Contents

BUSINESS TOPICS

Companies and sectors
1 Company types and structures 6
2 Start-up and growth 8
3 Individual company profile 10
4 The manufacturing sector 12
5 The service sector 14

Markets, products and customers
6 Markets and competitors 16
7 Marketing – the four Ps 18
8 Marketing strategy and brands 20
9 Describing products 22
10 Customers 24
11 Orders, invoices and payment 26

Money and finance
12 Money 28
13 Company finance 30
14 The language of trends 32

Everyday business life
15 Numbers 34
16 Time 36
17 Office equipment 38
18 Using the Internet and email 40
19 Working conditions 42
20 Your job 44
21 Projects and teams 46
22 Plans and forecasts 48
23 Problems, problems 50

Management
24 Strategy and leadership 52
25 Hiring, firing and promotion 54
26 Pay, benefits and motivation 56
27 Cross-cultural communication 58
28 Business and the environment 60

CV and job interview
29 CV (resume) and cover letter 62
30 Job interview 64

EFFECTIVE COMMUNICATION

Social English
31 Greetings and introductions 66
32 Welcoming visitors 68
33 Standard responses 70
34 Small talk 72
35 Likes, free time, interests 74
36 Home, city, country 76
37 Food and drink 78
38 At the restaurant 80
39 Leaving and saying goodbye 82
40 Social English: summary and review 84

Business travel
41 Flights and travel 86
42 Hotels 88
43 Conferences and exhibitions 90

Using the telephone
44 Telephoning: getting connected 92
45 Telephoning: start, middle and end 94
46 Telephoning: common situations 96
47 Telephoning: conference calls 98
48 Telephoning: summary and review 100

Emails
49 Emails: basics 102
50 Emails: meetings, arrangements 104
51 Emails: commercial 106
52 Emails: formal language 108
53 Emails: summary and review 110

Meetings
54 Meetings: an introduction 112
55 Meetings: basic phrases 114
56 Meetings: checking, clarifying, active listening 116
57 Meetings: developing the discussion 118
58 Meetings: summary and review 120

Presentations
59 Presentations: an introduction 122
60 Presentations: structure and key phrases 124
### Words: Families, Compounds, Partners

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>61</td>
<td>Word families: verbs and nouns</td>
<td>126</td>
</tr>
<tr>
<td>62</td>
<td>Word families: adjectives and nouns</td>
<td>128</td>
</tr>
<tr>
<td>63</td>
<td>Word families: more adjectives</td>
<td>130</td>
</tr>
<tr>
<td>64</td>
<td>Word families: prefixes</td>
<td>132</td>
</tr>
<tr>
<td>65</td>
<td>Word families: revision/extension I</td>
<td>134</td>
</tr>
<tr>
<td>66</td>
<td>Word families: revision/extension II</td>
<td>136</td>
</tr>
<tr>
<td>67</td>
<td>Compound nouns</td>
<td>138</td>
</tr>
<tr>
<td>68</td>
<td>Compound adjectives</td>
<td>140</td>
</tr>
<tr>
<td>69</td>
<td>Word partners (collocation) I</td>
<td>142</td>
</tr>
<tr>
<td>70</td>
<td>Word partners (collocation) II</td>
<td>144</td>
</tr>
</tbody>
</table>

### Speaking Practice

Discussion topics

<p>| | |</p>
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### Writing Practice

Writing tasks

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### Listening Exercises

Interviews with business people: exercises

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1. An interview with an accountant  
   Topics: explanation of income statement  
   
