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Кафедра «Современные европейские языки»

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## **TEXTS FOR DISCUSSION**

Учебно-методическое пособие  
по дисциплине «Бизнес-курс английского языка»  
для студентов экономических специальностей

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Настоящее пособие составлено в соответствии с программой курса делового английского языка для студентов экономических специальностей. Пособие содержит 13 дополнительных текстов к основному учебному пособию «Market Leader». Приводимые в пособии тексты могут быть использованы для занятий в аудитории, а также при самостоятельной работе студентов.

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## A brief look

<b>Text</b>	<b>Topic</b>	<b>New vocabulary</b>	<b>Scenario</b>
1. Smoke signals	Cigarettes, marketing, business ethics	Marketing	A young marketing trainee discovers that her company is planning to focus its marketing strategy on teenage girls in her home country.
2. A Pirate`s dilemma	Video piracy, business ethics	Film/video industry, distribution	A Russian video pirate is offered a chance to become an official video distributor.
3. A Year in Fashion	Fashion, credit control	Fashion	Late payment for an order threatens the survival of a small fashion house.
4. Big Fish Don`t Jump	Business credibility	Property development, newspapers	The reputation of a top Hong Kong businessman is attacked in a newspaper article.
5. The Barbecue	Cross-cultural awareness	Socializing	A Japanese managing director has to decide whether a young manager is behaving badly at a social event.
6. Plague and Prejudice	Software development, disease, prejudices	High technology	An outbreak of plague threatens to stop the owner of an Indian software company attending an international conference.
7. The Abalone Mystery	Solving a mystery in the food processing industry	The food and fishing industries, production, colloquial expressions	The body of an American businessman is found on a beach. Is it an accident, suicide or murder?
8. The Hohokum Virus	Computer security and computer viruses	Computers	A computer systems company is blackmailed by someone who claims to have infected its system with a computer virus.
9. Dirty Work	Business and the environment	Environmental issues	A Brazilian office worker has to decide whether to strike or not.
10. The Write Stuff	Recruitment and graphology	Recruitment, describing personality	A German bank introduces graphology as part of its recruitment procedures, against the wishes of its personnel officer.
11. Selling Your Soul	Contracts in the pop music industry	Music industry	Two young musicians are trapped by a contract which threatens their careers.
12. Advertising Albion	Advertising	Advertising, air travel	An advertising agency is asked to come up with ideas for a campaign to advertise a small but prestigious airline.
13. Hard Times	Telesales	Sales	A new member of a telesales team makes his boss very angry when he makes a lucky sale.

## Smoke signals

### *Before you read*

*“Smoke signals” is set in the world of cigarette marketing. If you’d like to find out something about the trends in the market, read the background box:*

The world tobacco market

As people have become increasingly aware of the health risks, consumption of cigarettes has fallen in Western Europe and North America. This has meant that big tobacco companies have started looking elsewhere for promising new markets. The result has been a steady increase in the number of smokers in Asia, Africa and the countries of the former Soviet Union.

### *Way in*

When people choose a career, they often have to make a choice between looking after their own interests and trying to help others. The following matrix is a way of looking at the relationship between making money and doing good in society.

### *The jobs matrix*

Doctors make a lot of money and are good for society, so they are placed in the top right quadrant. Pickpockets don’t do any good for society and they (normally) don’t make much money either, so they go in the bottom left quadrant.

*Where in the matrix would you put these jobs?*

*Soldier, drug dealer, financial speculator, car sales person, nurse, politician*

<i>Lots of money</i>		
<i>Not much money</i>		
	<i>Bad for society</i>	<i>Good for society</i>



## Smoke signals

Kim Jim Hiu had never touched a cigarette in her life, but when Jean Nicot Tobacco Inc offered her a job, she didn't hesitate. The US-based Jean Nicot Corporation was one of the world's oldest and largest tobacco manufacturers and it was offering the 23-year-old South Korean woman the chance of a life time. As one of its elite marketing trainees, Jin Hiu could look forward to a generous salary, fantastic fringe benefits and a jet set lifestyle that would be envy of her friends.

Of course, there was some opposition to her taking the job. Her father didn't like the idea of his daughter working for a foreign company. Her mother and brother were more worried about the health aspects of the tobacco industry. "You're persuading people to kill themselves", her brother told her.

But Jin Hiu had looked into the ethics of cigarette marketing while she was at business school and her conscience was clear. She accepted the argument that cigarette advertising did not try to get more people to smoke, it simply encouraged existing smokers to change brands. After all, smokers were adults who were responsible for their actions. Her role as a marketing professional was not to mislead or to manipulate: it was to help the public to make informed choices.

During her initial three-month training course at Nicot's headquarters in New Orleans, Jin Hiu's attitudes and enthusiasm impressed the company's senior executives and she was seen as a potential highflier. In recognition of this, they asked her to present a paper at the end of her course. Its theme was to be "New Opportunities in the Korean cigarette market."

Jin Hiu spent much of her free time researching her paper in the company library. One afternoon, while working through a stack of documents, she came across a file marked "S. Korea/ Strictly Confidential/ for Board level only". She realized that she had been given it by mistake and she knew that she shouldn't read its contents. But, she couldn't resist taking a quick look.

### Jean Nicot Corporation Ink

Policy document (9/2/96):

#### Strategies for growth in South Korea Cigarette Market

##### **1. Growth opportunities**

The cigarette consumption of South Korean males will shortly plateau, if it has done so already – around 70% of them are already regular smokers.

However, the number of female smokers in the country is still comparatively small, so Jean Nicot must look to them to provide long-term growth in this region.

##### **2. The target**

Research in other Asian markets suggests that over 50% of smokers in the region will make cigarette brand choices in the 12-17 age range.

It is therefore clear that South Korean females between 12 and 17 years of age should be the prime targets of our term strategic market effort.

### 3. A note of caution

Such a campaign may well encounter resistance from Korean nationalist groups (maybe with government backing) and from the small but growing health lobby. We should be wary of offending the sensibilities of both groups at all times.

### 4. Suggested action plan

- Establish distribution outlets close to high schools, colleges and other areas where there are large numbers of young people.
- Devise an advertising campaign containing themes and imagery with which girls/ young women can identify.
- Investigate possibilities for placing adverts during children`s TV time.
- Seek endorsements from local female role models, in particular, TV personalities, pop stars and sportswomen.
- Ensure high-profile involvement in youth events – music festivals, pop concerts, sporting competitions – through sponsorship, advertising etc.
- Forge links with girls` and young women`s organizations, providing financial support wherever possible.

How should Jin Hiu respond to this document?

### Vocabulary

*elite marketing trainee* – a talented person employed by a company and trained to become a marketing specialist

*fringe benefits* – rewards given to an employee in addition to his/her salary

*jet-set* – a group of rich, glamorous people who travel a lot

*ethics* – moral beliefs

*her conscience was clear* – she didn`t feel worried or guilty

*to manipulate* – to make people do what you want them to do

*informed choices* - choices based on good information

*high-flier* – a clever person who will probably be a great success

*to present a paper* – to give a presentation

*a stack of documents* – a pile of papers

*for Board Level Only* – only to be read by the most senior people in a company

*consumption* – buying

*to plateau* – to level off

*cigarette brand choice* – the decision to buy a particular type of cigarette

*prime targets* – a company`s most important future customers

*strategic marketing effort* – a long-term plan to make people buy a company`s products

*health lobby* – a group of people who persuade others to have a healthier lifestyle

*to offend sensibilities* – to hurt or insult feelings

*endorsement* – an agreement to write your name on a product

*role models* – people whose behavior is copied by others

*sponsorship* – financial support provided by a person or organization

*to forge links* – to establish a connection or a relationship

### **Analysis**

Paragraph 1: The chance of a life time?

*Read the first paragraph, turn to the jobs matrix and then think about these questions:*

- 1) Where would you put Jin Hiu`s job in the jobs matrix?
- 2) Would you accept the job if you were in her position?

Paragraph 2: Should she take the job?

After reading the second paragraph, divide into pairs and try this role play:

One member of each pair should try to explain why Jin Hui should accept the job, the other why she shouldn't.

Paragraph 3: Cigarette adverts

Read the third paragraph and then look at this fact:

Cigarette advertising was banned in Italy in 1962, but since then cigarette consumption has increased by 30% per person.

Now discuss this issue:

Do you agree with Jin Hui?

Do cigarette advertisements only try to persuade smokers to change brands, or do they have other objectives?

If so, what are they?

Where do you think that Jin Hui would put her job in the jobs matrix?

Paragraph 4 and 5: What would you do?

When you've read paragraphs 4 and 5, think about these questions:

If you were in Jin Hui position and found a top secret document, would you read it?

The policy document

Approach the policy document in this way:

**A quick scan:** Don't read the document in detail – scan it as fast as possible and try to find the answer to this question:

Which group of people is the main target for Jean Nicot's long-term marketing strategy?

**The suggested action plan:** Look at the ideas in this plan and think about/ discuss these questions:

1. Do you think that these ideas will help to improve Jean Nicot's sales in South Korea? Which ones will be most effective?
2. Do you think that any of ideas are morally wrong? If so, explain why.

**Overall:** Is the strategy in this document compatible with Jin Hui's views on her role as a cigarette marketer? Give reasons to support your answer.

### Decision time

How should Jin Hui respond to the policy document?

Try thinking about the problem in this way:

Self-interest or morals?

Should Jin Hui look after her own interests? Or should she respond to the problem in a moral way?

Look at this list of opinions and decide which ones are self- interested responses and which are moral responses to the issue:

Self-interested response?      Moral response?

- Ignore it
- Photocopy the document and give it to the newspapers



- Resign from the company
- Use it as the basis for your paper
- Stay with the company but fight against the policy
- Discuss the policy with a senior manager

--	--

Which response would you choose?

Does Jin Hui have any other options in this situation?

## A Pirate`s dilemma

### *Before you read*

*This problem concerns the illegal copying of video tapes. If you want to find out more about `piracy` and the protection of ideas, read this background box:*

#### Intellectual property

The illegal copying, or `pirating`, of products like books, music recordings, videos and computer software is big business throughout the world. It is, of course, extremely difficult to protect products like these, because they are based on ideas, but there are many international agreements which try to do so – including the 1993 Gatt trade agreement.

But so far, these efforts have not had a great effect. The United States estimates that in 1993 piracy cost its businesses over 8\$ billion.

### *Way in*

Imagine that each member of your group has been given 100\$. Each person must choose to divide this money between `private` and `public` accounts. At the end of the activity you keep the money in your private accounts; however, the total amount of money in the public account will be doubled and then redistributed equally among all members of the group.

Do not discuss the problem, but write down the way in which you have chosen to divide your money (e.g. 50 public, 50 private; 20 public, 80 private, etc.) and hand in your papers to your group leader. The group leader then works out how much money should be redistributed and announces the result.

Now, add the redistributed money to the money in your private accounts and find out how much each person in your group has.

### *Discuss the following points:*

1. Why did you choose to divide the 100\$ as you did?
2. What was the best course of action:
  - for the group as a whole?
  - for each individual?
3. What role did ethics play in your decision?



## A Pirate`s Dilemma

If you wanted to see a good movie in south-east Moscow, the place to go was Tatiana Belova`s kiosk. Her kiosk contained all the top Hollywood films, available for sale very cheaply – and she would often have the latest box-office hit before it arrived in Russian cinemas.

“How do you do it, Tatiana?” her customers often asked her.

“Ah, it`s no secret,” she would say, “Tom Cruise is a personal friend of mine.”

Those always made them laugh. The 55-year-old grandmother was the last person you could imagine socializing with anyone from Hollywood`s jet set.

In fact, Tatiana`s supplies of videos were delivered every month by a man in a black Mercedes. They came in plain white boxes, with their titles neatly typed on the sides.

Of course, Tatiana guessed that the man had a few connections in Moscow`s underworld, but she knew better than to ask unnecessary questions. Besides, his prices were reasonable and for a small extra fee, he made sure that nothing bad happened to her kiosk at night.

Tatiana considered herself to be an honest woman. She didn`t cheat her customers, she settled her bills promptly – she even paid her taxes. But one morning, she arrived at her kiosk to find a letter that made her think.

### Vocabulary

*kiosk* – a small hut with a large window at the front, often used in the former Soviet Union as a shop

*video library* – a collection of films on video cassette

*box-office hit* – a film that is a great financial success at cinemas

*to socialize* – to mix with other people for pleasure

*jet set* – a group of rich, glamorous people who travel a lot

*underworld* – criminal society

*to cheat* – to deceive

*promptly* – quickly

### *Analysis*

Paragraph 1: Do you believe it?

*Read the first paragraph and decide which of these sentences are true and which are false:*

1. Tatiana owned a cinema in Moscow.
2. She had videos of all the top Russian movies.
3. She could get the most successful Hollywood films before they arrived in the Russian cinemas.
4. Tom Cruise is a personal friend of Tatiana.

