

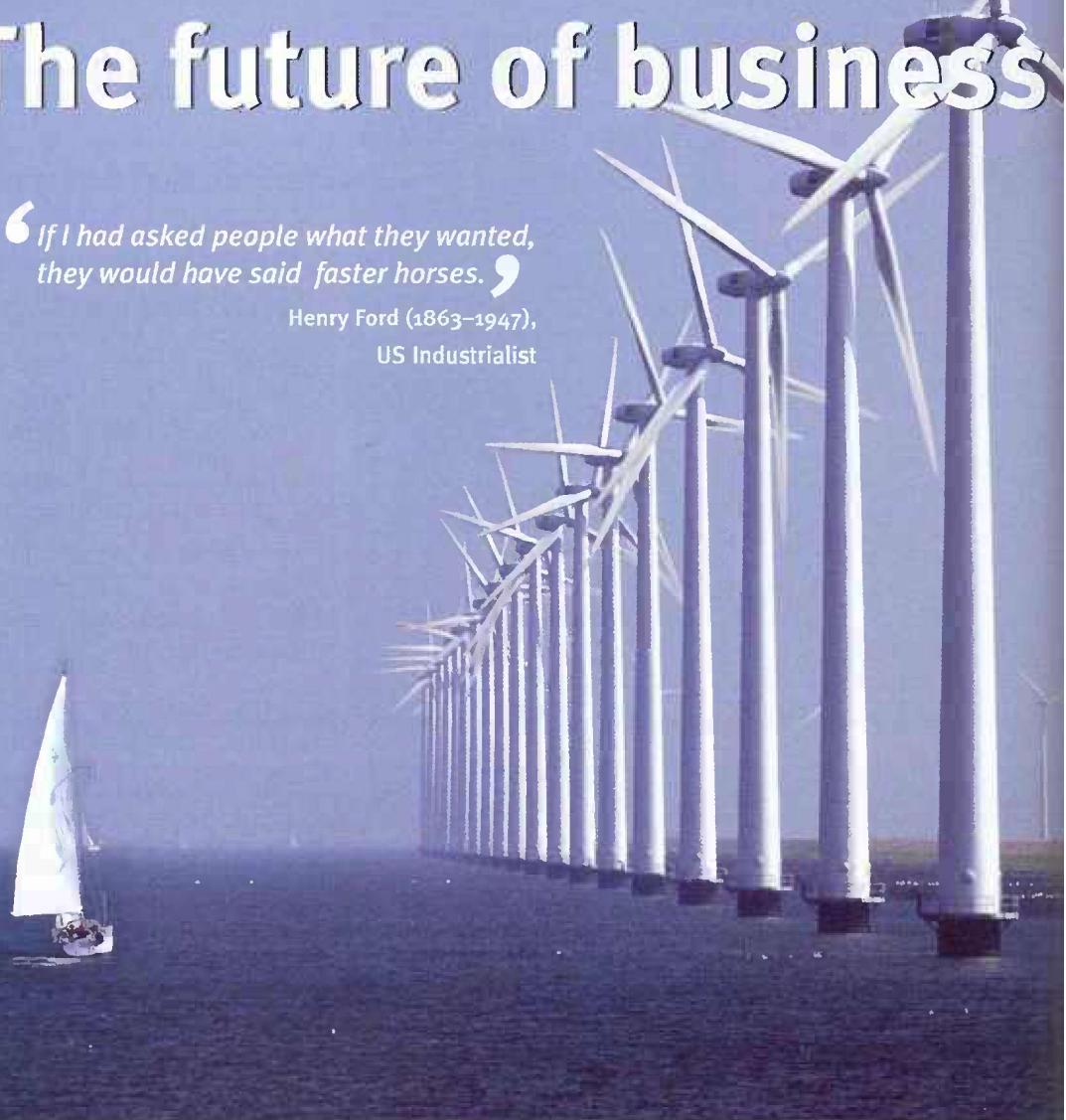
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Yedo Department Stores

If I had asked people what they wanted,
they would have said faster horses.

Henry Ford (1863–1947),

US Industrialist



Starting up

A The business world has changed dramatically in recent times. Which of the following do you think could happen in the next 50 years? Explain why.

- 1 People will have more leisure time.
- 2 Few people will have full time jobs.
- 3 There will be cities of 100 million people.
- 4 There will be a world stock market.
- 5 Cash won't be used any more.
- 6 People will live and work in space.
- 7 Trade unions will disappear.
- 8 There will be no retirement age.
- 9 Countries will be run by big businesses rather than governments.
- 10 Fresh water will be more valuable than oil.

B What other changes do you think are likely?

C How do you think your career will develop in the future?

D How optimistic are you about the future of business in your own country?
Explain your answer.

