

UNIT 1 COMMUNICATION

CD1 TRACK 1

Good communicators really listen to people and take in what is said. They maintain eye contact and have a relaxed body language, but they seldom interrupt and stop people talking. If they don't understand and want to clarify something, they wait for a suitable opportunity. When speaking effective communicators are good at giving information. They do not confuse their listener. They make their points clearly. They will avoid technical terms, abbreviations or jargon. If they do need to use unfamiliar terminology, they explain by giving an easy-to-understand example. Furthermore, although they may digress in order to elaborate a point and give additional information and details where appropriate, they will not ramble and lose sight of their main message. Really effective communicators who have the ability to engage with colleagues, employees, customers and suppliers are a valuable asset for any business.

C01 TRACK 2 (I = INTERVIEWER, AO = ALASTAIR ORYBURGH)

I: How do you advise companies to cope with modern communication?

AO: I think the thing to remember is the principles of communication haven't changed and I don't think there's anything inherent in technology that makes good communication easier. It can make it better, but there are also many ways it can make it worse. So, I think there's four things that you need to remember. The first thing is that you've got to remember people have limited attention - if you like, limited bandwidth - which puts the onus on you as the communicator to think hard about what it is exactly you're trying to communicate and make sure that you get it down as succinctly as possible. Um, second point is, recognise that, you know, communication is about meaning. It's not about dumping vast amounts of data on people and expecting them to deal with something. Now, I went to a presentation once and someone started off. He said, well, I've got 41 slides here, but I think I'll get through them all in 30 minutes. And they were really dense slides - lots and lots of graphs and pictures. Now, I was actually at the back of the room, and these glasses are not quite what they should be. I need new lenses. I couldn't read any of the slides because they were so fine, so that's what you've got

to remember: don't dump lots of data on people. You have to distil the meaning into, into a small number of points.

Um, the third point about communication is, it's just as much about listening as it is about telling things, and the biggest communication problems I come across in organisations are actually failures of listening rather than failures of, of outward communication, particularly the inability or unwillingness of senior management to listen to what other people are actually telling them.

And the fourth point is that, um, you know, if a communication is going to be effective - if you are actually going to get someone to do something or stop doing something or do something differently - there's got to be some sort of emotional connection in it. And so, if you think about all those four points, there's no obvious reason why technology would make any of those easier. There are certainly ways you can use it to make it easier; there are certainly ways you can use it to make it an awful lot worse. So, I think that's what you've got to watch. The principles remain the same. The tools could help or could hinder.

C01 TRACK 3 (I = INTERVIEWER, AO = ALASTAIR ORYBURGH)

I: Do you think that in general companies are now communicating better with their customers?

AD: In general, I would say no, and I think there are, there are examples of excellent communication and there are examples of awful communication. If you think about two examples, perhaps, of companies who've used technology to change the way they communicate with customers, one is absolutely fantastic, the other is completely abysmal, awful.

The fantastic one I would say is Amazon. The thing about Amazon - you always know where you are. You order something, you get a confirmation.

Um, as soon as it's been sent, you get another confirmation. So you always feel exactly . . . you know exactly where you are. You know exactly what's happening, when your thing's going to turn up - which anyone could do, but most people don't. The other thing about Amazon is they are, in a sense, listening to you because they're looking at the things you've bought in the past and suggesting - well, based on that, there are other things you might like. I think that's very effective communication. It

certainly resulted in me buying quite a lot more books than I otherwise would. Or things like, you know, people who bought, other people who bought this also buy that. That's, that's really good because again they are using the opportunity of having you on this wonderful technological platform where they don't just know what you buy they know everything you've ever looked at - to tell you useful things. I think it's great because if I want books on a particular subject, it will suggest books I've never heard of. And I'll buy them, so it's, it's good for them as well. So that works really well.

CD1 TRACK 4 (AO = ALASTAIR ORYBURGH)

AO: Because what they've done is they've built this amazing computerised voicemail maze, which seems to be designed to prevent you ever from getting to talk to a real person who could actually answer your question or solve your problem. So you go through - push one for this, dial one for this, dial two for this, dial three for that. Neither option seems to answer my question, so what do I do? Sometimes I arrived at points where literally my options were to hear the message again, which was no use, or hang up. There are some points where, if you just don't do anything and hang on the line, you will actually get to talk to a human being . . . but it takes you a while, you know, many minutes on the phone, repeated attempts to find out where those are. And so, I don't really know what they're trying to do. They've obviously put, I suppose, put an emphasis on efficiency, but, in the process, they've actually made themselves almost impossible to deal with.

CD1 TRACK 5 (KS = KOICHI SATO, BK = BERNARD KLEBERMANN)

KS: Yamashita Electronics, Koichi Sato speaking.

BK: Hello, Koichi, this is Bernard Klebermann. How are you?

KS: Very well, thank you. How can I help?

BK: We need some more sales literature. We're planning a big advertising campaign for your new laser printer, the HG903 model. And there's a lot of demand for your other products too, by the way.

KS: Good.

BK: Could you send some more brochures - 5,000 would be good - plus some updated price lists, the same amount? Also we need point-of-sales

literature, especially posters - at least 200 - and, um, yes, some of those pens and pencils with the company logo on, also SO or so of the bags that we give out at exhibitions.

KS: OK, I don't know if I can remember all that . . . can you ...

BK: Good. Another thing, you might like to know, we've managed to get a big new customer, Seelmayer.

KS: Seel... I don't think I know the company . . .

BK: They're very excited about it. They're a big restaurant chain. They've placed an order for 518 of the new lasers. Please tell your boss, Hideo. He'll be very pleased, I'm sure.

KS: An order for 580 laser printers? Great! I'll let my boss know. He'll probably want to write to this company ... er . . . Seelmund . . .

BK: Yes, please tell him to write to them. That'd be good PR. They're expanding very fast in Europe and they'll probably order some computers from us as well. They're planning a big roll-out here in the next two years. Tell him that.

KS: Um, yes, a big, um, roll-out, you say, um, interesting. I'll tell him immediately. I'll need some details about the company, an address and the right person to contact and . . .

BK: Sorry, Koichi, I can't hear you, it's an awful line. Anyway, nice talking to you. Speak to you soon.

C01 TRACK 6 (KS = KOICHI SATO, BK = BERNARD KLEBERMANN)

KS: Yamashita Electronics, Koichi Sato speaking.

BK: Hello, Koichi, this is Bernard Klebermann. How are you?

KS: Very well, thank you. How can I help?

BK: We need some sales literature. We're planning a big advertising campaign for your new laser printer, the HG903 model. And there's a lot of demand for your other products, too, by the way.

KS: That's good. Could you hold on a second while I get a pen? . . . OK. What do you need?

BK: Could you send some more brochures - 5,000 would be good - plus some updated price lists, the same amount? Also we need some point-of-sales literature.

KS: Sorry, Bernard, I didn't catch that. Could you slow down a little, please?

L: need to take some notes.

BK: Oh, sorry. Right - I said, we need more brochures.

KS: Right, I've got that so far. Could you give me some more details?

BK: Certainly. Um, 3,000 brochures for Switzerland, 1,000 for France and SOO each for Spain and Italy. Also, I'd like some of those posters, pens and pencils with the company logo on - a couple of hundred - :md so or so of the bags we give out for exhibitions.

KS: Let me check that: 200 posters, pens and pencils and SO bags. Got it.

BK: Good. Another thing you might like to know, we've managed to get a big new customer, Seel mayer.

KS: Seel- ... sorry, could you spell that for me, please, Bernard? I don't think I know the company.

BK: Certainly, S-E-E-L-M-A-Y-E-R.

KS: Thank you.

BK: We're very excited about it. They're a big restaurant chain. They've placed an order for S 18 of the new lasers. Please tell your boss, Hideo ...

KS: Sorry, did you say S80 lasers?

BK No, S I 8 – fiveone eight.

KS: Right, I'll let my boss know. He'll probably want to write to this company to thank them.

BK: Yes, please tell him to write to them, it'd be good PR. They're expanding very fast in Europe and they'll probably order some computers as well.

They're planning a big roll-out here in the next few years. Tell him that.

KS: Sorry, I don't follow you. What does 'roll-out' mean?

BK A roll-out is when a company plans to expand throughout a country. It's a nationwide expansion, if you like.

KS Ah, I see. I'll tell my boss immediately. But I need details about the company ... Sorry, it's a bad line. Could you speak up, please? I can't hear you very well.

BK: Yes, the line's awful. What did you say?

KS: Could you e-mail me the details - the address, the right person to contact, etc.?

BK Sorry, I still can't hear you. I'll call you back, maybe the line will be better

CD1 TRACK 7 (WH = WILLIAM HOOPER, B F = BETTY FRIEDMAN)

WH: I'm not happy with this report, Betty. I don't think the consultants understand how we work. I mean, do the directors and I have time to read weekly reports from department managers? It's information overload, surely.

BF: Mm. Well, you do need to keep informed, Bill.

WH: Yeah, but there are other ways of doing it. That isn't the answer. Another thing, they want us to hire a key account manager. Now, I can't see that's a good idea. It'll just add to our costs, and we certainly don't want to do that at the moment. Our most important customers like the personal approach. They're people I've known for years and they wouldn't do business with us if they were dealing with some new person.

BF: Mm. That about their other recommendation - you know, about the Customer Services Department?

WH: Customer Services should inform the other departments as soon as someone complains about a product? I mean, where will it all end? We'll become a bureaucratic company, like a government department. You know my feelings about paperwork, Betty. There's already too much in the company, and for that matter; too many e-mails floating around, instead of staff having face-to-face contacts.

BF: Mm. OK, Bill, I get the picture. You're not too keen on the recommendations. Well, we can talk about it at the next board meeting, see if everyone else agrees with you.

CDI TRACK 8 (BF = BETTY FRIEDMAN, JM = JOANNA MERKOWITZ)

BF: So, uh, you've seen the ideas that the consultants have come up with Joanna. What do you think?

JM: Mmm, I don't know. I'm not too keen on the idea of sending in daily sales reports.

BF: Oh. What's the problem?

JM: Well, I think it could be a distraction. It's difficult enough to get orders at the moment, so I want to focus on getting new business, not on sending in reports all the time. Surely, a monthly report is sufficient - or is it simply that Head Office wants to

keep an eye on us and know what we're up to each day?

BF: No, no, I don't think that's the case. They just want to improve communications between you people on the road and the admin staff back at base.

JM: Maybe. You know, I think our CEO has got things right. Paperwork doesn't generate sales, we do. He believes selling is about personal contact and building relationships, and he doesn't want reports to interfere with that. I totally agree with him. That's why I enjoy my job so much here.

UNIT 2 INTERNATIONAL MARKETING

CD1 TRACK 9 (I = INTERVIEWER, SH = SVEND HOLLESEN)

I: How can products be designed to be suitable for international markets?

SH: Well, basically, there are two different strategies. There is one strategy where you have one product and you sell it all over in the same format, and there is another strategy where you try to adapt your product to the different cultures, to different countries that you are in. And I would like to show one example of a company who has really marketed one product concept for the whole world. And that is the On Café company. And this product is actually selling all over in the same format and, er, it is a small company, it is based in Denmark and in Sweden. So, it is a company which is kind of born global'. This means that it is getting into the global markets very fast and it is doing this by setting up production in Uganda in Africa and then from there, it tries to sell in other countries of the world. So, by setting up, for instance, a website from where they also sell these coffee products, they can sell to all kinds of hotel chains and to airline companies and to different retail chains. So, this would be an example of a global product concept. And of course, then there is the other situation where you have to adapt to the different cultures that you are in. So, you have to adapt to the cultural traditions, er, in China if you are going to China, or to India, and that means that you have to adapt your product and your concept, your communication, to the culture you are in and to the different environmental, er - environment that you face. That means that you have to adapt all levels of the marketing mix to the different regions and the different countries that you are in. And, er, that can be done in different ways, but, basically, again, two different strategies - one strategy where

you have one product for all global markets and another strategy where you go into different markets with different product concepts. I like to mention another global company that will do one product concept and, for instance, the soap brand, Lux, is one example of a global brand that will sell all over. But, actually, most brands in the world are local brands. Um, most people don't realise that, but that is actually the case. So most brands that you buy in retail stores in global markets are manufactured for local markets.

CD1 TRACK 10 (I = INTERVIEWER, DK = DARRELL KOFKIN)

I: How can people be trained to be international marketers?

DK: Of course, people can learn on the job. One minute they may be asked by the Head of Marketing, 'Go away and develop a global marketing strategy.

We want to enter X country: And, therefore, they may learn by doing. We wouldn't necessarily say that is the best way and certainly, since 2007, what we have done is to work very closely with Ashcroft International Business School at Anglia Ruskin University, and with our global faculty and with our global advisers in shaping a new curriculum that enables marketers worldwide to have the latest practices, the latest knowledge and techniques, to enable them to become international marketers.

And the way we have also looked at doing it is to ensure that we enable really 'global relevance, but real world learning. So there are no exams for this programme. It's purely based upon work-based assignments. So our students are asked to write a report, develop a business plan, develop a presentation, write a webcast, present an internal briefing paper- just as they would do in the workplace. Because we know in talking to employers worldwide that they want marketing professionals that have the capabilities and skills required of today's demanding global business environment.

CD TRACK 1 1

- 1: really impressive advertising campaign
- 2: new customer relations department
- 3: highly competitive mobile phone market
- 4: incredibly successful product launch

- 5: loyal customer base
- 6: extremely thorough sales report
- 7: absolutely brilliant global campaign
- 8: increasingly competitive marketing environment

CD1 TRACK 12 (MT = MARTIN THOMAS, CH = CAROLINE HOLLOWAY, GR = GUILLEM ROJAS, CR = CAROL RUECKERT)

MT: Hi, good morning everyone, so the purpose of the meeting this morning is to have a look at the international sales conference we're having next, um, year in January, and our objective here is to come up with location, activities that we can do in the, um, in the conference and look also at the accommodation and also some leisure-time activities so ... What I'd like is for us to, um, brainstorm some ideas. OK, guys?

CH: Yeah, it sounds great.

MT: OK. So maybe Caroline, do you want to ... have you got any ideas for where we can have this?

CH: Yeah, um, I was thinking, maybe we should go to Amsterdam and we've had a few, um, conferences there in the past and they've been really successful, the facilities were great, so I think that would be a really good idea.

MT: OK, anyone else?

GR: Actually, yeah, I also tend to like the summer conferences, like in Amsterdam, it was great, I ... I'm just a bit worried about, you know, like the time of the year because it's January, so it might just as well be just like a location more like in southern Europe, maybe like south of Portugal which would be, you know, it could be interesting like for everybody, you know.

MT: That's great. Any other ideas, any options?

CR: Well, I, my ... my suggestion would be Florence. I think it's a great city, um, lots of things to do there, there's great food obviously, um, and they have very nice accommodation as well.

MT: Mm-hm, OK, that's great. Now, can we think of some, um, activities that, er, we can do in this sales conference?

