

Unit 1: Companies

UNIT OBJECTIVES

Reading:	A matter of choice
Language:	Present simple and continuous
Vocabulary:	Companies and careers
Career skills:	Talking about your job
Culture at work:	Hierarchy
Dilemma & Decision:	The virtue of necessity (formal email)

This unit focuses on types of company and company structure. Companies operate in a range of industries (electronics, IT, retail etc.). Many companies, regardless of industry, undertake activities across the same areas (research and development, marketing, production, sales, customer services etc.). There are different types of companies (UK) or corporations (US).

Sole trader (UK): when someone has their own business with no additional shareholders. It is the easiest way of starting a business and you alone are responsible for all aspects of the business.

Partnership: where more than two people or businesses work together

Limited company (UK): a private company where individual shareholders lose only the value of their shares if the company goes bankrupt. (Their liability is limited; they would not lose any property they owned.)

Plc (public limited company – UK): a limited company where the shares are bought and sold freely

Inc: The US equivalent of plc. In the US, companies can be incorporated (registered) with the authorities in the state where the HQ is based. To sell shares they need to approach the SEC (Securities Exchange Commission.)

Multinational: a company that operates in different countries, usually with a complex structure, e.g. a parent company owns subsidiaries. The parent company may be a holding company with no independent activity.

Corporate structure can change when companies form an alliance.

Merger: two or more companies join together to create a single larger company

Takeover: similar to a merger with one company taking control by buying more than half the shares

Joint venture: two or more companies make a joint investment in a project without actually merging

In many companies there are three key groups of people: shareholders, management and the workforce. A traditional hierarchical company is normally given

strategic direction by the board of directors. The board is headed by the chairperson (UK) / president (US) though operations in all directorates are headed by the chief executive officer (CEO), sometimes known in the UK as the managing director (MD). A director normally heads each function within the company (e.g. HR director, finance director) and managers lead the departments within a function or directorate. In SMEs (small and medium sized enterprises) and in entrepreneurial businesses, the structure may differ.

 Style guide, Job titles, page 14

Keynotes

Introduce the topic by asking Ss what they think the picture represents (it shows small companies trying to fight against larger organisations, with the large organisations fighting back; but neither type is dominant) and what they understand by the title *Survival of the fittest*. Ask Ss to read the keynotes. Check they understand the terms in bold and introduce the abbreviation *plc* = *public limited company*. Ask questions such as: *What plcs / joint-stock companies can you think of? What multinationals? What about famous entrepreneurs?* Draw Ss' attention to the glossary for this unit at the back of the book.

 Coursebook, Glossary, Unit 1, page 147

Preview 1

Ask Ss to discuss the questions in pairs / small groups. Draw a grid on the board with the company types in a column on the left and the headings *Advantages* and *Disadvantages* along the top. Then elicit Ss' preferences and reasons and write notes under the headings on the board.

Suggested answers

Large multinational: Advantages – clear structure and career progression, good benefits, recognised by future employers. Disadvantages – narrow area of work, lack of view of what is happening in the rest of the organisation

Family business: Advantages – close relationship with other workers, ability to see how all the roles fit together. Disadvantages – difficulties working with other family members, amateur running of the business

Hi-tech corporation: Advantages – exciting environment. Disadvantages – fast-moving business area may be risky, possibility of redundancy if the business fails

Preview 2

As a lead-in, ask Ss what they understand by the term *traditional company*. Then ask Ss to read the list of developments and discuss the potential positive and negative impacts. Refer to the newspaper headlines to give Ss ideas. (Parmalat is the Italian food company which was the subject of a high profile financial scandal in 2003 / 2004. See Teacher's book, Unit 8, page 57 for more information on Parmalat and other financial scandals.)

Suggested answers

Developments in technology: Positive – greater efficiency. Negative – specific skills can become redundant

Growth in consumer power: Positive – increased responsiveness from companies. Negative – possible impact on image and profitability

Expansion of e-business: Positive – opportunity for any company to sell anywhere. Negative – competition from companies with few overheads

Increase in shareholder power: Positive – greater control of individuals at the top of companies. Negative – lack of freedom by directors to make decisions

Financial scandals: Positive – increased regulation and greater financial soundness. Negative – loss of consumer / shareholder trust

Transfer of money / jobs abroad: Positive – more competitive companies. Negative – loss of control over quality, loss of skills at home

Weakening trade unions: Positive – more competitive companies. Negative – unhappy staff