2. An interview with a B2B commercial director  
   Topics: delegation; role of the sales rep  
   
3. An interview with a bank manager  
   Topics: different ways to motivate employees  
   
4. An interview with an events organizer  
   Topics: organizing exhibitions in an export market  
   
5. An interview with a specialized manufacturer  
   Topics: SWOT analysis of a small family firm  
   
6. An interview with a negotiator  
   Topics: price; localization; quality guarantees  
   
7. An interview with a freight forwarder  
   Topics: logistics using airlines  
   
8. An interview with an investment banker  
   Topics: IPOs; M&A; raising funds  
   
9. An interview with a consultant  
   Topics: cross-cultural differences  
   
10. An interview with a sales director  
    Topics: distribution channels; franchising  
    
11. An interview with a takeover specialist  
    Topics: hostile takeovers; restructuring  
    
12. An interview with an exporter  
    Topics: control in the export market; getting paid  

### Listening Scripts

Listen and repeat exercises

Interviews with business people

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ANSWER KEY
### Profit and loss

Companies have to produce accounts every year, and one of the most important is the income statement. It is also called the profit and loss account, or just the P&L. Here is a simplified version.

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Liabilities</td>
</tr>
<tr>
<td>Money that comes into the company from sales</td>
<td>Direct cost of making the goods, such as materials costs, labour costs</td>
</tr>
<tr>
<td>Profit before other things are taken away</td>
<td>General costs, such as rent, utilities, insurance, salaries of office staff, marketing</td>
</tr>
<tr>
<td>Profit from the business activities of the company (of course the company can make a profit or a loss)</td>
<td>Tax money paid to the government</td>
</tr>
<tr>
<td>Profit that remains after all costs and taxes are taken away</td>
<td>Depreciation: loss in value of machinery, vehicles, etc</td>
</tr>
<tr>
<td>Final amount that is left; it is used to reinvest in the company</td>
<td>Money paid to the shareholders of the company</td>
</tr>
</tbody>
</table>

Note the words ‘gross’ and ‘net’. These words can be used for salary or weight as well as profit. Note these alternative words.

- revenue = turnover = sales income
- direct costs = operating costs = indirect costs
- profit = earnings (formal)
- a cost = an expense (formal)
- spending = expenditure (formal)

Note that we say …

- make a reasonable/healthy/huge/record profit
- make a slight/significant/substantial/heavy loss
- first-quarter/half-year/annual profit
- have an annual turnover of £15m
- pay £2m in taxes

### Assets and liabilities

A second annual account is the balance sheet. Here is a simplified version:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>Current liabilities</td>
</tr>
<tr>
<td>Long-term assets</td>
<td>Long-term liabilities</td>
</tr>
<tr>
<td>Shares</td>
<td>Shareholders’ equity</td>
</tr>
</tbody>
</table>

Assets are what the company owns. Current assets include cash and things that can be turned into cash quickly, such as accounts receivable (= money owed by customers). Long-term assets are things like machinery, vehicles and buildings.

Liabilities are what the company owes (‘debts’ in everyday language). Current liabilities are things that have to be paid quickly, such as accounts payable (= money owed to suppliers). Long-term liabilities are things like bank loans.

Now, imagine that the company stops doing business tomorrow. It uses all its assets to pay all its liabilities. Anything that remains belongs to the shareholders and would be returned to them. It is called shareholders’ equity.

Note: Latin and German languages have words like ‘active’ and ‘passive’ for assets and liabilities. These are false friends.

We say …

- have total assets of £15m
- have a healthy/strong balance sheet
- have a high level of debt on your balance sheet

### Cash

A third annual account is the cash flow statement. This shows the movement of real cash into and out of the company. A company can be profitable ‘on paper’ but have cash flow problems because of customers paying late, etc. A company needs real cash, not paper profits, to run its business day to day. This available cash, used to pay bills and salaries, is called working capital.

The three sets of accounts mentioned on this page are audited (= officially examined) each year.

---

1. Read the text for general understanding.
2. Read it again and underline the words you don’t know. Check their meaning.
3. Highlight words you know passively, but don’t use actively. Choose some to write sentences of your own.
4. Check pronunciation at macmillandictionary.com
Exercises

13.1 Underline the correct words.
1 Another word for 'revenue' is profit / turnover.
2 Another word for 'profit' is earnings / dividends.
3 The word that means 'total before things are taken away' is brute / gross.
4 The word that means 'total after things are taken away' is liquid / net.
5 'Assets' are everything that the company owns / owes.
6 'Liabilities' are everything that the company owes / owns.
7 Money owed by the company to suppliers is called accounts payable / accounts receivable.
8 To keep the business running, pay its bills, etc a company needs daily capital / working capital.