CH: Mm, um, product launches, um, we always have something coming out, um, ah, at the beginning of the year, so, um, that'd be a great, um, session to have.

CR: Mm, and probably following that would be some product training?

CH: Good idea, yeah, mm-hm.

CD1 TRACK 1 3 (MT = MARTIN THOMAS, CR = CAROL RUECKERT, CH = CAROLINE HOLLOWAY, GR = GUILLEM ROJAS)

MT: That sounds... that's an excellent suggestion, yeah, that's great. OK, what about the accommodation, anybody any ideas on that?

CR: Well, I suppose we could do some different things, um, I mean, we could just go for a four-star hotel or, um, look at maybe some boutique hotels.

CH: Mm, that's a good idea, but, um, yeah, I think it'll end up coming down to price, but, um, accommodate- um, there's great accommodation in all the locations we've mentioned, so ...

GR: Definitely, let's see if we can get a good deal, you know, like research a bit on each, on each case, you know?

CH: Yeah.

GR: And it depends on the deal, I guess that will decide.

CH: Yeah.

GR: The budget is always important.

MT: Yeah, another ideas about what we ... what we can do with the participants in their free time, what they - you know, all the delegates - can do?

CR: Well, I think it'll depend on how long we're actually going to have the conference ...

MT: Mm-hm.

CR: um, but it would be nice to maybe take a half a day or something and go and see some of the sights.

MT: That's a good idea, yeah.

CH: Mm, excursions, yeah you're right, um, what's always been successful, I think, is, um, gala dinner, the ... um, it's quite nice in the ... in the evening to get to know, um, other delegates from all over the world, so dinner is a great way to interact with other colleagues.

MT: That's true.

CR: It's a good idea.

GR: And finally, you know, ah, maybe like, just like to indicate some time you know, like doing, like I don't know how many cases we're going to like to have the conference, but like for networking, you know,

because during the gala dinner you are not usually like discussing about too many issues about work. So just that you know there are no like, ah, an hour, a day you know, where the people can meet to discuss about anything.

MT: OK, good, that's really great, yeah.

CH: Mm-hm, that sounds good.

MT: Thanks, guys, that's . . . there's some really brilliant ideas, so OK, we need to look at the location, then - we've got some ideas of Amsterdam, southern Portugal or Florence; we need to look at them . . . the timing more, but we know that we should take a half day out for some kind of leisure-time activity to do with, um, the delegates for this. And the accommodation, we'll look at depending on price, and also who can accommodate these, um, these people, and also we need to look at the, um, the workshops that you've suggested and the different sessions. OK, that's great, thank you very much for some brilliant ideas.

CH: No problem, thanks.

CD1 TRACK 14 (CF = CARLA FERNANDEZ, PM = PIERRE MARTIN)

CF: We've had some interesting results from the focus groups in the markets, Pierre. It seems we may have to change the group we're targeting when we have the international launch. From the research, it looks as if we'll need to target a lower age group. And perhaps reposition the brand, targeting the masculine, adventurous, energetic male, rather than the sophisticated, aspiring urban man.

PM: Oh, why's that?

CF: It's really about the competition. A lot of top producers are coming out with premium brands aiming at the urban man. It seems that this segment of the market is well catered for - in fact, it's becoming rather over-crowded. Givenchy, Jean-Paul Gaultier, Hugo Boss, even Kylie Minogue - they're all launching male fragrances at the top end of the market.

PM: I see. Well, it'll mean changing the brand image of Physique. That'll be a big step, and we'll need to think it through.

CF: Absolutely Another thing that's come out of the focus groups is, Physique is seen as a French brand, and it seems that won't work in many of our target markets. We may need to change its name to appeal

to an international audience, especially a younger one.

PM: Mmm, does that mean Physique should no longer be a premium product?

Are they saying we should market it as a high-volume, mass-market fragrance?

CF: Perhaps it may come to this. Certainly in the emerging markets - for example, China - we could make a lot of money if we promoted it as a mass-market fragrance, at an affordable price.

PM: OK. Tell me about packaging. What did the research come up with? It's essential that we get the packaging right.

CF: Not good news, I'm afraid. The packaging we're using here just isn't appealing for most of the international markets. We're going to have to think again, and create a new look that'll have universal appeal. And our creative team is going to have to produce a really exciting advertising campaign that we can use in all the markets, with a few changes here and there.

PM: OK. Anything else the research found?

CF: You'll have a full report on your desk tomorrow. But one other thing, we'll definitely need a new slogan if we change the audience we're targeting.

So that's something else the Marketing Department must start thinking about.

UNIT 3 BUILDING RELATIONSHIPS

CD1 TRACK 15 (I = INTERVIEWER, GB = GILLIAN BAKER)

I: Gillian, what are the key factors in building good business relationships?

GB: I'd say one of the best ways of building a lasting relationship is to give the customer or supplier superior value and satisfaction. It's all about not just meeting the customer's expectations, but trying to exceed them if possible. If you satisfy and also delight the customer, this will produce greater customer loyalty, and that in turn will lead to a better company performance. Let me give you an example. It was reported in a marketing book written by the famous American marketing expert, Philip Kotler. He gives the example of Lexus Cars. It's well known that the manufacturer of this luxurious car makes immense efforts to satisfy their customers and exceed their expectations. Apparently, a customer bought a new Lexus car, and while driving it home, he decided to try out the radio. As he tuned

in to some radio stations, he noticed that they were set to either his favourite station - music, news or whatever - or to his daughter's favourite station - in this case, it was rock music. Every button was set to his or his daughter's tastes. How did it happen? Quite simply, the mechanic who checked the car he'd traded in to buy the Lexus noted the radio settings. He then transferred these to the new car. Of course, the customer was highly impressed.

I see, so you're suggesting customers will remain loyal to a company if it makes that extra effort to satisfy and if possible delight them?

GB: Exactly.

CD1 TRACK 16 (I = INTERVIEWER, AW = ALISON WARD)

I: Can you tell us about the Cocoa Partnership and how it came to be developed?

AW: We launched the Cocoa Partnership in 2008, and it's a £45-million investment into cocoa sustainability. But the inspiration for it came from a piece of research which was done in the UK and in Ghana. And we looked at what was happening to cocoa farms in Ghana, and cocoa in Ghana accounts for about 70 per cent of our cocoa-bean supply, so it's an important country for us. We found that farmer yields were declining, and they were actually only getting 40 per cent. So, a 40-per-cent yield from the land, compared to what they could get - so a real gap between the potential of the land and what they were getting now.

We also found that farmers were ageing. So the average age of a farmer is so- young people don't want to become farmers in Ghana. And we also found ... through the research, we looked at the social aspect in the village, and it was clear that we needed to take some action in terms of helping people have a sustainable livelihood from cocoa. So, that's really where the investment came from, um, and, already, we're working with partners in Ghana, including the United Nations Development Programme, and then with social experts like Care, VSO and World Vision, to actually look at how we create, create action at a farming level in Ghana. But there's also a real commercial element to this because, quite simply, if we don't have the beans, we don't have the bars that, for our great chocolate brands around the world. So, it's really important that this isn't just a social programme, but it's actually a commercial programme as well.

CD1 TRACK 17 (I = INTERVIEWER, AW = ALISON WARD)

I: What are the benefits for each side in this relationship, and are there consumer benefits, too?

AW: Well, we're really proud that we've achieved Fairtrade certification for our Cadbury Dairy Milk brand, and that's in the UK and Ireland, and Canada, Australia and New Zealand. So it means that people around the world can now make an ethical choice and know that the money, some of the money from their chocolate-bar purchase is going right back to farmers in Ghana.

I was privileged enough, um, to meet some of the farmers from the Fairtrade co-operative and really saw the empowerment that trade had brought these women, um, and how that it was trade that was giving them a helping hand out of poverty. Fairtrade's an interesting marque in that it's not only very powerful in consumer markets - it's very well understood - but it also has great power back in cocoa-farming communities. And we're really proud to be their partner and looking forward to really helping these farmers in Ghana as well.

CD1 TRACK 18 (I = INTERVIEWER, AW = ALISON WARD)

I: Are there other examples of Cadbury building long-term business relationships?

AW: We see partnership as part of the way we do business and we also have a great partnership with our milk farmers in the UK. We use fresh milk in our chocolate, and there's a co-operative of farmers who supply only milk that makes our UK chocolate. We've been working with them on their carbon footprint, so that's the metric that measures how much carbon is produced from, to make milk.

And we found in our Cadbury Dairy Milk bars that 60 per cent of the carbon footprint comes from milk. So, by working with this co-operative, we've begun to help them and help us make some changes in our supply chain. So that includes different types of animal feed, it includes investment, so that the lorry that brings the animal feed only delivers once rather than three times, and actually helping them really make some changes on their farms, so it's more efficient.

So our partnership spans not only for farmers in Ghana, but back into the UK and our dairy, dairy farmer partners in the UK as well.

CD1 TRACK 19

A: So, how's the relationship with Toyota going?

B: Ah. It's fine now, but at the start of the year, it was disastrous.

A: Oh, what went wrong?

B: Well, I went over my contact's head and went directly to his boss at Toyota Motors Europe. I was really trying to clinch a deal.

A: Was he annoyed?

B: They were both annoyed. My contact thought I had let him down, and his boss simply decided not to turn up at the meeting. We'd set up a meeting in Brussels by e-mail, but he called it off at the last minute. I'd already checked in at the hotel.

A: How did you turn it round?

B: Well, I had to build up my relationship with my original contact again.

At first, he kept putting me off But eventual!)' we met up and I focused on our relationship, not the next sale. Now we get on really well and sometimes play golf together.

A: Glad it worked out. Anyway, are you free for a drink later?

B: Well, I'm going to carry on working until about six. We could meet after that.

CD TRACK 20 (HC = HOWARD CLARK, JM = JUDY MASTERS)

HC: Hello. Haven't we met somewhere before?

JM: Yes, it was last year, wasn't it - at the conference in St Petersburg?

HC: Right! I remember now, we were sitting next to each other at the presentation. Howard Clark, Trustwood Marketing.

JM: Hi, Judy Masters, Delta Systems. How are things going? I seem to remember you were having a good year when we last met.

HC: Yes, but this year our online business isn't doing at all well. We've run into a few problems with our website. We need to completely reorganise it. There've been a load of complaints from customers, it's just not working well.

JM: Hmm. I see. If you don't mind me asking, have you got anyone to do the job for you?

HC: No, not yet. We don't have the expertise to do it ourselves. We need someone really experienced, but we don't really know where to look.

JM: Maybe I could help you out there. I know someone who's a top-class web designer - he's one of my former colleagues, Martin Engelmann. He's now working freelance. I'm sure he'd be interested. Why don't you contact him?

HC: Great. You haven't got his phone number, by any chance?

JM: Yeah, I can give it to you now. Um, I still see him socially from time to time, so I've got his number here. Hold on ... it's ... um, 07825 300646.

Got it?

HC: Yep ... 07825 300646. Can I mention your name when I call him?

JM: Of course. You could try calling him during the week, but he does travel quite a lot and he's often in meetings or giving presentations.

HC: OK, I'll try to reach him. Thanks very much for the contact.

CD1 TRACK 21 (HC = HOWARD CLARK, ME = MARTIN ENGELMANN)

HC: Hello, my name's Howard Clark, Trustwood Marketing.

ME: Hello.

HC: I was given your name by Judy Masters. I met her recently at an exhibition.

ME: Oh, yes?

HC: She told me you're a website designer and suggested I should call you. I hope you don't mind.

ME: Not at all. How can I help?

HC: Well, it's our company website. We really need someone to completely reorganise it. We've had dozens of complaints from customers recently, saying it's not working properly, it's very hard to navigate, they can never find what they want on it and the product information is insufficient. So it's clear we need to do something about it. I was wondering ... um, well ... would, would you be interested in helping us to redesign it?

ME: Yes, I'd be very interested. I'm really busy for the next two weeks, but after that I'd be available and we could discuss it.

HC: Good. Can I suggest meeting at our office, say, at the end of the month?

You could meet our Systems Manager and one or two of our staff. We could take it from there.

CD1 TRACK 22 (AH = ABO AL-HALIM HAMDI, VS = VANESSA SCHULTZ)

AH: OK, the main reason why most guests aren't returning is pretty clear.

They don't feel they've had a 'memorable experience' in your hotels during their stay. They aren't made to feel special and valued - that was often mentioned. They want you to pay more attention to their needs and they expect to be treated as individuals. 'They are looking for a more personalised service, I'd say.

VS: Can you give me some examples?

AH: Yes, one guest said that there was no facility in his room for making coffee. He often works in his room before attending meetings and, and he likes to drink a lot of coffee. Another said she was a vegetarian, but couldn't order the food she liked. What else? Yeah. A number of guests with families mentioned the lack of facilities for children, no special menus for them, that sort of thing. No play area and so on.

VS: Mrrm, OK, interesting. Um, please go on.

AH: Well, it seems your staff need to respond much more quickly and positively to requests. A businesswoman made this point very well. She said she needed to use the business centre at all hours of the day and night. But very often when she went there, it was closed. She mentioned this to the staff; but nothing was done about it.

VS: I see. Any other points you'd like to mention?

AH: Well, you need to have more information about guests - more accurate information - if you want to build up good relationships with them and get them coming back again and again. You don't know enough about them to give them a personalised service.

VS: So we've gotta have more information about each guest - at our fingertips, as it were.

AH: Exactly. Staff must know who are returning guests and who are new ones. If the guest is returning, for example, they shouldn't have to fill out forms again to use the health-club facilities. Staff should be able to greet returning guests warmly, so they feel special. Another thing - many guests mentioned the staff didn't seem particularly motivated. They gave the impression that they didn't really enjoy their job.

VS: OK, thanks a lot, Abd Al-Halim - that's plenty of food for thought. I'm grateful for the work you've done to collect this information. I'm sure we can build much better relationships with our customers in future. We just need to rethink our customer-relations management.

WORKING ACROSS CULTURES 1:

DOING BUSINESS INTERNATIONALLY

CDI TRACK 23 (B = BOB, M = MELISSA, C = CHRISTINA)

B: I spent 18 months trying to set up a franchising network in China for our Munchcom pias. I hired a local guy, David Li, to deal with the details of the business, like choosing sites, getting the necessary documents, checking agreements - that sort of thing. But I made it clear to him we had a successful business model for the pizza restaurants and we'd use it in China. We were doing really well in the other regional markets like South Korea, Japan and Malaysia, so we knew we had a winning concept.

M: Bob, was there much competition in the Chinese pizza trade?

B: Yes, but we felt our tried-and-trusted marketing approach would work well there. And certainly we expected to get a foothold in the market pretty quickly. Ok, we got on with it, and within six months, we'd opened 10 outlets in some of China's biggest cities. My only problem was that David Li kept trying to give me advice about our business when I didn't want it. He really got on my nerves. After a while, he seemed to become very demotivated and I felt he wasn't giving me a 100 per cent effort. Our relationship got worse, and eventually I fired him.