Paragraph 2: The man in the black Mercedes

*Read the paragraph and answer these questions:*

1. Why do you think that the videos come in white boxes with their titles typed on the side?
2. Why doesn't Tatiana ask unnecessary questions?
3. What extra service does the man offer?

Paragraph 3: An honest woman?

*Read the letter from Borodino and answer these three questions:*

1. What are the arguments against video piracy?
2. What is Borodino offering?
3. What are the practical advantages of the offer?

*Now discuss these points:*

1. According to some reports, in the early 1990s Tom Cruise could earn over \$12million for one movie. At the same time, the average monthly salary of a teacher at Moscow State University was just \$100. So why should ordinary Russians worry about the earnings of Hollywood stars?
2. For Tatiana, does Borodino's offer sound like an attractive business proposal?

*Read the end of the story and then move on to discuss your decision.*

Borodino Distributors  
Box 36954  
Moscow

Dear Mrs. Belova,

As I'm sure you know selling pirated copies of films is a serious crime under international law.

Every time someone watches a film that has been illegally copied, it means that the artists who made that film are working for nothing. Their talent and their hard work have been stolen. Even worse, video piracy is threatening the existence of the film industry itself. After all, if everybody in the world pirated movies, there would be no film industry and no new movies for anybody to enjoy!

Our organization represents many of Hollywood's major studios, and we are currently offering number of small businesses in the Moscow area the chance to become official distributors of videos.

As an official distributor, you will be able to sell top-quality versions of all the latest video releases, in their original packaging. You will also be able to use our own publicity material to promote both our films and your business.

We are confident that you will recognize this as the perfect opportunity to prepare your business for the challenges of the next millennium. One of our representatives will be calling on you later in the week to discuss the matter further.

Yours sincerely

*V. N. Stellovsky*  
V.N. Stellovsky

She put down the letter and roared with laughter. Imagine – Tatiana in her little kiosk doing business with a representative of Hollywood! Her friend in the black Mercedes would have a good laugh about that!

But as she trudged back through the snow to her apartment that evening, she started to give Borodino`s proposal some more serious thought....

What should Tatiana say to Borodino`s representative when he visits her later in the week?

### **Vocabulary**

*video releases* – films available on video cassette

*the next millennium* – the thousand years beginning at the year 2000

*studio* – a film production company (often these companies are also responsible for many other functions such as marketing, distribution, etc.)

*to trudge* – to walk slowly and with difficulty

### ***Decision time***

Should Tatiana continue to sell pirates video, or should she accept the offer to become an official video distributor?

*Try this activity:*

When discussing ethical problems, people often immediately have strongly held opinions. So, to think round the problem, try to play this activity.

Take a few minutes to think of a few arguments which justify the opinion that is the opposite of your own. Then find another member of the group who has prepared a set of arguments which oppose yours, and argue with him or her as fiercely as you can. (NB: Both members of each pair should be arguing for the cases that they don`t believe in.)

*When you`ve looked at both sides of the problem from an ethical point of view, think about the practical implications of the possible decision, with this exercise:*

In pairs or small groups, think about the worst things that could possibly happen to Tatiana, by discussing these two questions:

1. What might the man in the black Mercedes do if Tatiana accepts Borodino`s offer?
2. What might Borodino do if she doesn`t?

What should Tatiana say to Borodino`s representative when he visits her later in the week?

## A Year in Fashion

### *Before you read*

*This story is set in a fashion house. To find out some background about the world of fashion, read this background box:*

#### Fashion houses

Fashion houses are companies which design and sell small quantities of very expensive and fashionable clothes – a few well-known examples are Giorgio Armani, Paul Smith.

Normally, these companies don't actually produce the clothes themselves. They are often too small to have their own factories, and the demands of the fashion business mean that they have to continually change their designs, so it is difficult for them to organize mass production. As a result, fashion houses are not always in total control of their costs and can suffer from sudden changes in market conditions.

This story looks at problems caused when borrowing money. If you'd like to think about the ethics of money lending, discuss this point:

### *Way in*

The lending of money in return for interest is a central feature of capitalism. However, people have been very critical of money lending, not least because it seems as if money lenders get paid without having to do any work. So, what is the justification for banks charging interest on their loans?



## A Year in Fashion

With her own thriving London fashion house, Suzanne Fernet appeared to be one of the most successful and confident people in the fashion business. But did the entries in her private diary tell a different story?

27 May

Just back from our show in Paris. I always had a good feeling about this spring collection, but this was better than I ever imagined: orders from our wholesale customers are up by over 50% on last year. The Far Eastern buyers, in particular, have gone crazy about us – at this rate, we`ll have half the women in Tokyo wearing a Suzanne Fernet dress!

6 June

Meeting with the bank manager this morning. He went a bit white when I talked him through the summer`s business plan, but I think he sees what we are trying to do. The big orders mean that our outgoings have shot up – extra staff in the office, the cost of fabric, production costs and so on – and we won`t see any return for all this until the wholesalers start paying us in the autumn. The result is that we need a huge increase in our overdraft. He agreed to it reluctantly, but he insisted on a review in September.

18 August

Gloomy reading in the newspapers. Interest rates in this country are going up again (which means that my overdraft will start costing an arm and a leg!) and there`s talk of recession in Japan. Still, there`s no point in worrying. Our producers have done the work and been paid, and most of the orders have been shipped. So, all we can do is to sit and wait for the money to start coming in.

11 September

Bad news. I had a meeting with Angie, one of my credit controllers, this morning. Apparently, our biggest Japanese customer is having serious financial problems. Angie says that they want to pay for their order in installments, and that if we push them for the whole payment now, she's worried that they'll go out of business and we'll get nothing. I don't know what the bank manager will say about that.

15 September

Awful meeting with the bank manager. I wanted the overdraft to be extended; he insists that we reduce it immediately. I pleaded and pleaded with him, but he just won't budge. He wants to see us taking some action now, he said.

So, what are my opinions?

1. We slash the costs of our operation – lay off staff, sell equipment, scale back our plans for next year. That would certainly bring the overdraft down – but what about the future of my business?
2. We agree to let our Japanese customer pay in installments, so at least we get some money from them now. That should keep the bank manager happy. But that means that until I receive the final installment, I'm offering them free credit, while running a huge overdraft myself.
3. We demand payment in full from the Japanese – and run the risk of them going out of business.
4. Find the money that I need from another source. Do I apply for another loan from another bank? Do I borrow from friends? Or even re-mortgage my house?

What is Suzanne's best opinion?

### Vocabulary

*thriving* – very busy and successful

*fashion house* – a company that designs and sells fashionable clothes

*spring collection* – a range of clothes specially designed for the spring season (in this case, the clothes will be not in the shops until the year following the showing of the collection)

*wholesale customers* – customers who buy goods in large quantities and sell them on to other businesses

*to go white* – to look nervous or afraid

*outgoings* – money spent by a business

*to shoot up* – to increase very quickly

*fabric* – the material from which clothes are made

*overdraft* – a loan made by a bank that allows the customer to have a negative balance in their account

*gloomy* – depressing

*to cost an arm and a leg* – to cost a lot of money

*recession* – a period of reduction in business activity

*to ship* – to deliver to a customer in another country

*credit controller* – a person responsible for collecting money owed to a business

*Installments* – a series of payments

*to extend* – to go beyond an agreed limit

*to plead* – to ask for something in a desperate way

*to budge* – to change your position

*to slash* – to reduce dramatically

*to lay off* – to dismiss people from work in order to reduce costs

*to scale back* – to reduce

*to re-mortgage* – to use your house to guarantee a loan



## *Analysis*

*At the end of each entry stop and answer the relevant questions:*

27 May: Get the facts straight

1. Where was the selling show?
2. What was being sold?
3. Which buyers in particular liked her collection?
4. Was the show successful?

6 June: Getting the money

1. Why did the bank manager go white?
  - a) Because of the extra staff in Suzanne`s office.
  - b) Because Suzanne`s got such big orders.
  - c) Because Suzanne wants a big overdraft.
2. Why have Suzanne`s outgoings shot up?
  - a) Because of the extra staff, the cost of extra fabric, and higher production costs, all needed to meet the big orders.
  - b) Because the wholesalers will pay in the autumn.
  - c) Because of the huge increase in Suzanne`s overdraft.

18 August: Why gloomy?

1. Why is the rise in interest rates bad news for Suzanne?
2. What`s the problem with a recession in Japan?

11 September: The risks

1. Why is Angie worried about asking the Japanese for the full payment now?
2. Why is it not in Suzanne`s interests to receive the payment in installments?

15 September: A letter from the bank

*When you read the first paragraph of this entry, read this letter from the bank summarizing the meeting, and fill in the gaps using the words underneath:*

*Overdraft, meeting, customer, reduce, discuss, action*

<p>Dear Ms Fernet Further to our.....yesterday, I confirm that we are unable to extend your..... on its current terms. Indeed, we urgently request that you take action to .....your level of indebtedness immediately. When we see that you are taking appropriate....., we will be only too happy to..... further overdraft requirements. Let me assure you remain a valued.....of our branch. Yours sincerely</p>
--

Now, read Suzanne`s four opinions and then move on to make your decision.

**Decision time**

How can Suzanne reduce her overdraft?

Here is a technique which helps you to compare all four different opinions with each other. Begin by comparing the advantages and disadvantages of opinions 1 and 2, and then write your preferred opinion in the box. Then do the same with opinions 1 and 3. Continue until you've filled all six empty boxes with your preferences. Then see which opinion has been chosen most often.

	Slash costs	Pay in installments	Demand full payment	Another source?
Slash costs				
Pay in installments				
Demand full payment				

1. Are there any other opinions that Suzanne hasn't thought of?
2. Is there a compromise that she should consider?

What action should Suzanne take?

# Big Fish Don't Jump

## Before you read

*This story is set in the business worlds of China and Hong Kong. To find out more read this background box:*

### China and Hong Kong

With a population of over 1.2 billion people, China is potentially the biggest market in the world. Since its government first introduced free market reforms in 1978, its economy has grown at an incredible rate. Look at the city of Shenzhen (mentioned in this unit): between 1984 and 1994 its population grew from 320,000 to 2.5 million people, while its industrial production grew by over 60 % each year.

But there are still big differences between China and Hong Kong. Under the administration of the British government until 1997, the city of Hong Kong developed into a showcase of Asian capitalism and by 1993 was considered to be the sixth richest country in the world.

## Way in

Business decisions should be based on hard facts, but rumour and reputation often have a very big part to play, too.

Imagine that you are planning to buy a house. Which of these factors would have the biggest negative effect on your decision to buy? Rank them from most negative (1) to least negative (6).

Factor	Rank
A broken window	
A rumour that a man had been murdered there fifty years ago	
A neighbor playing a loud electric guitar	
A story that the seller has a criminal record	
A strange smell in the bathroom	
Tasteless decorations in the main room	

*Discuss whether your decisions are based more on hard fact or rumour and reputation.*



## Big Fish don't Jump

At the press conference to announce his latest hotel construction project, Hong Kong businessman Alan Peng was in a particularly good mood.

"I can guarantee", he told his audience, "that this will be the finest new hotel in downtown Shenzhen. And it will be ready for its first occupants in less than two years".

Several of the journalists looked up from their notebooks. "Are you serious about that deadline?" asked one of them.

"Like I said," Alan Peng replied, "I guarantee it." Then he paused and roared with laughter. "I'll tell you what. If it's late...., I'll dive into Victoria Harbour."

The conference broke up with the journalists still laughing at the idea of the millionaire tycoon jumping into Hong Kong's busiest and most polluted stretch of water.

Twenty months later, Alan Peng didn't find his joke quite so funny, when his aide, Harry Seling, handed him an article from one of Hong Kong's business journals:

### **BIG FISH DON'T JUMP**

Alan Peng runs into problems on mainland China

by Nancy Au in Hong Kong

Alan Peng might be a big fish in the small pond of Hong Kong business, but when it comes to working on mainland China, he is a fish out of water.

At the beginning of last year, Peng boasted that he could build Shenzhen's finest luxury hotel in record time. But after a series of disputes with contractors and botched negotiations with officials, the hotel looks like being neither Shenzhen's finest, nor ready anywhere near its promised completion date.

A spokesman for Peng's company, Peng Holdings, claimed that the delays were due to the intransigence of local planning authorities. However, industry insiders are saying that Peng's cost-cutting measures and insensitive management have brought the project to the brink of standstill.

The news comes at a bad time for Peng Holdings. Rumours have been flying around the Hong Kong Stock Exchange that Peng's investment in a Shanghai-based plastics factory has also turned sour and that his company is now desperately short of liquidity.

So, is there any chance of the Shenzhen hotel meeting its two year completion deadline? When Alan Peng announced the project, he promised that if the hotel was not completed on time, he would dive into Hong Kong's Victoria Harbour. As his financial backers will soon find out, when it comes to keep his promises, Alan Peng is a big fish who just doesn't jump.

"Shall I ask out lawyers to do something about this?" asked Seling.

