

'Corporations are not things. They are the people who run them.'
Charles Handy, Irish management guru

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CASE STUDY

Dino Conti Ice Cream



STARTING UP

A Which of these companies do you or would you like to work for?

- 1 a family-owned company
- 2 a multinational company
- 3 your own company (be self-employed)

B Can you name a company in each of these business sectors? Is there one that you would like to work for?

- Telecommunications/Media
- Banking and finance
- Food and drink
- Engineering
- Transport
- Retailing
- Pharmaceuticals/Chemicals
- Manufacturing
- Another service industry
- Construction
- IT/Electronics
- Tourism

VOCABULARY

Describing companies

A Complete the chart on the next page with the information in the box below. Then write sentences about the companies.

EXAMPLE: *Cisco Systems is an American company which supplies Internet equipment.*

American Express container-ship operator fashion/retail Finnish
Japanese Korean Nokia oil and gas pharmaceuticals Toyota

Company	Main activity	Nationality
Cisco Systems	Internet-equipment supplier	American
..... ¹	Car manufacturer	.....²
Inditex	.....³	Spanish
..... ⁴	Travel and financial services provider	American
Roche	.....⁵	Swiss
Samsung	Electronic-goods maker	.....⁶
..... ⁷	Telecommunications	.....⁸
Hapag-Lloyd	.....⁹	German
Petrobras	.....¹⁰	Brazilian

B Complete the sentences below with the words and phrases in the box.

head office market share net profit parent company
share price subsidiary ~~turnover~~ workforce

- The amount of money a company receives from sales in a particular period is called its turnover.
- The money a company makes after taking away its costs and tax is its
- A company which owns another company is called a
- The employees in a particular country or business are called the
- The percentage of sales a company has in a particular market is its
- The main building or location of a large organisation is its
- The cost of a company's shares is its
- A company which is more than 50% owned by another company is called a

C Complete this extract from a company report with appropriate words or phrases from the box in Exercise B.

Financial performance

I am pleased to say the parent company¹ has continued its excellent performance. We are changing, growing and doing well at a difficult time for the industry.....² was €57.2 million, an increase of 15% on last year, and.....³ rose by 5% to €6.4 million.

We are a highly competitive business. We have increased our.....⁴ to 20%. Consequently, our.....⁵ has risen and is now at an all-time high of €9.6.

Increased production and strong demand have had a positive effect on our cashflow, so we are able to finance a number of new projects. We have successfully moved to our new.....⁶ in central London. We are now planning to start full production at the recently opened Spanish.....⁷ in October.

Finally, thanks once again to our loyal and dedicated.....⁸. Our employees will always be our most valuable asset.

D  CD1.17 Listen to the CEO reading from the company report and check your answers to Exercise C.

E Now talk in the same way about your own company or one you know well. Which other companies in your country are doing well / not doing well at the moment?



LISTENING

A successful company



Susan Barratt

A CD1.18 Listen to the first part of an interview with Susan Barratt, the Chief Executive Officer of Nature's Way Foods, and correct the six mistakes in this paragraph.

Nature's Way Foods is a drinks-manufacturing company based on the east coast of Ireland. They put chilled product, the majority of which is milk and cheese, into various types of packaging for the major retailers and various food-service companies in Ireland.

B CD1.19 Listen to the second part, where Susan talks about the reasons for the company's success, and complete these notes with one word in each gap.

First reason for success: the¹

- Health – desire to eat healthy²
- Convenience –³-poor
- Sustainability – low level of food⁴
- Indulgence – diet Monday to Friday, but have several pieces of cake on Friday night

Second reason for success: the way they⁵ the business

- High-⁶ business
- Produce hundreds of⁷ of units
- Need to be very⁸ in the way they produce them
- Invested heavily in⁹ and processes

C CD1.20 Listen to the third part and answer these questions.

- 1 What two things has Susan enjoyed the most when running a company?
- 2 What does she not enjoy about running a company?

B CD1.21 Listen to the final part and complete this extract.

I've learned a lot of lessons from the companies I've worked for. I think the key thing is that you have to make sure your¹ in the organisation are engaged with the organisation and have a clear² of what that organisation is trying to³.

If you can get that clarity of⁴ and⁵ from the people within the organisation, then that will help move the business forward in itself.

E Discuss this question in pairs.

Would you like to run your own company? Why? / Why not?

Watch the interview on the DVD-ROM.



READING

Two different organisations

A 'Companies should be owned by their employees.' Discuss.

B Work in pairs. As you read, make a note of the key points about your company in the chart below.

Student A: Read Article 1 on the opposite page.
 Student B: Read Article 2 on the opposite page.

Tata	John Lewis
India's biggest company	Owned by its employees

India: Tata's search for a new CEO

by Joe Leahy in Mumbai

Mr Tata, Chairman of India's biggest company, is expected to retire – yet again – in two years. But this time things look different. The group appears ready to move on, formally announcing last month that it has set up a special committee to look for a new CEO.