C: I see. So ... did you sell a lot of pizzas to the Chinese, Bob?

B: No, I'm afraid we didn't. The whole project was an expensive failure.

C: Oh really? Too much competition, then?

B: Well, there were a lot of aggressive pizza businesses springing up, but that wasn't the problem. We just didn't get it right from the start. For one thing, the product wasn't right. Our thick, 1 5-inch pizzas, which were so popular in the other markets, were much too big for Chinese tastes.

Another problem was, customers weren't able to eat them out of boxes as they were walking along. And the Chinese like to do that. Also our toppings didn't seem to appeal to them. The pizzas just didn't taste and smell delicious to them. It surprised me, because people loved them in our other Asian markets.

M: OK, so the product wasn't right. What about pricing?

B: Well, we slipped up there, too. We went for the top end of the market because we thought our pizzas were better quality than the competition, but the Chinese didn't see it that way. For them, our pizzas were too expensive and they weren't value for money. They thought we were ripping them off!

M: Mm. I suppose you had a home-delivery service, did you, as well as the take-out business?

B: Yes, we did; we thought it was one of our USPs. We guaranteed to deliver to any customer within 20 minutes. Unfortunately, we hadn't reckoned with the traffic problems in the big cities. It was murder to get across the cities at peak times. Sometimes it was over an hour before customers got their pizzas. That really damaged our reputation. The word soon got around we weren't reliable. But our biggest mistake, without a doubt, was to sell our pizzas through a take-out business. If the customers wanted to eat on our premises, there was only standing room. Nm,; Chinese people are very sociable. They like to take their friends and relatives to a restaurant and stay there for a long time. We should have offered them American-style restaurants with an attractive decor. They'd have enjoyed that.

C: So ... are there still any Munchem restaurants in China?

B: Nah, my feeling was there was no way back. Our brand had no credibility after a while. I told Head Office we should sell off the restaurants and cut our losses.

CD1 TRACK 24 (B = BOB, M = MELISSA, C = CHRISTINA)

C: -well, my trip to India wasn't easy either, but I'd call it a partial success. I went there to negotiate an agreement with Mumbai Enterprises, to distribute our products nationwide. It's a well-known company with food stores all over the country.

B: Yeah, isn't it owned by the Duleep Singhs, one of the richest families in India?

C: Yeah, that's right. It was a pretty important assignment for me. If I could get them to be our distributor, it'd really be a feather in my cap, it'd really raise my profile in Drew Corporation.

B: I can understand that. A deal with Mumbai Enterprises would be worth a lot of money to the company.

C: Exactly. Well, it started quite well. I met the President and some top executives and was given a tour of their flagship store in t11e city. When the meeting began a couple of days later, there was a lot of chit-chat at the beginning, mostly about the Indian cricket team. That frustrated me a little, but I didn't show it. Anyway, we followed the agenda for the meeting, and the President did most of the talking.

At one point, the question of storage came up. I told him his stores would need special refrigerated cabinets for some of our foodstuffs, and that I could give him details of an Australian supplier we use for this purpose. 'Was that OK?' I asked him. 'We shall see, we shall see,' he repeated, 'everything is possible in India.' And he smiled at me. I took it that he agreed with this suggestion. At a later meeting, the subject of storage came up again. 'That's no problem,' the President said, 'all our stores have the latest refrigeration equipment. We'll use the cabinets we have for your products.' 'But I thought we'd agreed you'd buy them from our Australian supplier,' I said. 'No, no,' he replied, 'our technology is the best in the world, we don't need to use foreign suppliers.' He seemed displeased, so I didn't push him on this point.

M: Mmm, there seems to have been a bit of a misunderstanding there.

C: Yeah, that was my impression. By the end of the week, I was getting very frustrated by the slow progress. Also I was suffering from a stomach upset and I was a little short-tempered. Maybe I showed it.

M: Do you think you came across as impatient?

C Yeah, it could be - perhaps they thought I was rather rude. It was just ... we'd spent hours and

hours during the week talking about the long-term objectives of the deal and what sort of relationship we would have in the future. It was exhausting. To be honest, I was thinking more short term, how to get to the point when we could shake hands on the deal.

M: So what was the effect of that?

C: Well, the atmosphere in the meetings started to change. It was as if they didn't trust me anymore. I had the feeling they didn't think I was sincere. And when I made a mistake with a couple of figures I gave them, I had the distinct impression that they thought I was incompetent.

B: So, did the deal fall through, Christina?

C: Fortunately, it didn't. There was a turning point at the beginning of the next week. The President invited me to his home for dinner. We had a splendid meal. I brought some lovely flowers for his wife and toys for his young children - that went down really well. And we had a fascinating conversation about Indian art, which I'm really interested in.

B: So that's what turned things around?

C: Yes, I'd say so. It all changed after that. The meetings became more friendly. The President's colleagues seemed to take their lead from him and began to show me a lot more warmth and respect.

M: So did you complete the deal? Will Mumbai Enterprises be our distributor in India?

C: I'm not sure, to be honest, but we could make progress. I've got to go back to Mumbai with a team and work on the finer details of the deal. But I'm more optimistic now. I think they really like and trust me.

CD1 TRACK 25 (GK = GALINA KOZNOV)

GK: It's not surprising that Georgy Volkov didn't want to give Melissa a five-year sales forecast for the products they were supplying because there are so many permissions and certificates you need in Russia before you can set up a joint-venture deal. Also, Volkov probably didn't want to give figures he might have to change at a later stage in their relationship. He didn't want to be stuck with those figures.

Melissa should have known that the joint-venture process was likely to take longer to set up in Russia than in some other countries.

Relaxing and socialising is important to Russians. So the trip to the Dacha at the weekend was a good opportunity for both sides to develop their relationship. Melissa shouldn't have been upset about Volkov's comments on the organic products. He was trying to be helpful and friendly with his advice about the products. Russians tend to be direct when they speak English, just as they are in their own language, and foreigners shouldn't be shocked if Russians appear rather abrupt at times.

For Russians, personal relations when doing business are important.

That's why Volkov wanted to settle the legal matters by using his school friend - a person he knew well and trusted. He would feel more comfortable consulting a friend in a small legal firm than going to a large organisation where he knew nobody.

Finally, Melissa made a big mistake by not delaying her flight back to Dallas. The meeting with the Minister would have been an important step in setting up the joint venture. The Minister would have expected to meet someone of importance in the American company. When he learned that Volkov would be accompanied by the General Manager in Moscow, he probably thought that the lower-level officials in the ministry were more appropriate to attend the meeting. The right person to be there was either Melissa or her own boss.

UNIT 4 SUCCESS

CD1 TRACK 26 (I = INTERVIEWER, TH = TOM HOCKADAY)

I: What are the essential qualities of a successful business?

TH: I think that the absolute essence of a business is, or a successful business, is one which manages to manufacture and sell something, whether that's a product or a service, but manages to sell it for more than it cost to produce it. So, you are generating profit from delivering a product or service and you're getting more money in than is going out and that is absolutely at the heart of a successful business.

Now, in our context at Isis, we are creating businesses which are based on developing very early-stage technology. So, actually, it's going to take quite a few years for the company to go from those initial phases to actually having a product or service to sell. So, at the early stage of a technology business, really what we're doing is we're investing

in the technology to take it through various stages of development, so that we can demonstrate it has increasing value, so that we might be able to attract more rounds of venture capital investment or finance from other sources.

But, one day, of course, we are aiming for a product or service which we can sell for more than it cost us to produce.

CD1 TRACK 27 (I = INTERVIEWER, TH = TOM HOCKADAY)

I: Which business success stories inspire you?

TH: I think the ones that are based upon a great team of people, where you can see the passion and the vision and the clarity of thought that has led to the creation of a successful business. So, from within Oxford, um, the work of Isis Innovation, in the last 10 years, we've helped set up 65 new companies - what we call university spin-out companies - based upon Oxford University technologies, Oxford University researchers, where we've got investment and management. And it's probably unfair to pick out one from that list or, um ... Nevertheless, there is a company called

Natural Motion, which was set up in 2002, so already has had many years of development, and from its start - and I had the good fortune to be involved working with the people who set that company up at the beginning - um, it's had those qualities of passion, vision and clarity. And it's gone on to be a very successful software animation company.

So, its software tools are used in the film industry, in the computer game industry, to help make software characters look more realistic in those formats. And it's been fantastic to see the individuals involved working together from their early vision for what this company might be and seeing that being delivered, um, with, you know, passion and enthusiasm throughout those years. Of course, there have been some challenges along the way, but it's been the clarity with which the team have taken forward their vision, over the years, which has been so impressive.

CD1 TRACK 28 (I = INTERVIEWER, TH = TOM HOCKADAY)

I: Which types of business do you expect to succeed in the next five years?

TH: That's a very difficult question to answer, of course, because we're predicting the future. But it does seem to me that one of the areas in which there's so much attention and so much focus, at the moment, is in environmental technologies, low-carbon technologies, alternative-energy technologies.

So, in that overall area, um, within Oxford, we are already seeing

an increased focus of research attention on those areas and we've successfully created some companies based upon developing technologies all aimed towards reducing carbon emissions, reducing energy consumption, to address the global challenge that we face at the moment. So, for example, we have set up a smart-metering technology company, so that domestic households will have far more information about their energy consumption and, with that, with that information, they can begin to modify their behaviour.

And we're also working on projects for tidal energy and wind energy and lightweight electric motors for the next generation of cars, all aimed at addressing this extraordinary problem we face of the, er, carbon emissions.

CD1 TRACK 29 (E = EXPORTER, B = BUYER)

E: If you place an order for only 50 rugs, we can offer you a discount of five per cent off list prices. So you'll be paying just under 2,400 euros for our standard rug. It measures 184 by 320 centimetres.

B: What if we ordered rugs of different sizes?

E: I'm afraid the discount would be less and you'd pay according to the rug's size.

B: Supposing we increased our order for your standard rugs, what discount would you give us?

E: Well, what sort of quantity do you have in mind?

B: OK, if we ordered 100 rugs, made in Esme, would you double the discount?

E: No, not double it, but we'd be willing to increase it to seven per cent. That's pretty generous, I'd say..

B: That sounds fairly reasonable. I'd like to ask a question now about delivery. Could you get the rugs to us by the end of this month?

E: Mmm, that's asking a lot, I honestly don't know. I'd have to check our stock levels.

B: Are you saying you don't have that quantity in stock?

E: No, I'm just not sure how many we have in the warehouse at the moment.

B: I'd like to make a proposal. I'd be prepared to place an order for 100 standard rugs if you could give us a discount of 10 per cent, and provided you delivered the goods by the end of the month. How about that?

E: Hmm, 100 rugs, made in Essex? OK, if I'm certain we can supply you that quantity by the end of the month, you've got a deal. We'll give you 10 per cent off the list price for that amount.

B: Great. When can you confirm the order?

E: I'll check with our warehouse supervisor this afternoon to find out if we can meet your delivery date. I'm pretty sure we can do that.

CD1 TRACK 30 (P = PRESENTER, B = BILL)

P: Let me ask you about Kensington United now, Bill. Do you think they can get into the final of the Champions League?

B: Frankly, I can't see it happening. Not with the present team. They lack a real star player who can score goals that win matches.

P: I see. But there are rumours they're trying to buy the African player, Henry Obogu. He would be a real star, wouldn't he, if they could get him?

B: Well, he's young, but he was African Player of the Year, so, yes, he could be a huge asset to the team if he signed with them.

P: What about the problem the club's having with its fans? I believe it's looking for a new sponsor, maybe Universal Communications. They won't be very impressed with what happened last week at the stadium.

B: Right. The fighting in the crowd was a disgrace, it went on for too long.

Some of the fans are hooligans, there's no other word for it. And those sort of fans are harming the reputation of the club, no doubt about it.

P: It'll be a problem in any deal they make with Universal Communications, that's for sure.

B: Yeah, but let's face it, Kensington has a great future if they can buy more players. The club's making a lot of money, you know.

P: Can you expand on that a bit?

B: Ingrid Tauber, their Commercial Director, is a really smart woman. She's done a lot to exploit the Kensington United brand. The club owns a travel agency that their fans use a lot. Their hospitality facilities are popular with businesspeople.

Companies pay a lot of money to entertain clients in the boxes. They have a joint venture with an insurance company, and they run training courses on leadership in their conference centre. Just recently, I've heard they want to have a sponsorship deal with Sprint, the football-boot manufacturer. They've got a finger in every pie.

P: Very impressive. Ingrid Tauber seems to be a bit of a whizz kid.

B: She is. She's been responsible really for the club's commercial success. They'll take even more money soon, because the TV rights will be renegotiated, and Kensington will get a share of the income. And then there's the sponsorship deal, if they can pull it off.

P: Things look pretty rosy for them, then.

B: I'd say so. They'll be in a strong position to negotiate with Universal Communications. Who knows, in a few years' time, they could be the new Manchester United.

CD1 TRACK 31

Now some hot news for football fans. Kensington United have announced that the brilliant African player, Henry Obogu, will be joining the club for a transfer fee of 20 million euros. Obogu is a superb player. The club's President describes him as the next Pele. However, Obogu is known to be very quick-tempered on the football pitch. This will probably appeal to the club's fans, but his fiery temperament is likely to give the Head Coach nightmares! The question is: will Obogu provide the winning touch that will enable Kensington United to win the European Champions League Cup? Time will tell.

UNIT 5 JOB SATISFACTION

CD2 TRACK 1

I suppose I do have great people around me, which is good, and I do enjoy coming to work, but my main motivation is the financial incentive.

Being in sales means that I can really increase my salary because of my efforts - the more I sell, the more I can earn. The only thing that worries me is that things are a bit unstable at the moment – I don't think anyone is really safe. I just try to keep my head down and do a good job.

CD2TRACK 2

What really motivates me is the variety I have at work. There are a lot of challenges. No two jobs are the same. I'm learning all the time, you know - developing. The other thing is, the company offers plenty of chances to talented people. You can climb the ladder quickly if you're good. That's very motivating - you feel that if you do good work, it'll be rewarded.

CD2 TRACK 3

It's a huge company, so I'm just a small part of a very big machine. I don't really get to see the results of my work. The company could do more.

Someone saying 'well done' now and again would be nice. The main thing for me is flexibility, and I guess freedom. I'd like to work from home some of the time and be able to organise what I do and when I do it, but the company is keen on people being in the office.

CD2TRACK 4 (I = INTERVIEWER, MB = MADALYN BROOKS)

I: A recent survey rated Procter & Gamble as one of the best workplaces in the UK. How do you encourage job satisfaction among your staff?

MB: I think attracting, retaining and motivating employees is key to any successful business. And that's core of how you drive job satisfaction. At Procter & Gamble, I think we achieve this really in two main ways. The first way is that we seek to be a business that's committed to its people.

Most of our leaders of the organisation have grown up through the organisation. So they know it very well. They've come through individual, personalised career paths and development plans, committed to invest in them as they've developed their careers with us.