“I don’t know, Harry,” said Peng. “A long court case is not going to help us. This is a question of confidence. It’s true that we’re not going to meet the deadline on the Shenzhen hotel, but we still need to show people that we mean what we say.”

Peng walked over to the window and looked out across the Hong Kong skyline.

Harry Seling watched his boss and tried to read his thoughts. “Alan”, he said, “you’re not thinking of... Alan listen, you’re fifty-five years old. You’re one of the most respected businessmen in this city. Alan please, don’t...”

But Alan Peng wasn’t listening...

How should Alan Peng respond to this article?

### Vocabulary

*press conference* – a meeting arranged to give a statement to journalists and answer questions

*deadline* – the time by which something should be completed

*Victoria Harbour* – Hong Kong’s busiest waterway. (Although it’s polluted diving into it probably wouldn’t be very dangerous. But it wouldn’t be a pleasant experience.)

*tycoon* – a rich and powerful business person

*aide* – an assistant to an important person

*a big fish in a small pond* – someone who is important in a comparatively unimportant place

*a fish out of water* – someone who is uncomfortable because she or he is in an unfamiliar situation

*contractors* – independent companies which sign contracts to do part of a bigger job

*botched negotiations* – negotiations which have failed because they have been badly handled

*promise completion date* – the date by which the work should be done

*intransigence* – refusal to change an opinion or negotiating position

*local planning authorities* – government organizations that allow building to be built or altered

*industry insiders* – people with special or secret knowledge or a particular industry

*the brink of standstill* – the edge of stopping completely

*to turn sour* – to go bad

*liquidity* – the state of having cash or assets that can be easily turned into cash

*financial backers* – people who have invested money in something

*court case* – legal hearing

### **Analysis**

The press conference

*Quickly scan the first paragraph and find the answer to these four questions:*

1. What did Alan Peng announce at the press conference?
2. Where is Alan Peng based?
3. When will the project be completed?
4. What does Alan Peng say he will do if the project is not finished before the deadline?

The article

Paragraph 1: Idioms

The opening paragraph is based onto two English idioms: “a big fish in a small pond” and “a fish out of water”.

In this context, what is “the small pond”? And where is “out of water”

Paragraph 2-4: Check the facts

Journalists can't write things which are untrue – if they do they could face legal action. But unfortunately, they do not always have time to check all their facts thoroughly. Because of this, they often use techniques which allow them to tell the story without saying that it is all definitely true.

*Imagine that you're a lawyer and read paragraphs 2-4 very carefully. Then decide which of the following statements are definitely true and which might be true, according to the paper:*

1. Alan Peng definitely said that he could build the hotel in record time.
2. The hotel will definitely not be ready before its deadline.
3. Delays in the construction project were definitely due to the intransigence of planning authorities.
4. Alan Peng's cost cutting and insensitive management have definitely stopped the project.
5. Another of Alan Peng's investments has definitely gone bad.

*In these paragraphs, which of these words or phrases tell you that some of the statements are not definitely true?*

- |                |                              |
|----------------|------------------------------|
| neither... nor | however                      |
| looks like     | industry insiders are saying |
| claimed        | rumours                      |
| intransigence  | desperately                  |

Read his thoughts.

*Now read to the end of the problem and then discuss this question:*

What thoughts are going through Alan Peng's mind as he stares out over Hong Kong?

Now, move on to make your decision

**Decision time**

What should Alan Peng do?

*Try thinking about the problem in this way:*

1. Is there really a problem?

First, decide if Alan Peng is really facing a problem – perhaps he has nothing to worry about.

2. If there is a problem, what exactly is it?

Here are two ideas: Peng's problem could be one of these things, a combination of them, or something completely different. What do you think?

- The rumours at the stock exchange
- Alan Peng's promise to jump into the harbor
- The delay in the hotel project
- How to respond to the journalist's article

3. Re-state the problem in your own words:

Alan Peng's problem is.....

# The Barbecue

## *Before you read*

*This story is about a clash of cultures. If you want to find out more about cross- cultures issues, read this background box:*

### Cross-cultural awareness

Culture plays a crucial part in shaping our values and the way we behave. To operate successfully in an international business environment, businesspeople have to understand the cultural differences between people from different backgrounds and nationalities. But how can they do this?

Clearly, the average businessperson can't become an expert on all the world's cultures. So, management thinkers have suggested that instead of looking at cultures in detail, businesspeople should be aware of the differences between cultures, for example, by studying the ways cultures have different attitudes towards the individual, the environment or time.

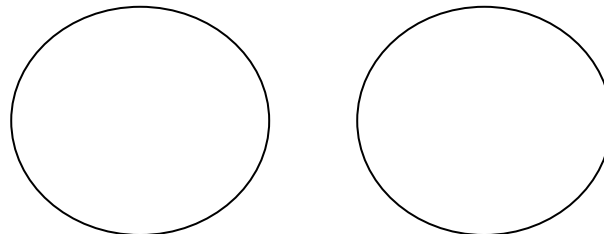
## *Way in*

Which part of your life do you consider public and which part do you consider to be private?

First, draw two circles, one inside the other. The inner circle represents your private life, the other you public life. The size of the circles should reflect how much of your lie you think is public and how much is private.

*Now put these things into the circle (private or public) in which you think they belong:*

*your living room  
your bedroom  
your car  
your fridge  
your bathroom*



*Compare your circles with your partner*

*Now discuss this point:*

Do you think that your choices are based more on cultural attitudes or on personal preferences?



## The Barbeque

Wherever they were in the world, Koji Fukuhara and his British wife Judith always gave summer barbeque party. Koji's job – working for a multinational company – meant that they had never stayed in one country for long, so the barbeque had always been an excellent way for them to mix socially with Koji's colleagues.

Now that Koji was his first year as managing director of the company's Spanish subsidiary, the barbeque party had taken on an extra meaning. Managing people from twelve different nationalities was no easy task, but he was sure that the party would bring his whole team together. At least, that's what he hoped.

Koji and Judith Fukuhara

*request the pleasure of your company  
at a barbeque lunch*

*on Sunday 3 June, at 1.00  
at Calle Gardenia 7, Sevilla*

Here are two accounts of what happened at the party:

Etienne Briand (29 years old, French, in his second year as a middle manager in the Spanish office)

Alan McDyre (32 years old, American, a middle manager who has recently been transferred from the Los Angeles office)

That new American guy is unbelievable! He arrived at Mr. and Mrs. Fukuhara's party an hour late – wearing a pair of bright green shorts, a running vest and a baseball cap! Can you imagine it? As far as I'm concerned, he made all of us managers look ridiculous. You could tell that the secretaries and the junior staff were laughing at him behind his back. I don't know how he expects us to command their respect, if he behaves so stupidly. Unfortunately, that wasn't the end of it. At about 2.45, Mr. Fukuhara was standing by his pool, discussing one of the new projects with a few of us, when Alan came over and said, 'Can I get anyone a drink from the fridge?' It was extraordinary! Can you imagine offering people something from someone else's fridge – particularly when that person is your boss!

When I got there, the party was in full swing. Koji and Judith had invited everyone from the office, which meant I got the chance to meet all the people that I wouldn't normally speak to – you know, like the admin staff and the secretaries, even the cleaner! Of course, I realized immediately that I wasn't dressed quite right – the other guys were all in ties and blazers – but it was a Sunday and I thought, 'Hey – they'll just have to take me as I am.' Anyway, after a while I walked over to join Koji and a group of managers who were chatting by the pool. I noticed that they didn't have any drinks, so I said, 'Can I get anyone a drink from the fridge?' It was weird. For some reason, they all stopped talking and stared at me – like I'd



Well, we all just stopped talking and waited to see how Mr. Fukuhara was going to handle the situation....`

committed some awful crime. Well, I didn't think I'd done anything wrong, so I just looked at Koji and waited for him to say something.`

If you were in Koji Fukuraha's situation, how would you respond to Alan's offer?

### **Vocabulary**

*multinational* – a company which has officers or operations in many countries  
*to mix socially* – to talk to lots of people in a friendly situation  
*subsidiary* – a company which is more than 50% owned by the parent company  
*request the pleasure of your company* – formal expression for 'invite you'  
*middle manager* – one of a group of managers below top management  
*in full swing* – full of people, with lots of activity  
*admin* – abbreviation for 'administration'  
*blazer* – a type of semi-smart jacket, usually with metal buttons  
*take me as I am* - accept me as I am  
*a running vest* – a shirt without sleeves, worn by athletes  
*behind his back* – without his knowledge  
*to command respect* – to get respect

### **Analysis**

What is it for?

*Read the first two paragraphs and then choose the best answer to this question:*

What's the purpose of this barbecue party?

- a) To celebrate Koji Fukuhara's new job.
- b) To improve his career prospects.
- c) To mix socially with his colleagues.
- d) To bring his team together.
- e) To maintain a tradition.

The invitation

*Look at the invitation and discuss these questions:*

1. Do you need to reply formally to the invitation?
2. Should you take anything to the party?
3. How would you dress for a party like this?
4. What time would you arrive?

The two accounts: what's wrong?

*Read the two accounts of the party and then try this activity:*

Do you think that Alan has done anything wrong? If your answer is 'Yes', make a list of the things he has done wrong and compare your list with the lists of your colleagues.

The two accounts: a cross-cultural reading

*Here are four ways in which cultures may differ from each other. In small groups, discuss each of these points, with reference to Alan and Etienne, producing evidence to support your answers:*

1. Specific    Diffuse

`Specific` cultures make a very clear distinction between working life and personal life; in `diffuse` cultures these two areas of life are mixed up.

Which character takes a more `diffuse` view of life?

2. The individual The group

In some cultures, the interests of the group are more important than the interests of the individual; other cultures place far more emphasis on individual rights and responsibilities.

Which character is more individualistic?

3. Power distance

Cultures with `a high power distance` place a great deal of importance on rank and status in organizations. Relationships in cultures with `a low power distance` are much more equal.

Which character seems to come from a `high power distance` culture?

4. Private or public space

Different cultures have different attitudes toward privacy.

Who shows more respect for private space?

Does this cross-cultural reading help to explain Alan`s behavior and Etienne`s response to it?

Is culture relevant?

*Now discuss these points:*

1. Would Alan`s behavior be normal in an American context?
2. Is Etienne right to disapprove of Alan`s behavior?
3. Do you think this individual personality is more important than national culture in determining how Alan and Etienne behave at the barbecue?

When you have analyzed both sides of the story, decide what sort of action Koji Fukuraha should take?

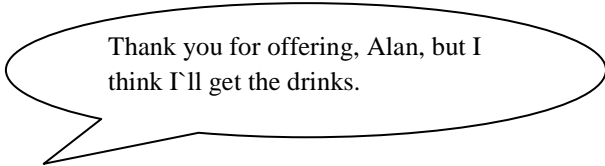
### ***Decision time***

How should Koji Fukuhara respond to Alan McDyre`s behavior?

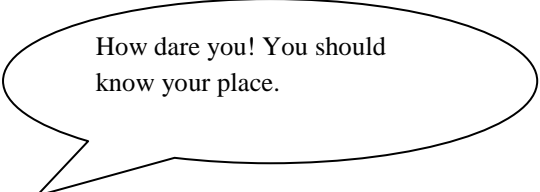
*Note:* as a Japanese, Koji Fukuhara must have his own cultural perspective on the events at the barbecue. However, as a manager in a multi-cultural environment, he should be aware of the cultural backgrounds of his staff and be able to reach a fair, balanced decision.

What could he say....

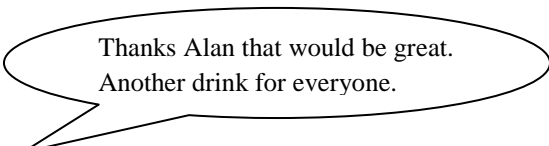
Here are four things that he could say to Alan:



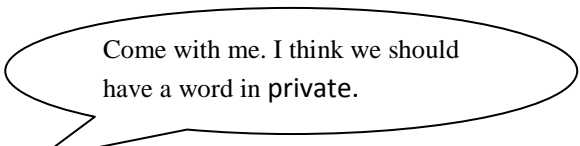
Thank you for offering, Alan, but I think I`ll get the drinks.



How dare you! You should know your place.



Thanks Alan that would be great. Another drink for everyone.



Come with me. I think we should have a word in private.

Discuss these questions:

1. Which response would Alan expect?
2. Which response would Etienne want Koji to make?

What should he say?

## Plague and Prejudice

### *Before you read*

*This story concerns an outbreak of the disease known as `the plague`. Read this background box to find out more about this disease:*

#### The plague

For most of human history, the plague has been one of the most feared diseases in the world. It is estimated that the European plague of the fourteenth century may have killed up to half of the population of Europe.

Modern medicine has brought the plague under control and it now occurs only in very dirty, unhealthy conditions. The outbreaks of plague in the Indian states of Gujarat and Maharashtra in 1994 were the first cases of the disease in India since 1966. However, the news of the plague caused widespread panic both in India and in the international community.