Reading 1

This section focuses on company structure. Ask Ss if they know of any company buildings or premises which reflect company structure. Refer Ss to the picture on page 9, which shows the Swiss Re Tower in the City of London, known because of its shape as the 'gherkin' building. The 41-storey building, designed by Norman Foster for use by the major Swiss reinsurance company, is one of the tallest buildings in London and is radical in its design. Explain that it represents a hierarchical / pyramid company structure (typical of the banking and insurance sectors) with the bosses in the smart offices at the top and layers of subordinates below. This contrasts with flat structured companies like the computer company DELL with its sprawling campus. Then refer Ss to the title on page 9. What do they think the article will be about? Ask Ss to read the text and answer the question. Refer Ss to the glossary box at the top of the page and remind Ss of the glossary for the unit at the back of the book.

If consumers, producers and shareholders have more choice, companies will have to structure themselves to ensure they are flexible enough to give consumers etc. what is wanted.

 Coursebook, Glossary, Unit 1, page 147

Reading 2

Ask Ss to read the text again and answer the questions. In feedback ask Ss where in the text they found the answers.

- 1 They were hierarchical or bureaucratic organisations making long runs of standardised products. They improved products instead of innovating, provided lifelong employment, and enjoyed good industrial relations.
- 2 Giant corporations disappeared / were transformed. They changed from high volume to high value, from standardised to customised. There are flatter hierarchies and less lifelong employment.
- 3 High volume = mass produced. High value = smaller quantity with a larger profit margin.
- 4 Giant companies, small companies with few tangible assets, networks of entrepreneurs.
- 5 Because consumers, producers and shareholders have more choice.
- 6 Flexibility

Speaking, page 8

Introduce the topic by checking Ss understand what freelance means and asking: *Have you ever worked as a freelancer? What was good / bad about it?* Then ask Ss to discuss the questions in pairs / small groups. Encourage Ss to give examples from their own experience.

Suggested answers

Freelancer: Advantages – freedom to accept interesting work and to refuse dull work. Disadvantages – lack of security regarding job and income

Employee: Advantages – fixed monthly salary, job security, routine. Disadvantages – routine, lack of freedom

Vocabulary 1 1

Ask Ss to scan the text again to find nouns referring to people involved in business (*entrepreneurs, consumers* etc.). Then ask Ss to look at the exercise and to identify the words that match the descriptions.

1 freelancer 2 entrepreneurs 3 venture capitalists
4 bidder / consumers 5 producer 6 shareholder

Vocabulary 1 2

Ask Ss to match the words with their definitions. If Ss have any difficulties, tell them to look at the text again to see the words in context.

2 d 3 a 4 f 5 h 6 g 7 e 8 c

Vocabulary 1 3

Ask Ss to discuss the words in Exercises 1 and 2 and put them next to the different types of companies they refer to. Point out that some of the words can refer to all the companies.

Corporations of the past: standardised products, lifetime employment
Today's multinationals: flattened hierarchy, customised
All: producer, shareholder, merger, tangible assets, lease
Online companies: flattened hierarchy, venture capitalists, bidder

Speaking, page 10

Ask Ss to brainstorm examples of the different company types and write their suggestions on the board. Explain that companies can change quite quickly, e.g. if a new CEO points the company in a different direction. Therefore, companies that today might be regarded as *corporations of the past* may change within a short space of time. The same is true of *today's multinationals*. For this reason, no answers are suggested.

Language check 1

As an introduction to present tenses, write the following sentences on the board and ask Ss if they know what the tenses are called:

Changes are taking place.
I work from 9–5.

What are the negative and question forms of these sentences? Check Ss know all forms of the verbs in both tenses. Once Ss are confident with form, elicit when the present simple and continuous are used and then ask Ss to read the information and complete the rules. Ensure that Ss are confident about the fact that certain verbs (non-continuous verbs) are never or rarely used in the continuous form. Check Ss' understanding by writing the following sentences on the

board and asking which option is correct in each:

I'm needing / I need a drink.
That sounds/ is sounding good.
I'm liking / I like my job.
Work is sometimes / is sometimes being boring.

Check also that Ss realise that some verbs can change meaning when used in the different forms. Ask Ss if they can explain the difference in the meaning of *think* in the following:

I think it's good = My opinion is it's good
We're thinking of restructuring = We're considering restructuring.

simple (a, b, c), continuous (d, e, f)



Coursebook, Grammar reference, Present simple and continuous, page 157

Language check 2

Ask Ss to match the examples with the rules.