We reward and recognise people individually as a company, for their individual contributions. Not as a group or as a total, but individually - driving their connection to what they work on to the reward and recognition that they get. Diversity and celebrating difference of people is another core principle by which we operate. Recognising that great innovation comes from diversity. We seek to make this part of what we call our DNA in our company.

So, I think it's commitment to people, but, besides that, we also focus on challenging our people.

People need to be challenged to drive job satisfaction. We are in a very tough market place. We operate in the fast moving consumer goods arena and this drives constant challenge and dynamic change. Our consumers are very demanding. They constantly want new products, new ideas that are going to improve their lives, which is company purpose. So, our people are constantly challenged to come up with new innovation, new ideas and build ever-stronger and better customer relationships and supplier relationships. So, I think through two-pronged approach of committed to people and driving challenging opportunities for them has driven our job satisfaction.

CD2TRACK 5 (I = INTERVIEWER, MB = MADALYN BROOKS)

I: Do you think that job priorities among employees have changed much over the last 10 years?

MB: Yes, I do. I think job priorities have changed in the last 10 years, since

I've been working in this field. I think there are several areas that I can think of that come to mind. The first one, I think, is flexibility. A stronger demand these days for flexibility in the way ... when people work, where they work and how they work. This was initially driven, I think, by the changing role of women in the workplace. As more women entered our workplaces, the demand for flexible hours, flexible timing, started.

But, as time's moved on, it's the new, emerging generations in the workplace who are demanding even greater flexibility of where they work through new, emerging technologies, of, of remote communications and also the demand for sabbaticals and opportunity to take time out, which is changing the workplace of today.

I think another key area that has changed is the drive for personal learning and growth - a second area where, I think, people really want to take personal control of their growth. I think, before, individuals looked at the company to do that for them. People don't expect to stay with the same company, or even doing the same type of work, all their lives, any more. So, there's a much stronger drive towards my growth, my development and what am I learning in everything I do.

And I think the third area I'd pick up on for the change is people's requirement that the organisations they work for are socially responsible.

That's clearly moved a huge amount in the last 10 years. People now want to work for companies that are committed not just to greener environmental issues - such as reducing carbon footprint and recycling and, and these areas - but also things like how we're committed to supporting our local communities.

Can they get involved in charitable work and other voluntary areas? And these are hugely different to how I remember it being just 10 years ago.

CD2 TRACK 6 (I = INTERVIEWER, MB = MADALYN BROOKS)

I: Looking forward, what changes do you see in the way people feel about work?

MB: I think it's more of what I was talking about with the changes. I think we're on a journey. I think we'll see an increase in this desire for training. Self-actualisation, building self and skills will be a constant demand.

People are encouraged to be lifelong learners, to grow and develop, and we really see this demand increasing in the workplace. People want opportunity to grow through training, through opportunities of challenging assignments, and I think that will get ever, ever bigger. I think P&G is well set up to deal with that. Leadership and ownership are core of our principles, so that will come through as we, as we move ahead into the future.

I do think this drive for feeling a company is socially responsible will also get higher. We are seeing, today, a drive for people's desire to have time out, to get involved in voluntary work, to think how they can put back into the society that they've taken out of up until now. And I think people will want to feel proud of their workplaces in that respect. They'll

want to feel that they can share with their families and their friends an environment they are working in to be responsible. They'll want to be able to take time to do voluntary work, such as working in schools, working in local communities and, and giving back. So, more of the changes we have already seen getting deeper into our workplaces, will be the challenge for us employers in the future.

CD2 TRACK 7 (EW = ENID WONG, PE = PATRICIA EVANS)

EW: Enid Wong.

PE: Good morning, Ms Wong. My name's Patricia Evans. I work for an executive recruitment agency.

EW Oh yes?

PE: I was given your name by Edward Zhang, I believe you know him quite well.

EW: That's correct.

PE: He suggested I call you. He thought you might be interested in a position that's become vacant at KB Financial Services. It's for a chief negotiator. Would you like to meet to find out a bit more about the job?

EW: Well, I'm flattered you've called me. It's nice to know I'm still in demand. But honestly, I don't think there's any point in us meeting. I'm very happy in this job, and I don't want to go anywhere else - well, not at this stage of my career, anyway.

PE: OK, I quite understand. Can you recommend anyone I could contact and sound them out about the job?

EW: Well, let me see ... no, not off the top of my head, I'd have to think about it. Why don't you give me your number and I could probably think of someone if I had a bit more time.

PE: Great. I'd appreciate that. My number's 0207 644 8981 . . .

CD2 TRACK 8 (PE = PATRICIA EVANS, FG = FREDERICO GONZALEZ)

PE: Good morning, Mr Gonzalez. My name's Patricia Evans. I work for an executive recruitment firm. A friend of yours, Enid Wong, gave me your name.

FG: I see. What's it about?

PE: A position has become vacant at KB Financial Services. Head Negotiator. I was wondering if you'd be interested.

FG: Mmm, KB Finance? They are a very good company. But I don't know. I'm fairly happy here, actually.

PE: People often say that to me, Mr Gonzalez, but they change their mind when they hear more about the offer.

FG: Well, it would have to be a really good one to interest me.

PE: It is. KB are offering a top salary and great benefits package ...

FG: Are they?

PE: Would you like to know the salary range?

FG: Sure. PE Well, it's over six figures, I can tell you that: probably in the region of a hundred and fifty for the right person.

FG: Is that pounds or euros?

PE: Euros. There's another thing you should bear in mind. It's a very attractive part of the package they offer. They give staff a substantial bonus at the end of the year - usually well above the industry average.

FG: Mmm, interesting.

PE: Look, why don't we get together and I'll give you some more details?

Then, if you're still interested, we can take it from there.

FG: OK, where can we talk?

PE: How about meeting at the Chamberlain Hotel? There's a nice bar there, it's quiet during the afternoon. And it's not too near where you work!

FG: OK, let's do that. I know the Chamberlain Hotel well.

PE: Fine. What day suits you?

FG: Well, how about next Wednesday? Say, at three o'clock. Is that OK for you?

PE: Let me see ... I'll just check my diary ... Yes, that time's OK.

FG: Right, see you in the Chamberlain at 11.00.

PE: I look forward to it. Bye.

CD2TRACK 9 (PM = PATRICK MCGUIRE, VS = VERONICA SIMPSON)

PM: I've thought a lot about this problem, whether we should have a company policy about close relationships. I think we've got four options, Veronica.

VS: OK. What's the first?

PM: We could just ban all special relationships at work. Insist that staff go elsewhere if a romance develops. I believe some companies have that policy.

VS: Mm-hun. What about the second option?

PM: We could do what a lot of companies here are doing, we could ask staff in special relationships to sign a love contract.

VS: A love contract? How does that work?

PM: Simple. It's a document that staff sign. They declare that they have a special relationship, and the document specifies what behaviour is acceptable. It could also indicate what action we might take, such as transferring one or both staff; altering their reporting lines or even what disciplinary action we could take.

VS: Mm-hm. I see. And the third option?

PM: Our policy could simply be that staff must inform their team leader if they have a special relationship and they must agree to behave appropriately at work.

VS: And what's the last option?

PM: Do nothing. Have no policy at all. Just accept that it's human nature and we can't do anything about it.

UNIT 6 RISK

CD2TRACK 10 (I = INTERVIEWER, SF = STEVE FOWLER)

I: What are the main types of risk that companies face?

SF: Well, there are two ways of looking at risk. One way of looking at risk is to divide risks to an organisation between internal risks and external risks. Now, some examples of internal risks include injuries to employees within a factory or, alternatively, a fire in a warehouse, for example.

Examples of external risks can include an earthquake or a tsunami affecting a site or, alternatively, a change in exchange-rate mechanism. Now, I mentioned there were two ways of looking at risk. The other way of looking at risk is to divide up risk into four categories - hazard, operational risks, financial risks and strategic risks. I'll give some examples of each of those four.

Hazards can include natural events - um, typhoons, hurricanes, fires, floods and so on and so forth. Operational risks can include risks such as

information technology, supply chain and employment risks. Financial risks include the non-availability of reasonably priced credit or a lack of liquidity within an organisation.

And finally, and most importantly, strategic risk. Strategic risk looks at the area of competition, also looks at the area of changing customer demand, the availability of new technologies, changing social and political pressures on an organisation.

CD2TRACK 11 (I = INTERVIEWER, SF = STEVE FOWLER)

I: How can companies begin to manage risk?

SF: Well, the good news is that risk management is actually applied commonsense. The other good news is there are plenty of guides out there to help organisations focus on the way they manage risk. Now, one such guide is a new standard available from the International Standards Organisation, ISO - ISO 31,000.

In addition, my own organisation, the Institute of Risk Management, have published a very simple, free guide on how organisations can manage risk. Now, this is freely downloadable from I RM's website in 16 different languages and it sets out the basics of how to manage risk. There are five key steps to the management of risk. The first step, which is most important, is to recognise the strategic objectives for your organisation and the key processes that your organisation uses.

Following on from step one, step two then goes on to identify what the, what the risks affecting the organisation might be. Now, the best way to identify risks is look all them from two directions - both top down, from a management point of view, but also bottom up, from the shop floor. Only that way will one identify the full spectrum of risks affecting an organisation. Only at that stage does one then go on to assess and prioritise risks. Point three: after identifying risk, the next stage is to assess and prioritise those risks. Now, a useful tool to recording prioritised risks is called a risk register. It's a way of an organisation recording those risks that are most critical to the organisation and, more importantly, what the organisation is doing about those risks; when they're planning to do it, if they haven't started yet; and who owns the risk.

Point four: mitigating risk. There are four ways of dealing with risk once risk has been identified. Firstly, treating the risk - putting in place some

counter-measures in order to deal with that risk. Two examples could be the installation of a fire protection system, in order to prevent a fire, or improved driver training in order to stop accidents on the road.

Secondly, terminating a risk. Terminating a risk by stopping the process that leads to the risk. Thirdly, tolerating risk- living with the action that gives rise to the risk. And, finally, transferring the risk by means of insurance or other contractual arrangements.

Finally, point five: after identifying strategic objectives, identifying risks, assessing and prioritising risks and then mitigating those risks, it's important that those actions are flowed back through to one's strategic objectives again. In life, it's not always possible to deal with every risk and, therefore, a systematic analysis of your approach to dealing with risk will rein form your strategic objectives. It will affect the way that the company thinks about itself.

CD2TRACK 12 (I = INTERVIEWER, SF = STEVE FOWLER)

I: Can you give us some examples of companies that failed to manage risk?

SF: A great example involves the banking industry worldwide, because of actions taken throughout the banking industry over the last 10 years, in particular, the systematic and reckless risk-taking undertaken by many banks. There are massive implications, not just for those organisations and their shareholders, but also for the world generally - public finances and economic growth and so on.

Moving to a, um, a lower level of risk, there's a great example of an organisation - actually an American-based clothing retailer - that managed to lose 45 million credit-card details two years ago, giving rise to an \$80 million loss and untold impact on its own reputation.

Finally, there are plenty of examples of organisations that have failed to anticipate changes in customer demand. A great example is the videocassette industry. There are lots of organisations worldwide producing ... we're producing video cassettes and retailing those cassettes to the public through shops. Now, the world has changed in the last few years and, increasingly, people are now reverting to the use of digital media, which they can download through the Internet. I suppose those organisations have faced the ultimate risk of being replaced by another technology.

CD2TRACK 13 (MT = MARTIN THOMAS, CR = CAROL RUECKERT, CH = CAROLINE HOLLOWAY, GR = GUILLEM ROJAS)

MT: OK, guys. so thank you for all your comments in the last meeting. Now, just to sum up, we've looked at some different locations, so we talked about Amsterdam, Portugal and Florence for the sales conference. We also looked at the different activities, some sessions that we could do within that, and the type of accommodation and also some of the, um, leisure-time activities for the participants. OK, Carol, what did you come up for the location?

CR: Well, um, I was looking at Florence and I think it's a really great place, um, again because of all the things that we can do in our free time, and the accommodation that I found was quite good, and I also found a venue that is willing to give us quite a good deal, um ...

MT: OK.

CH: That's actually great news because, um, Amsterdam was, um, not so great because of the venue, the venue was much too small, the 350 delegates that we have just wouldn't fit in the one hotel, so, um, that's great news that you found a place in Florence.

MT: So can we all agree, then, that we go with Florence?

CH: Yes.

CR: I think we have to, don't we?

GR: Is it very cold in Florence in, in the winter?

CR: Well, it can be cold, but I ... I think that most of the time we'll be spending indoors. So, you know, I think with the budget, we really have to go with Florence. ...

MT: OK, that's great, then, ok, so we're agreed we're gonna go with Florence. Now, what about the activities? Um, what did you come up with, Carol, for the actual workshops?

CR: I thought it might be a good idea to use, um, role play within, um, the workshops, so maybe pick a scenario for, um, people to use and then, um, in groups discuss how they could, um, overcome, um, the scenario, so ...

MT: OK.

CH: I think some kind of interaction is a good idea in these conferences because sitting and listening to different presentations for three straight days gets really quite dull and ...

MT: OK, so we go with the workshops, then?

CH: Well, I don't know about role plays, though. I like the idea of interaction, but I ... I was thinking maybe something like, you know, a simple quiz, um, and we've had quite a few quizzes in the past and it went over really well because it doesn't take a lot of time, and it's something to look at, to focus you while you're listening to the presentations.

CR: Yeah, actually, I've been to a conference before where they've had a game style quiz, so basically each person in the room gets a little, um, button to press and it has A, B, C, D, and the person asks the question and then the delegates all answer A, B, C or D ...

CH: Exactly.

MT: So can we, we, we'll put that into, definitely put that into the programme, that's, yeah, that's a brilliant idea, OK then. And I know that, Caroline, you talked about the gala dinner - what did you find out about that, to be able to have the gala dinner?

CH: Oh actually, um, with the hotel that you were thinking of, I called them up and they said they are fine for a huge banquet style but ...

MT: Oh fantastic.

CH: So we could, um, have it there, um, and that would be really convenient because everyone's in the hotel anyway.

MT: Well, that's great, so we're gonna go to Florence, and we're gonna have this in January, then, yeah?

CR: Yes, exactly.

MT: OK, we know that there are some issues with the product, with one product being ready in January, but I think we can overcome that as we said by pre- um, you know, different styles of presentation, so that's great. And the accommodation we've got, you know, ah, a hotel that can accommodate everybody - 350 you said? Yeah?

CR: Yeah.

MT: That's, that's brilliant, OK, and we're gonna have a great banquet. Well, that's fantastic, thank you very much, OK, this is brilliant.

GR: Thank you.

CR: Great.

GR: Cheers.

CD2 TRACK 14 (DH = DANIEL HABERSHAM, DC = DENISE COUTURE)

DH: I think we ought to mention the ATZ project in our prospectus. It's a very exciting venture, and if we're successful, it'll put us in another league in the mining industry. It'll also raise our profile and help us to get finance for other projects. Investors will want to know about this project, surely.