### *Way in*

*The behavior of the American company in this story shows how fear and ignorance can influence decision-making. But, would your lack of knowledge of certain situations also make you jump to the wrong conclusions?*

*Discuss these two questions:*

1. Your government wants to spend a large sum of money on improving public safety. It can invest in new safety equipment at the main airport or it can contribute to an international project to prevent asteroids from hitting the earth. Which project would you vote for?
2. Is it more dangerous to be a member of the US armed forces in a time of war or to live in the American capital, Washington DC?



## Plague and Prejudice

Javesh Chandrasekhar couldn't concentrate on the international radio news as he drove to his office in the southern Indian city of Bangalore. The following day he was leaving for a conference in Hawaii, organized by his company's biggest customer, and his mind was on all the things that he still had to organize. But as he drove into the company car park, an item on the news programme caught his attention.

‘In the state of Maharashtra in central India, over a thousand cases of plague have now been reported. World Health Organization officials have appealed for calm, as tens of thousands of villagers in the area flee their homes. Indian authorities say that it is too early to talk of an epidemic, but a number of Western travel agents are advising customers to travel to the region only if strictly necessary...’

Javesh switched off the radio irritably, grabbed his case and slammed his car door. Why did the international media always portray his country in such a negative light? Like any huge nation, India had its bad points – he accepted that – but, as he pointed out to visitors to his own company, in some fields India was a match for any country in the world.

He and his partner, Shiva Ramanajun, owned a software development company that produced new software for some of America's top corporations. A satellite link kept them in constant contact with their customers, they employed the cream of India's computer technicians but, thanks to low local labour costs, they could do the work for a fraction of the price demanded by a similar organization in the West.

Still fuming about the radio report, Javesh strode into his office, where he found Shiva in a state of considerable agitation. ‘What is it?’ he asked. Shiva didn't say anything, but handed him a page of fax paper.

Page 2 of 2

Dear Javesh:

We've heard the bad news coming out of India over the last couple of days, and let me say that we're really sorry to hear about the plague problems that you're experiencing.

Our travel people tell me they're expecting a lot of flight cancellations into and out of India over the next few days and we quite understand that it may now be difficult for you to attend our Hawaii conference as planned.

Of course, as one of our most valued suppliers, we want to make sure that you don't miss the party, so we'll be arranging a satellite hook-up from the Hawaii centre to enable you to video-conference with us throughout the whole three days.

All cancellation arrangements and expenses will be handled by our travel people here, so there's nothing for you to worry about on that score.

*Miriam T Gersinia*

Hawaii Conference Coordinator

Javesh couldn't contain his anger. 'Are these people mad?' he shouted. 'Why are they trying to stop me going to their conference? Do they understand nothing about our country? What do they think I'm going to do? Give them the plague? Maharashtra's over a thousand kilometers away. I ask you, Shiva, I ask you – how can we do business with people like this?'

'Javesh, calm down,' said Shiva, 'and think carefully before you do anything. We both know that there are no flight cancellations out of Bangalore and we both know that these people are being very very stupid – but they are also our biggest customer.'

How should Javesh respond to the fax?

### Vocabulary

*plague* – a deadly disease, usually transmitted from rats to humans

*to flee* - to escape from

*epidemic* – a disease which affects a large number of people at the same time and spreads very quickly

*to slam* – to close violently

*media* – newspapers, television and radio

*in a negative light* – in a way that shows the bad side

*to be a match* – to be a serious competitor

*software development* – the writing of programs which tell a computer how to operate

*satellite link* – a telecommunications connection made through a satellite above the earth's atmosphere

*the cream* – the best

*to fume* – to be very angry about something

*in a state of agitation* – in an emotional or anxious condition

*a hook up* – a connection

*on that score* – concerning that matter

### **Analysis**

Paragraph 1: Set the scene

Read the opening paragraph and answer these questions:

1. Where does Javesh work?
2. What's the purpose of this trip?
3. Where's he going tomorrow?

Paragraph 2: The radio report

International news stories are usually put together from a number of different sources.

Here are three of the statements on which the radio report is based. Write the source of each statement in the column on the right.

	Statement	Source
1.	We ask you to be calm.	
2.	It is too early to talk of an epidemic.	
3.	You should only travel to this region if strictly necessary.	

Paragraph 3: Javesh`s reaction

Read the paragraph and then discuss these points:

1. India has a population of around 900 million. In this context, should the death of 1000 people from plague have such expensive media coverage?
2. Do you understand why Javesh is so angry about the media coverage?

Paragraph 4: The software development company

Read the paragraph and complete this company profile:

Bangalore Software Development Owners: _____ Main customers: _____ How is the company connected to its main markets? _____ What kind of people does it employ? _____ Are its services cheaper or more expensive than similar services in the West? _____
---

The fax

Read the fax and answer these questions:

1. What is the sender of the fax sorry to hear about?
2. Why will it be difficult for Javesh to attend the conference?
3. What special arrangements will be made for him?

Now discuss these questions:

1. From what you heard in the radio report, do you think that flights into and out of India will be cancelled?
2. Does it sound as if the Americans really want Javesh to attend the conference? Why not? Read to the end of the story and then move on to discuss your decision.

**Decision time**

How should Javesh respond to the fax?

*It is probably quite clear what Javesh would like to say in response to this fax. But, as Shiva says, before he takes his decision, he needs to think carefully. To think about the diplomatic implications of any decision that he might take, try this activity:*

When you`re being diplomatic, what you really want to say and what you actually say can be very different. Look again at the fax. Around it are four things that are probably really wanted to say. Draw a line from each statement to the paragraph of the fax that you think expresses that statement `diplomatically`.

Page 2 of 2

B We are terrified by the idea of the plague.

Dear Javesh,  
 We`ve heard the bad news coming out of India over the last couple of days, and let me say that we`re really sorry to hear about the plague problems that you`re experiencing.  
 Our travel people tell me they`re expecting a lot of flight cancellations into and out of India over the next few days and we quite understand that it may now be difficult for you to attend our Hawaii conference as planned.

D Please don`t even try to come.

A We don't want you to come to the conference in Hawaii.

Of course, as one of our most valued suppliers, we want to make sure that you don't miss the party, so we'll be arranging a satellite hook-up from the Hawaii centre to enable you to video-conference with us throughout the whole three days. All cancellation arrangements and expenses will be handled by our travel people here, so there's nothing for you to worry about on that score.

*Miriam T Yersinia*

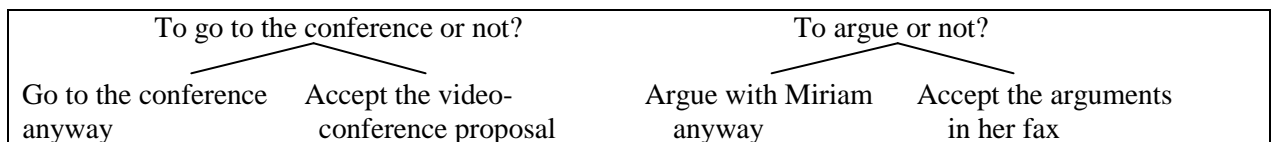
Hawaii Conference Coordinator

C Don't try to argue with us, we've organized everything.

Here are four things that Javesh would probably like to say in response to the fax. In pairs, discuss how he could put each of these ideas across diplomatically:

What he would like to say...	What he should say...
Why are you trying to stop me going to your conference?	
You are lying to me: there are no flight cancellations out of Bangalore.	
You know nothing at all about the situation in my country.	
How can I do business with stupid, ignorant people like you?	

Now, with someone from a different pair, role play a conversation between Miriam and Javesh in which each of you tries to put your points across as diplomatically as possible. Having thought through how Javesh can put his points across diplomatically, think about the two decisions that he has to take:



In your pairs discuss the implications of each possible decision and then choose one of the opinions for each of the two decisions or think of a much better solution.

## The Abalone Mystery

### *Before you read*

*This story is about the abalone fishing industry. To find more about the abalone business, read this background box:*

#### Abalone

Abalone is a type of edible shellfish found in the sea off southern Australia, New Zealand and South Africa. Because stocks are limited, strict laws govern the amount of abalone that can be caught and the divers who collect abalone in the markets of China and south east Asia, illegal abalone fishing is common and in Australia it is regarded as a type of organized crime by the authorities.

### *Way in*

This story asks you to do some detective work. Try this detective`s aptitudes test.

#### Choose one answer to each of these questions

1. A car alarm goes off in your street at two o`clock in the morning. What do you do?
  - a) Go back to sleep.
  - b) Go out in the street to investigate.
  - c) Call the police
2. You arrive home to find a message on your answer phone that says, `You are going to die!` How do you react?
  - a) Ignore it.
  - b) Check all the doors are locked and sleep with a knife next to your bed.
  - c) Call the police.
3. A man stops you in a dark street and demands your money. Do you:
  - a) Hand it over?
  - b) Fight?
  - c) Scream and run away?

Now work out your score. Score 5 points for every answer a), 3 points for every answer b), 1 point for every answer c). Then add up your scores.

15 points. You`d make a good detective: you have a cool, practical response to a crisis.

10-14 points. You`re a tough, decisive character, but you may have a tendency to look for the worst in situations.

6-9 points. When analyzing a case, think carefully before you jump to any conclusions.

less than 5 points. You rely too much on the help and opinions of others: you should have more faith in your own judgment.



## The Abalone Mystery

When the body of South Australia businessman, Ron Massie was found washed up on a beach early in the morning of 1 April 1996, the local police were inclined to treat it as a tragic accident. But detective Jane Murphy wasn't so sure – particularly when she started examining some of the key documents in the case.

The Southern Star 16.2.95

**MR NICE GUY TAKES THE PLUNGE**  
by Rita Napangadi

Adelaide businessman, Ron Massie, today announced a bold new business venture – a new abalone-canning plant on the western fringes of the city. Ron, who is also well-known for his charity work, knows that this is one project in which he can't afford to give anything away.

'Efficiency and strict cost control are the keys to success in this business', he says. 'We know that for every A\$1 million of cans that we ship, we'll have spent A\$800.000 on the raw material alone. That means that we've got very little margin for error.'

The waters off South Australia are one of the few places where abalone still thrives, but, even so, supplies are strictly limited – a problem that Ron says he can deal with. 'Using the most advanced canning technology in the world means that we can extract the maximum amount of abalone meat from each catch. No waste! No worries!

17.2.95

Dear Mr. Massie

As you know, to protect the abalone stocks in Australian waters, abalone fishing is subject to a strict quota system and all abalone divers must be licensed.

If you have any doubts about the source of any abalone that you are offered, please don't hesitate to get in touch with us.

I look forward to working closely with you.

Yours sincerely

1a.m. 9/6/95

*Ron – I know this is a bad start to your day, but we're experiencing a persistent malfunction with the sealing procedure on the canning line. I've been up half the night with couple of blokes trying to fix it, but so far, no joy. Without a miracle we're set to lose about 40% of the latest abalone delivery.*

*Pete*

14/8/95

Dear Ron,

*I've looked over the figures and, frankly, they scare me. As you said, there's no margin for error in this business and at the moment your company is making far too many big, big errors.*

23/8/95

**Yes. Can do. I've talked to my partners and we can offer you what you want at the price we talked about. Cash on delivery. No worries.**

**RP**

*Unless you can do something drastic - like reducing your overheads or slashing your raw material costs - I just don't see how you can go on.  
My advice is - cut your losses and get out now.  
Gina*

5/2/96

*Dear Ron,  
I enjoyed your publicity stunt with the yacht last week - but, believe me, you haven't fooled anybody. Half of Adelaide knows what's really going on, and that includes your creditors.  
As for accounts - when the tax people get to grips with all these mysterious payments, they're going to throw a real wobbly!  
We have to talk!  
Gina*

The Southern Star 29.1.96

**CAPTAIN RON SERVES UP A CHINESE SURPRISE**

by Rita Napangadi

Adelaide businessman Ron Massie celebrated a remarkable first year at the helm of his new company with the purchase of a company yacht, the *Mother of Pearl*.

Although he refused to go into details, results for his abalone-canning business look set to defy all expectations. Asked about the reasons for his spectacular success, a grinning Ron gave a one word answer: 'China'.

He went on to explain. 'In China, no wedding feast or festival is complete without abalone on the menu. And with the Chinese economy booming, we just haven't been able to ship the abalone fast enough!'

14/2/96

**You still owe us. Next month we cut your supplies. The month after we'll cut something else understand?**

**RP**

5/2/96

*Dear Ron,  
I enjoyed your publicity stunt with the yacht last week - but, believe me, you haven't fooled anybody. Half of Adelaide knows what's really going on, and that includes your creditors.  
As for accounts - when the tax people get to grips with all these mysterious payments, they're going to throw a real wobbly!  
We have to talk!  
Gina*

19/2/96

*Dear Ron,  
Sorry to see you looking so down on Saturday night, mate. Still, at least it looks like there's light at the end of the tunnel.  
If you ever fancy a few days away from it all in the country, give us a call  
- Sheila and I would be delighted to have you.  
Give us a call soon about that fishing trip we discussed.  
All the best, Bruce*

15/3/96

*Ron - we must have a meeting - things can't go on like this. It's just one problem after another with the factory. Last night a refrigeration unit broke down, which cost us probably another 2,000 cans. I am simply not prepared to work with substandard equipment any more.*

*Pete*

The Southern Star 2.4.96

BUSINESSMAN'S DEATH A TRAGIC LESSON  
by Rita Napangadi

Tributes to the Adelaide businessman, Ron Massie, continue to pour in. Massie, whose body was found washed up on the beach yesterday, was the boss of SA Abalone and was well-known for his charity work.