2 d 3 b 4 c 5 e 6 f

Practice

Ask Ss to fill the gaps using the correct form of the verb in brackets. In feedback, ask Ss to give reasons for their choice and refer to the rules a–f.

2 have 3 is eliminating
4 is becoming 5 is shifting
6 does it mean 7 is diversification changing
8 do not manufacture 9 are wholesaling
10 takes place



Workbook, page 7

Speaking, page 11

Ask Ss to work in pairs and interview each other about a typical day at work / at the weekend (present simple) and what is planned for next week (present continuous). Give examples of possible questions: *Do you go to work by train?* *Are you going away next week?* As Ss interview each other, check they are using the tenses correctly. You may wish to take notes on incorrect usage, write some examples on the board and elicit correct forms.

Optional activity

Ask Ss to do a writing task for homework involving a description of company activity and use of present tenses. Ss have been asked to nominate a company for the *In-business* award (an award to promote excellence in business). They should write a letter:

- giving the name of the company they are nominating
- describing the general activity of the company
- explaining what is special about the current activity of the company.

NB: In the *Write it up* section (Dilemma) of Unit 15, Ss write a letter selecting the winner of a business award. This task is different: Ss are **nominating** a company and the letter should be relatively simple.

Vocabulary 2 1

Ask Ss to look at the two company structures. What type of company does each represent? Does either of the structures represent the company Ss work for? How is each similar / different to the structure of the company Ss work for?

Transatlantica is a traditional hierarchical (and possibly bureaucratic) company. Spearhead is less traditional: it has a light organisational structure, owns few assets and works with a network of complementary companies.

Vocabulary 2 2

Ss look at the structures again and answer the questions.

- 1 IT 2 HR 3 Finance 4 Legal Affairs 5 Electronic Supplies Ltd. 6 Global Transport Solutions Ltd.
7 Always Answers Call Centre, Solutions Vehicle Hire
8 Paul Phillips 9 Solutions Vehicle Hire

Career skills

Ask Ss in what situations they talk to other people about their jobs (e.g. when meeting for the first time). Ask Ss how much detail they generally give. Ss read the information and the phrases. Check they understand the phrases and can use them. Point out the use of prepositions (*responsible for; in charge of etc.*). Ask Ss to complete the stems about themselves.

 Workbook, page 7

Listening

Ask Ss to listen to five people from the previous page speaking about their jobs. Ss complete the first three

columns in the table. Then ask Ss to listen again and complete the final column with phrases used from the Career skills box. Ask Ss to check their answers in the audioscript.

- 2 Harry Wilson:** overseeing every aspect of policy and practice, responsible for all employees worldwide, 15,000 employees. **Phrases:** I am (ultimately) responsible for
- 3 Karl-Heinz Egonolf:** dealing with external auditors, overseeing quarterly reports, 10 accountants. **Phrases:** My job entails, who work under me
- 4 Jill Black:** in charge of people taking phone orders for different companies, responsible for recruitment and training, reporting to client companies and contacting new clients, 25 people. **Phrases:** I am in charge of, I'm responsible for, I report to, I'm (also) responsible for
- 5 Mary Fitzsimmons:** dealing with the press, sending out press releases, in charge of a team of writers, 15 staff plus 20 freelance writers. **Phrases:** I'm (also) in charge of

Writing

Ask Ss to read the profile and then write similar profiles for the five speakers. Encourage Ss to use note form in the *Present responsibilities* section, i.e. using no subject or auxiliary verb such as *be*, e.g. *Responsible for 15,000 employees worldwide.*

Answers will be based on the information in the box above.

Speaking, page 13

Ask Ss to work in pairs. They use the five profiles to take turns introducing themselves. Give feedback on both good and incorrect use of language. Then ask Ss to imagine they are meeting each other for the first time at a conference. They should introduce themselves (using their own identities) and talk about their jobs.

Culture at work

Ask Ss to read the information and discuss the questions in small groups. In feedback ask Ss about their experience of working with companies with steep and flat hierarchies (e.g. companies abroad that they deal with). You may find it helpful to look at the Culture at work table from page 7 of the Skills book; this is reproduced on the opposite page. You may also find it useful to refer to the relevant section on Culture at work in the teacher's notes supporting the Skills book.

