Business English Handbook

Business English Handbook is a comprehensive self-study and reference book of business language for learners of English at an upper-intermediate or advanced level. It provides intensive vocabulary input and practice followed by optional writing and speaking activities.

Business English Handbook:
- is highly focused – the language has been carefully selected for maximum usefulness.
- offers just the right degree of challenge for high-level learners.
- provides both British and American terms, indicating which is most frequently used in an international business context.
- uses mind maps to make new vocabulary accessible and memorable.
- features interesting and motivating listening activities based on authentic interviews with leading business people on a free Audio CD.
- includes answer key, full listening scripts and web references for further research.
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Corporate strategy and structure

If one does not know to which port one is sailing, no wind is favourable.
Seneca (ca 4 BC–AD 65), Roman philosopher, statesman and dramatist

Strategy and planning
Strategy and planning begins with analysis, and a well-known tool to do this is a SWOT analysis (looking at the internal Strengths and Weaknesses of the company, and the external Opportunities and Threats). Planning itself can be categorized into two main types depending on the timescale and purpose of the planning.
- Strategic planning is concerned with the longer term and ‘the big picture’. It is the process of defining the company’s mission, determining the overall goals of the organization and allocating resources to reach those goals. It is done by top and middle managers.
- Operational planning is concerned with translating the general, long-term goals into more specific, concrete objectives. It involves monitoring the day-to-day work of departments. It is done by middle and supervisory managers.

Company structure
Having decided on its strategy, a business needs to organize itself into a structure that best suits its objectives. This can be done in several ways.
- Organization by function. The company is divided into departments such as production, finance, marketing, human resources.
- Organization by product. The company brings together staff who are involved in the same product line.
- Organization by customer type. The company is organized around different sectors of the market. Large customers are called ‘key accounts’.
- Organization by geographical area. The company is organized according to regions.

A large multinational may use several of the above: for example a functional division initially (at an international level), then a national structure for each country, and within this some level of division according to customer types.

The business must also decide on the best way to organize its management hierarchy (chain of command). The company is run by top (= senior) managers with job titles such as: Chief Executive Officer (CEO), Chief Operating Officer (COO), and a series of Vice-Presidents or Directors of different departments. Top management set a direction for the organization and aim to inspire employees with their vision for the company’s future. This vision is often written down in a mission statement.

The next level is middle management, where managers are in charge of (AmE head up) a department, division, branch, etc. Middle managers develop detailed plans and procedures based on the firm’s overall strategy.

Finally there is supervisory (AmE first-line) management, and typical job titles are: Supervisor, Team Leader, Section Chief. Supervisory managers are responsible for assigning non-managerial employees to specific jobs and evaluating their performance. They have to implement plans developed higher up the hierarchy.

In some companies – or for specific projects – there can be a matrix structure with cross-functional teams. Here employees from different parts of the organization work together and bureaucracy is reduced.

Above everything there is the Board, chaired by a Chairman or President, which gets involved in ‘big picture’ strategic planning and meets perhaps once a month. The CEO will be on the Board, but most Board members are not involved in running the company – they are elected by and responsible to the shareholders. Their main interest is shareholder value: getting a good return on investment in terms of both dividend payments and a rising share price.

Centralization vs Decentralization
A key issue for the company is to decide on the degree of centralization. Should authority be kept at Head Office (centralization)? If so, this would mean:
- A strong corporate image.
- Decisions made by experienced managers who see the whole picture, not just one part of the business.
- Standardized procedures which could lead to economies of scale (lower costs) and simpler distribution channels.

But decentralization also has advantages:
- Lower-level managers are more familiar with local conditions and can therefore give a stronger customer focus.
- The delegation of decision-making is likely to lead to a higher level of morale at the grassroots.