But local lifeguards were quick to draw a lesson from his death. 'I guess he went for a swim and got swept away,' said their spokesperson, Rick Peebles. 'We're always warning about the strong currents that you get round here. After this perhaps a few more people will start listening.'

If you were detective Jane Murphy, how would you explain the death of Ron Massie to your superior officer?

**Vocabulary**

*washed up* – left by the sea

*Mr. Nice Guy* – someone whom everyone likes

*to take the plunge* – to start a risky activity

*to thrive* – to be successful and strong

*catch* – a delivery of fish

*a quota* – a fixed amount

*malfunction* – a fault in an operation

*sealing* - the process of closing cans to keep air out

*canning line* – a production line where a product is put into cans

*blokes* – men (slang)

*no joy* – no success

*to slash* – to reduce dramatically

*to cut your losses* – to withdraw from an unprofitable business before you lose any more money

*at the helm* – to be in charge of a boat or a business

*to defy expectations* – to perform in an unexpected way

*a publicity stunt* – a special event designed to get lots of publicity

*to fool someone* – to deceive someone

*to get to grips with* – to deal seriously with

*to throw a wobbly* – to become very angry and upset

*to look 'down'* - to appear unhappy or depressed

*mate* – slang for friend

*light at the end of the tunnel* – a possible end to your problems

*refrigeration unit* – equipment used to keep something cool

*a lifeguard* – a person employed on a beach to help swimmers who are in danger

*a tribute* – a message of respect and admiration

*currents* – areas of water which flow strongly

**Analysis**

*Read through the documents and then work in small groups, discussing the answers to the following:*

The characters

Make sure that you are clear about the roles the different characters play in the story. Match the job in the column on the left with a name from the column on the right.

Job	Character
the detective	Bruce
the boss	Rita Napangadi
the factory manager	Ron Massie
the accountant	Pete
the journalist	Gina
the friend	Jane Murphy

Do you have any theories about what job the mysterious `RP` does?

The abalone business

Complete this sentence by choosing two factors from the box below:

Success in the abalone business depends on:

good labour relations	strong cash flow	efficiency
strict cost control	new ideas	aggressive marketing

The legal situation

Which of these statements best describes the legal position of abalone fishing in Australia?

1. There are no regulations concerning abalone fishing.
2. People can collect as much abalone as they like, but they must have a license to do so.
3. The amount of abalone collected is subject to a quota and all abalone divers must be licensed.
4. Everyone has a right to collect a small amount of abalone.

The accounts

What can you deduce about the financial position of Ron Massie`s company at two points in its history:

After six month...

1. Did the financial position of the company look good?
2. Had any mistakes been made?
3. Were there any ways in which the company could improve its performance?

After a year...

1. Did the business owe anyone any money?
2. Were all payments made by the business clearly explained?
3. Were there likely to be any problems with the tax people?

Production problems

Complete these two entries in the factory manager`s records:

Date	Technical problem	Result
		Loss of 40% of abalone delivery
		Loss of 2.000 cans

Now discuss this:

Do you have the impression that these were the only two production problems that Pete had to deal with?

### Public image

Choose two adjectives which describe the public image of Ron Massie:

ruthless	generous	popular	tough
mean	aggressive	corrupt	weak

Next discuss the public image of his company:

1. Are you surprised that Ron Massie's company can afford a company yacht?
2. Do you think that everyone believes that the company is so successful?
3. What reason does Ron Massie give for his company's success?

Now discuss this point:

Do you think that there's difference between the reality and the public image of Ron Massie and his company?

### The 'RP' letters

Do you have any theories about the 'RP' letters? Discuss these questions:

1. In the 23/8/95 letter, what does 'we can offer you what you want' refer to?
2. What are the 'supplies' mentioned in the 14/2/96 letter?
3. What is the meaning of 'we'll cut something else'?

### Unfinished business?

Discuss which of these things on Ron's 'To Do' list had probably not been dealt with at the time of his death.

*To Do*

1. Pay creditors
2. Settle debt with RP
3. Meet Pete re. production problems
4. Call Bruce re. fishing trip

### Decision time

How would you explain the death of Ron Massie?

Divide into three groups. Each group should work on one of the following three tasks:

1. Suicide

Try to build a case to persuade the rest of the class that Ron Massie's death was suicide.

2. Murder

Work on a way of telling the story that will persuade the others that Ron Massie's death was murder. You'll need to find a convincing motive – and a possible murderer.

3. Accident

Look for arguments that suggest that Ron's death was an accident, as well as ways of undermining possible arguments in favour of suicide and murder.

Each group should elect a spokesperson to put their case to the rest of the class. The spokesperson should present the case formally and allow time at the end of the presentation for group colleagues to make any extra points in support of that argument.

Form another three groups, each one containing roughly equal numbers of representatives from the original three groups. These three new groups should discuss the case, take a vote on their decision and then present their findings to the class as a whole.

Finally, the class can vote on which alternative is the most convincing.

# The Hohokum Virus

## *Before you read*

*In 'The Hohokum Virus' you'll read about computer crime and computer viruses. If you want to find more about these viruses, read this background box:*

### Computer viruses

Computer viruses are the biggest threat to modern computer systems. Viruses are tiny programs which spread through computer networks destroying a computer's memory and deleting its programs and files. They are often introduced into computer software by criminals who hope to get money from a company. A recent survey suggested that computers in big firms suffer from an average of four viruses per year.

### *Way in*

Computer crime is becoming increasingly common in the modern world. But is it really as bad as more traditional forms of crime? Compare these two cases:

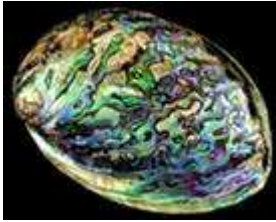
#### The bank raid

A bank robber walks into a bank with a gun, threatens the bank clerk and steals \$50,000

#### The salami attack

A computer expert gets into a bank's computer system, takes \$0.01 from 5 million different accounts and transfers the money to his or her own account.

Which crime is worse?



## The Hohokum Virus

Hohokum Systems Inc. is an electronic data systems company founded in the mid 1980s by three young friends, Matt Bradley, Jane Gooddall and Riccardo Ciccone. Based in Phoenix, Arizona, Hohokum specialises in providing secure computer systems for clients who are highly sensitive to the dangers of fraud and computer crime. Working mostly in the financial and local government sectors, Hohokum successfully came through the recession of the early 90's and is now well established across the western USA. Recently it has expanded its sales operation to cover a number of countries in Central America.

But, despite such spectacular growth, Hohokum's management structure has changed little since the early days of the company. Decision making over all issues relating to policy, day to day management and expenditure is still strictly controlled by the three partners. However, Hohokum's staff are happy – the Phoenix office is relaxed and easy going and a profit share scheme ensures that all employees identify strongly with Hohokum's corporate objectives.

So, when Bradley, Goodall and Ciccone flew to Mexico City to attempt to clinch the company's biggest ever deal, they knew that the staff back in Phoenix were 100% behind them. They had an afternoon meeting with the top officials of the Mexican state post and telecommunications company. It was the culmination of two years sustained sales pressure and, if successful, the deal to set up an EDS for the Mexican government could be worth as much as \$35 million.

The three partners had taken a 09.30 flight out of Phoenix and were to arrive in Mexico City in good time for lunch with their Mexican agent. Back in Hohokum's office, the atmosphere was tense as Hohokum's staff drank coffee and discussed the company's chances of success. But at around 10.00 that morning, the tension turned to panic when the following message flashed up on every work station computer terminal in the Hohokum building.

<p>The Hohokum computer system has been infected by a virus. An antidote can be purchased at a price of \$1 million by means of an electronic fund transfer to this offshore account number: 500300560080 before 10.30 this morning. Failure to comply fully with these terms, or any attempt to tamper with the system will result in the irretrievable loss of all data stored in the Hohokum system.</p>
---

The staff stared at their screens in amazement. They knew that their bosses were all in the air and couldn't be contacted. 'Is this some kind of joke?' they asked each other.

Should Hohokum's staff pay the ransom?



## Vocabulary

*EDS (electronic data system)* – computer systems

*fraud* – the crime of deceiving people to obtain money, or goods

*spectacular growth* – great and rapid growth

*profit share scheme* – a plan that gives some of the company's profits to its staff

*corporate objectives* – the targets set by a company

*to clinch a deal* – to make a sale

*culmination* – the result of a lot of effort and hard work

*antidote* – a program that will stop the virus

*electronic fund transfer* – the direct payment of money from one account to another by computer

*offshore account* – a bank account in a country like the Bahamas or the Cayman Islands with special banking laws. Accounts in these places are often secret.

*to tamper* – to interfere or to make changes.

## **Analysis**

Read through 'The Hohokum Virus', stopping at the end of each paragraph to answer or discuss these questions:

Paragraph 1: Company profile;

Complete this company profile sheet with information about Hohokum Systems from the first paragraph:

Name:
Location of head office:
Product:
Business areas of main clients:
Main geographical areas of operation:

Paragraph 2: Hohokum's employees

When you've read the second paragraph, think about conditions for Hohokum's employees:

Which of these sentences are true and which are false?

1. Employees often take important decisions.
2. There is a pressurized, competitive atmosphere at the company.
3. Employees have a chance to share in the company's profits.
4. Employees have no interest in company policy.

Paragraph 3 and 4: Jane's diary

When you've read the third and fourth paragraphs, fill in the gaps in Jane Goodall's diary:

<b>Tuesday July 6</b>	<b>Wednesday July 7</b>
9.30 Fly to	
Lunch with	
Meeting with	
To discuss	

The message

Read to the end of the text, look at the message on the computer screen and answer these questions:

1. How can the virus be stopped?
2. Why do you think that Hohokum is asked to use electronic fund transfer?
3. Why does the person want the money to go to an offshore account?
4. What will happen if Hohokum doesn't pay?
5. What will happen if someone interferes with the computer system?

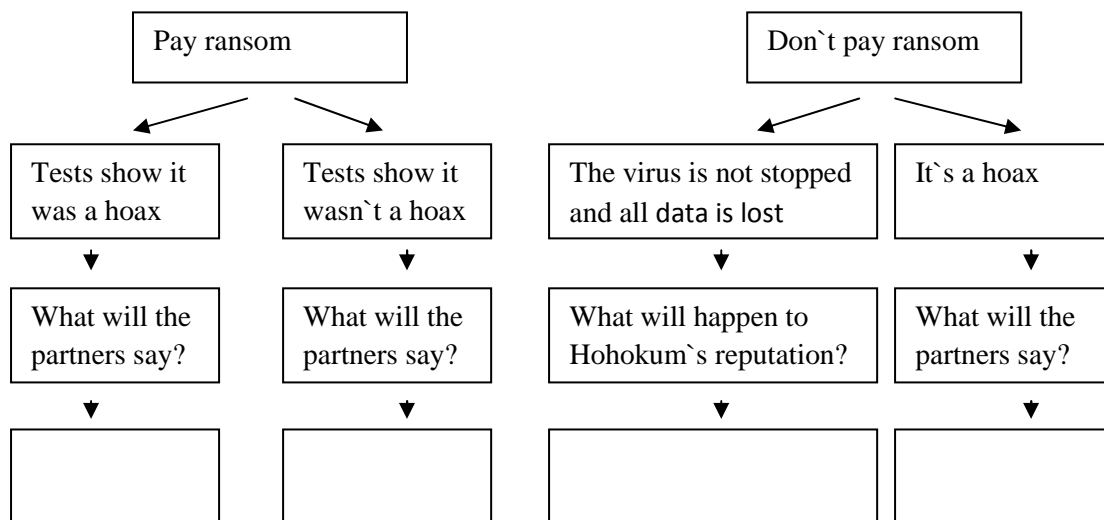
**Decision time**

Should the staff pay the ransom?

Try thinking about the problem in this way:

The decision tree is a method used by many businesspeople to think about the alternatives in a situation and their possible consequences. This decision tree shows the alternatives and their possible consequences in Hohokum's situation.

Work in pairs or in small groups and follow the steps along each branch of the tree. Decide on your answers to the four questions.



## Dirty Work

### *Before you read*

*If you want to find out more about business and the environment, read this background box:*

#### Business and the environment

Over the past few years, businesses have become increasingly concerned about their impact on the environment. In part, this is response to customers who are demanding more environmentally – friendly products, but tough new environmental laws have also changed business attitudes. In some countries, politicians would like to introduce a law that would make manufacturers responsible not only for making the product but also for disposing of it at the end of its useful life.