	Steep hierarchy	Flat hierarchy
Company structure	Many levels of management	Not many levels of management
Power	Unequal distribution of power: senior managers are very powerful	Power-sharing: members of staff are relatively equal
Roles	Each member of staff has a fixed role or function	Roles are often flexible

 Skills book, Culture at work, page 7

 Teacher's book, page 122

Dilemma

Ask Ss to read the Dilemma brief and the three options open to Transal. Explain any unfamiliar terms.

Task 1: Ask Ss in small groups to discuss the potential benefits and disadvantages of each option.

Task 2: Ask each group to choose the best option and prepare to present their arguments to the class. Then ask Ss to present as a group, or for one representative of the group to present their arguments to the class. Take notes on the language used and provide group and / or individual feedback at the end of the lesson.

Decision

Ask Ss to turn to page 141 and to read what happened when a famous British company (Transco) was faced with this decision. Are they surprised by the decision? Why / Why not?

Write it up

Ask Ss to write the email to the board recommending the options and their reasons. Give each S a photocopy of the Writing preparation framework from page 188; then use the Writing focus (Writing focus: Formal emails) below to link the use of the framework and the Style guide as Ss plan their writing. It may be helpful to use the Writing feedback framework on page 189 when marking Ss' writing.

Writing focus: Formal emails

- 1 First decide who you are.
(In this case, you are writing the email on behalf of your group / team. Exactly who are they?)
- 2 Every time you start to write, you need to ask yourself two questions:
 - a What is the purpose of this piece of writing?
 - b Who am I writing to?
(Here Ss are writing to make a recommendation regarding the best option for improving safety. The email is directed at the Transal board of directors.)
- 3 Look at the section on Emails on page 18 of the Style guide. Notice the suggested structure of an email:
From / Date / To / Cc / Subject
Attachment
Opening
Body of the email
Closing
Name and job title
Is this structure appropriate for this email? Plan the paragraphs you are going to divide your email into. Then brainstorm the points you might cover in each paragraph.
- 4 What style should the email be written in?
(As it says in the Style guide, emails are usually shorter than other forms of communication, relatively informal, simple and concise. However, this is not always the case. Emails can also be more formal if written to superiors or people outside the company. As with all writing, it is important to choose a style that is appropriate for the purpose and audience. In this case, it is best to choose a neutral / relatively formal style, i.e. contractions and informal vocabulary and phrases should be avoided.)
- 5 What words and phrases might be appropriate in your email?
(See the useful phrases in the Style guide. Also, phrases for formal recommendations are appropriate.)
- 6 Now go ahead and write the email.
(You may want to give Ss Photocopiable resource 1.1 to use as a framework for the formal email.)
- 7 When you have finished, check your writing for: logical structure, clarity of ideas, accuracy of language, appropriateness of style.

 Style guide, Emails, page 18

 Style guide, General rules, page 3

 Style guide, Organising your writing, page 4

-  Skills book, Grammar reference, Formal recommendations, page 88
-  Teacher's book, page 142
-  Teacher's book, Writing preparation framework, page 188
-  Teacher's book, Writing feedback framework, page 189

**Formal email:
Suggested answer (159 words)**

From: emhart@transco.com
 Date: 1 Feb 05
 To: board@transco.com
 Subject: Safety Charity Challenge

Dear Board Members

I am writing to recommend my team's favoured option for developing a safety-conscious culture within Transco. We suggest that we choose the Safety Charity Challenge. There are several reasons for this choice:

- 1 We have already tried more traditional solutions. These have all failed.
- 2 The proposal is unusual and is likely to capture the interest of a large number of workers.
- 3 The scheme reinforces positive action: each time an idea is successful, staff will both see an identifiable improvement in safety and a contribution to their chosen charity.
- 4 The solution should be cheap in comparison with the other options.

Of course, the idea is untested whereas the other options are more familiar. However, we would argue that in order to have a dramatic impact, we need a dramatic solution.

Yours faithfully
Emily Hart
 Team Leader (West Block)

Extra activity
Photocopiable resource 1.2 (page 108)

At the end of the lesson, you may want to give a homework activity on the theme of companies. Give each S a copy of the worksheet. Ask them to think of a company they know well and to make notes under each heading for homework. Ss will probably need to do a bit of research to deepen their knowledge of the company. During the next lesson Ss work in small groups. They tell each other about the company they have chosen, referring to their notes.

Extra activity
Photocopiable resource 1.1 (page 108)

If you would like to give Ss additional help for writing the email to the board in Dilemma, Write it up, give Ss a copy of Photocopiable resource 1.1.