

Company Types & Structure



1. Types of business structures.

Match the types of the companies with their descriptions:

Sole trader (BrE) / Sole proprietor (AmE)	A group of people who work together as equals (eg. : a firm of lawyers or architects), sharing risks and profits.
Partnership	A large company which is listed on stock exchanges; anyone can buy its shares.
Limited Liability Partnership (LLP)	A company operated in a similar way to traditional partnerships, with a benefit of limited liability.
Private Limited Company	A one-person business; the person may describe themselves as « self-employed » (for ex, a shop owner), or « freelancer », who works for different clients.
Public limited company - PLC (BrE) / Corporation (AmE)	A legal entity in its own rights, separated from its owners; its shares are privately owned, usually by a small number of people.

2. Company structure: departments.

C What do the following departments do?

1 In R&D, people research and develop new products.

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|-----------------------|------------------|---------------------|
| 1 R&D | 5 Production | 9 Logistics |
| 2 Customer Services | 6 Finance | 10 Public Relations |
| 3 Human Resources | 7 Administration | 11 IT |
| 4 Sales and Marketing | 8 Legal | |

D Match these activities (a–k) to the correct department in Exercise C (1-11). Can you add any other activities to any of the departments?

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|-------------------------|------------------------------|---|
| a) deal with complaints | e) run advertising campaigns | i) keep records |
| b) draw up contracts | f) issue press releases | j) transport goods and |
| c) carry out research | g) operate assembly lines | k) install and maintain systems equipment |
| d) train staff | h) prepare budgets/ accounts | |

3. Listen to three people talking about their job. What departments do they work in?

4. Look at these examples of company organisation (on the right). What do you think of their advantages/disadvantages?

5. How can you describe these types of organisation using the following words:

bureaucracy centralised decentralised hierarchy innovative promotion



6. Now read these descriptions and see if your ideas were similar.

Tall organisations have lots of management levels. There is generally more bureaucracy and decision-making is slow and centralised in the top levels of the hierarchy (top-down decision-making). A criticism of tall organisations is that they are slow to innovate and therefore are less competitive. However, there are also many opportunities for promotion. Large complex corporations with a lot of staff are typical examples of tall organisations.

Flat organisations are less hierarchical. There are few levels of middle management. Decision-making is more decentralised and therefore quicker. The lines of communication between staff and senior managers are more direct and two-way (top-down as well as bottom-up). Flatter organisations are said to be more creative and innovative. However, with fewer management levels, there are fewer chances of promotion. Managers can have more responsibilities and stress. Start-ups with fewer staff are typical flat organisations.

7. Look at these 2 company profiles (on the right). Do you think they are likely to have a tall or a flat organisation?

8. Listen to a radio discussion with Janet Wood, an organisation consultant. Check your answers in ex.7.

9. Listen again and say if the following statements are true (T) or false (F). Correct the false statements.

- 1) Organisations with tall structures can change and innovate fast.
- 2) Bob and Genevieve Gore started their company in the 1960s.
- 3) Employees voted to decide who should be the CEO of Gore.
- 4) « Holacracy » is a system without traditional managers.
- 5) All the functions at Zappos are now done by teams.
- 6) The transition at Zappos will take a few months to complete.

10. Choose the correct option. Listen again if necessary.

1. Janet Wood seems *a) critical of hierarchies* *b) positive about hierarchies* *c) sceptical about flat structures*

2. Which statement about W.L.Gore is true? *a) Employees work in teams of 30*
b) Staff are called associates
c) Nobody in the company has a job title

3. Which statement about Zappos is true? *a) The company started two years ago*
b) Staff work in about 500 teams called circles
c) The lead link of a circle decides what everyone does

4. What do W.L.Gore and Zappos have in common?
a) Senior executives are elected by the employees
b) Any member of staff can start a new project team
c) Staff decide their own roles in a team