### *Way in*

Most people would agree that protecting the environment is a good thing. But are we prepared to pay the price? Discuss these situations:

1. You are president of a small, poor country which has only one modern hospital. Your power stations are old and produce a lot of pollution. You have received a grant of several million dollars: what do you do – build a hospital or improve your power stations?
2. Choose between these alternatives:
  - a) An extremely safe modern plant that processes nuclear waste will be built near to your home or
  - b) The same nuclear waste will be exported to a poor country and processed in an old-fashioned plant with few safety checks or regulations.



## Dirty Work

As Carmen de Souza drove into downtown Sao Paulo, she could hear her baby son, Wagner, coughing in the back seat. She wished that she didn't have to bring him into the dirty, polluted city every day, but in her situation, she had no choice. As a single mother, Carmen desperately needed the money she earned working as a Sales Administrator for Archanjo, a big Brazilian cosmetics company – and that meant that on weekdays she had to leave Wagner in the care of her mother, who lived close to her office. She dropped Wagner off just before eight and was at her desk a few minutes later. She sighed as she saw yet another official letter from Archanjo's management at the top of her in-tray.

Dear Colleague,

Last winter, a leading business journal described Archanjo as 'the dirty old man of Brazil'. According to the article, our record on toxic emissions and waste disposal was threatening not only the environment, but also our competitiveness in the international marketplace.

The new management team at Archanjo took these allegations very seriously – which is why we have come up with a new green corporate strategy, designed to limit the environmental impact of Archanjo's operations. In due course, you will receive a booklet detailing the strategy in full, but here are five of the main proposals:

1. Production will be moved away from three of our oldest and most polluting plants.
2. Our main product range will be re-packaged using exclusively biodegradable materials.
3. A working party will look into ways of recycling waste products and using renewable energy sources in production.
4. A new computer network and e-mail system will eliminate virtually all paper from Archnjo's main offices.
5. New flexible working patterns at head office will minimize commuting by staff during the congested and polluted rush hours.

We feel sure that we can count on your support as Archanjo does its best to make Brazil and the world a better, cleaner, healthier place.

Dr. Amadeus Azevedo, Chief Executive Officer

Carmen didn't normally take much notice of documents from the company's management, but she was a strong supporter of the Green movement and she was pleased to see that at last Archanjo was taking its environmental responsibilities seriously. At least that's what she thought until she read the piece of paper that was handed to her that lunch time.

**No to factory closures! No to redundancies!  
No to `the greener future`!**

Archanjo is making the world a better, cleaner, healthier place?  
Don`t make us laugh.

Archanjo doesn`t care about the environment any more than it cares about its employees. Here`s what their so-called `greener future` really means:

**They say...**

Production will be moved away from three of our most polluting plants.

A working party will look into recycling waste products and using renewable energy

A new computer network and e-mail system.

New flexible working patterns at head office will minimize commuting.

**But what that really means is...**

3000 redundancies, 3000 shattered lives. We say: NO WAY!

We will pay our rich friends millions of reais for yet another useless report

More redundancies, more bureaucracy.

Forget about your family, cancel your private life: from now on you work when we tell.

Don`t be fooled. Archanjo`s `greener future` is a cynical plan to cut jobs, close factories and boost profits.

If you really care about this company`s future you have no choice:

**Join the strike against the greener future from this Wednesday!**

Carmen read over the two documents again. She didn`t like the sound of the redundancies or the new working patterns. But if she went on strike she would lose pay – and, anyway, should she really be striking against Green principles that she believed in?

Should Carmen join the strike on Wednesday?

**Vocabulary**

*single mother* – a woman raising her child or children alone

*toxic emissions* – poisonous waste

*allegations* – an accusation made without any proof

*environmental impact* – the effect on the environment

*in due course* – at the right time

*to re-package* – to change the container and wrapping of a product

*bio-degradable* – can be broken down by natural processes

*to recycle* – to use something again

*renewable energy sources* – sources like the sun or wind that are not destroyed in the process of making energy

*to commute* – to travel (a long distance) between home and work

*congested* – blocked

*the Green movement* – the political movement which tries to protect the environment

*redundancy* - the loss of a job by an employee because there is no longer a job to do

*shattered* – broken

*bureaucracy* – unnecessary and complicated administrative procedures

*to boost* – to increase

## **Analysis**

*Read the first paragraph and then answer these questions:*

1. Why do you think that Wagner is coughing?
2. Why does Carmen desperately need money?
3. What's her job?
4. What does Wagner do while his mother is at work?

Archanjo's letter

*Read the first paragraph of the letter and then discuss this point:*

1. Why might Archanjo's environmental record threaten its position in the international market?

*Look at Archanjo's five proposals and then discuss these points:*

2. These are four common 'Green' objectives. Discuss ways in which Archanjo's proposals might help to achieve any or all of them:
  - Reduction of air pollution
  - Saving forests
  - More efficient use of energy
  - Reduction of waste
3. Do you think that Archanjo is seriously committed to its environmental strategy?

The strike document

*Read the paragraph describing Carmen's reaction and then quickly read the whole of the strike document. Then look at these two points:*

1. Which of these phrases is the best description of the document?
  - a) an official company document
  - b) a legal document
  - c) an unofficial hand out
  - d) an official trade union announcement
2. Choose two adjectives that describe the tone of the document:

sober	witty	reasoned	pompous
sarcastic	whimsical	angry	soothing

Now, read the document more closely and discuss:

3. Which of the proposals should Carmen be worried about?
4. Which of the document's criticisms of the proposals are the least convincing?

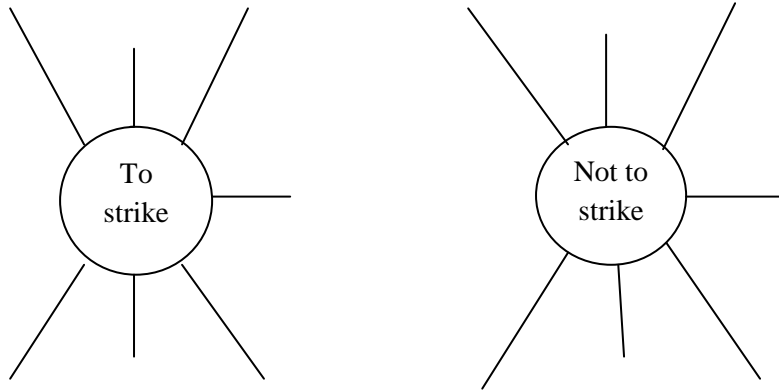
Read to the end of the story and then move on to discuss your decision.

## *Decision time*

Should Carmen join the strike on Wednesday?

Implication`s `spiders`

These two `spiders` provide a way of organizing your thoughts about the implications of Carmen`s two possible decisions (to strike or not to strike). In small groups, look at the list and decide which question you will write next to a leg of the appropriate spider.



- How will her colleagues react?
- What about the threat of new working patterns?
- What about her Green principles?
- How will her bosses react?
- What about money?
- What about the threat of redundancies?

If you can think of any other important implications of either decisions, draw extra legs on the spiders and write questions next to them.

Make your own choice: What should Carmen do?

## The Write Stuff

### *Before your read*

*In 'the Write Stuff', you'll read about graphology. If you'd like to know more about it, read this background box:*

#### Graphology

Graphology is a way of assessing someone's character by studying his or her handwriting. In many West European countries, it is very often used by companies when they are recruiting new staff. In Switzerland, for example, graphology is used in the selection of around 75 % of management jobs, and by nearly all Swiss banks. However, businesspeople cannot agree on whether graphology is really effective and in some countries its use is far less common. In the USA, only 5% of companies use graphology, and in the UK the figure is often lower.

You'll also read about recruitment. To think about different methods of recruitment, look at the 'Way in' section.

### *Way in*

Using graphology is just one of many ways of choosing staff. Other methods include:

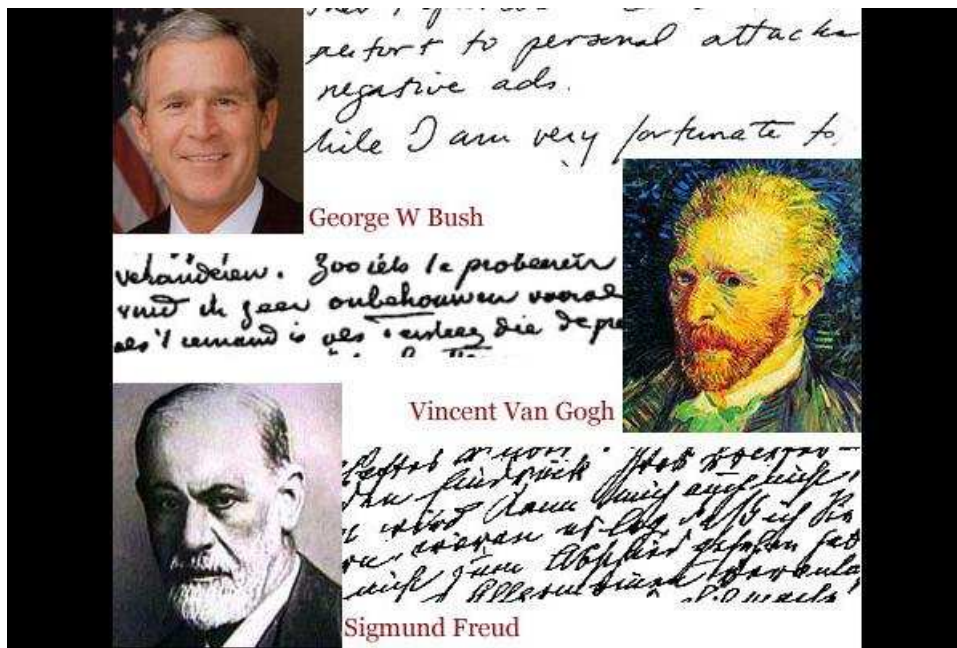
- interview
- personal recommendation
- IQ (intelligence quotient) tests
- Analysis of CV
- Medical tests

Can you think of any others?

Are some of these methods particularly suitable for certain jobs? Discuss which method(s) would be best when recruiting in the following cases:

- a university lecturer
- a gardener
- an army officer





## The Write Stuff

Ingrid Wild, the personnel officer at Bayerische Bank's Frankfurter office, was outraged when she learnt that the new bank policy was to use a professional graphologist to screen all future job applicants. 'It's crazy!' she said. 'I'm the personnel professional. Everyone says I'm good at my job. I know the banking business and I understand banking people. Nobody has ever proved that graphology works – it's unscientific, irrational nonsense.'

When the post of Deputy Branch Manager in Frankfurt became vacant, Wild knew immediately who was the best person for the job – her old colleague, Siggy Altmann. They had worked together for several years at the bank's Munich head office, where Altmann had proved himself to be a quiet, methodical and efficient worker. Wild knew that Altmann was looking for promotion and when she saw his application, her mind was made up.

But, as always, her bosses insisted that she should follow the correct recruitment procedure – this time including the use of a graphologist. So, working from C.V.s, as normal, Wild selected the top five candidates and then phoned to ask each of them for a handwriting sample.

'Sorry about all the fuss', she said to Altmann on the phone. 'This graphology business is a waste of everyone's time – but it's new bank policy.'

'So, why don't you prove that it's nonsense?' Altmann said. 'It's easy to do.'

'Really?' asked Wild. 'How?'

'Just send in a copy of your own handwriting, along with all the other samples,' said Altmann, 'and then show your bosses the sort of rubbish they write about you.'

'That's a great idea, Siggy,' said Wild. 'Thank you.'

The next day, Wild sent six anonymous handwriting samples to the Frankfurt Graphology Institute – five from the job applications and one written by herself. She labelled her own 'Sample A' and Siggy Altmann's 'Sample F'.

Wild's bosses were keen to see the results of the graphology tests and so organized a meeting with her on the day that the report was due. That morning, Wild looked through the following report with some confusion:

Frankfurt Graphology Institute:  
Confidential report

Bayerische Bank: Sample A

The handwriting is indicative of a person with considerable ambition and drive. This candidate is loyal to friends and colleagues and would make a good team member. However, s/he holds such strong views that there is almost certainly a powerful tendency to resist change at all costs. As a decisionmaker, the candidate is impulsive rather than considered in her/his judgement.

The candidate is probably not senior management material and lacks the creativity and sensitivity for such areas as trouble-shooting or human resource management. However, quick thinking and strong personality would make the candidate ideal for work as a dealer or market analyst.

Frankfurt Graphology Institute:  
Confidential report

Bayerische Bank: Sample F

An unusual sample, in that the candidate's writing clearly shows a recent trauma. The candidate is quiet and methodical, but certain irregularities in the script indicate unreliability when placed under any pressure.

Although the candidate has an ability to get on with other people, a low sense of self-esteem makes him/her unsuitable for any position demanding leadership qualities. Nevertheless, the candidate obviously has a certain ambition and may well be able to inspire confidence in others. Probably best suited to an advisory role with limited responsibility, such as liaison or customer service officer.