Instead of simply choosing the most obvious successor, the group has said it will consider all candidates for India's biggest corporate job. In a country where companies are often controlled by influential families, the idea of an outsider, particularly a foreigner, controlling a group of Tata's size and reputation is revolutionary.

At risk is more than the future of the Tata Group, though this is very important to the national economy. With its 100 subsidiaries – including India's biggest private-sector steel company, its biggest information-technology outsourcing company and its biggest automotive producer – it is also the country's first true multinational, with 65 per cent of its \$71 bn in revenue generated overseas.

Analysts question whether Tata can create an example for corporate India of orderly transition from family leadership to professional management. "There's a feeling if an outsider, especially a foreigner, took

over a group as complex as Tata, it would be disastrous," says a banker who knows the company.

However, some critics argue that introducing professionals would help to break down a reputation for weak management in large, family-run companies.



Article 2

Is John Lewis the best company in Britain to work for?

by Jon Henley

It is owned by its employees – or partners – who have a say in how it is run and receive a share of the profits. Surely this is the way every organisation should be run?

It's just before opening time on bonus day at John Lewis and, boy, are we excited. Up and down the country, the 69,000 people who work for the nation's favourite retailer are gathered, impatient. A specially chosen staff member opens an envelope and reads out a number. Fifteen per cent. It's the percentage of their salary that each John Lewis employee takes home as that year's bonus.

If a product is on sale in a John Lewis store, you know you can trust it. Plus you can be sure you'll be served

by someone who really knows what they're talking about and, most unusually of all, is eager to help.

Unlike other high-street names, John Lewis is owned by its employees, each of whom has a say in its running and a share in its profits. This is Britain's largest example of worker co-ownership. Its purpose is "the happiness of all its members, through their worthwhile and satisfying employment in a successful business".

"It's a good company to work for," says Pedro, a Waitrose[®] chef. "I didn't realise how good until I joined." Employer-employee relations at John Lewis, says Nicola McRoberts, "are completely different. They want you to be happy."



A veteran of five years, Kirsty Reilly, in womenswear, speaks of the "passion and commitment" that come from "being engaged, because you have a shared interest in making sure it works, for you and for the people you work with."

*A supermarket chain, part of the John Lewis group

adapted from the *Guardian*

C After reading, ask your partner what they have learned about Tata / John Lewis. Add the new information to your chart in Exercise B.

D Compare and contrast the two companies.

EXAMPLE: *Tata is an Indian company, but John Lewis is a British company.*

E Discuss these questions.

1 What are the good and bad points of bringing in someone from outside to run a family-owned business?

LANGUAGE REVIEW

Present simple
and present
continuous

Complete the rules below with these phrases.

- ~~factual information~~
- future arrangements
- routine activities and habits
- temporary situations

We use the present simple to:

- give factual information¹
*Tata **produces** cars.*
- talk about.....²
*I usually **arrive** at the office at eight o'clock.*

Some verbs are almost always used in the present simple rather than the present continuous, for example *like, want, know, need*.

We use the present continuous to:

- describe.....³
*She's **staying** in Mumbai till the end of the week.*
- talk about.....⁴
*What **are you doing** on Tuesday afternoon?*

➔ Grammar reference page 142

A Complete these sentences with either the present simple or the present continuous form of the verbs in brackets.

- We normally hold (hold) our sales conference in Mumbai, but this year we (hold) it in Delhi.
- Although we (use) our own sales representative at the moment, we generally (use) agents in China.
- Tatsuo (work) for a financial magazine. At the moment, he (write) an article on insider trading.
- Usually our Sales Director (deal) with important customers, but I (deal) with all enquiries while she is on holiday.
- I (come) from Poland, but at the moment I (live) in Germany.
- John Lewis (want) to continue with expansion this year.

B Complete the job advertisement below with either the present simple or the present continuous form of the verbs in the box.

be consider employ have grow look need offer offer prepare

Sales Manager

- We are¹ one of the largest mobile-phone retailers in Europe.
- We² independent and impartial advice on mobile phones.
- We³ more than 800 stores in 10 countries, and we⁴ fast.
- We⁵ over 3,000 workers. Currently, we⁶ the next stage in our development, and we⁷ for major growth outside Europe.
- We⁸ for people who are reliable, confident and enthusiastic. We⁹ experienced people who want to work for an expanding company.
- We¹⁰ a competitive salary and private health insurance. We are willing to reward staff with attractive performance-based bonuses.

Ring 020 7946 0008 for an information pack.

C Work in pairs.

SKILLS

Presenting your company



DCV Fashions	
Head office	..... 1
Products	..... 2
Turnover (last year)	..... 3
Profits (last year)	..... 4
Reasons for success	..... 5
Advertising and promotion	..... 6

A What sort of presentations have you given? How did you feel?