13.2 Rearrange the letters to make words and phrases from an income statement. Use the definitions in brackets to help you.
1 cost of doogs losd ___________________________ cost of goods sold
2 operating costs ____________________________ (general cost of making the products eg materials costs)
3 reneue ____________________________ (turnover, money from sales)
4 srog prifot ____________________________ (profit before other things are taken away)
5 otepainig prifot ____________________________ (profit from the business activities of the company)
6 ten prifot after ax ____________________________ (profit that remains after all costs and taxes are taken away)
7 divendis __________________________________ (money paid to the shareholders)
8 decreperion ____________________________ (loss in value of machinery, vehicles, etc)
9 ax ____________________________ (money paid to the government)
10 rented prifot ____________________________ (profit that remains, after dividends have been paid, that can be reinvested in the company)

13.3 Five of the items from Exercise 13.2 are given in the income statement below and five are missing. Fill in the missing items.
1 Cost of goods sold
2 Operating costs
3 ____________________________ Tax, etc
4 ____________________________ Net profit after tax
5 ____________________________ Retained profit

13.4 Put the phrases into order, from 1 (the best for your company) to 6 (the worst).

slight loss  record profit  reasonable profit
healthy profit  heavy loss  significant loss

Last year we made a …
1 ____________________________
2 ____________________________
3 ____________________________
4 ____________________________
5 ____________________________
6 ____________________________

13.5 Read the text, then answer the questions below.

What is shareholders’ equity? On the very first day of the company’s life it is the amount that the original founders of the business invested in the company. Let’s imagine this is €100,000. This money, called the share capital, will be held at the bank in cash, waiting for the business activity to start. 
So the balance sheet (BS) on Day 1 is very simple. On one side current assets are €100,000 and long-term assets are zero. On the other side, liabilities are zero (the business doesn’t yet have any debt) and shareholders’ equity is €100,000. The two sides of the balance sheet are equal. (That is why it is called a balance sheet.) The company has a successful first year. The income statement shows a healthy net profit at the end of the year, and the shareholders decide to pay themselves a small dividend. After this, there is still a little money remaining to reinvest in the business (the retained profit). In the company’s accounts this amount is transferred from the income statement to the balance sheet. In the BS it appears as an increase in shareholders’ equity. 
After several more years of successful trading the shareholders’ equity is now quite large – each year it has grown by the addition of retained profits. But remember that shareholders’ equity is only ‘on paper’. It is not real money that we can see somewhere. Shareholders’ equity is real only in the sense that there would be something left theoretically if the business stopped tomorrow and all the debts were paid using all the assets. Why is shareholders’ equity important? Because investors need to know approximately how much the business is worth. 
The simplest way to value a company is to say that it is the shareholders’ equity right now plus (estimated) profits in the future.

Now circle T (True) or F (False).

1 Shareholders’ equity = share capital + retained profits. T/F
2 Shareholders’ equity appears on the right of the BS because it is not an asset that belongs to the company. It is an amount that the company owes (theoretically) to the shareholders. T/F
3 The value of the business is the same as the value of the shareholders’ equity. T/F

See page 146 for some discussion topics.
The team

The success of projects depends on teamwork. The team leader should support team members, and every individual needs to be a good team player. You can:
- lead/ head (up) / run a team
- build / form a team
- join a team
- work together as a team
- team up with somebody (= work together with them)
- be a team leader / team member / team player

Often your team includes external partners with whom you have common ground (= shared goals in certain areas). You work with them for your mutual benefit (= both sides gain something). When outside people are involved in the team and have the same goals, they are ‘on board’.

There is a lot of common ground between us – I think we can work together for our mutual benefit.