There are other closely-related questions. Should the structure be ‘vertical’, with many layers of management, or ‘flat’, with fewer layers? And how many subordinates should each manager supervise?
3 CORPORATE STRATEGY AND STRUCTURE

STRATEGY AND PLANNING

- Monitoring and adapting plans (comparing actual data with forecasts, acting on feedback from customers and suppliers, acting on reports prepared by first-line managers)
- Controlling budgets
- Implementing plans, procedures and projects
- Ensuring that objectives are SMART (specific, measurable, agreed, realistic and time specific)
- Identifying customer needs, eg through market research
- Identifying ways to lower costs and reduce waste
- Determining staffing needs
- SWOT Analysis: market position
- Analysing the product portfolio, including stage in the life cycle of main products
- Analysing figures for profit centres (that add value) and cost centres (that spend budgets)

Operational (first line) issues for supervisory and middle managers

- 'Big picture' issues for Board and senior managers
- Evaluating current markets: development, consolidation, or withdrawal?
- Prioritizing sales growth and market share, or earnings growth and profitability?
- Business development: looking at possible takeover targets, mergers, alliances; entering new markets (from zero? buying local company? joint venture?)
  - Product diversification, or focus on core business?
  - Marketing strategy: worldwide or multinational?
  - Identifying major cost savings: looking for internal efficiencies, setting up production in low-cost countries (outsourcing)
  - Increasing shareholder value: share price and dividends
  - Image, reputation and social responsibility

General issues for senior and middle managers

- Setting overall sales and revenue goals
- Setting budgets and making long-term forecasts of costs
- Improving distribution channels
- Identifying new markets
- Identifying opportunities for new products
- Pricing policy: value-for-money products vs high quality/premium price products
- Building brand loyalty
- Investing in technology, plant and equipment
- Integrating on-line and off-line procedures (eg for sales and for customer service)
Corporate strategy and structure: Exercises

3.1 Fill in the missing letters.
1 Inside a company, large customers are often referred to as ‘k_a_s’.
2 COO stands for ‘C_fO_g’.
3 A matrix structure brings together people from different parts of the organization to work as c_f_l_t_s.
4 The delegation of decision-making is likely to lead to a higher level of morale at ‘the gra_oots’ (= the ordinary people in an organization rather than its leaders).
5 Each manager supervises a number of sub_s.
6 In relation to an existing market, the ‘big picture’ strategy can be one of dev_gnt (growth), conso_nion (making the existing situation stronger), or wiwal (leaving the market completely).

3.2 Complete each phrase 1–10 with an ending a)–j).
1 Operational planning translates general goals a) direction for the company.
2 It is usual to divide an organization b) developed higher up the hierarchy.
3 Some companies are organized according c) for assigning employees to specific jobs.
4 The Board gets involved d) in major strategy issues.
5 Senior managers set e) into functional departments.
6 Middle managers develop detailed plans based f) into more concrete objectives.
7 First-line managers implement plans g) on the overall strategy.
8 First-line managers are also responsible h) to geographical regions.
9 A cross-functional team brings i) together staff from different parts of the company.
10 Subordinates work j) under the supervision of a first-line manager.

3.3 The mixed-up letters make words that describe departments or functional areas inside a company. Put the letters in the right order.
1 haumn rueeccess 9 pdroctoiun
2 cmoesutr screevs 10 lgael
3 qtialy crotnol 11 sihpppg
4 rsaceh and dvolpmeet 12 facnine
5 pbiluc rmotlaes 13 metakrnig
6 pejcro mmeegnaat 14 atanccous
7 aiisdttrnmaon 15 pasuirchng (= buying, BrE)
8 bnlilig 16 pcroenremut (= buying, AmE)

3.4 Pairs of words in bold have been switched – one from each column. Put them back in their correct places.
1 market channel 7 core growth
2 cost value 8 distribution research
3 earnings business 9 mission needs
4 management loyalty 10 market portfolio
5 customer statement 11 shareholder centre
6 product share 12 brand hierarchy

3.5 Which of the collocations in exercise 3.4 refer to:
1 using a questionnaire to carry out a survey market research
2 the main activity of a company that generates most of its profits
3 financial benefits (= increase in share price and dividends) for the owners of the company
4 the whole range of products that a company sells
5 when customers are faithful to a particular product
6 a business unit that spends money but does not generate revenue
7 a continuing increase in profits
8 what is shown in an organigram (= organization chart)
9 senior management’s vision for the company
10 how a product gets from the manufacturer to the end-user

3.6 Match the verbs in the box with their definitions below. Be careful – some are very similar.

adapt assign check control coordinate determine ensure evaluate implement monitor

1 make sure that everything is correct or the way you expect it check
2 organize people so that they work together effectively
3 give someone a job to do
4 carry out; make a plan start to work
5 have the power to make decisions; make something operate in the way that you want
6 make certain that something happens
7 change something to fit a new situation
8 watch or measure something carefully for a period of time to see how it changes
9 (formal) think about or test something before deciding its value, suitability or effectiveness
10 (formal) control what something will be; officially decide something; find out
3.7 Use the words in the box to complete the SWOT analysis below.

