

Lesson 14 Corporate Operations

Text 1

Who should come first in a business: customers, shareholders or staff?

Johnson & Johnson — customers. Serving them well has clearly worked for the other stakeholders. The company's shares have performed outstandingly in the long run, while its staff have enjoyed the security of working at an expanding and reputable company.

Hanson Trust — shareholders. All other interests were subordinate to the demands of the providers of capital: an increasing share price, and a progressive dividend policy.

British Airways — staff. Then you have to worry about the strike, a self-destructive attempt to defend partisan interests at the expense of everyone else.

The ideal arrangement is for the three constituents to cooperate for their mutual benefit.

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Note-Taking

Vocabulary

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Vocabulary

Text 2

Africa's equity markets are hot. It is attracting attention from investors seeking to profit from the emergence of a new class of African consumers.

The real source of excitement is the "frontier markets" of sub-Saharan Africa. Small investors might choose to buy a stake in a mutual fund that mechanically tracks an index of frontier-market stocks.

Fund managers are mindful of the liquidity problems that forced the closure of New Star's Africa Fund in 2009.

One way around the shortage of liquid stocks is to buy companies that have most of their assets or earnings in Africa but are listed elsewhere.

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One way around the shortage of **liquid stocks** is to buy companies that have most of their assets or earnings in Africa but are **listed** elsewhere.

Note-Taking

Vocabulary

Say It like a Professional

at stake

The staggering news put the stable production of our staples _____ and may stall it.

Meaning

give and take

He was used to working alone. In his new job, he had to learn to _____.

Meaning

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