

8.2 Reducing costs

Lesson outcome

Learners can talk about different ways of reducing company costs.

Lead-in 1 What percentage of your budget do you spend on these things?

clothes food free-time activities rent/mortgage transport

Vocabulary Saving money

2 Look at the phrases in bold. What do they mean? Underline the key words that explain the phrases.

- 1 We often **review expenses**. It's important to see how we spend money. Last year, we spent forty percent of our budget on rent!
- 2 My company likes to **automate tasks**. Using a machine to do some of our work is great! Now we have more time for other things.
- 3 Employees can **work remotely**. Last week I didn't work in the office – I worked at home.
- 4 We need to **upgrade our technology**. Can we buy new computers and software, please?
- 5 We **outsource work** to a company in France. They help us with our work – they did our accounts last year.
- 6 Can we **negotiate with** the suppliers? I want to talk about a change to the contract – we need a better price.
- 7 Could we **relocate to** that new business park out of the city centre? My old company moved offices and they saved a lot of money.
- 8 How can we **save energy**? Turn off the computers at night to use less electricity.

3 Match 1–8 with a–h.

- | | |
|---------------------------|---|
| 1 Yesterday I negotiated | a energy by moving to a more modern and efficient office. |
| 2 We outsourced our | b to Berlin. Our new office is great! |
| 3 We saved | c with their sales team. They gave us a better price. |
| 4 Last month we relocated | d work to an accountant. We had no time. |
| 5 Last week I worked | e that task, so employees don't have to do it. |
| 6 We upgraded | f expenses yesterday. We have a big plan to save money. |
| 7 We reviewed our | g the company's technology. Now, we all have tablets! |
| 8 The company automated | h remotely – I was in Poland! |

T Teacher's resources:
extra activities

Reading An online interview

4A Read the interview. Which sentence is false?

- 1 Mr Kowalczyk checked company costs.
- 2 The company had problems with an accountant.
- 3 The employees didn't like the new software.



Mr Kowalczyk

Q: You reduced your costs by twenty-five percent! How did you do it?

A: Firstly, I reviewed the company's expenses to see how to save money. Our rent was very expensive! So we relocated to a different building in the same city. But, the old office was bigger, so employees now work remotely two days a week. It saves money and employees are happy to work at home! In the new office, we also changed things: we bought LED lights and saved energy.

Q: Was it difficult to make changes?

A: Yes, it was. For example, we outsourced work to an accountant, but he didn't complete the tasks – he didn't have time. So we negotiated a new contract with him for extra hours but he said no!

Q: Did the employees like the changes?

A: Yes, they loved the changes! For example, we upgraded our technology. The new software, on the same computers, automated tasks that were very boring. Employees now have more time for other work.

B Read the interview again. What did the company do?

buy new computers move office save money save time for employees sell more products

Communicative grammar

REVISION OF THE PAST

Complete the examples with the correct form of the verbs in brackets. Some verbs are irregular.

- + Our rent **was** very expensive.
 - It ¹ _____ (be) a good idea.
 ? Why ² _____ (it / be) a problem?
 + We **relocated** to a different building in the same city.
 - He ³ _____ (complete) his tasks.
 ? How ⁴ _____ (you / save) energy?
 ? ⁵ _____ (you / sell) more this year or last year?

T Teacher's resources:
extra activities

5 Look at the comments section of the interview in Exercise 4A. Complete the comments with the correct form of the verbs in brackets. Some verbs are irregular.



Elvira

Managing Director of Microdo Tech

'Last year we ¹ _____ (reduce) the number of tasks employees have because we ² _____ (automate) our customer service system. The employees ³ _____ (be) very happy.

We also ⁴ _____ (negotiate) with our software supplier. We ⁵ _____ (buy) a new software package for the sales department at a good price. But the training took a long time and the employees ⁶ _____ (not complete) it. So in the end, we ⁷ _____ (not save) money in sales.'



Hinako

CEO of Auroid

'Last month we ⁸ _____ (make) a big change – we ⁹ _____ (relocate) to a new office. However, the internet in the new office ¹⁰ _____ (not work) for a week. We ¹¹ _____ (complain) to our phone and internet provider.

Last Tuesday we ¹² _____ (have) a meeting with our provider to talk about the problems. They ¹³ _____ (upgrade) our internet for free. The video during conference calls is better now and the internet is faster. Also, our provider ¹⁴ _____ (give) us new phones!'

→ **page 103** See Pronunciation bank: Pronouncing the letter 'o'

Writing 6A Look at the table. Which pairs of actions and results do Elvira and Hinako write about in Exercise 5? Write 'E' or 'H' next to the correct line. Only four pairs are used.

+	Action	Result	
	upgrade our technology	have better conference calls with clients	
	review company expenses	have a better budget and can save money	
	automate services	have happy employees	E
	save energy	reduce costs by five percent	
–	Action	Result	
	relocate to a new office	have internet problems	
	negotiate with our software supplier	have a bad training experience	
	outsource work	receive poor-quality work	
	work remotely	employees talk only by email	

B You are the CEO at Catantere, a digital design company. Write an online comment like the ones in Exercise 5.

- Explain how you reduced costs.
- Use one positive (+) and one negative (–) pair of actions and results from the tables in Exercise 6A.
- Use different ideas to Elvira and Hinako.