

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.

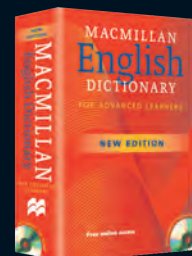
Business English Handbook:

- 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.

COMMON EUROPEAN FRAMEWORK

A1 A2 B1 **B2** C1 C2


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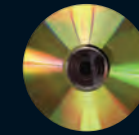
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3

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 time-scale 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:

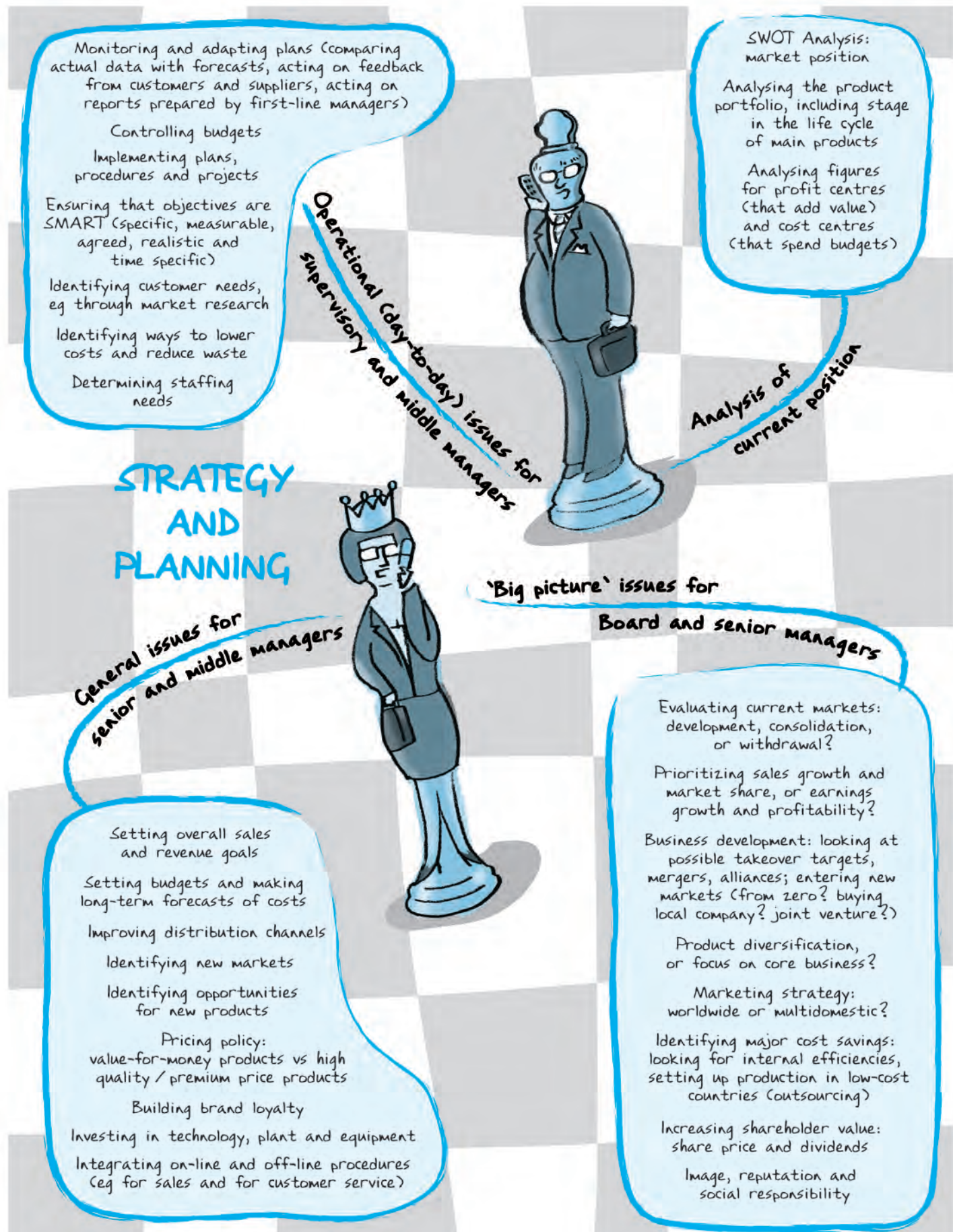
- A strong corporate image.
- Decisions made by experienced managers who see the whole picture, not just one part of the business.
- Standardized procedures which could lead to economies of scale (lower costs) and simpler distribution channels.