DC: Let's think about this rationally. We haven't signed an agreement yet with ATZ, and maybe we won't. We're still assessing the risks. The area's not politically stable for one thing. It wasn't so long ago they had a civil war, and thousands of people were killed.

DH: OK, but you have to take risks to make money. We've grown fast because we're not afraid of taking risks - let's say calculated risks. Remember Kazakhstan? Everyone was saying it was too risky to invest in the area, so we stayed away. What happened? A few companies went in, and they made a fortune there.

DC: Yes, I accept we missed a great opportunity when we stayed out of Kazakhstan. But this share offer, it's a different matter altogether. We don't want investors to hold back from buying our shares just because they think we're a high-risk company, one that's going to go bust soon.

DH: I'd say you're exaggerating a little. OK, let's give this a little more thought.

As you say, we haven't decided yet to sign with ATZ, but it's a decision we're going to have to make pretty soon.

DC: Well, our New Business Department are doing some research now. They'll report their findings at our next management meeting, and that'll help us to make up our minds.

WORKING ACROSS CULTURES 2:

WORKING IN NEW MARKETS

CD2TRACK 15

'Thanks for coming to my talk today. I know that most of you are here because you have an interest in doing business in Kazakhstan in the future. My purpose today is to give you a basic understanding of the country and of its business culture.

Let me start with a few basic facts. Kazakhstan is in Central Asia and it has a population of just under 15 million. It's a big country, with the ninth largest land area in the world - equivalent in size to western Europe. It's rich in natural resources and has received over 40 billion dollars in foreign investment since 1993.

A key feature of the country is the diversity of its population - there are more than 100 ethnic groups. The two biggest are the Kazakhs and the Russians, but other ethnic groups include Chechens, Ukrainians, Tatars, Germans and Koreans, to name but a few. However, Kazakhstan is basically a mix of Russian culture and Kazakh oriental traditions.

I'll give you one striking statistic: 51.8 per cent of the population are Kazakhs and 31.4 are Russian. By the way, Russian is the official language and the language of business.

Now, there is one Kazakh tradition which is important when you first meet business people. If you want to make a good impression, you shouldn't immediately talk about business. You should start by asking how they are, and how the family is. Two or three questions like that go down well, and then you can start getting down to business. A word now about verbal and non-verbal communication. Usually in Kazakhstan, people keep a certain length during a conversation, and it's important to keep good eye contact when talking to people - they expect that. Touching is not acceptable in formal situations, especially between members of the opposite sex. When you meet a man, you should shake his hand. Nowadays, it's becoming more common for business and professional women to shake hands, but it's better to wait for a woman to take the initiative in this case.

Kazakhstanis tend to speak fairly quietly and less directly than in some other cultures, such as North America. And when someone from Kazakhstan explains something, they may give a lot of background information when answering your question. Be patient, because they want to give you a thorough answer.

UNIT 7 MANAGEMENT STYLES

CD2TRACK 16

- 1: considerate, consideration
- 2: competent, competency
- 3: creative, creativity
- 4: diplomatic, diplomacy

- 5: efficient, efficiency
- 6: flexible, flexibility
- 7: inspiring, inspiration
- 8: logical, logic
- 9: loyal, loyalty
- 10: organised, organisation
- 11: decisive, decisiveness
- 12: responsible, responsibility
- 13: sociable, sociability
- 14: supportive, support

CD2TRACK 17 (I = INTERVIEWER, LM = LAURIE MULLINS)

I: What are the key qualities for a successful manager today, compared to the past?

LM: I see two major factors which influence the managerial function today.

The first one is the ability to manage in an increasingly competitive, volatile, changing, business environment. An example of this is the growth of the so-called BRICK nations, B-R-I-C-K, which is Brazil, Russia, India, China and Korea. Arising from this development is, there's greater concern for recognition of the individual person within the work organisation. Um, people will bring their own cultures, their own, uh, situations to diversity. We now have a far more diverse workforce, uh, their culture, um, the importance of non-verbal communications, and international human resource management.

Secondly, the manager today has to manage with an increasing rate of technical change - this is allied to the competitive and challenging business environment. A particular example of this is the so-called information communications technology, which is often shown as ICT. So if we take just one example of this, if you think of developments in computer-based technology and consider managing a remote team. Um, so people today may no longer be at the same desk, the same location, or they may not work together in face-to-face contact. So this means that, through ICT, a manager may have to interact with staff who may not be at the same desk, may not work together, may not be in the same building, may not even be in the same location and may not even be in the same country.

CD2 TRACK 18 (I = INTERVIEWER, LM = LAURIE MULLINS)

I: Which management style do you think gets the best out of people?

LM: 'The underlying consideration here is that people are not owned by the organisation, um, people bring their own perceptions, biases, attitude, personality, cultures to work. So arising from that, I see six key fundamental managerial philosophies. One is consideration, respect and trust. Most people respond according to the way they're treated. So if you treat people with politeness and dignity, the chances are, the majority of staff will respond in a similar manner.

Recognition and credit - people can be praised to success. Let people know you acknowledge good work. An example of this, if you have a junior member of staff who, on your behalf, prepares an excellent detailed report for senior manager, when you as the departmental manager submit that report, why not add the name of your junior colleague as joint author?

Three: involvement and availability. Take an interest in your staff; maintain an open flow of communication, the so-called 'management by walking about'. The key feature of this is not to give the impression to staff that you don't trust them, that you're supervising their work, but you're taking an interest in their work.

Four: a sense of justice. Treat people fairly, but according to merit. If difficult decisions have to be made, staff are more likely to accept those decisions if they feel they've been treated fairly, and with a sense of justice. This requires good human resource management.

Five: positive action on an individual basis. If colleagues are working in a team, and one or two colleagues need to be criticised, criticise those people in private, on an individual basis. And lastly, point six: emphasis on end results. The ends do not always fully justify the means, but wherever possible, place emphasis on not time-keeping, or what people appear to be doing, but the level of performance actually achieved.

CD2TRACK 19 (I = INTERVIEWER, LM = LAURIE MULLINS)

I: As more managers work internationally, how should they adapt their styles to suit this situation?

LM: An underlying precept is that managers must be fully aware of their own predisposition towards people, and their preferred natural style of management. For example, some managers believe in the need for direction and control through an organised system of central control, formal organisation structure, um, systems of routine, and the belief that it's natural for people to try to get away with what they can; therefore management has a job to stop them doing that and to control and supervise them - the 'carrot and stick' assumptions.

Other managers believe in the integration of individual and organisational goals and that people can be committed to the goals of the organisation, in which case they will exercise self-direction and self-control.

CD2TRACK 20 O H = JASON HARDING)

JH: First of all, thanks very much for coming to my presentation. I'm Jason Harding, Sales Manager of Quench Products. I'm going to tell you about our new iced tea that'll be launched early next March. I hope by the end of my presentation, you'll understand what a unique product we're offering and want to place a large order for it.

OK, what is Quench Iced Tea? What are its unique features? Quench Iced Tea is available in several flavours - lemon, green, strawberry and grape - and it comes in sweetened, unsweetened and diet versions of the drink. It's a delicious, healthy, thirst-quenching drink. And the fact that we offer it in different versions will give it a definite edge over the competition. I want to stress that. In other words, it's got a wide appeal. As you all know I'm sure, customers buy iced drinks for different reasons. For instance, many people are watching their weight, so they'll buy the Diet version. Others do sports and will want to buy the sweetened version that'll give them extra energy.

Another key feature of Quench Iced Tea is that it contains a very high percentage of vitamins, especially vitamins C and E. This will undoubtedly appeal to health-conscious customers. And that's a major selling point of our product.

CD2TRACK 21 (J H = JASON HARDING)

JH: Turning now to the tea itself. As you know, our company uses only high quality tea, selected by hand, and we add pure spring water.

What about the packaging? It's so important to get that right, isn't it?

Please take a look at the slide. As you can see, the drink is packaged in single-serve and multi-serve bottles. What about sizes? Fourteen ounces for single-serve, 33 fluid ounces for multi-serve. What does this mean? It means that once again, we're offering customers choice.

You can see from the slide that the bottles are beautifully designed, very eye-catching and appealing. They'll really stand out on the shelf. So to summarise, we're offering customers a unique, delicious, thirst quenching product. A product that'll appeal to different tastes and which has outstanding design. It'll be available for supermarkets and retailers early in March, and will be supported by a comprehensive marketing programme. We're confident it'll be warmly welcomed by health conscious consumers.

I'll be happy to answer any questions you may have. I've provided you with an information pack. In it, you'll find a link to a website where you can download photos and more information about Quench Iced Tea. Thanks very much, everyone. Any questions?

CD2TRACK 22

I don't think Paul had any idea how to run the team. He worked very long hours, but that was the problem. The next morning, he was always in a terrible mood because he hadn't had enough sleep. He was really unpleasant to us most of the time. He was the kind of boss who makes a decision and that's it. He didn't encourage us to agree or disagree, he just wasn't interested in our opinions.

He was good at telling us what to do, but not how to do it, how he wanted us to do it. For example, I interviewed a couple of our big retail customers. I thought it went well, but Paul said I hadn't asked the right questions. When I tried to get him to explain, he just said, 'You should know by now the kind of questions you need to ask customers: I was really annoyed, we'd never discussed that in detail before. I'm really glad he's going. I got no feedback from him. He never spent time with us socially, so we had no opportunities to get to know him.'

CD2 TRACK 23

Did Paul have some good points? Yes, he was a shong manage; very decisive, and I liked that. He gave brief instructions and expected you to do the job properly. Some people didn't like that, of course. He wouldn't accept any excuses if things went wrong. But that was fuir enough, I suppose.

He had one weakness that upset everyone in the team. He didn't set clear goals. For instance, none of us realised we had to collect information about the incentives offered to regular customers. We didn't know that was part of the brief. And we had no idea that we had to complete our survey in France in two weeks. He simply didn't make it clear to us.

He treated everyone fairly, but never really got to know us as individuals.

He was too distant as a manager, I'd say. Too focused on results, not a people person.

CD2TRACK 24

I got on OK with Paul, but he didn't give me any work that was really interesting or challenging. I spent most of the time making appointments for the other members of the team. I got bored and sort of lost interest.

I don't think he trusted me - or anyone in the team, for that matter. I-le tried to do too much himself, so he was always under a lot of pressure and seemed very stressed.

I know that quite a few of the team felt Paul didn't adapt his style to suit individual members. I-le seemed to have no cross cultural skills al all. He treated everyone in the same way, and you can't do that when the team has such a mix of nationalities and personalities.

UNIT 8 TEAM BUILDING

CD2 TRACK 25 (I = INTERVIEWER, DC = DAN COLLINS)

I: How can businesses build successful teams?

DC: The key thing with a team is that it's really just a group of people working towards a common goal. The leader's role in a team is to make sure that goal is well understood and is clear and then to encourage people along the way as they work towards that objective. -where necessary, steer them back on track if they veer off, but a team really is a group of people who are feeling enthusiastic towards achieving the same objective and they're feeling encouraged by their leader throughout.

CD2 TRACK 26 (I = INTERVIEWER, DC = DAN COLLINS)

I: Can you give us some examples of companies that you have helped?

DC: Yeah, we work in a variety of sectors, including pharmaceuticals, telecoms, banking, retail. And the issues that they have are very common.

Communication is always an area of challenge, more so now because as people have got hi-tech communication devices, they have conversations, but they are conversations with a subject heading.

So they are responding to an e-mail with a subject heading or they're having a discussion in a meeting to a set subject. What is harder is for people to find time to do is to have those more spontaneous conversations which explore new opportunities. And so, part of our role is to take people away from their normal work environment and to give them the opportunity to have meaningful, significant conversations about what they want to achieve as a team and the strengths that each individual brings to that team.

CD2 TRACK 27 (DC = DAN COLLINS)

DC: So, in addition to communication, we spend a lot of time helping people to discover their area of strength and their contribution to the team. So, there are a number of ways of splitting up the roles and the behaviours that people perform in a team. But, in simple terms, we have people who are the leaders, and that's self-explanatory - they take a leading role, either because they are appointed to that position or simply because they're natural leaders and they have a leading style in the way they do things.

There are creative people who solve problems either by being creative as we would expect insomuch as they have random ideas and they, um, they're are able to really think outside of the box.

But there are also those who solve problems, um, creatively, but using analysis and, er, research. So, they are the creators. We have the leaders and the creators. We also have the 'gluers' and they are the people who pull the team together. So, they are people who are motivated by a relationship and they're keen to ensure that people are feeling good in the team and they're looking after some of the pastoral needs of the team. They're the sort of person who might arrange for a lunch out or arrange the Christmas party, will ensure on somebody's

birthday they are given a card – an essential part of a team, which is often overlooked. And finally, there are the doers and they're the people who like to look at process and project management, ensure that things are done on time and to a level of accuracy and quality. It is that mix of those four types that makes a team really effective. So, one of the things we do is analyse the team that exists and say, 'Well, where are the gaps?' or 'Are you biased one way or the other?' And, for certain roles, that's OK - it is quite good to have a very analytical team if their role is, say, financial, where analysis is important.

CD2 TRACK 28 (I = INTERVIEWER, DC = DAN COLLINS)

I: Do attitudes to team-working vary in different countries?

DC: Um, to some degree and, I think, attitudes to the way in which teams are developed and led varies. So, in the West, certainly in the United States

and, increasingly, in Europe - but United States is probably leading the way - we're very open to an empowered form of leadership where somebody is given an instruction and then really allowed to get on with that and do it the way they want to do it without too much interference.

And people are allowed to do the work that they do in their way, more so than in, um, developing countries, such as India and China, where there's more of a command-and-control approach. And there are very specific instructions and people work to those instructions. I don't know that either one is better than the other, but there is a difference in leadership styles and, consequently, the way in which a team is, is led and behaves.

And the expectations of that, the team members in terms of their, um, their relationship with the team can vary from place to place.

CD2 TRACK 29 (K = KAREN, L = LARISSA)

K: OK, Larissa, I think I understand now. What you're saying is, you're unhappy with Sophie, you don't think she's pulling her weight in the department, and it's putting pressure on you and the rest of the team. Right?

L: Yeah, we're meant to work as a team, aren't we? And she's the most experienced member. But she's not doing her job. She's never around to give us advice or help us deal with difficult clients. Preparing the annual report is a big job, but we're getting no input from her at all. Another thing

K: OK, I've got the picture. I understand your feelings, Larissa . . .

L: I hope you do. I'm really fed up with her - it's not just me, it's the whole team.

K: OK, let's keep calm. What do you want me to do? Fire her?

L: Oh no, not that . . . of course . . . but you could give her a good talking to. You know, tell her to make more effort, and then if she doesn't do anything, well, you'll have to take serious action, won't you?

K: Mmm . . . I think there's one thing you could all do - maybe you should talk to her, tell her how you feel. That'd help, I think. But I'd like to put off doing anything else for a while.