What should Ingrid do with the reports?

**Vocabulary**

*personnel officer* – the person responsible for matters relating to staff, such as recruitment

*outraged* – very angry

*graphology* – a way of assessing someone's character by their handwriting

to screen – to select

*irrational* – without reason

*C.V. (curriculum vitae)* – a summary of person's education, qualifications and past

*BrE; AmE: resume* – work experience

*impulsive* – thoughtless

*considered* – thoughtful

*trouble-shooting* – identifying problems in a business and putting them right

*human resources management* – general team for all aspects of management which deal with people

*trauma* – had experience

*script* – handwriting

*to inspire* - to create

*liaison officer* – a person who organises the exchange of information between different departments and organisation

*customer service officer* – a person who deals with the everyday demands and problems of the general public in relation to their company

**Analysis**

*Read through the problem, stop at the end of each paragraph and try to answer the following questions. As you do so, discuss your answers with your colleagues:*

Paragraph 1: Ingrid`s responsibilities

1. Which of these alternatives best describes one of Ingrid`s main responsibilities in her job?
  - a) looking after the bank`s day-to-day spending
  - b) entertaining the bank`s most important customers
  - c) finding and choosing new employees
  - d) writing budget forecasts
2. Why is Ingrid against graphology?

Paragraph 2: Siggy Altmann

Why does Ingrid think that Siggy Altmann is the best person for the Deputy Manager`s job?

Paragraph 3: Procedures

What procedure does Ingrid have to follow when she chooses candidates for the job?

Paragraph 4: Nonsense?

1. According to Siggy, how can Ingrid show her bosses that graphology is nonsense?
2. Look at this list of adjectives and choose three which you think best describe Siggy and three which best describe Ingrid:
 

ambitious	efficient	innocent
loyal	confident	impulsive
practical	noisy	quiet
determined	deceitful	unprofessional

The report

In your view, are the reports reasonable assessments of Ingrid`s and Siggy`s characters? Compare them to your answers to the paragraph 4 question.

**Decision time**

What should Ingrid do with the reports?

*First think about the risks she faces by completing these two sentences, using two of the phrases underneath:*

If the graphologist is right about Ingrid,.....

If Ingrid`s bosses accept the report on Siggy,.....

he won`t get the job. she won`t be a personnel officer.

she shouldn`t be a personnel officer. he wouldn`t get the job.

The opinions

These are several opinions that Ingrid could take in this situation. Look at this list, and, in pairs or small groups, think of one advantage and one disadvantage for each opinion:

	advantage	disadvantage
Opinion A: Tell the bosses that the reports show that graphology is total nonsense. Use Sample A (Ingrid's one) as the example which proves the point.		
Opinion B: Show the bosses Samples B to F, but refuse to show them Sample A.		
Opinion C: Tell the bosses that the experiment with graphology was a total failure and refuse to show them any of the reports.		
Opinion D: Don't worry about it. Show the bosses all the reports and let them decide what to do.		

Can you think of any other opinions open to Ingrid?

What should Ingrid do?

## Selling Your Soul

### *Before you read*

*This story is set in the music industry. If you want some background information on the top music business, read this box:*

#### The music business

The top music industry is famous for the tough contracts that it negotiates with young musicians. After a court case against his record company in 1994, the superstar George Michael described his career as `professional slavery`. Because he was still subject to the conditions that he had negotiated as a young man over ten years before.

Businesspeople in the music industry say that contracts need to be tough because it is such a high risk business. However, there are many stories of musicians being very badly treated, or even cheated. In 1974, the soul singer George McCrae gave away the rights to his song Rock You Baby in return for the keys to a car. It was a bad mistake: the song became a huge hit and the car had been hired!

In this story, you`ll read about contracts.

### *Way in*

`Every time two people sign a contract, one person is making a mistake.`

*Discuss these three points:*

1. In your experience, is this statement true?
2. Should contracts always be fair to both sides?
3. Once a contract has been signed should people be allowed to change it?



## Selling Your Soul

Man Egg and Jonny Bee were one of northern Europe's hottest dance acts. Music critics in the UK and Germany raved about their brilliant, original songs, and audiences loved their dynamic stage show. For the past two years, they had been playing gigs at venues across the continent three or four nights a week. But despite their hard work, Man and Jonny felt they were getting nowhere.

They believed that they were ready for a recording deal with a major label, but their manager, Bob Scolla, had other ideas. Bob had a stable of seven different acts and liked to focus high energy on one of them at a time. At the moment, he was negotiating a deal for a teenage female singer and until that deal was concluded, he refused to discuss Man and Jonny's future.

The two guys were in no position to argue. Bob Scolla had bought Man and Jonny their equipment and stage clothes; he took care of all their travelling expenses and even paid them a small weekly wage. In return, they had signed a contract that gave Bob total control over their careers: he decided which record companies they talked to, he owned 75% of the rights to their songs and even controlled their public image.

As Bob's negotiations over the teenager singer dragged on for month after month, Man and Jonny became increasingly frustrated. Then, one night, after a gig in Rotterdam, they were approached by an American music publisher.

'Hey', she said, 'you guys have written some brilliant songs. I can't offer you a recording contract, but how about a publishing deal?' Although it wasn't exactly what they had hopped for, Man and Jonny agreed it was the best offer they had received in the past two years.

The next day, they met with Bob Scolla and asked to be released from their contract, to sign the deal with the American publisher. Bob smiled. 'Sure', he said, 'You can do that - but, if you do, I will never do anything to help you again. Understand? Oh, and there's one more thing -'

'What's that?' asked Jonny.

'I keep my 75% rights to your first forty songs,' Bob said. 'After all, I've paid for them.'

'But...but...' Jonny stammered, 'we've only written thirty.'

Should Man and Jonny stay with Bob?

Should they leave him and sign a publishing deal?

Is there a third way?

### Vocabulary

*hottest* – most exciting

*an act* – a performer or group of performers

*music critics* – journalists who write reports about records and concerts

*to rave about* – to be very positive and enthusiastic about

*gig* – a concert or job (music industry slang)

*venue* – a place where concerts are staged

*recording deal* – a contract with a music company to perform and record music

*major label* – a big record company  
*stable* – a number of performers managed by the same person  
*rights to* – ownership of  
*to drag on* – to continue for a long time  
*music publisher* – a company or person that prints and distributes music and lyrics  
*guys* – men  
*publishing deal* – a contract to print and distribute music and lyrics.

**Analysis**

Paragraph 1 to 3: Getting nowhere?

*Read the first three paragraphs and then summarise the situation by answering these four questions:*

1. What is Man and Johnny`s main objective?
2. Why does Bob Scolla refuse to discuss Man and Johnny`s future?
3. What does Bob do for Man and Johnny?
4. What does he get in return?

Does Man and Johnny`s arrangement with Bob Scolla seem to be fair to both sides?

Paragraph 4: A gig in Rotterdam

*Read the fourth paragraph and then decide which of these sentences are true and which are false:*

1. Bob`s negotiations over the teenage singer continued for a long time.
2. Man and Johnny arranged a meeting with a Dutch music publisher.
3. The music publisher offered Man and Johnny a recording deal.
4. Man and Johnny felt that the music publisher`s deal was unfair.

Paragraph 5: We`ve only written thirty!

*Read the final paragraph and then discuss these two points:*

1. Do you think that Bob Scolla`s condition is reasonable?
2. What would you do if you were in his position?

**Decision time**

Should Man and Johnny stay with Bob?  
 Should they leave him and sign a publishing deal?  
 Is there a third way?

*Discuss the first two alternatives that Man and Johnny have, and draw up a list of pros and cons for each.*

Stay with Bob		Publishing deal	
Pros	Cons	Pros	Cons

Do either of the alternatives discussed above sound like the best solution to Man and Johnny`s problem? If so – take your decision!

When there is no obvious solution to a problem, businesspeople can help themselves to think creatively by comparing the problem to a different but similar situation – an analogy. Here is an example of an analogy to Man and Johnny`s situation:

There is a rare animal in your local zoo. Lots of people would like to see this rare animal, but for some reason, the zoo authorities will not show it to the public. How would you persuade the authorities to allow people to see this animal?

Briefly, discuss possible solution to the analogy. Then, discuss the three questions:

1. What similarities are there between the analogy and Man and Johnny`s situation?
2. Did the solution to the analogy suggest any solutions to Man and Johnny`s problem?
3. Can you think of any other analogies to Man and Jonny`s problem?

What should Man and Johnny do?



## Advertising Albion

### *Before you read*

*'Advertising Albion' looks at the creative side of the advertising industry. To find out more about an agency's creative department, read this background box:*

#### The creative department

The creative department of an advertising agency comes up with the ideas, the words and the images for adverts. It is normally divided into teams of two people – a copywriter, who writes the words, and an art director, who is responsible for the pictures and the look of the advert.

Creative departments can be very unconventional places: in some agencies members of the department can spend part of their day playing fool or listening to music, as they try to dream up their next campaign. But that shouldn't hide the fact that advertising is a highly pressurized and competitive industry.

### *Way in*

Businesses spend roughly 3 % of their revenues on advertising. As a result, some advertising agencies make millions for writing just a few words. But do companies and consumers get value for money from advertising?

*Discuss these questions:*

1. Have you bought anything because of an advert in the past month?
2. Have you decided not to buy something because of an advert in the past month?
3. How many adverts currently on TV or at the cinema can you describe in detail?
4. If you had a company, which would you spend more money on – research and development or advertising?

## Advertising Albion

Jane Long was under pressure. The Bryant Long advertising agency was desperate to win the prestigious contract with Albion Airlines – but there was fierce competition from several other top agencies. As Bryant Long's creative director, Jane knew that her creative department had to come up with some brilliant ideas very, very quickly.

She decided to give her creative teams just 24 hours to deliver rough versions of their initial ideas. To help them focus on Albion's requirements, she gave all of them this summary of the advertising brief:

### **BLA**

BRYANT LONG ADVERTISING

ALBIONAIR: BRIEFING SUMMARY

#### The campaign

Albion Air wants to run a print campaign in the major international business and current affairs magazines (Time, Newsweek, The Economist etc.) to advertise their new Eton Class service.

#### General information

Albion is a niche airline with a fleet of 20 Airbus A310-300s. From its hub at London Heathrow, it flies regularly to New York, Miami, Tokyo, Bangkok and Sydney. In the past its advertising focused on its old-fashioned British image – something that Albion's management now wants to change.

#### Target customers

Albion carries mostly business travellers. Research shows that these people are interested mainly in comfort and price. Albion is already well-established in the British business community, but needs to raise its profile in the USA and Japan.

#### Features

Price Eton Class offers a service comparable to its main rivals at an average of 90 % of their prices.

Comfort: sleeper seats with 140 cm leg room, free in-flight massage, beauty therapist.

Business facilities: 15 phones, 2 fax machines on every plane, laptop computers available for hire.

Entertainment: latest films shown on personal seat-back video screens.

Catering: food prepared by cordon bleu chef, wines specially chosen by French expert.

On the ground facilities: special check-in and lounge facilities for Eton Class travelers.

The creative team worked all night on the brief and they all looked exhausted as they left their ideas on Jane's desk the next day. Jane looked through them anxiously.

## Can you spot the difference?

**LONDON:  
SUNDAY 09.30**



**HONG KONG:  
MONDAY 06.30**



**OF COURSE YOU  
CAN'T!**

*As a top model, it's my job to always look my best - even when I've just flown half way round the world! That's why I fly with Albion Air.*

*On Albion's new Eton Class, their in-flight masseur and beautician make sure that I arrive looking relaxed and ready for work. And their luxurious sleeper seats mean that I don't miss a moment's sleep, either.*

*Try a bit of luxury - it's the best beauty treatment I know!*

*Claudia Scobie xx*



**Albion Airways**

**Albion Air. You won't notice the distance.**

## HOW TO IMPRESS YOUR FINANCE DIRECTOR

### **Expenses Claim**

*Albion Air Eton Class  
New York - London*

Finance directors don't smile a lot. Trying to keep costs down without sacrificing quality is one of the toughest jobs in any company. But when your finance director sees Albion Eton Class on your next expenses claim, you can be sure that you're bringing a little happiness into his life.

That's because he knows that the price of an Albion Eton Class ticket undercuts its rivals by an average of 10%. And you know that you can always rely on Albion's unparalleled standards of comfort and service.