<table>
<thead>
<tr>
<th>alliance</th>
<th>barriers</th>
<th>climate</th>
<th>debt</th>
<th>depth</th>
<th>one-stop</th>
<th>outdated</th>
<th>overhead</th>
<th>range</th>
<th>shortage</th>
<th>start-up</th>
<th>state-of-the-art</th>
<th>tailor-made</th>
<th>transfer</th>
<th>workflow</th>
</tr>
</thead>
</table>

**Discussion topics**

1. Bosses just take the credit for the work of lower-level employees. Who needs them?
   - Agree
   - Disagree

2. The continual emphasis on shareholder value in American-style companies produces high levels of stress amongst employees and an inability to think about the longer term.
   - Agree
   - Disagree

3. Think of two companies operating in the same market (e.g., Coke and Pepsi, Yahoo and Google, Audi and BMW, Gucci and Armani). Compare their strategies.

4. Make a quick SWOT analysis for a company / country / city / educational institution that you know. Present it to some colleagues and ask for questions.
Managing a discussion

Read this dialogue in a real estate agency and then study the points below.

A: Can you help me? I'd be interested to know something about property prices in this area.
B: Yes, of course. But first, could you tell me a little more about your present situation?
A: I've been living in rented accommodation for several years. Now I'm wondering whether it's a good time to buy somewhere for myself.
B: Okay. What sort of price were you thinking of?
A: Oh, you know, nothing too expensive.
B: Could you be a little more specific? We have some small one-bedroom apartments that start at around € 120,000. Was that the kind of thing you had in mind?
A: Possibly. But I'm not ready to think about individual properties just yet. I wanted to know more about the market in general. There are a lot of stories in the newspapers about house prices, and they worry me.
B: Okay. If I understand you correctly, your worries are probably these: you don't want to buy at the top of the market and see your house fall in value, but equally you don't want to miss the chance if prices are going to continue to rise.
A: Yes, exactly.
B: This is of course a concern for all our clients, but you know it's very difficult to time the housing market. Newspaper stories can make forecasts, but no-one really knows.
A: I see what you're saying, but you must have some idea. I read one article that said that house prices are going to crash.
B: I don't think that's true. Prices have stabilized recently, but they're not going to crash.
A: Really? Do you think so? My friend bought an apartment near here last year for €165,000, and now other apartments in the same block are going for less than €150,000.
B: Well, of course, it all depends. There are many factors that can cause these short-term changes. But there is another way of looking at this. If prices have dropped temporarily, then now is a good time to buy.
A: But going back to what you said earlier, have prices stabilized, or are they actually falling? I disagree with you about now being a good time to buy.
B: In certain areas they are still falling. But I think we're losing sight of the main point. You're living in rented accommodation, and the rent you pay could be going to repay a mortgage. And you would have your own home.
A: That makes sense. But it's a difficult issue.
B: You're absolutely right. But while you're here, why don't I give you an idea of what's available in your price range?
A: Okay.
B: Right. I'd like to start by writing down one or two personal details, and then we can move on to looking at some of the properties we have on the market.
Full agreement
That makes sense.
You're absolutely right.
Yes, I would agree with that.

Half agreement
I see what you're saying, but ...
I agree with you up to a point, but ...

Polite disagreement
Well, of course it all depends.
I'm not sure I agree with that.
I've got mixed feelings about that.
Really? Do you think so?
Don't you think that ...?

Simple disagreement
I don't think that's true.
I disagree with you about ...
That's not how I see it.

Beginning the main topic
Right, let's get down to business.
Why don't I give you an idea of ...
I'd like to start by ...

Moving from point to point
So that's decided, then. Shall we move on?
Okay, let's go on to the next point.

Changing the focus
There is another way of looking at this.
Perhaps we should also consider ...

Returning
Going back to what I said earlier ...
Let me back up. (AmE).

Interrupting
Could I just interrupt for a moment?

Blocking
I think we're losing sight of the main point.
Sorry, if I can just finish, I was saying that ...

Buying time
It's a difficult issue.
I'll have to think about it.
Could I get back to you on that?
Why don't we come back to that later?