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



3

Corporate strategy and structure: Exercises

3.1 Fill in the missing letters.

- Inside a company, large customers are often referred to as 'k__ a____s'.
- COO stands for 'C__f O____g O____r'.
- A matrix structure brings together people from different parts of the organization to work as c____-f____l t____s.
- 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).
- Each manager supervises a number of sub____s.
- In relation to an existing market, the 'big picture' strategy can be one of dev____nt (growth), conso____ion (making the existing situation stronger), or wi____wal (leaving the market completely).

3.2 Complete each phrase 1–10 with an ending a)–j).

- Operational planning translates general goals ☐
 - It is usual to divide an organization ☐
 - Some companies are organized according ☐
 - The Board gets involved ☐
 - Senior managers set ☐
 - Middle managers develop detailed plans based ☐
 - First-line managers implement plans ☐
 - First-line managers are also responsible ☐
 - A cross-functional team brings ☐
 - Subordinates work ☐
- a) a direction for the company.
b) developed higher up the hierarchy.
c) for assigning employees to specific jobs.
d) in major strategy issues.
e) into functional departments.
f) into more concrete objectives.
g) on the overall strategy.
h) to geographical regions.
i) together staff from different parts of the company.
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 rrueecss | 9 pdroctoiun |
| 2 cmoesutr screevs | 10 lgael |
| 3 qtuaily crotnol | 11 siihnppg |
| 4 rsaceerh and dvnolpmeeet | 12 facnine |
| 5 pbiluc rnotilaes | 13 metakrnig |
| 6 pejcrot mmeegnaat | 14 atnccous |
| 7 aiiisdtrtnmaon | 15 pasuirchng (= buying, BrE) |
| 8 bnlliig | 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:

- using a questionnaire to carry out a survey
market research
- the main activity of a company that generates most of its profits _____
- financial benefits (= increase in share price and dividends) for the owners of the company _____
- the whole range of products that a company sells _____
- when customers are faithful to a particular product _____
- a business unit that spends money but does not generate revenue _____
- a continuing increase in profits _____
- what is shown in an organigram (= organization chart) _____
- senior management's vision for the company _____
- 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

- make sure that everything is correct or the way you expect it check
- organize people so that they work together effectively _____
- give someone a job to do _____
- carry out; make a plan start to work _____
- have the power to make decisions; make something operate in the way that you want _____
- make certain that something happens _____
- change something to fit a new situation _____
- watch or measure something carefully for a period of time to see how it changes _____
- (formal) think about or test something before deciding its value, suitability or effectiveness _____
- (formal) control what something will be; officially decide something; find out _____

3 CORPORATE STRATEGY AND STRUCTURE

3.7 Use the words in the box to complete the SWOT analysis below.

alliance barriers climate debt depth one-stop
 outdated overhead range shortage start-up
 state-of-the-art tailor-made transfer workflow

Strengths (strong points, internal)

- a large market share
- a well-structured distribution network
- motivated and well-trained staff
- ¹ _____ (= cutting edge) products
- ² _____ (= customized / personalized) products
- all services provided in one place: a ³ _____ shop'
- a well-known, high-value brand

Weaknesses (weak points, internal)