B CD1.22 Listen to the beginning of a presentation by Robert Pullin, Director of Human Resources at DCV Fashions, and answer these questions.

- 1 What is the main aim of the presenter?
- 2 What kind of audience is he probably addressing?

C CD1.22 Listen again and complete this paragraph.

.....¹, I'll give you some basic information about DCV Fashions.², I'll explain why we've been so successful in the fashion industry.³, I'll tell you about our mission statement. This describes what we're all about, why we're in business. And⁴, I'll explain how we communicate with people through our advertising and promotion.

D In pairs, practise giving an introduction to your own company or one which you know well.

E CD1.23 Listen to the rest of the presentation. Work in pairs and complete the information on the left. If necessary, listen again.

F Number these phrases which introduce different sections of the presentation in the order in which they appear.

- a) Moving on now to our mission ...
- b) Finally, a word about ...
- c) Thanks very much for listening ...
- d) OK, some basic facts ...
- e) What's the key to our success?

G Choose one of these topics.

- Think about your company or a company you know. Study the Useful language box below, and use the headings in the chart in Exercise E to help you prepare a presentation about it.
- Use the facts provided on page 133 to make a presentation about Moda International Fashion Group (MIFG).

Work in pairs. Make your presentation and answer your partner's questions. Your audience is a group of young people from a fashion college.

USEFUL LANGUAGE

INTRODUCING YOURSELF

Hello everyone, my name's Robert Pullin. I'm Director of Human Resources at DCV Fashions.
Good morning, I'm Robert Pullin, Director of Human Resources, DCV Fashions.

STATING YOUR AIM

My purpose today is to talk to you about our company. Today, I'd like to talk about our

OUTLINING THE PRESENTATION

First, I'll give you some basic information.
Next, I'll talk about our products.
Then, I'll discuss the reasons for our success.
Finally, I'll tell you about our advertising and marketing.

INTRODUCING NEW INFORMATION

Here are some basic facts.

CHANGING TO A NEW SECTION OF THE TALK

Moving on now to our mission.
OK/Right. What about our distribution system?

ENDING THE PRESENTATION

Thanks very much for listening to my presentation.
Thanks for coming to my talk. Are there any questions?



How can a popular ice-cream maker increase sales?

Background

Dino Conti Ice Cream Inc., based in Santa Barbara (USA), manufactures and distributes ice cream to consumers in California. It produces 15 flavours, which it distributes mainly to supermarkets and company-owned stores. Its most famous product is its classic chocolate ice cream, sold under the SupaKool label. Many people believe that Dino Conti's SupaKool chocolate ice cream is the best in the world.

Dino Conti has expanded rapidly in recent years, but now its growth is slowing down. A recent fall in profits has disappointed the management. The owner, Paolo Conti, wants the company to become more international.

🔊 **CD1.24** Listen to an excerpt from a board meeting. Make notes under these headings.

Reasons for falling profits

- Prices
- Equipment
- Outlets
- Products
- Environment

Chart 1: Dino Conti's main products (as a % of turnover)



The future

Paolo Conti has \$3 million to invest in his company so that it continues to expand and become an international business. Here is an extract from a company profile that appeared in a business magazine recently.

Dino Conti can continue its remarkable growth, but only if it solves its present problems, develops new products, and finds new markets.



Chart 2: investment options

Option	Cost (estimated)	Benefit
1 Build a bigger factory	\$2.4 million	More production capacity; lower unit costs
2 Export to China and Russia	\$1.2 million	New markets – great sales potential
3 Buy out its major competitor	\$2 million+	Reduce competition; increase production capacity
4 Develop a range of exotic fruit drinks	\$2.5 million	Move into a new area
5 Upgrade its equipment and fleet of trucks	\$1.2 million	Lower costs
6 Distribute to more outlets	\$500,000	Increase sales and profits
7 Increase its advertising budget	\$500,000	Increase sales / Improve company image
8 Make the company more 'green'	\$800,000	Improve company image and sales
9 Improve the products' packaging	\$400,000	Increase sales
10 Offer free ice cream to all consumers one day a year	\$600,000+	Raise awareness of the company; good PR

Task

You are directors of Dino Conti Ice Cream. Meet to discuss your investment plan.

- 1 Work in pairs. Decide how to spend the \$3 million. Prepare a presentation of your investment plan, with reasons for your choices.
- 2 Meet as one group and present your ideas.
- 3 As one group, agree on a final investment plan.

Watch the Case study commentary on the **DVD-ROM**.



Writing

As a director of Dino Conti Ice Cream, write a proposal document to your CEO in which you:

- list the investment options you have chosen;
- give arguments for each option, as well as the cost and benefits.

INVESTMENT PLAN

1 Objectives

To solve our current problems and enable Dino Conti to become a competitive international business, we propose an investment of \$3 million.

2 Strategy and implementation

The Board of Directors has agreed the following investment plan.