Time and money

Projects have a schedule (= time plan) and a deadline (= final date). You can:
- fall behind schedule and then catch up
- be on schedule
- finish ahead of schedule
- agree / confirm / set / extend a deadline
- meet / miss a deadline

Projects also need a budget (= money available to spend). Before the project starts you can:
- estimate (or underestimate) costs
- make a rough (= approximate) estimate of costs

And once it is running you should try to:
- keep within the budget
- stick to the budget (also stick to the schedule)

Getting started

At the beginning of a project you:
- Allocate resources (= decide how to use money, time, people and materials).
- Brief team members (= give them information and instructions).
- Delegate tasks.

If you are doing a project for an outside client, you:
- Meet with the client and discuss the specifications (= detailed instructions).
- Produce a breakdown (= detailed list) of the costs.
- Draw up (= prepare and write) a proposal and present it to the client.
- Get feedback from the client, and then modify the proposal based on the feedback.
- Discuss the details of the contract and then sign it once everything is agreed.
- Appoint subcontractors, usually after putting the work out to tender (= announcing publicly that work is needed and giving different companies the opportunity to bid for the work).

Finally you set a start date. If you have any issues (= problems), you might have to delay (= postpone / put back / push back) the start date.

Progress

Everyone gets on with their work (= continues with it). The team leader gets regular updates from team members and makes sure that:

a) everything is on track (= developing in the right way and likely to be successful), and
b) everyone is kept in the loop (= kept informed).

- Where are we with Phase 1 of the project?
  - We’ve already done it.
- Is everything going OK?
  - We had an issue with a subcontractor but we’re back on track now.
  - Can you send me regular updates?
  - Leave it with me.

And up to now we’ve managed to keep within the budget.

- How’s everything going with Phase 3?
  - We’re short of time.
  - Time’s running out.

- Hour’s everything going with Phase 3? I’m out of the loop.
- Good news. We’re slightly ahead of schedule. And up to now we’ve managed to keep within the budget.
Exercises

21.1 Match an item on the left with an item on the right to make phrases from the text opposite.

1. be the team     estimate     1. temarwok       teamwork
2. be back on     resources     2. ddeanile       (a time or date by which you have to do something)
3. allocate       a start date   3. acallote       (decide to use money, time, etc for a particular purpose)
4. set           leader       4. degatele       (give part of your work to someone else)
5. make a rough     track
6. be kept in     tasks       5. spificecations  (exact measurements or detailed plans)
7. fall behind     within the budget
8. finish ahead    of schedule
9. delegate       schedule
10. keep          the loop
11. find common    a proposal
12. brief (v)      ground
13. draw up        with our work
14. put work out   team members
15. get on         to tender

21.2 Complete the sentences with a whole phrase from Exercise 21.1.

1. Juliana has little experience in this area. Is she ready to be the team leader?
2. It’s difficult to give a detailed breakdown of the costs, but I think we can estimate the cost in a day or two.
3. We’ve had a few problems but we should finish the project ahead of schedule for all the planned projects.
4. We should know our budget next week. The senior management team are having a meeting on Monday to set leader us.
5. Phase 2 of the project is taking much longer than we thought. We’re definitely going to delay it.
6. I won’t be involved in the project on a day-to-day basis, but I would still like to find common ground with our competitors.
7. It’s not vital that we stick exactly to the time plan – what really matters is the money side of things. We really have to be kept in tasks.
8. Everything’s moving very quickly. Believe it or not I think we might even finish the project on time.
9. I’m sure we can negotiate with our competitors on the issue of internet piracy. We need to work together to do something about it.
10. Great! The contract is signed and the budget is in place. Now we can finally get on to tender.
11. We can’t just offer this job to our usual subcontractor. EU legislation requires that we draw up a proposal.
12. On Monday morning there’s a kick-off meeting to discuss the new project.