- a lack of new products
- a lack of managerial ⁴ _____ (= amount of knowledge and experience)
- ⁵ _____ (= old fashioned) production methods
- high levels of ⁶ _____ (= money owed to banks and other creditors)
- slow ⁷ _____ (= progress of work done) due to inflexible procedures
- an over-reliance on a limited ⁸ _____ of products
- high direct costs (= production costs) and high indirect costs (⁹ _____ eg utility bills)

Opportunities (future chances in the market)

- new foreign markets
- an improving economic ¹⁰ _____
- outsourcing
- a key supplier who might want to make a strategic ¹¹ _____
- new product ideas: either from market research or from sales reps talking directly to customers

Threats (future dangers in the market)

- greater competition
- low-cost production in Southeast Asia
- technology ¹² _____ to Southeast Asia (so that low-cost countries start using high-tech equipment)
- high ¹³ _____ costs of a new facility
- political risk: regulation, taxes, trade ¹⁴ _____ (eg quotas and tariffs)
- the market approaching saturation
- possible ¹⁵ _____ of components or raw materials
- reduced pricing power due to merger of two important customers

3.8 Look back at the completed SWOT analysis in exercise 3.7 and find a word that means:

- 1 a situation in which you do not have enough of something _____
- 2 depending too much on something _____
- 3 'sales staff' (the answer is a short form of a longer word) _____
- 4 a building used for a particular purpose (especially for manufacturing) _____
- 5 when everyone who wants the product already has it _____

3.9 Tick (✓) the one statement that is true.

- 1 *Targets* and *goals* tend to be more general. *Objectives* and *aims* tend to be more specific, with *aims* being the most concrete and measurable. ☐
- 2 *Aims* and *goals* tend to be more general. *Objectives* and *targets* tend to be more specific, with *targets* being the most concrete and measurable. ☐

3.10 Managers should make sure that business objectives are SMART. Can you remember what these letters stand for? Don't look back at the mind map until you have tried to think!

Sp _____ c, Mea _____ le, Ag _____ d,
 Rea _____ ic, and Ti _____ specific

**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 (eg 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.

16 Discussions

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?

5 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.

10 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.

15 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.**

20 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.

25 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.

30 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 if they are still falling.

35 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.

40 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.

45 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.

- Look at the words in bold above. Underline:
 - five phrases asking for more information.
 - one phrase showing the speaker is going to check using their own words.
 - three phrases for full agreement.
 - one phrase using *Yes, but ...* for half agreement.
 - one phrase using two open questions to show polite disagreement.
 - two phrases for simple disagreement.

How many of these can you find in the mind map opposite?

- At lines 7 and 10 you will see the phrases: *What sort of price were you thinking of?* and *Was that the kind of thing you had in mind?*

These questions are interesting for two reasons:

- first, they use 'vague' language: *sort of, kind of*.
- second, they use past tenses (*were / was / had*), even though the time reference is present.

The past forms create an indirect, distant feeling. They combine with the vague language so that the client feels that he / she is under no pressure.

- Look back at lines 30–42. There is a battle for control of the topic:
 - at line 31 B tries to change the focus: ... *there is another way of looking at this*.
 - but at line 34 A resists: ... *going back to what you said earlier, ...*
 - at line 37 B deals briefly with this resistance: *In certain areas ...* but then tries to block further discussion with: *I think we're losing sight of the main point*.
 - at line 42 B manages the conversation so that they move on from the opening to begin a sales conversation about specific properties. For B, this is the main topic.

Now look at the 'Topic management' branch of the mind map.

Other language for discussions

In discussions you are likely to use a lot of linking words and phrases. (See units 20–22.)

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 ... (-ing)

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 / you 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

Topic management

Agreeing and disagreeing

Clarification

**DISCUSSIONS****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 price 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 _ _ _ _ _ ous 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 _ _ _ ved 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 _ _ k p _ _ _ i _ some very fr _ _ _ _ _ l discussions.
- 8 You've all read my summary, so now I think we can o _ _ _ it u _ f _ _ 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 (X) 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.