Listening

The future of business



▲ Tamar Kasriel

- A** 14.1 Tamar Kasriel, Head of Knowledge Venturing at the Henley Centre, is talking about business opportunities in the future. Listen to the first part of the interview and complete the chart below.

New business opportunities

- 1 A development in and in
- 2 Targeting a particular of, for example, older people who are going to be an important of the market.

Expanding business sectors

- 1 Areas where companies are very for example, the growth of in Europe and the United States.
- 2 Companies where they can a and offer something a bit special.

- B** 14.2 Listen to the second part of the interview and answer these questions.

- 1 What is Tamar Kasriel's opinion about technology and efficiency?
- 2 a) How did companies try to become more efficient in the 1980s?
b) How will they try to be more efficient in the future?

Vocabulary

Describing the future

- A** Complete the expressions below with words from the box.

art	date (2)	edge	fashioned	time	forward	minute	past	times
-----	----------	------	-----------	------	---------	--------	------	-------

- 1 up-to- date
- 2 a thing of the
- 3 ahead of its
- 4 old-
- 5 state-of-the-.....
- 6 the way
- 7 out of
- 8 up to the
- 9 at the cutting
- 10 behind the



Vocabulary file page 171

- B** Use some of the expressions above to comment on products or companies that you are familiar with. For example, *Using cash could become a thing of the past*.

- C** The adjectives in the box can be used to talk about the future. Use them to complete the table below.

-bleak	bright	brilliant	depressing	dire	doubtful
dreadful	great	magnificent	marvellous	promising	
prosperous	rosy	terrible	uncertain	worrying	

very bad	bad	good	very good
bleak			

- D** Discuss the short- and long-term futures for some key industries in your country. Combine adjectives from the table with words like: *possibly, potentially, probably, certainly, undoubtedly*. For example, *The future for shipbuilding is potentially very bright*.

Reading

New working model

A What do you think will happen in your country during the next five years with regard to the following?

- population
- wages
- unemployment
- leisure time
- inflation
- information technology
- universities
- market regulation

B Read the article and answer these questions.

- 1 According to the writer, what are the two greatest changes in the world affecting business?
- 2 According to the writer, what lessons can be learned from previous attempts to predict the future of work?
- 3 What have been the effects of outsourcing on global business?
- 4 What is the point which the writer makes about capital and labour?
- 5 What example of problem-solving does the writer give?

C What key point(s) does the writer make about the following countries?

Germany France the UK Japan India China the US

D Put the following words in the correct order. Then check your answer in the article. For example: *excessive labour market regulation*

- | | | |
|---------------|---------------|-------------------|
| 1 regulation | labour market | excessive |
| 2 leadership | economic | world |
| 3 in-house | think-tank | economic |
| 4 markets | potentially | huge |
| 5 vehicle | lower | development costs |
| 6 niche | new | markets |
| 7 world-class | centres | research |

E Now put the following words in the correct order. For example: *increasingly difficult market conditions*

- | | | | |
|----------------|-------------|-------------|---------------|
| 1 difficult | conditions | market | increasingly |
| 2 gifted | researchers | university | exceptionally |
| 3 increasingly | rate | high | unemployment |
| 4 developing | rapidly | information | technology |

F Discuss these questions.

- 1 How do you think the way people work will change in the future?
- 2 Which five countries do you think will dominate the world economy in twenty years' time? Rank them in order of importance and give reasons. Compare your ideas with your partner.



New working model

By Michael Skapinker

As we embark on this new investigation of the future of work, there are several lessons we can draw by looking back. First, time, and our own adaptability, may solve some of our deepest problems. There are still developed countries worried about large-scale unemployment, France and Germany among them. But their problems are now widely seen as the result of excessive labour market regulation. Far from telling employees to enjoy more leisure, French and German companies are trying to find ways to ensure their staff work more hours. And in the UK, employers and policy-makers now worry about a shortage of workers, not of work.

Second, the countries that seem poised to assume world economic leadership - Japan in the past; India and, especially, China now - may face obstacles that are barely visible today. And third, there is nothing new about our sense that we are at a turning point. People have often felt that work was changing in ways they had not seen before. Is it different this time? Is the way we work really changing fundamentally?

In one sense yes, simply because the countries that are playing a fuller part in the world economy, particularly China and India, have such large populations. 'We simply have not comprehended yet the full impact of 2.5bn people coming into the world economy who were not part of it before,' says Kim Clark, dean of Harvard Business School.

The second change is the technology affecting work today. The internet and broadband connections have made it far easier for companies to distribute their work around the world and to remain open 24 hours a day, seven days a week.



The trend towards both outsourcing and offshoring have offered India and China huge opportunities to develop their people's skills. They have also provided companies around the world with enticements that are difficult to resist.