L: Oh, why's that? How would that help?

K: Let me explain. Sophie's getting married early next month. She's got a lot on her mind at the moment, and it's not work, it's the wedding. That's her priority at the moment . . .

L: Yeah, OK, but even so ...

K: Why don't we wait for a while? Let her get the wedding out of the way. I think you'll find she'll be the Sophie we used to know then ... she's always been a good member of the team. She hasn't changed overnight, has she?

L: Mmm, I don't know, maybe ...

K: Look, let's talk about this in a few weeks' time. We can review the situation then. Meanwhile, you and the others can talk to her, in a friendly way, I hope, and, OK, I'll have a quiet word in her ear.

L: All right, we'll see if that works. Thanks for listening, Karen.

CD2 TRACK 30 (D = DAVID, M = MAX, H = HANK, L = LAURA, N = NATALYA, S = SONIA, C = CHANG)

D: I'd like to talk about training today. I've got a proposal to make – see what you think about it. I feel that you'd all benefit from more training.

Even if you're very experienced, you can always add to your knowledge and update your skills. So, my proposal is you should all go on at least two training courses a year to update your knowledge. You could either choose which courses you go on from a list I've drawn up, or make suggestions to me. How do you feel about this? Yes, Max?

M: Well, an obvious question really: would it be compulsory to go on two courses?

D: Yes, it would. I think everyone would benefit from more training.

M: Then I'm sorry, I don't think it's a good idea. Personally, I don't enjoy courses, I don't think I need them. I'm the top salesman here, and I've been that for the last three years. I certainly don't need any more training. I need to spend all my time looking after my customers' needs. That's my priority.

D: I see. OK, what about you, Hank?

H: Well, frankly, Max is talking rubbish as usual. We all know he's top salesman because he's been given the best area to work in, and he's been there for years. I mean, anyone could sell kitchenware in West London. Put a monkey in there and he'd be salesman of the year.

D: Hank, you're being very offensive, you know.

M: Sorry, Hank, I can't let you get away with that. I've built up sales in this area steadily over the last 10 years, and it hasn't been easy at all to get into some of the top stores, but I've stuck at it and now it's paying off. My customers are loyal to our company. They like me, and I really look after them. That's the reason I'm the top salesman, it's not about being in the best area.

H: OK, OK, sorry if I offended you, Max - I just like to speak my mind, that's all.

D: Right, we'll take that as an apology. All I want to know from you is, do you think my idea's a good one?

H: Yeah, right, I suppose so ... uh, well, a good idea for some of our team, anyway. Natalya could certainly benefit from a lot more training.

D: I'd like you to keep your personal comments to yourself, if you don't mind.

H: All right ... I thought you wanted my opinion.

D: Thanks, I've noted what you said. Laura, what do you think of the proposal?

L: Er, well, Hank's right, it is a good idea, more training courses, but not for all of us. If we want to increase sales, we can't have everyone running off at a moment's notice. We need to focus on meeting our sales targets.

D: OK ... Well, what do our younger members think? Sonia? Natalya? Yes, Natalya.

N: Er, well ... I don't think it's a good idea for experienced people like ...

Max. If he went on a course, he'd probably end up teaching every. I'd like some more training, if possible, to improve my sales and negotiating skills, but I think once a year is enough.

D: Sonia?

S? I've already been on two sales courses, that was in my previous job. For me, it'd be a complete waste of time. I'm more interested in the way you pay commissions here. I think ...

D: Sorry, Sonia, I must stop you there. Commissions are not on the agenda today. Chang, you'd like to say something?

S: I think, David, it is a good idea to offer more training to the team. You're on the right track here. But why do you want to make it compulsory?

Why don't you have a talk with each member of the team, find out if they are interested in more training, and then draw up a training plan for each person - that's the way I'd do it.

D: Yeah, I see what you mean, Chang. That's a useful suggestion. OK, um, who haven't we heard from yet?

UNIT 9 RAISING FINANCE

CD3 TRACK 1 (I = INTERVIEWER, SD = SIMON DAVIES)

I: In which ways can a business raise finance, and what are the advantages of each way?

SD: There are probably, I guess, three ways in which I would see business raising finance ... Um, first, er, equity, either current shareholders or new shareholders. Er, a business can raise finance by effectively selling shares to its - more shares to its current owners, or shares to new owners. Um, secondly, I would see a business being able to raise, er, money by borrowing, through debt. Um, and thirdly there's a hybrid, um, effectively a combination of the two, um, something that starts out as borrowing that could convert, um, into shares or equity, er, at some stage in the future. Within that, there are two markets that a - a business could raise finance in a private market or the public market. A private market is what it is, it is a private market, private individuals, private relationships, has the advantages of confidentiality, um, and remaining, um, below the radar screen. Um, the public markets, um, selling shares to the public

markets has the advantages of having a much deeper pocket. There is a greater source of funding available from the public markets, um, and that's the same for, er, for debt as well, so if you're borrowing money, um, the bond markets, the capital markets, tend to have a far greater, um, amount of funds available, so the larger your business is, the more public you're likely to want to be in the way in which you raise finance. And then finally, um, hybrid finance, er, as an example, convertible bonds.

CD3 TRACK 2 (I = INTERVIEWER, SD = SIMON DAVIES)

I: And what are the disadvantages of the different ways of raising finance?

SD: For shares, um, equity carries a fairly significant capital cost, um, people who, er, invest in shares expect a return that reflects the risk that they're taking. Um, shareholders obviously carry the full business risk and don't have a right to be repaid their money. Um, they can receive dividends over time, but only after the company has covered its costs and other liabilities, such as interest on the debt. Um, for debt, and the disadvantages are that obviously, um, the interest burden on debt is required to be paid over time. That reduces the amount of cash that a company has that would otherwise be available, er, for it to use for investment purposes. Um, there's also advantages and disadvantages in the public versus private markets. Um, the public markets, um, while they give you a broader, um, amount of capital available, um, they don't create that type of private relationship that you would get in the private markets - you could have a dispersed shareholder base. Um, in the public debt markets, you could end up with, er, effectively bondholders of whom you don't know their identity, um, whereas in the private markets you very closely know who your lender is or who your shareholder is. Um, for the private markets, the disadvantages are potentially a lack of capital available if you're a significant business. Um, in addition to that, um, private markets will tend, on the equity side, to want a significant return, and some significant change to shareholder control features, um, to the extent that you will lose a certain amount of control over who your executive management is and how the management effectively runs the business.

CD3 TRACK 3 (I = INTERVIEWER, SD = SIMON DAVIES)

I: Do you think finance is always a short-term business, or can borrowers and lenders develop more long-term relationships?

SD: Finance has become somewhat short-term business, to a very great extent, and there are, I think, three or four reasons, um, for that. One, um, is the breadth of opportunity available, um, gives people such a range of investment choice from a funding perspective, that, um, they are almost spoilt in their ability to invest and then sell and reinvest. Um, so the whole attitude has become quite - quite short-termist from an investing perspective. Um, the second is the speed of in ... - the speed and quality of information. Um, information is key in making investing decisions, and the better the quality of information, the easier it is to make a decision. But the speed with which investment decisions can be made now, is, um, incredible compared to only say to years ago or 20 years ago. But it does give people the opportunity, effectively, to become a short-term investor. Um, I think thirdly, er, what has also happened is that the banks have become less relationship-driven from a financing perspective and more relationship-driven from a sales and distribution perspective. So the relationship between a - a lender and its borrower has changed fundamentally at this time, um, and effectively, the person who used to be the lender is now distributing, um, finance to a syndicate of other people who are - who are becoming lenders but who are more naturally, um, inclined to be able to buy and sell the investments that they make. Um, so the loans become a more tradable feature, um, and less static, um, creating a short-term relationship between the lender and the borrower. Um, and fourthly, I think from an equity perspective, um, it has become so easy, er, to buy and sell shares, that, um, the - the - the churn of shares is so great, um, that people have very short-termist nature. They trade off sentiment as much as they do, um, fundamental value. Um, I think there is still a place for long-term investing and long-term relationships from both an equity perspective and from a lending perspective. Um, it is rare at the moment. I think the one big example is probably Warren Buffet's fund. Um, his whole structure is different to that of the majority of the financial markets, in that he does not earn, um, his money from, um, effectively taking a portion of the profits. He earns his money by being invested alongside his investors and he runs businesses and asks the people who run his

businesses to run them as if they're running them for their - the generations of their family to come, not on a short-term basis.

CD3 TRACK 4

- a) Can you offer any collateral?
- b) There seems to be something wrong with your figures.
- c) Let's go over what we've agreed.
- d) What sort of loan are you looking for?
- e) Let me clarify my last point. What I meant was, we would want to retain control of the business.

CD3TRACK 5 (B = BANK MANAGER, c = cuENn)

B: I've looked at your business plan and like some of your ideas for expanding your business. Could I ask you, what other people are providing finance for you?

C: Well, two family members have offered 100,000 euros for a small stake in the business. I haven't decided anything yet, and my partner is also investing some more money. We're still discussing the exact amount.

B: Have you approached any other bank, if I may ask?

C: Yes, two banks, but they turned me down.

B: Oh, sorry to hear that - these are difficult times to raise money. I'd like to make a suggestion. Why don't you revise your business plan? And especially, put in a bit more about your competitors, for example. That'd help.

C: Certainly, I can do that.

B: Good. Could I ask what sort of repayment terms you have in mind?

C: I'm pretty sure we could repay a loan - the whole amount, that is - within three years.

B: Right. That might be a bit optimistic, I'd say. Anyway, suppose we were to offer you a loan of, say, 250,000 euros, once you've revised your business plan? How would you feel about that?

C: Let me clarify what the money's for. The 250,000 would be for working capital, and to hire more staff, a finance director, marketing people, money for the extension of the factory . . .

B: Well, we can talk about that a little later. Your first task is to strengthen the management as we discussed earlier.

C: OK. Well, in that case, 250,000 would certainly help me to achieve some of my objectives in expanding the business.

B: Good. We seem to be getting somewhere now. Let me sum up what we've agreed so far, then we can talk about your marketing strategy.

CD3 TRACK 6

Hi, Charles, hi, everyone. Some great news. I sent your business plan to an independent film distributor over here called Caplyn Entertainment. They're interested in buying the rights to distribute your film here in the States. They like the concept a lot and think the film would do really well over here. They own cinemas throughout the country and are highly regarded in the industry. I'm sure you'll all be very excited about this. They really believe in the film and support your creative vision. One final thing, you might also be able to negotiate with them about DVD and cable rights in the US.

WORKING ACROSS CULTURES 3 : MANAGING INTERNACIONAL TEAMS

CD3TRACK 7 (P = PRESENTER, J = JULIE, D = DALE)

P: Good evening and welcome to another edition of Business Time with me, Steve Langley. On tonight's programme, we'll be talking about managing and working in international teams from a cultural perspective. I'm joined by tonight's guests Julie D: Angelo, business psychologist and author of the bestselling book Business in Mind, and an old friend of the programme and cultural expert, Dale Hawkins. Hello, Julie, and welcome back, Dale.

J: Hello, Steve, and thank you for having me.

D: Hello again, Steve.

P: Well, I guess we should start by saying that international team working is becoming increasingly common, not only with teams of mixed nationalities in the same location, but also in virtual teams. This could involve a group of individuals based all over the world who rarely communicate face to face. Businesses really need to think about the potential problems as well as benefits attached to this way of working. Could I ask you both: what are the important points to consider when putting together or working with international teams. Julie? Well, Steve, one thing to bear in mind right at the start is actually the way a team is seen in different cultures. In some parts of the world, a team is composed of so-called specialists, each with clearly defined roles and responsibilities, whereas in other cultures,

individual roles are much less clearly defined, and responsibility is shared.

P: Interesting.

D: Yes, that's right. And of course whether team members expect tasks to be very clearly set out by the manager or team leader, or if team members are expected to use their own initiative. This means there may be very different ideas about roles and attitudes to things like empowerment.

P: I see, but how could this cause problems?

D: Well, for example, the competitive nature of some teams may mean giving individuals praise for particular things they've done. This is a recognised way of motivating people. However, in a more collective culture, praising an individual may be less acceptable, as it's felt that the whole team takes either the praise or the blame for things. There may also be another difference, as some cultures tend to give financial rewards for achievement, whereas others value loyalty more highly.

Mm, yes, Dale ... In more collective cultures, asking for assistance or seeking advice from another team member, whether you truly need it or not, is a way to build team spirit, solidarity and unity. Also, from a psychological point of view, this idea of group responsibility is important. In some cultures, a team member with a problem will consult another colleague for advice or assistance, whereas in other cultures they will go straight to their boss.

CD3TRACK 8 (D = DALE, J = JULIE)

D: Yes, and while we're on the subject of so called 'individual' and 'collective' cultures, what I think's really interesting is the way individuals relate to each other as far as knowledge is concerned. For some cultures, 'knowledge is power' - so knowledge is only shared on a need-to-know basis. This sort of culture again favours the idea of the individual expert. Other cultures are more collective in spirit and will work and share knowledge for the common good.

Knowledge is built up through group discussion and trust, and it's not felt to be the 'property' of an individual. For these cultures, knowledge cannot be stolen, as it's owned by everyone. A good example of this is that there is no real concept of copyright' in the sense that it belongs to an individual or a specific company.

J: Yes, I think you're right. This is a really important consideration for international teams and, for me, the most interesting area. There's also a group of

cultures which operate at the level of mutual debt, which is the idea of an exchange. What this means is, one person will give information if someone does something for them in return - you know, I'll scratch your back if you scratch mine! Knowledge here confirms someone's status and is not readily shared. It's elitist in the sense that to benefit from knowledge, people will need to be part of the same network.

CD3TRACK 9 (P = PRESENTER, J = JULIE, D = DALE)

P: Right, and what are some of the practical considerations involved?

J: Well, management of international teams leads to particular problems. Team members will have expectations about something simple like the number and purpose of meetings. In some cultures, team meetings are simply for planning. People then expect to be allowed to get on with the work. For others, meetings are more about keeping track of what's going on - to share ideas about progress, to talk about problems and mistakes and how to rectify them. Obviously, with virtual teams, another factor is the difference in time zones, which can make the scheduling of meetings problematic.

D: Yes, and don't forget if teams do meet face to face, there are other considerations like body language, dress and manners. A good example is the simple handshake. This can be very different from culture to culture, with different connotations and meanings. Should you look the person in the eye? How firm should the handshake be? In some cultures, a firm handshake while maintaining eye contact is seen as a sign of trustworthiness and sincerity, whereas in other cultures it can be seen as challenging and over-assertive.

P: Thanks very much, Dale, you've really given us something to think about. So, Julie, moving on - can I ask you about the sort of training which ...

UNIT 10 CUSTOMER SERVICE

CD3 TRACK 10 (I = INTERVIEWER, PNH = PHILIP NEWMAN-HALL)

I: Can you tell us a little about the Le Manoir?