Asking for more information
I'd be interested to know something about ...
Could you tell me a little more about ...?
Could you be a little more specific?
What (exactly) do you mean by ...?
What sort of size were you thinking of?
Was that the kind of thing you had in mind?

Asking for repetition
Could you go over that again, please?

Checking by using your own words
So, if I understand you correctly, ...
So basically what you're saying is ...

Checking the other person's understanding
Does that answer your question?
Does that make sense?

Responding
Yes, exactly.
Yes, that's right.
Not exactly.
Well, let me put it another way.
No, that's not what I meant.
No, what I'm trying to say is ...
16.8 The words offer, suggestion and proposal are often misused. Match each with an explanation:
1 _____________ – an idea or plan, perhaps quite tentative and vague
2 _____________ – an idea or plan, more formal and definite, and usually one that a group has to consider
3 _____________ – a statement saying you will give something to someone (used mainly in negotiations)

16.9 Match each item on the left with one on the right that has a similar meaning.

| 1 put forward | take up (a suggestion) |
| 2 accept | think of (a suggestion) |
| 3 reject | make (a suggestion) |
| 4 come up with | dismiss (a suggestion) |
| 5 take part in | tackle (an issue) |
| 6 come to | bring up (an issue) |
| 7 raise | be involved in (a discussion) |
| 8 deal with | open it up for (discussion) |
| 9 reconsider | reach (a decision) |
| 10 throw it open for | reassess (a decision) |
| 11 a sensible | feasible (suggestion) |
| 12 a sensitive | reasonable (suggestion) |
| 13 a realistic | ridiculous (suggestion) |
| 14 a minor | difficult (issue) |
| 15 an absurd | side (issue) |
| 16 a constructive | in-depth (discussion) |
| 17 a hard | fruitful (discussion) |
| 18 a detailed | initial (discussion) |
| 19 an easy | tough (decision) |
| 20 an exploratory | straightforward (decision) |

16.10 Cover exercise 16.9 with a piece of paper. Then fill in the missing letters.

1 She was the only person to c_____ u_____ a fea_____ le suggestion.
2 I think we should ta_____ u_____ his suggestion – it sounds very rea_____ le to me.
3 He p____ fo____ d a ri____ ouss suggestion about going to the CFO and asking for a bigger budget.
4 I need to b____ g u_____ a rather sen_____ e issue.
5 It's a difficult issue, but we'll have to t____ le it one day.
6 I've been inv_____ ed i_____ the expl_____ ry discussions, and now we're ready to call a formal meeting.
7 I thought the conference was going to be a waste of time, but in fact I t____ p____ i_____ some very fr____ l____ discussions.
8 You've all read my summary, so now I think we can o_____ it u_____ a more in-d____ h discussion.
9 We finally r____ ed a decision, but it was a t____ gh one to make.
10 It should be a relatively str____ rd decision.

16.11 Put a tick (✓) if the sentence is grammatically correct. Put a cross (✗) if it is not.
1 I suggested a different idea. ✓
2 I suggested him a different idea. ✓
3 I suggested a different idea to him. ✓
4 I suggested using another approach. ✓
5 I suggested to use another approach. ✓
6 I suggested we should look at alternatives. ✓
7 I suggested it we should look at alternatives. ✓
(Note: propose and recommend have the same patterns)

16.12 One item in each group does not collocate with the verb. Cross it out.

1 hold a meeting / all the cards / an opinion / a proposal / sb responsible for sth
2 take part in a discussion / an effort to do sth / a decision / up a suggestion / another approach
3 reach an agreement / a compromise / a dead-end / a decision / a demand
4 raise awareness of the issue / a difficult challenge / the matter later / an important objection / an interesting question
5 meet a challenge / a deadline / an issue / a need / an objective

Speaking / Writing practice
- Work in small groups. Have a discussion on one of the topics below.
  - Computer games and children
  - Fast food
  - Genetic engineering
  - Clean energy
  - Working from home
  - The future of Russia (or China)
  - Euthanasia
  - Transport issues in my city
  - My favourite leisure technology
  - UFOs
  - Destruction of the environment
  - Immigration
  - Global warming
  - Emotional intelligence
  - The uses of location-based (satellite) technology
  - Save the tiger! Save the panda! Why? We manage OK without the dinosaur.
  - or any current general / business news item
- When you finish, write the script for a part of the discussion that was interesting. Feel free to add other points – it is a language exercise, not a memory exercise.