21.3 Rearrange the letters to make words. Use the definitions in brackets to help you.

1. temarwok       teamwork
2. ddeanile       (a time or date by which you have to do something)
3. acallote       (decide to use money, time, etc for a particular purpose)
4. degatele       (give part of your work to someone else)
5. spificecations  (exact measurements or detailed plans)
6. brakewodn      (detailed information separated into different groups)

21.4 Complete the sentences with these prepositions:

back, between, on, on, to, to, up, up, up

1. Nicole is going to head on the Paris team.
2. Henrik, I’d like you to team up with Maxime.
3. There is a lot of common ground between us. I think we can reach an agreement.
4. Welcome on the team. It’s great to have you on board.
5. We’ve fallen a little behind schedule – but no problem, I’m sure we can catch up.
6. We’re on schedule to finish the project at the end of May, just as we promised.
7. We can’t change the plans. We’ve agreed the schedule with the client and now we should stick to it.
8. There’s been an unexpected problem. We’re going to have to push back the start date by a week.

21.5 Complete the dialogue by writing one word in each space. Some letters are given to help you.

BULENT: What’s happening with the Saudi construction project? I’ve been away for a couple of weeks and I’m out of the loop.

AZIZ: Don’t worry, everything is on track. We’ve had a meeting with the Qataris and they’re fully on board now. They’re going to invest 80 million dinars in the project.

BULENT: What about those guys in the Emirates?

AZIZ: They haven’t contacted us yet.

BULENT: Well, time is running out. We need to chase them. Can you deal with that?

AZIZ: Yes, I can handle it with me.

BULENT: And with the subcontractors?

AZIZ: We’ve put the work out to tender. We’ve already had a number of bids.

BULENT: Good. I think we’re in a position to set up a schedule for the whole project now.

AZIZ: I agree. At a rough estimate I think we can begin the building work in May.

See page 147 for some discussion topics.
Meetings: basic phrases

Starting
To begin a discussion just say:
Right/So/OK/Right then/Well/Let’s get started.
If there has been some social conversation first, then you can say:
OK, let’s get down to business.
To introduce the subject of the meeting say:
We’re here to decide …
The purpose/aim of this meeting is …
The reason we’re here today is …

Giving an opinion
You can just give an opinion with no special phrase OR you can introduce it with:
I think/I feel/I’d say (that) …
Use a longer phrase to emphasize that it is a personal opinion. The underlined words are stressed in speech.
From my point of view, …
As far as I’m concerned, …
You can introduce a comment with a short word or phrase like those below. This signals to the listener what kind of thing you are going to say.
Something is obvious
Obviously/Of course/Clearly …
Something is surprising but true
Actually/In fact/As a matter of fact …
You are uncertain
Apparently/It seems that/They say that …
You are being honest
To be honest/Frankly/To tell the truth …
Emphasizing an important point
Basically/The point is/The main thing is …
Other phrases
Unfortunately/Luckily/I’m pleased to say that/Hopefully/Presumably/Between you and me …

Agreeing and disagreeing
While someone else is talking we say small words to let them know that we are listening and agree.
Right./That’s right./True./That’s true.
Absolutely/Exactly/Definitely.
Yes, good point./Yes, good idea./Yes, I agree.
To disagree just say:
But/However/Then again …
Alternatively, use Yes, but or a variation of it:
That’s true, but …
Yes, you have a point, but …
I can see what you’re saying, but …
You can correct factual information with Actually:
Actually, I’m Scottish, not English.
To disagree more directly you can:
Use open questions
Really? Do you think so? Are you sure?
Ask challenging questions
But what would happen if …?
Have you thought about the risk involved?
Use a fixed expression
I’m not sure about that.
That’s not really how I see it.