**So keep everyone happy. Fly Albion Eton Class.**



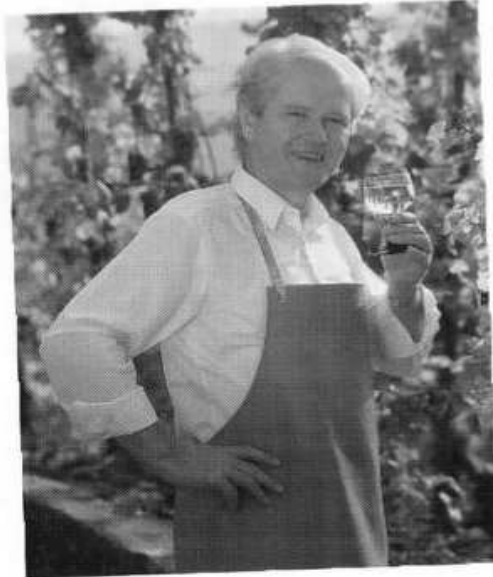
**Albion Airways**

# MEET THE CABIN CREW

The Comte de Saint-Loup, pictured at his fourteenth century chateau in Anjou.

He doesn't know where the lifejackets are kept. If you snapped your fingers at him, he'd almost certainly ignore you. But the Comte de Saint-Loup is a key member of the Albion Air cabin crew.

The Comte is one of France's most respected wine experts. And he uses his knowledge to help us choose the finest – and some of the rarest – wines for our Eton Class passengers. You won't always find the Comte in the cabin, but you can still sample his cellar in the air!



Albion Airways

*The Comte's selection.*

*One of the ways in which Albion Air helps you to fly in style.*

As Jane was looking at the final idea, the marketing manager of Albion rang.

'Jane,' he said, 'we need to see your best idea by 9 o'clock tomorrow morning. Can you do that?'

'No problem,' she said. 'I'll be ready with something really special.' She put down the phone and looked at the three adverts again.

Which advert should Jane Long choose?

## Vocabulary

*prestigious* – important and high respected

*brief* – information, instructions

*print campaign* – a series of adverts in magazines or newspapers

*niche airline* – a small airline catering for a particular type of customer

*hub* – the central point from which all flights leave

*to raise its profile* – to increase public awareness

*sleepers seats* – large, comfortable, reclining seats

*beauty therapist/ beautician* – a person who specializes in making skin, hair, etc. more beautiful

*leg room* – space between one plane seat and the seat in front of it

*laptop computer* – small portable computer  
*seat-back video screen* – TV screens built into the back of the plane seats in front of the passengers  
*cordon bleu chef* – an extremely good cook  
*on the ground facilities* – the service the airline provides at airports  
*masseur* – a person trained to give massage  
*expenses claim* – an office form showing how money was spent on a business trip  
*to sacrifice* – to give up  
*to undercut* – to offer at a lower price  
*unparalleled* – without an equal  
*cabin crew* – the people who look after passengers during a flight  
*cellar* – an underground room often used for storing wine

**Analysis**

The briefing summary

*Read the first paragraph of the problem carefully. Then look at Jane Long`s briefing summary and try this activity:*

You are an international business traveller. Scan Jane Long`s summary and choose the three most attractive things about Albion Air.

The adverts

*When you`ve thought about Lane Long`s summary and read the next paragraph, look carefully at the three advertisements and analyse them in this way:*

These five techniques are often used in adverts for products and services.

- Testimonial – a customer explains why s/he particularly likes the product or service
- Focus on the `Unique Selling Point` (USP) – the advert talks about just one aspect of the product/service
- Endorsement – someone else`s glamour, charm or success is used to sell the product/service
- Promise a benefit – the advert explains how the service/ product will improve the customer`s life
- Story appeal – the advert tells a story in which the product/service solves a problem

*Decide which of these techniques are being used in the three Albion adverts.*

Advert	Technique
Meet the cabin crew.....	.....
How to impress the Finance Director.....	.....
Spot the difference.....	.....

**Decision time**

Which advert should Jane Long choose to present to the Albion management?

*Here`s the way of assessing the three adverts that the creative teams have produced:*

Advertising people often assess the effectiveness of adverts by these criteria:

- Image** What image does the advert convey?
- Positioning** What does the product do and who is it for?
- USP** What makes the product different from its competitors?
- Benefits** In what ways can this product help the customer?

Assess the three adverts by these criteria, using the questions to help you. Give a score from 1 (lowest) to 10 (highest) for how well you think each advert succeeds in each of the categories.

	Marks		
	Spot the difference	How to impress	Meet the...
<b>Image</b> Does the advert have the right image for the target customers? Does it have the right image for the airline?			
<b>Positioning</b> Does the advert give a good idea of the service the airline offers? Does it explain who the service is for?			
<b>Unique selling point</b> Does the advert make Albion seem different from other airlines?			
<b>Benefits</b> Does the advert explain how Albion will help its customers?			

Now add up the scores: which advert has the highest score?

*Before you take your decision, think about the following:*

Do you think that the advert with the highest score is really the best one?

Should Jane ask the creative teams to come up with some more ideas?

What should Jane do?

## Hard Times

### *Before you read*

*In 'Hard Times' you'll read about the world of telesales. To find out some more about it, read this background box:*

#### Telesales

Telesales people try to sell products or service to people over the telephone. It's a very efficient way of selling because they don't spend time and money on travelling. But it's not always easy to sell something that the customer can't see, so they need to be very persuasive. Success is always very important to telesales people, because their earnings often depend on how much they sell. As a result, the atmosphere in telesales offices can be extremely pressurized and competitive.

### *Way in*

*Discuss these questions:*

1. When you buy something, which of these factors has the biggest influence on your decision?
  - the product
  - the price
  - the advertising
  - the salesperson
2. Do you think it's fair to pay salespeople according to how much they sell?



## Hard Times

Recession had hit the advertising telesales team at Bluebird Publications hard. No one wanted to buy advertising space in Bluebird's range of glossy up market lifestyle magazines any more. Even the telesales team leader, Rob Grewal – the company's number one salesperson – was finding it difficult to close more than one or two deals a week. As each salesperson's income depended entirely on commission from business that he or she personally generated, competition between salespeople was fiercer than ever.

Everybody agreed it was the worst possible time for young Duncan Black to join the department – particularly since it was Duncan's first job and he seemed to lack the obvious qualities needed to succeed as a salesperson. But after only two days in the office, Duncan put down his telephone and smiled to himself. He had just closed a deal for a twelve-month order for full colour double page adverts in Bluebird's most prestigious publication. It was worth as much commission as many of the others earned in six good weeks. Rob Grewal was amazed: it was the sort of deal he dreamt about.

'Which company is it, Duncan?' he asked. 'Who's it with?'

'Paxham's Menswear,' said Duncan.

'Paxham's?' exclaimed Grewal. 'But everyone in this office has tried to get Paxham's hundred times. Paxham's don't buy advertising space! It's against their corporate policy.'

In the pub that lunchtime, Grewal raged against young Black's good fortune. 'What does that kid know?' he shouted. 'We've all been softening up Paxham's for years. I've spent hours of my life on the phone to their marketing department. Then that kid comes along and reaps the reward for all our hard work with just one five-minute phone call. Times are hard for all of us, aren't they? I say we split his commission between everyone in the office. It's only fair.'

A few of the telesales people nodded their heads in agreement. Others looked uncomfortable. 'Come on, Rob,' said one of them. 'A year ago, when you had all the luck, no one asked you to share it with them, did they?'

Grewal looked at him coldly. 'In my case,' he said, 'it wasn't luck. I got where I am by hard work.'

When they returned from lunch, Duncan Black was not yet back at his desk. So, when Black's telephone started ringing, Rob Grewal answered it. '...Sure,' said Grewal. '...Sure, you don't need to speak to Mr. Black. I can take your order. I'm Mr. Black's boss. Now, what would you like?... A full colour back page?... Certainly... if you can fax through confirmation of that, with 'Order taken by Mr. Grewal' at the bottom of the letter, that would be great... thank you, it was a pleasure doing business with you.'

As Grewal put down the telephone several of his colleagues looked at him suspiciously. 'You're not going to claim the commission on that order, are you?' asked one of them.

'Of course,' said Grewal.

'But, that was Duncan's client,' said another. 'Duncan has done all the work to get that business. It should be his commission. Come on, we're a team. We have to trust each other.'

Grewal smiled at the other telesales people. 'I don't care who did the work,' he said. 'I took the order, so I say that's my commission. He should have been back from lunch on time.'

'Now, listen, Rob,' said one of the older salespeople, 'we're all upset about Paxham's order. But that's life, isn't it? It's no reason for you to steal one of Duncan's other clients.'



Grewal glared at his colleagues. ‘It’s my commission,’ he repeated. ‘And I’m the team leader. So, what are you going to do about it?’

Should the other members of the telesales team allow Rob Grewal to claim the commission on the new order?

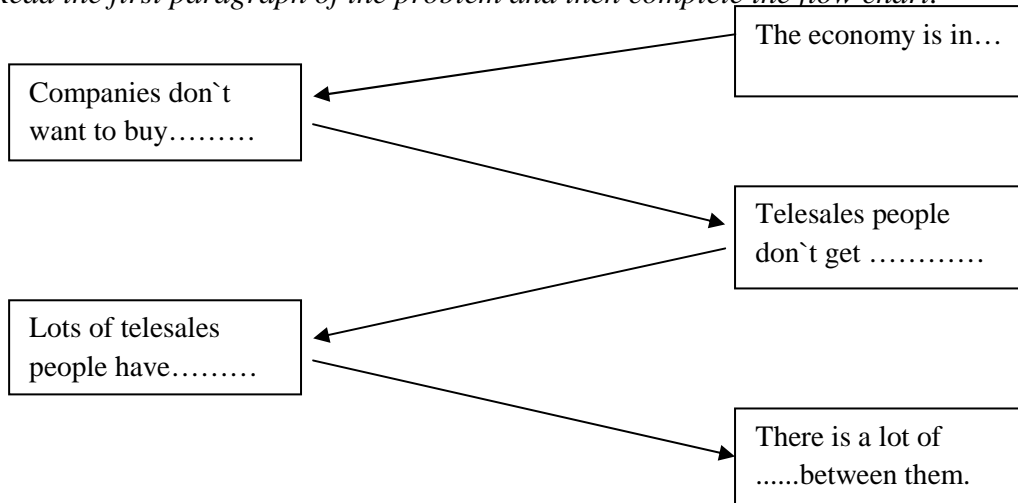
**Vocabulary**

- recession* – a period of reduction in business activity
- advertising space* – an area of a magazine or newspaper for advertisements
- glossy* – shiny, expensive
- up market* – sophisticated, expensive
- lifestyle magazines* – magazines about fashion, famous people, travel, homes etc.
- telesales* – selling of goods and services by telephone
- to close a deal* – to make a sale
- commission* – a payment made to a salesperson when s/he makes a sale
- to generate* – to make
- obvious qualities* – skills needed for a job
- prestigious* – important and highly respected
- corporate policy* – a plan, or set of ideas, of behaviour agreed by a company
- kid* – child
- to soften up* – to establish friendly relations before trying to make a sale
- to reap the reward* – to get the benefit
- come on* – an expression used to express lack of belief

***Analysis***

Paragraph 1: Why are times so hard?

*Read the first paragraph of the problem and then complete the flow chart:*



Paragraph 2: The perfect salesperson?

*When you've read the second paragraph, think about what qualities you need to become a good salesperson. Number these qualities in order of importance, with 1 the most important:*

- |                       |                                   |
|-----------------------|-----------------------------------|
| determination         | the ability to get on with people |
| good luck             | intelligence                      |
| the ability to listen | self-confidence                   |
| ruthlessness          | personal charm                    |

Paragraph 3 and 4: Why's he angry?

*Read paragraphs 3 and 4 and then answer this question:*

Why do you think Rob Grewal is so angry? Choose a reason from the list:

- a) Because he doesn't like Duncan.
- b) Because he thinks that Duncan doesn't deserve the commission on the Paxham's order.
- c) Because he's tried (and failed) to get business from Paxham's many times.
- d) Because he wants the money that Duncan's going to get.

Paragraph 5 and 6: Get the facts straight

*When you've read paragraphs 5 and 6, check your facts by answering these five questions:*

- 1. Who made the sale to Paxham's?
- 2. Who should get the commission?
- 3. Who made the new sale?
- 4. Who should get the commission?
- 5. Who's claiming the commission?

Character profile: Rob Grewal

*When you've read the whole story, think about the character of Rob Grewal. Choose three adjectives from this list which you think best describe him:*

generous	aggressive	persuasive	mean
selfish	tough	kind	arrogant

*Compare your description with the qualities of a good salesperson that you chose earlier. Do you think he deserves to be team leader?*

### ***Decision time***

Should the telesales people allow Rob to claim the commission on the new order?

*There are many different possible responses to this situation and many possible courses of action. To help you think through the possibilities, try this activity:*

In the left-hand column, there are five different ways of responding to the situation. In the right-hand column, there are five different courses of action that the telesales people can take. Match the response on the left to the course of action on the right:

#### **Response**

confrontation

go straight to the top

ignore the problem

get something for yourself

compromise

#### **Course of action**

tell Rob that you'll keep quiet about the commission if he shares it with you

suggest that Rob and Duncan share the commission

report Rob's action to a superior

tell Rob that he's totally wrong and that he must return the commission

keep quiet

Discuss the various courses of action. Which course of action would you choose?