<th>Advantages of being a franchisor</th>
<th>Disadvantages of being a franchisor</th>
<th>Advantages of being a franchisee</th>
<th>Disadvantages of being a franchisee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A franchisee accepts certain conditions (where to buy from suppliers, dress code, rules to be followed)</td>
<td>Make sure the revenue statistics are achievable</td>
<td>It’s impossible to breath out of the contract</td>
<td>Check the validity</td>
</tr>
<tr>
<td>It’s impossible to breath out of the contract</td>
<td>Regular reports on sales</td>
<td></td>
<td>Stay in constant touch with franchisee</td>
</tr>
</tbody>
</table>

27
- Earn a steady income
- In case of selling your business, get the approve of the franchisor
- Can expand business without having to invest his own capital and without having to recruit and manage personnel
- Marketing support
- Shared risk
- Not a get-rich-quick scheme
- Strategies for finding customers
- Access to business idea
- Don’t rely on financial information given – check it out

V Project. Presentation.
Option 1. Work in groups of 4 or 5. Surf the net and find as much information as possible about franchising in Russia. How successful are franchise companies in Russia? What are the main problems? Choose a presenter and make a speech.
Option 2. Work in groups of 2 or 3. Choose any franchisor company you want to sign a franchise agreement with. Prove your choice.

VI Problem solving
There is more information about franchising on the following sites:
Work in groups. Surf the net and find information about franchise companies and make a presentation on the issue that seems interesting.

Unit 5. International Business styles

I Short discussion
Work in groups. Discuss the following questions in groups. For more information see SB № 1,2, p.44-46.
1. What cross-cultural problems do companies face when they work with companies from other countries?

2. Can you give examples of cross-cultural problems from your own experience? How to tackle these problems?
Discuss how the impression that you may give, especially to a foreigner, can be influenced by:
Talking in a loud voice, yawning, eating with your hands, being late for a meeting, giving presents, inviting for a cup of coffee to your house, calling smb by his/ her first name, kissing them on a cheek, shaking hands.
3. What should a visitor to your country know about the points in A, B, C? What about other countries?

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entertainment and hospitality:</strong></td>
<td><strong>Time</strong></td>
<td><strong>Cross cultural communication</strong></td>
</tr>
<tr>
<td>Business lunches in restaurants where deals are discussed</td>
<td>Culture of presenteeism: being at work when you don’t need to be</td>
<td>Distance when talking to people</td>
</tr>
<tr>
<td>Corporate hospitality (inviting your clients to a big sport events)</td>
<td>Lunch breaks</td>
<td>Eye contact</td>
</tr>
<tr>
<td>Inviting your business partner to your house for dinner</td>
<td>Working breakfast</td>
<td>Gesture</td>
</tr>
<tr>
<td></td>
<td>Punctuality</td>
<td>Greetings/ good buys</td>
</tr>
<tr>
<td></td>
<td>Public holidays</td>
<td>Humour</td>
</tr>
<tr>
<td></td>
<td>Five weeks’ holidays</td>
<td>Physical contact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Presents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rules of conversation and the role of silence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Posture and body movements.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Facial expression</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proxemics (a concept of space that communicates about the person)</td>
</tr>
</tbody>
</table>

4. Do you agree with the following: “When in Rome do as Romans do”, “Good manners, Good business”?

II Vocabulary work.
1. Below are sixteen different culture values. Match 1-8 to the contrasting phrase in a-h

1) Individual culture
2) Consensus-minded
3) Deferential
4) High job mobility
5) Low-context
6) Loyalty to the company
7) Broad-based managerial skills
8) Hard, corporate values

a. Egalitarian culture
b. High – context culture
c. Specialist and technocratic management
d. Soft, customer-focused
e. Low job-mobility
f. Group-oriented culture
g. Loyalty to oneself
h. Competitive culture

2. Complete the sentences below with a phrase from part A
1) A culture where people work collaboratively and co-operatively and do not try to stand out from the group, and where community interests are much more important than personal ambition is a ...
2) A culture where managers pay a great deal of respect to their senior or their elders, and where subordinates show respect and humility towards managers, is a ...
3) A culture where typically people stay in the same job for many years, probably living near their family home, has ...
4) In a culture where managers typically have a wide range of abilities and are not necessarily specialists, it is important to have ...
5) A corporate culture where there is the view that the company exists to serve customers, and that the customer is king, can be described as ...
6) A culture where little attention is paid to relationship-building, where business is the priority, is a ...
7) Where employees represent and defend their company, and respect and identify with its values, there is strong ...

3. What culture is typical of your country?

III Reading
Text 1
1. Before you read.
Match the following abbreviations with their definitions. Look up these words in the dictionary and translate them.

| 1) SBU | a. Strategic business unit |
| 2) TQM | b. Management by objectives |
| 3) JIT | c. Customer first team |
| 4) CFT | d. Total quality management |
| 5) MBO | e. Just-in-time |

2. While – reading.
1) Read the text and say what well-intended “universal” applications of management theory are mentioned in the text.
2) Reading for details. Read the text, choose 2 statements given below the text and comment upon them.