Diana Farrell, director of the McKinsey Global Institute, the consultancy's in-house economic think-tank, says that 70 per cent of the costs of a typical company in the developed world come from labour and 30 per cent from capital. Capital is expensive and labour cheap in countries such as India and China. Companies that benefit from the cost savings involved in employing Indian or Chinese labour are at a significant advantage.

The problem is, Ms Farrell says, that competitor companies can achieve the same benefits by moving some of their operations to India or China too. Competitive advantage can only be retained if companies understand that there is more to be gained from India or China than cost-cutting. The two countries

are potentially huge markets too. Lower vehicle development costs in India, for example, mean cheap cars can be produced for the local market. New niche markets can be found for these products in developed countries too.

Companies can address business problems in India and China that they could not solve in their home markets. For example, Ms Farrell cites an airline that used to find it uneconomic to chase debts of less than \$200. By using Indian accountants, they were able to chase debts of \$50. This is good for western companies, but what of western workers?

A common question heard in the US and Western Europe today is: 'What are we all going to do?' Prof Clark says: 'First of all we have to recognise something that's lost in a lot of these conversations: most of us don't work in places that are competing with the Chinese.' Or the Indians.

Technology is likely to continue to allow more jobs to be done remotely, but, Prof Clark argues, there will be an opposing trend too: companies

offering a more personal service at close quarters. Ms Farrell argues that demographic changes mean there are going to be fewer Americans and western Europeans to do the jobs available anyway.

Japan and Western Europe are ageing societies. Even the US, still a relatively young country by comparison, will have 5 per cent fewer people of working age by 2015 than it does today.

Faced with these projections, western societies can either export the jobs or import the workers.

Will China and India become as dominant as Japan once looked like becoming? Prof Clark says the most significant obstacle they face is the quality of the universities. Few of them show signs of becoming the world-class research centres they need to be if China and India are to become world economic leaders.

From the *Financial Times*

FINANCIAL TIMES

Language review

Prediction and probability

There are many ways to talk about prediction and probability:

We can use *will* or *going to*.

There are going to be fewer Americans and Europeans to do the jobs available.

Even the US will have 5% fewer people of working age by 2015.

We can use modals.

The economic situation may improve.

We can use lexical phrases.

Certain: *There's certain to be more outsourcing of production in the next 10 years.*

Probable: *It's quite probable that Russia will join the European Union.*

Possible: *Maybe we'll have to hire a new CEO.*

Unlikely: *It's unlikely that Coke will lose its position.*

Impossible: *It's just not possible to meet that deadline.*

→ see page 136

A Look at the following examples and say whether the lexical phrases suggest they are: *certain, probable, possible, unlikely or impossible*.

- 1 *There's no chance of us entering the European Union.*
- 2 *There's bound to be an increase in interest rates soon.*
- 3 *I doubt whether there will be a stock market crash next year.*
- 4 *They probably won't call off the strike.*
- 5 *Our CEO's taking a salary cut. It's out of the question.*
- 6 *It's possible that the retirement age will be increased to 70.*
- 7 *Perhaps the majority of managers will be women in the future.*
- 8 *It's highly likely that China will become the dominant world power.*
- 9 *There's a good chance that the World Wide Web will have serious problems.*
- 10 *Poor infrastructure will definitely undermine economic growth.*

B In pairs say what you really think about the likelihood of a stock market crash next year, the retirement age being increased to 70, the majority of women being managers, China becoming the dominant world power, and the World Wide Web having serious problems.

C Work in pairs. Make predictions about your company, your country or yourself. Use as many forms from the Language review box and Exercise A as possible. You may also find the phrases in the box below useful:

In my lifetime ...

Before long ...

In the near future ...

In the next ... years

Over the next decade ...

By this time next year ...

By the end of this century ...

Sometime in the next decade / century

Skills**Getting the right information**

A 14.3 Listen to each dialogue and answer the questions. Then listen again and tick the expressions in the Useful language box that you hear.

Dialogue 1

- 1 Why does Carla have difficulties contacting Li Wang?
- 2 Who helps her with her enquiry?

Dialogue 2

- 1 Why is Michael Bishop angry?
- 2 How does the person he calls deal with the situation?

Dialogue 3

- 1 What caused the breakdown in communication?
- 2 What do the two speakers do to understand each other?

Dialogue 4

- 1 Why does the caller telephone the supplier?
- 2 How did the problem arise?

Useful language**Making contact**

Could you put me through to Mr Li Wang please?

You seem to have got the wrong extension.

Can you transfer me to his extension?

Asking for information

Could you give me a few details?

When did you give us the order?

Can you tell me what the order number is?

Asking for repetition

Sorry, I didn't hear what you said.

I'm sorry, I didn't catch that.

What did you say the reference number was?

Checking information

Fine. Shall I just read that back to you?

Let me just check. What you need is ... Is that right?