PNH: Yes, Le Manoir aux Quatre Saisons is Raymond Blanc's dream of excellence within a hotel and restaurant in the UK. We are a 32-bedroom luxury hotel with a stunning restaurant. The heart of the house is the food and the cuisine, and everything else that we do in the house is ... The ethos of the kitchen spreads into everywhere else in the house. It

is a retreat from the nomad is supposed to be a house where you can come and feel comfortable. We like to think that the house tells you what you can do in it rather than what you can't do in it. It's a two-Michelin-starred restaurant and we have now been running for 25 years.

CD3TRACK 11 (I = INTERVIEWER, PNH = PHILIP NEWMAN-HALL)

I: At Le Manoir, how do you define top-quality customer service?

PNH: It's very difficult to answer that, but I would say that we try to exceed customers' expectations, we try very hard to see that customers are wanting something before they even know they want it. So, therefore, we have to have empathy with the client and we have to try and judge each client individually, so that we sense what they're looking for and try and provide that service all the time.

We also must provide consistent standards of service. If we don't provide a consistent standard, then one guest's expectations will be met and another guest's won't be met. We try very hard to have a phrase within the house that 'the standards you set are the standards you get'. And once you have set those standards, we try to offer those to guests at all times.

CD3 TRACK 12 (I = INTERVIEWER, PNH = PHILIP NEWMAN-HALL)

I: How do you train staff to deal with demanding customers?

PNH: Get them to empathise with the customer, the guest. Try to put them in their place, try to see it from their point of view. We particularly allow every single member of the staff to have a guest experience. So, they stay in the house overnight, they eat in the restaurant and they understand what the experience is like for a paying guest. So, therefore if it was their own money they were paying for it, they would understand what they should expect for that, and I think that gives them an edge in understanding what a client is looking for when they come into the house. It's very ... high-end here, so, therefore, people's expectations are very high, and we have to try and exceed those expectations. And I think by only getting the staff to understand what those expectations are, we can then meet them and, and exceed them.

CD3TRACK 13 (I = INTERVIEWER, PNH = PHILIP NEWMAN-HALL)

I: Do you think that customer service requirements are changing, or have they always been about the same things? PNH: I think they're becoming much more demanding. I think people are expecting a lot more for their money nowadays and I think the way the world is now, people are more open and more questioning of what they're receiving for their money. So, I think we have seen a definite increase in the number of people who would complain, when perhaps they wouldn't have complained before - which is no bad thing because it gives us great feedback. But I think people in general are much more demanding nowadays than they used to be. And therefore, we've had to up our game to actually provide better service. So, yes, I really think it has changed over the last few years.

CD3TRACK 14

A: Good morning, Madam, how can I help?

B: Well, you see, I bought two bottles of wine from you on Monday. It was a special promotion, your 'wine of the month' offer.

A: Oh yes, I remember, we gave you a very good price on that one, 30 per cent off if you bought two bottles, wasn't it?

B: Yes, that's right. It was one of the main reasons I bought the bottles, the price was right. But when my husband and I tried one of the bottles, we found the wine was much too sweet.

A: Really? What exactly do you mean by 'much too sweet'?

B: Well, like fruit juice. And when I offered a glass to my neighbour, she took one sip, then said, 'Sorry, this wine's too sweet for me. Do you have anything else?'

A: Mmm, I can't understand that, I'm afraid. Well, what did you do next?

B: We tried the other bottle, but it was even sweeter! We were hoping ... you see, we were hoping you'd give us a refund or let us choose two other bottles, er, free of charge.

A: A refund I'm sorry, but that's not our policy at all. We can't give refunds to customers, just because they're disappointed with their purchase. You understand that, surely?

B: I see, well ... To be honest, I was hoping you'd be a little more understanding ... I mean ...

A: I'm sorry, Madam, but when you buy wines, you need to check what the label says. Medium wine's not the same as dry wine.

B: I know that. But all the same, it was far too sweet...

A: So you're saying it was too sweet and I'm saying medium wine is always sweet. I can't do anything more for you, Madam. I can only say, 'Better luck next time' and ... don't forget to read the labels.

CD3 TRACK 15

A: Good morning, Sir. I'm carrying out a consumer satisfaction survey for the airline you've just travelled on. Could you possibly answer a few simple questions for me?

B: Certainly. Go ahead, please. I'll do my best to answer them.

A: OK ... well, were you, on the whole, satisfied with the service you received?

B: Satisfied? Certainly! In fact, I was more than satisfied.

A: That's great. What did you like especially about our service?

B: Well, you see we weren't expecting much, the flight was very cheap, so we knew there wouldn't be any meals. It's a no-frills airline, isn't that what they call it?

A: Right. No surprises, then?

B: Well, yes, there were, actually. The stewards and stewardesses were absolutely fantastic, really friendly and helpful. Nothing was too much trouble for them. And they were really good with our young children, brought them games to play with - it kept them quiet and occupied during the flight. We weren't expecting that. It was a pleasant change, I can tell you!

A: I'm pleased to hear the staff looked after you well. What else impressed you?

B: OK, er, everything really. The plane took off on time and arrived on time. The service was great, and we were even given free rolls and a coffee or orange juice. We'll definitely be flying with your airline again. And we'll tell all our friends how satisfied we were. I can't say more than that.

CD 3TRACK 16

A: Something so irritating happened recently with a delivery that I'd ordered. I certainly won't be using the supplier again.

B: What happened?

A: Well, I work from home as a translator for a leading bank. My printer had broken, and I needed a new one urgently. The person who took my order was extremely friendly and promised it would be there the next day.

B: OK.

A: Mm-hm. It didn't arrive, and I had waited in all day to receive it! When I phoned the supplier, I got the same friendly, helpful treatment again - they were very sorry, it would definitely be there the following day. But then they let me down again. This went on for the rest of the week.

B: How awful!

A: I was very pulled out indeed. It was all talk and no action.

CD3TRACK 17 (P = PASSENGER, CS =CUSTOMER SERVICES AGENT)

P: I'm calling because I've just come back from Italy on one of your flights. And I want to complain about the service before I flew and when I was on board the aircraft.

CS: Oh, sorry about that. What happened, then?

P: Well, I had some hand luggage and it was just a little over the limit, only a little bit, and I was charged an extra 30 dollars - I couldn't believe it! You know, I don't think the scales are very accurate. Anyway, then I had to pay three dollars for two plastic bags to put my toiletries in. I don't know if your company or the airport got the money for them.

CS: Well, I don't know, but I'm afraid if you're over the limit ... well, go on.

P: Right, then we went by bus to the plane, the bus was freezing cold, and when I got there, there wasn't a proper stairway to the plane. It was just some sort of flimsy mobile steps and it was really dangerous climbing up them. I was so afraid of foiling and breaking my leg. No one helped me, of course. Everyone was in a mad rush to get a good seat on the plane.

CS: Oh dear! It can be a bit of a scramble at times, I know.

P: Anyway, during the flight, the stewards and stewardesses seemed to be more interested in talking to each other than serving us. I'd asked for one of those entertainment boxes, you know, a sort of DVD player - I think you call it a TV box. I paid 15

dollars to have it, but I didn't know how to work the machine, and the attendants were too busy, they said, to help me. So I didn't see anything on the box.

CS: Well, that shouldn't have happened, should it?

P: No. Another thing, I was given a sandwich, I had to pay three dollars for it, and the roll was really stale. I don't know about the meat in it, but when I went to the hotel, I was sick and had an awful stomach all night.

CS: Oh, I'm so sorry ... Of course, your bad stomach could have been caused by anything. There are a lot of nasty viruses around ...

P: I don't know. But I certainly won't be using your airline again, I can promise you that.

CD3TRACK 18

Hi, my name's Francisco Lopez. I want to tell you what a great flight to Chicago I had with your airline. The service was fantastic for a budget airline. The cabin crew were really friendly. I was sitting in the back of the plane, and I had a long conversation during the flight with two of your stewardesses. They were lovely people. The captain was great, too. He warned us of any turbulence well in advance and kept in touch with us during the flight. He had a very friendly and reassuring manner. He helped the nervous passengers to relax. We arrived on time, and the landing was so smooth that all the passengers clapped. The tickets were a real bargain, I'd say – I'd fly again anytime with your airline. You're doing a great job of providing low-cost flights for people like me who are on a limited budget. So, keep up the good work!

UNIT 1 CRISIS MANAGEMENT

CD3TRACK 19 (CS = CRAIG SMITH)

CS: Right now, ah, the Toyota Motor Company is facing a, a huge crisis, a crisis as a result of a – a product defect. So it has this problem of what's called 'unintended acceleration', and it's a problem that, ah, the company frankly has been very slow to, ah, acknowledge and very slow to respond to. Nice care – it's reported – incidences – reported instances, ah, of this unintended acceleration going back six or seven years. Ah, there have been some two thousand reported incidents, so pretty substantial evidence of a problem, and it was only September 2009 that the company really truly acknowledged there was a problem and said, we're gonna have a recall. The, the problem is, ah, put down to a couple of causes, ah, one is that the noor

mat in the car can get jammed against the accelerator, ah, the other is that for some models there is a sticky accelerator, a design materials problem with the accelerator pedal itself. Ah, and part of the problem Toyota is experiencing is that its communication around the causes of the problem has been unclear, and consumers have been left confused, and perhaps left with the feeling that Toyota itself doesn't really know, ah, what, what the problem is. The, the classic advice here is tell it all and tell it quickly. And the, ah, the, the . . . the thing to do is to get out there and, and, and let people know that you acknowledge that there is a problem, and know that you're doing something about it. And you can see in the, in the Toyota story, ah, evidence of the company seemingly knowing there was a problem but not really getting out there and acknowledging the problem and saying, ah, we're going to get it fixed and, and, and here's how.

CD3TRACK 20 (I = INTERVIEWER, CS = CRAIG SMITH)

I: How can companies prepare themselves to manage crises?

CS: The model, ah, I think that, ah, is useful in laying out the approach is, is a three-, three-part model, ah, that says you need to attend to, ah, the possibility of a crisis beforehand, so there's the before piece, ah, there is then the during piece – what's happening during the crisis – and then the after piece, what you do after the crisis has passed. And if we, if we look at the before piece, ah, three particularly critical activities here: firstly an audit which is essentially asking the question "What could go wrong?". Ah, secondly, having identified what could possibly go wrong, say 'Well, can we reduce the likelihood of what's happening? Can we avoid the avoidable?', so taking steps to avoid the avoidable, or in some cases, it may be a possible problem that you could, you could, ah, insure against. So there it could be business interruption insurance that you might want to take, take out if the company will need to close at some point. And then I think, um, ah, fairly obviously in terms of preparing, you need to have some contingency plan in place and a dedicated team that will be ready to, to step in, ah, should a crisis arise.

CD3 TRACK 21 (CS = CRAIG SMITH)

CS: Secondly, then, coming on to what happens during the crisis, the first, ah, thing that needs to happen is to recognise that there is indeed a crisis,

so crisis identification is a . . . is an important, ah, first part of what takes place during the crisis. The second, um, of, of, of the three considerations during the crisis is containment. Clearly you want to try and contain the crisis as, as best as possible.

And, ah, this means thinking about the ael"ual problem itself; ah, but also the, the indirect challenges that come about through a crisis and here's, this is where communication is very important. And then thirdly within, ah, the during phase, it's, it's resolving the crisis, and obviously very important here is figuring out what the cause is, and causes can come from within the organisation. It may be some, ah, dear defect in the product design or product materials, um, or indeed they could come from outside the organisation, they could be a problem from a supplier, some material that came into the organisation that is problematic, ah ... Or indeed it could be a prob- a problem downstream, ah, with the, with the retailer. The, the problem could be something do with consumers and their misuse of the product, ah, or indeed in some cases there have been instances of product tampering where products have been tampered with and Theresa, ah, Theresa safety problem.

CD3 TRACK 22 (CS = CRAIG SMITH)

CS: Once the crisis has passed, the, the 'after; ah, phase if you will, you've got then the, the recovery. So how do you, ah, reintroduce the product if that-s, if that's the problem, how do you recover from the storm that has hit all your, your stores damaged your, damaged your stores, dislocated, ah, or, um, caused, caused employees to, to lose their homes possibly and they're, ah, they're dislocated. Um, and then there's the auditing of the management of the crisis. So what can be learnt, ah, as a result of seeing what worked, what didn't work. And then thirdly, ah, and finally there's rebuilding, so if this, if this has been a major crisis that the organisation's had to deal with, how does it rebuild its reputation externally, how does it, ah, restore the confidence of its customers, of other stakeholders and indeed internally of its, of its employees?

CD3TRACK 23 (MG = MICHAEL GOODRICH, TB = TIM BRADSHAW)

MG: Good evening, my name's Michael Goodrich. I'm the presenter of Consumer I Watch. Tonight, we're investigating toy products. How safe arc the

imported toys products you're buying for your children? Not very, it seems, if you're buying toys from TG Products, one of the biggest toy retailers in the country. We've had dozens of complaints from parents about some of the toys sold in TG stores. Tonight, the company's Chief Executive, Tim Bradshaw, has agreed to answer questions about his company and to defend its reputation. Good evening, Mr Bradshaw.

TB: Good evening. May I thank you for inviting me on to your programme, I welcome the opportunity to answer your questions.

MG: Thank you, Mr Bradshaw, it's a pleasure to meet you. Now, I believe your company sells a range of stuffed toys. Is that correct?

TB: Yes, they're one of our best-selling products. Children love the grey rabbits, the dogs and penguins we market. I'd say the reindeer and elephant arc our most popular items. Why do you ask?

MG: Could you please tell me how many of these items you import each month?

TB: Oh, I don't know off the top of my head. A very large number, that's for sure. It's one of our most popular lines.

MG: Could you be a little more precise? What quantity arc we talking about, roughly?

TB: Well, I'd say ... um ... about 30,000 a month.

MG: That's a lot, isn't it? Roughly how many complaints about the toys do you receive each week from your customers?

TB: Oh, we get a few complaints, but no higher percentage than any other company.

MG: A few complaints? Mr Bradshaw, isn't it true you've been receiving dozens of complaints from customers every week? Do you deny people have been phoning you and e-mailing you constantly to complain about the toys?

TB: What do you mean exactly? What are you trying to say?

MG: I'm saying the toys are defective, they should be recalled by your company immediately.

TB: Could you clarify that comment, please?

MG: Certainly, I'd be glad to. The stuffed toys have a defect. They have button eyes, and these get pulled off very easily by children. They put the buttons into

their mouths and then start choking. The toys are highly dangerous,

Mr Bradshaw, you know that. Why are you still selling them?

TB: I'd say you're exaggerating the problem. There may have been one or two cases, but not dozens.

MG: Isn't your real reason for not recalling the toys very obvious, Mr Bradshaw?

TB: What do you mean?

MG: Simple. You've got over 50,000 of the items in your warehouse and if you recall the toys, it'll cost you a lot of money!

TB: Good heavens, where did you get that information from? Who gave it to you?