The impact of culture on business.
Take a look at the new breed of international managers, educated according to the most modern management philosophies. They all know that in the SBU, TQM
should reign, with products delivered JIT, where CFTs distribute products while subject to MBO.

But just how universal are these management solutions? Are these “truths” about what effective management really is: truths that can be applied anywhere, under any circumstances?

Even with experienced international companies, many well-intended “universal” applications of management theory have turned out badly. For example, pay-for-performance has in many instances been a failure on the African continent because there are particular, though unspoken, rules about the sequence and timing of reward and promotions. Similarly, management by objectives schemes have generally failed within subsidiaries of multinationals in southern Europe, because managers have not wanted to conform to the abstract nature of preconceived policy guidelines.

Even the notion of human-resource management is difficult to translate to other cultures, coming as it does from a typical Anglo-Saxon doctrine. It borrows from economics the idea that human beings are “resources” like physical and monetary resources. It tends to assume almost unlimited capacities for individual development. In countries without this beliefs, this concept is hard to grasp and unpopular once it is understood.

International managers have it tough. They must operate in a number of different premises at any one time. These premises arise from their culture of origin, the culture in which they are working, and the culture of the organization which employs them.

| pay-for-performance – оплата по результатам |
| Timing – согласование во времени |
| Preconceived – предвзятый |
| Capacity - способность |

In every culture in the world such phenomena as authority, bureaucracy, creativity, good fellowship, verification and accountability are experienced in different ways. That we use the same words to describe them tends to make unaware that our cultural biases and our accustomed conduct may not be appropriate, or shared.

- The problem with “universal” management solutions
- the failure of pay-for-performance
- the failure of management by objectives scheme
- the problem with human-resource management
- three cultures affecting international managers
- six areas in which different cultures interpretations apply
Text 2
1. Before you read. Is establishing eye contact essential for conducting business in Russia?
2. While reading. Read the text and comment upon the importance of eye contact in different countries.

**Eye contact**
In many Western societies, including the USA, a person who does not maintain “good eye contact” is regarded as being slightly suspicious, or a “shifty” character. Americans unconsciously associate people who avoid eye contact as unfriendly, insecure, untrustworthy, inattentive and impersonal. However, in contrast, Japanese children are taught in school to direct their gaze at the region of their teacher’s Adam’s apple or tie knot, and, as result, Japanese lower their eyes when speaking to a superior, a gesture of respect.
Latin American cultures, as well as some African cultures, such as Nigeria, have longer looking time, but prolonged eye contact from an individual of lower status is considered disrespectful. In the US, it is considered rude to stare – regardless of who is looking at whom. In contrast, the polite Englishman is taught to pay strict attention to a speaker, to listen carefully, and to blink his eyes to let the speaker know he or she has been understood as well as heard. Americans signal interest and comprehension by bobbing their heads or grunting.

3. After you read. Role play. You are at the international meeting. You have to introduce yourself to a foreign partner. Choose any way establishing eye contact mentioned in the text. Introduce yourself to your partner for him to understand what country you are from.

**IV Speaking.**
What are the main stereotypes of manners and social behaviour in other countries? For example, dress code for different occasions, useful gestures (and gestures to avoid), table manners, handling business cards, choosing suitable gifts etc? If it is necessary, find this information on the Internet.

**V Project.** Work in teams. You are going to make a presentation about international business styles in different countries. Surf the Internet, find information about different aspects of international business styles in the chosen country and make a short presentation. Consider the aspects mentioned in № 3 (short discussion). Use visuals, handouts or Power point.

**Use the following English language sites**
[http://iteslj.org](http://iteslj.org) (online TESOL journal whose articles can be downloaded and printed)
<table>
<thead>
<tr>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.englishclub.com">http://www.englishclub.com</a></td>
</tr>
<tr>
<td><a href="http://www.englishpage.com">http://www.englishpage.com</a></td>
</tr>
<tr>
<td><a href="http://www.bbc.co.uk/">www.bbc.co.uk/</a></td>
</tr>
<tr>
<td><a href="http://www.yahoo.com">www.yahoo.com</a></td>
</tr>
<tr>
<td><a href="http://www.Infoseek.go.com">www.Infoseek.go.com</a></td>
</tr>
<tr>
<td><a href="http://www.GoTo.com">www.GoTo.com</a></td>
</tr>
<tr>
<td><a href="http://www.Lycos.com">www.Lycos.com</a></td>
</tr>
<tr>
<td><a href="http://www.dogpile.com">www.dogpile.com</a></td>
</tr>
<tr>
<td><a href="http://www.altavista.com">www.altavista.com</a></td>
</tr>
<tr>
<td>iteslj://org/Articles/Ho-email.html</td>
</tr>
</tbody>
</table>

**Do you know that?**
American people stand closer to each other while talking than British people.
The Americans are not used to touching each other like Russian people do.
If you touch an American or a British person during your conversation you
will be considered rude, push and aggressive.
Список литературы

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