Could you spell that, please?

Clarifying

What exactly do you mean by ... ?

Sorry, I don't follow you.

Are you saying that ... ?

Confirming understanding

Right, I've got that.

Fine / OK / Right.

Confirming action

I'll check it out right away.

I'll get on to it immediately.

I'll call you back as soon as I can.

B Role play these situations in pairs.

- 1 A Marketing Director is due to attend a meeting with an overseas customer. He/She phones to confirm the arrangements.

Marketing Director

You are phoning to confirm details of a meeting which was arranged by a colleague two weeks ago. You want to meet half an hour earlier, if possible. Also, check the date, time, day and venue of the meeting. Your colleague left you a message with these details:

Time 14:30

Date Tuesday, 13 November

Venue Metropolitan

Contact at hotel Karen

If you cannot agree on a suitable time and date, suggest alternatives.

Overseas customer

You receive a call from the Marketing Director who wishes to confirm details of a meeting arranged by his/her colleague. You have the following information in your diary.

Time	16:30pm
Date	Thursday, 30 November
Venue	Metropole
Contact at hotel	Kieran

- Confirm the arrangement for the meeting.
- Ask the Marketing Director to bring samples of his / her company's latest products.
- If you cannot agree a suitable time and date, suggest alternatives.

- 2 A customer telephones the Sales Manager of a German kitchen equipment manufacturer. The customer has ordered some microwave ovens which are more than a month overdue.

Customer turn to page 147. Sales Manager turn to page 151.

Read your role cards, then role play the telephone conversation.

CASE STUDY

14

Yedo Department Stores



FACT FILE

Yedo Department Stores



Founded	1895
Staff	Approximately 3,200 (mostly full-time)
Opening hours	7 days 10am – 6pm (Fridays 7pm)
Location	Usually near major railway stations
Core customers	Well-off, brand-conscious; over 80% female
Discount policy	Discounts only available during regular January and July sales
Décor	Traditional / Old-fashioned
Parking	Very limited
Special services	Classes in foreign languages and leisure activities; Travel service

Background

Yedo is a successful Tokyo-based department store chain with six outlets in Japan and two more in London and New York. It has an excellent reputation for high-quality goods. Yedo also offers outstanding service and a large number of sales staff. Many lifts have uniformed attendants.

Yedo's strategy – to offer a wide choice of products and personalised service – has worked well until recently. Last year however,

profits fell sharply and results for the first six months of this year have been disappointing. Furthermore, several similar famous store groups are now heavily in debt.

Market research

Yedo's management has asked an international marketing agency, TWCB, for advice on how to maintain and increase profitability.

Yedo Department Stores: extract from TWCB's market report

3 COMPETITION

3.1 CONVENIENCE STORES

These appeal to all groups, including housewives. They offer a much wider range of goods and services than they used to, and respond quickly to demand. Conveniently located, they often operate round the clock.

3.2 DISCOUNT STORES

Prices in these stores are 20%–30% below the manufacturers' recommended level. Also, stores which price all products at ¥100 have become popular in Japan.

3.3 SPECIALITY STORES

Stores such as Muji and Fast Retailers sell good quality, 'no-brand' products at low prices, backed up by sharp advertising. Fast Retailers has opened 430 stores in Japan and plans another 80 to 100 each year. Muji has 251 stores in Japan, and appeals mostly to young shoppers.

3.4 FOREIGN RETAIL CHAINS

Following deregulation in the retail industry Carrefour from France, and the American chain Wal-Mart, plan to open in Tokyo.



14.4 The Head of TWCB, Susan Lam, talks about Japanese social and consumer trends with Kazuo Yamashiro, CEO of Yedo Department Stores. Note down the five trends. Discuss which you think will have most influence on Yedo Department Stores.

Discussion questions

- 1 Should Yedo continue to position itself as an up-market store selling exclusive products?
- 2 Should Yedo try to appeal more to older or younger people? What products and services should it offer to appeal to these target customers?
- 3 What are the advantages and disadvantages of renting parts of the store to other businesses? Should Yedo be doing this?
- 4 Should Yedo expand overseas, with more stores abroad? If so, what countries would be suitable for overseas expansion?
- 5 Should Yedo use the Internet? If so, how can it use the Internet effectively?
- 6 How can Yedo compete against the convenience stores?
- 7 How do you see the Yedo Department Store group developing in the future?

Task

You are members of the marketing agency, TWCB. An informal meeting has been arranged to discuss ways of maintaining and increasing Yedo's profitability. Yedo's CEO has prepared some discussion questions for you to consider. Hold the meeting and note down your best ideas, which will be incorporated into a report.

Writing

As head of TWCB, write a report for the CEO of Yedo, Kazuo Yamashiro, on your agency's ideas.

→ Writing file pages 144 and 145