MG: I'm sorry, I can't possibly comment on that. But what are you going to do about these defective toys?

TB: Do about it? Well, I'll look into the matter, of course, and I'll get back to you. But I don't think . . .

MG: When will that be? When exactly will you get back to us?

TB: Oh, as soon as possible.

MG: Would you answer my question, please? I think you owe it to your customers to give us an exact date.

TB: I'm sorry, I don't know the answer to your question, but I'll get our

Customer Services to check our records. We'll treat this matter very seriously, I promise you.

MB: That's good to hear. Now let me ask you another question . . .

CD3TRACK 24

1: Could you please tell me how many of these items you import each month?

2: Could you be a little more precise?

3: Roughly how many complaints about the toys do you receive each week . . . ?

4: Isn't it true you've been receiving dozens or complaints from customers every week?

5: Do you deny people have been phoning you and e-mailing you constantly to complain about the toys?

6: Why are you still selling them?

7: Isn't your real reason for not recalling the toys very obvious, Mr Bradshaw?

8: But what are you going to do about these defective toys?

9: When exactly will you get back to us?

10: Would you answer my question, please?

CD3 TRACK 25 (LT = LINDA THOMSON, BM = BOB MORGAN)

LT: OK, it's pretty clear we've got a crisis on our hands, Bob, but before we decide how to handle this one, could you run me through our plans for the launch?

BM: Yeah, sure, um ... well ... the big event, of course, will be the extracts from the game that we'll show in the Universal movie theatre. There'll be an invited audience, famous people in the arts and entertainment business, movie stars, artists, musicians, media people, anyone with influence, even a few politicians - only those who support us, of course!

LT: OK, sounds good. What about the big party afterwards?

BM: You'll really enjoy it - I hope. It'll be at the All Seasons hotel. There'll be over a thousand attending, we've got Q] performing at midnight, they're the hottest group in the country at the moment - they love our game by the way...

LT: Great!

BM: Let's see, what else can I tell you? Oh yeah, all the service staff will be dressed like mercenaries in combat gear and they'll all look really tough, perhaps a bit intimidating.

LT: That's a nice idea. It'll get us good coverage in the press. They'll put those photos on their front pages.

BM: Exactly. A bit of controversy won't harm sales at all!

LT: What a cynic you are, Bob! But you're right, of course. How about our advertising and promotion? Are you happy with it? It's coming in for a lot of criticism.

BM: I'm totally happy with it, just look at the sales projections.

LT: We'll come to them in a moment. What about advertising?

BM: OK, well, we started with a teaser campaign, as you know, followed it up with TV and movie-theatre commercials, sent advance copies to reviewers of gaming magazines - they were all full of praise for

the game. In fact, one magazine awarded it their Gold Medal - that gave it a big boost - then we backed it all up with viral advertising, 500 18-year-olds got a copy of the game and they spread the word to their friends, relatives, classmates and so on.

LT: OK, what about the latest sales projections? You got them from Marketing?

BM: Yes you'll love the figures. We expect sales of seven million in this country, bringing in a revenue of around about 350 million dollars, and in the UK, four million with a revenue of 200 million dollars. Those figures are just for the first month.

LT: Mmm, it's looking really good. That'll more than cover the 200 million dollars we put into the project. And we'll really knock out the competition with those figures. But ... I'm very worried about all the criticism we're getting. How should we handle it? We don't want to screw up at this late stage. Our opponents aren't playing around, they're really out for our blood.

UNIT 2 MERGERS AND ACQUISITIONS

CD3 TRACK 26

Well, moving on to the idea of restructuring. The terms takeover and acquisition are to some extent interchangeable although in recent years the term acquisition has become more popular. Strictly speaking, a takeover refers to one firm gaining control of another by buying over 50 per cent of its shares. This takeover may be either friendly or hostile, which is when the company being targeted doesn't want or agree to the takeover. If a company acquires a part of another company's shares, which may be less than 50 per cent, this gives them an interest, holding or stake. Over 50 per cent "would become a controlling interest. A merger on the other hand, involves two companies or organisations coming together to form a larger one. Although a merger sounds more like two companies coming together on more equal terms, many mergers are in fact more like takeovers for one or the businesses involved, as usually there is a dominant partner. A joint venture involves two quite separate companies co-operating for a limited time, or for example in a particular geographical area on a particular project, but maintaining their own identities. This could be something such as building a plant - which is quite common in the oil and gas industry - or developing a new technology which would benefit both

companies. Now, if I may, I'd like to look in more detail at some other ...

CD3 TRACK 27 (I = INTERVIEWER, SM = SCOTT MOELLER)

I: Why is it that a number of mergers and acquisitions don't work as well as expected?

SM: It is true that somewhere between two-thirds and three-quarters of all acquisitions fail, uh, so the success rate in acquisitions is obviously quite low. And the reason for that is due to a number of different factors. First off inadequate planning. Uh, that is to say that the strategic plan behind the acquisition tends not to be grounded in too much of what the future strategy would be, but more of an opportunistic basis as to whether a company is able to be acquired or not. Secondly, the due diligence done on the target company tends to be done much too quickly, and in many cases doesn't focus on the key factors that are going to drive that particular deal to success in the future. More time should be spent trying to understand what it is that really makes that target company successful - if it is already successful - or why perhaps it has failed, uh, and whether that can be turned around if, in fact the company is being acquired because, uh, it is a company that's now available, because of lack of success. And then lastly, um, there's really a lack of planning for the post-merger integration period. Many, many times a deal is done, and then once the company is acquired the focus or management tends to disappear. They go on to the next deal, they go on to some other strategic initiative and forget that the really hard work comes, and the work that takes years and years, comes after the deal is closed, when in fact the integration really takes place. The people have to start working together from two different companies now as one. The customer databases have to be put together. Back-office systems need to be integrated suppliers need to be contacted and basically, two companies need to be made one.

CD3 TRACK 28 (I = INTERVIEWER, SM = SCOTT MOELLER)

I: Once the merger has taken place, what can be done to ensure the successful integration of the businesses?

SM: In order to assure the successful integration of the businesses, one first must determine whether, uh, you want to integrate the companies completely, and at what speed. That is there are many deals where you actually want to make sure the newly

acquired company is kept separate for a period of time, perhaps to understand that company better, uh, perhaps because you want that company to operate as a separate subsidiary. Uh, other times, you'll want to integrate the newly acquired company very, very rapidly in order to make sure that you don't lose customers that you don't lose employees, uh perhaps because there's something that has a very time-critical element, uh, driving the purpose of the acquisition in the first place. Once you've determined whether you want to do it quickly or slowly, you also need to determine whether you want to impose your own culture and way of operations on that company or in fact to keep that company's own culture separate, perhaps for a period of time, or again, for a longer period or time. So determining the speed of the acquisition, and determining how, uh, fully you want to integrate it are the two critical things driving then what you are going to do afterwards. Uh, are you going to appoint somebody from the company itself to run that division or do you want to bring in new management, perhaps from the acquirer's own management, or perhaps from the outside?

CD3 TRACK 29 (I = INTERVIEWER, SM = SCOTT MOELLER)

I: Can you give us an example of an acquisition that has worked really well?

SM: One example of an acquisition that has worked really well is actually the merger between Bank of New York and Mellon Bank, which took place back in 2007. Those two banks had actually interestingly enough eight years earlier, uh, had an unsuccessful attempt at coming together where Bank of New York had made a hostile attempt to, uh, overtake, uh, Mellon Bank. Uh, however, in the second try, what they did is they understood some of the mistakes from previously, so experience is very important. But most importantly what they did is they met very early before the deal became public, and they determined what it was that were showstoppers – things that could derail, that could stop the deal in the future from being successful, and they did determine what those items were very, very early on. Each side put their cards on the table, they identified what those potential problems were very early, and said if we can't get those, past those problems now; if we can't agree on what those problems are, if we can't agree about how we're

going to deal with them once we have merged, then we shouldn't go through with this merger. We want to make sure it's friendly. We want to make sure it's going to be successful. What they then did is having worked through those showstoppers - those items that might not be successful - they then put together a team from both sides of very, very senior people, uh, ultimately announcing the deal, including the identification of who was going to be running the firm with about an equal number of people from both sides. Everybody therefore knew who their boss was going to be, they knew which businesses were going to be retained, they had some idea as to how the business was going to drive forward, and most importantly, they knew that very deeply engaged in the deal strategy, as well as the integration process, was the CEO and Chairman of the company, who took a very, very public role in identifying what the company was going to be doing post-acquisition.

CD3 TRACK 30 (SD = SUSAN DRAKE)

SD: Right, well, as I mentioned earlier we see the acquisition of High view as the foundation for our drive into the budget-hotel market here in the UK. We have very ambitious plans for the future of the High view brand - I'll outline these later in my presentation. OK, why did we buy High view? I'd say there were three main reasons: the gap in the market, the market conditions and the opportunity for growth. Firstly, the gap in the market. It's well known that business travellers to the UK are tending to stay in mid-price and budget hotels nowadays rather than in the more up-scale, prestigious hotels. Economic conditions are difficult; everyone's trying to cut costs. But, the truth is, there are not enough budget hotels to meet the demand. Let me give you a simple statistic. Only 13 per cent of hotels in the UK are in the budget section. That's about half the level of budget hotels in Europe and the US.

What about the market conditions? Well, this is the ideal time to develop a budget hotel brand in the UK. Hotel occupancy and room rates are continuing to rise. Revenues from available rooms in large cities are at a record high. But, as I mentioned, the demand for rooms is much greater than the supply. We're incredibly excited about the growth potential of the High view brands. With our experience in owning and running budget hotels, our unique training programme and our financial strength, we

see unlimited possibilities for increasing profits from the acquisition and we firmly believe . . .

. . . Right, I've told you why we've acquired High view. And I've explained that this purchase gives us the opportunity to develop a portfolio of branded budget hotels in the UK. What are our future plans for the group? We have a clear, realistic and ambitious strategy for the High view brand. We plan to buy other hotels in the UK, improve their performance and market them using the High view brand. Although all the hotels will be budget hotels with limited service, we'll make sure that customers really enjoy the experience of staying at a High view hotel. Good value for money will always be our main objective. So where do we see High view in five years' time? By that time, we'll have built new High view hotels on the company's four development sites. We'll have integrated a number of US hotels into the group, renaming them High view. And finally, we'll have developed a portfolio of budget hotels which will make us leader in this sector of the market. High view will be the future of budget hotels in the UK. High view will lead the way. High view will set a new standard for value for money. Right, are you now clear about why we bought High view and the direction we plan to take? Is there any area I haven't covered? Anything missing? Yes, you have a question, I see. Go ahead, please.

CD3 TRACK 31

We focus today on four companies we believe could be targets for Rinnovar International's planned expansion. How have they been performing recently? Let's start with Mumbai Herbal Products. Last year, it reported strong growth, with sales of 26 million dollars and net profits increasing by 16.9 per cent. In the three previous years, turnover increased by 48 per cent and profits by 32 per cent. MHP has been very successful: it has introduced new 'star' products in its domestic market and they're beginning to sell overseas.

Next, Good Earth, the Brazilian company using natural ingredients to make cosmetics, perfumes and health products. Its main market is Brazil but it also operates in other Latin American countries. Last year, turnover was \$5 million dollars, with net profits of only 3.2 million dollars. In the three previous years, profits grew by 8 per cent. Good Earth is planning to open new plants in selected foreign countries in the near future. Hondo Beauty Products is another

company Rinnovar International will probably be looking at. This Korean company manufactures not only cosmetics but also bath and shower products. It could give Rinnovar the opportunity to expand into Asia and to develop the bath and shower segment of the market. Hondo, with sales last year of almost 62 million dollars and net profits of 14 million dollars, is a tempting target for Rinnovar. The company grew fast in the previous three years, with profits increasing by 48 per cent. Finally, will Rinnovar International go for a company near home? Some say they're taking a close look at Sheen Hair Products, based in Palm Beach, Florida. SHP is one of the top manufacturers of haircare products for professional salons in North America. Ninety-five per cent of its sales are in the home market, but SHP also distributes hair products in two European countries. Sales topped 94 million dollars last year, with net profits of 8 million dollars. Profits have increased by less than 10 per cent in the last three years, but the company has a strong position in the professional salon industry.

WORKING ACROSS CULTURES 4: INTERNATIONAL NEGOTIATIONS

CD3 TRACK 32

Thanks for that, Gary - and now, in this part of the day, I'd like to take a quick look at negotiating across cultures. Many people assume that international negotiations are no different to domestic ones, but that's a big mistake to make. Tactics which work well when doing business with people from your own culture do not necessarily apply internationally - for example, the idea that everyone likes to get down to business and focus on the result and get a contract drawn up. One thing to realise right from the start is that it's not only national culture that determines behaviour in negotiations. Other factors include company culture, gender or even the level of international negotiating experience.

The other point to make is that preconceptions and regional generalisations are often simply incorrect. For example, the Japanese and Koreans share some similarities, but are very different in other respects. The same is true of the Italians and Spanish. It's not really possible to talk about regions in any meaningful sense. So I don't really want to talk about specific cultures, but to outline a few general principles and differences which are worth bearing in mind when getting involved in international

negotiations. I'd like to look at three main areas before you break into smaller focus groups to examine some of the issues in more detail with the trainers.

First of all, a major difference between cultures is the perception of the business relationship. For some cultures, business is seen in terms of a contract - objective and impersonal. The encouragement of personal relationships is generally seen as inappropriate. Emotion and sentiment can interfere with sound business decision-making, which it's felt should be rational, cool and logical. In other parts of the world, business is all about personal relationships, where businesspeople will only do deals with people they get to know well, feel at ease with and trust.

Secondly, moving on to the contract itself . . . for some, this is expected to be a formal, written, legal document, which outlines the responsibilities, duties and deadlines of all concerned. In other cultures, it's the handshake or verbal agreement which is much more important, and in some cases it could be said that a formal contract is seen as a sign of a lack of trust or respect. A contract may also be the sign of the beginning of a business relationship rather than the final stage in the conclusion of a deal. In fact, in some cultures, the signing of the contract is a signal that negotiating for better terms can now begin! It is really an intention to do business and nothing more. Similarly, it may be claimed that because the person who signed the contract has left the company, then that contract needs to be renegotiated. This is because there is a feeling that contracts are made with individuals rather than with organisations or companies.

Finally, the way that negotiations are conducted can vary. I know my colleague spoke at length this morning about body language, eye contact and the role of silence, but it's also important to bear in mind the social aspect. Should you greet your new business partners using first names, surnames or by titles? The amount of time allowed for small talk is another issue to consider. Handshakes can be too soft and be seen as untrustworthy, or too strong and therefore overly assertive. Gift-giving is expected in some countries, but viewed negatively and suspiciously in others. One last point is whether it's more usual to negotiate in teams, rather than alone. Are decisions made by consensus or by one person?

It may also be that the person doing the talking is not the decision-maker.

So all these things . . .