Managing the conversation
You may want to:
End a topic
OK. So I’ll … (+ action point) then.
Anyway,… (+ conclusion).
Change the topic
Right/So/Anyway. Now what about …?
OK, shall we move on to discuss …?
Invite someone else to speak
What about you?
What do you think?
Interrupt
Can I just come in here?
Sorry, can I just say something/ask a question?
Block an interruption
Can I just finish my point?
Perhaps we can come back to this later?
Go back to a previous topic
Anyway, as I was saying …
Anyway, getting back to what I was saying before …

Finishing
To signal that you want to end the discussion say:
Right/So/Anyway … (followed by a pause)
A longer alternative is:
I think that’s as far as we can go today.
Finally talk about the next steps and review action points:
I think the best way forward is …
So, before the next meeting I’m going to … and you’re going to …
Exercises

55.1 Underline the correct word in italics.
1 OK, let's get started/make it start.
2 OK, let's be down with/get down to business.
3 The object/purpose of this meeting is to discuss the market research findings that I circulated to you.
4 From/in my point of view, it would be better to finance this project out of the existing budget.
5 As far as I'm concerned/as it concerns me, the timescale for this project is too short.
6 Yes, you have reason/you're right.
7 Yes, I agree/i am agree with you.
8 OK, shall we move to/move on to discuss what kind of promotional materials we're going to use?
9 Can we come back/come back to this point later?
10 I think that's as far as/so far as we can go today.
11 I think the best manner/way forward from here is to approach existing customers and see how much they would pay for this extra service.
12 I think the best manner/way forward from here is to approach existing customers and see how much they would pay for this extra service.

55.2 Match each item on the left with the one on the right with the closest meaning. Be careful because several phrases may have a similar meaning.
1 Actually —
2 Apparently —
3 Basically —
4 Frankly —
5 Hopefully —
6 Obviously —
7 Presumably —
8 Unfortunately —

55.3 In each mini-dialogue cross out the word in italics that is less likely or not possible.
1 A: The new model is a big improvement.
   B: Of course/kaput/it's a little more expensive.
2 A: Did you go to the Frankfurt Trade Fair?
   B: Unfortunately/The main thing is I didn't go this year.
3 A: Do you think she'll get the job?
   B: Apparently/To be honest, I don't think so.
4 A: I haven't heard of them before.
   B: Actually/With any luck, they're the fourth biggest company in the market.
5 A: Who's going to be the new Team Leader now that David has left?
   B: Basically/Presumably they'll give the job to Freya — she's the most obvious person.
6 A: What's going to happen?
   B: It seems that/Frankly I don't care. I'm already applying for other jobs.

55.4 Match the beginning and end of each phrase.
1 OK, let's get what you're saying
   what you're saying
2 I can see
   of this meeting is
3 So, what
   sure about that
4 As far as I'm concerned
   as I'm concerned
5 The purpose
   about
6 I'm not
   as I'm concerned
7 Anyway, as I happen if
   happen if
8 Can I just
   as we can go
9 I'm
   was saying
10 I think that's as far as/so far as we can go today.
11 I think the best going to recommend
   say something
12 What would
   way forward

55.5 Complete this meeting extract using the phrases in Exercise 55.4 (phrases 1–6 are used first).

CHAIR: Is everybody here now? 1 OK, let's get down to business. Do you all have a copy of the agenda? Good. 2 to talk about what we're going to do with the net profit we made from last year's trading. Miki, would you like to begin?

MIKI: Thank you. There are really just two options, either to return it to the shareholders as dividends or to reinvest it in the business. 3, we should return it to the shareholders. We paid a very small dividend last year.

LOUIS: 4, Miki, but we're at a crucial stage with the business and we need money for our expansion plans.

MIKI: 5. I think it's too soon and too risky to expand right now — we need a period of consolidation.

LOUIS: 6 all those new projects we discussed last week?

LATER IN THE SAME MEETING …

LOUIS: 7. Anyway, as I was saying earlier, I think a reasonable compromise would be to return half the profits to the shareholders.

TINA: 8 ? The shareholders are expecting more than that.

LOUIS: 9 they start questioning how we run the company?

CHAIR: 10 with this discussion today. 11 is for me, as CEO, to meet with the chairman of the Board and sort out the final details. But in principle 12 a much bigger dividend.

55.6 You are going to hear eight phrases. Listen and repeat.