won't work, the cultural genes are too different. It's not enough to find a partner whose strengths compensate for your weaknesses, and vice versa; there has to be a real synergy in culture and personality.

I: OK, so, Goals, Gains and Genes. What are the other two Gs?

BD: Geography and Growth. Are the companies based in the same city or geographical area? If not, communication between headquarters is much more difficult, and the Gains are harder to achieve.

I: And Growth?

BD: Will the merger provide technology or skills that you don't have now, which would take too long to develop yourself, and which will unquestionably allow your company to grow? If the merger will open new markets, which would otherwise be inaccessible, then it makes sense.

I: When you've identified the right partner, how can you make sure the merger goes smoothly?

BD: The most important thing is to look after your people: employees, management and of course customers, but especially employees. First of all, you have to keep them focused and productive. A merger is a wonderful opportunity for everybody to take their eye off the ball - and so it's a great opportunity for the competition to jump in and take market share from both companies in the merger.
Secondly You have to help employees get over their feelings of loss and perhaps anger as quickly as possible, and accept the new situation. Whenever there is a merger, two companies die and a new company is born. It's essential to help people get through that traumatic period, to explain how things will change and what their new roles will be, and to get them to accept the new organization and their new identity. It's essentially about communication, sometimes counselling, and compensating those who leave the company, whether by choice or not.

7.2 Vocabulary Business performance

2:41

Oxter Holdings today confirmed that they have increased their bid for Fraxis Corp. to \$98 per share. Fraxis Corp. was floated in 1993 at just \$15 per share. After a sudden drop of \$3 in 1994, the stock rose gradually over the next two years to reach \$50 in early 1996, when Fraxis acquired one of their smaller competitors, Nimmco. The market was not enthusiastic about the takeover, and Fraxis fell sharply by over 40%. It then recovered slightly and levelled off around the \$30 dollar mark for the next three years. In 2000, Fraxis CEO Alex Firman announced an alliance with the European market leader Haffmann; the reaction was immediate. The stock price climbed to \$65 as institutional investors rushed to share in the profits. The alliance has been a great success; with the exception of temporary falls to \$50 in 2006 and \$59 in 2011, Fraxis has climbed steadily to peak at \$95, shortly after Oxter's first offer of \$90 a share was rejected last week. Analysts believe that Fraxis are unlikely to accept anything less than \$110, so expect to see the price jump to \$100 plus when trading opens on Monday.

7.3 Grammar Future forms and expressing likelihood

2:42

Ashley: Emma, Happy New Year!

Emma: Happy New Year!

A: What are you doing all alone over here? I haven't had a chance to talk to you all evening. Have some more champagne!

E: No, I shouldn't. I'm going to give up smoking and drinking this year. It's my New Year's resolution.

A: Really?! Well, you can start tomorrow. Come on, Em, it's New Year!

E: Oh, all right, just a drop. Thanks. Anyway, what about you, Ashley? What's the New Year going to be like for you? Have you made any resolutions?

A: No, not really. But I'm definitely going to find a new job. There's no way I'm staying at that company for another year.

E: Right. Have you got anything in mind?

A: No, but I'm going to read the job ads until I find something good. I'm bound to find something better than what I do now.

E: Oh, I'm sure you'll find something easily. Or you could go freelance, with the talent you've got ...

A: Freelance?! Well, I suppose I could, but I think it's unlikely. It's far too complicated. No, I'm just going to choose about ten or 12 jobs to apply for, go along to the interviews, and we'll see what happens. I'm going to take my time, not rush into anything.

E: Right. I think that's very sensible.

A: So, what about you? Are you going to stay at Artip?

E: I doubt it.

A: Really?! Are you going to leave, or are they going to throw you out?

E: Well, both of those are quite likely, actually. The company's being taken over in February, so we don't know what will happen. I mean, they're bound to make redundancies, we just don't know how many. Anyway, I'm starting evening classes next week. I'm going to retrain as a marketing assistant.

A: Excellent! Well, here's to a successful New Year for both of us!

E: Yes, cheers! But, Ashley, isn't there another New Year's resolution you've forgotten to tell me about? Is that a real diamond? Who's the lucky man, then?

7.4 Speaking Presentations – visuals

2:43–2:46

A Now, my next slide shows how the number of takeovers is likely to increase over the next decade. This one gives a breakdown by sector. This next slide highlights the probable effect on company performance. And this one, this one and now this third slide show how share prices will fall.

B Now, the next slide shows some very interesting data. As you can see - oh, perhaps you can't see - I'm sorry, the figures are rather small. Anyway, the forecast is particularly good, in contrast to the data for the last three years, which is in the, ah, smaller table, over here, which you, ah, can't read either.

C If you look at the next slide, you'll see that we collected data using a Grossman scheduled EMTI questionnaire modified from the standard CDF rapid assessment surveys procedure, and compensated for statistical significance using an unbiased reflex standard deviation algorithm.

D OK, customer reactions to price and service levels after mergers: 30% of customers noticed an improvement; 49 said things had got worse. Erm, customer satisfaction by sector: almost 9% down in retail; stable in the service and financial sector; and 5% up for manufacturing companies.

2:47

How will our customers react to a merger? My next slide shows two charts which illustrate the problem. Recently, customers of large Spanish companies were asked if they felt that prices and service had improved, remained the same or deteriorated as a result of a merger. As you will notice in the pie-chart, only a third of customers noticed an improvement, compared to almost half who said that things had got worse.

Let's look at the bar chart, which shows customer satisfaction by sector. As you can see, after a merger, customer satisfaction falls by an average of almost nine per cent in the retail sector, whereas it remains about the same in the service and financial sector, and rises by five per cent on average for manufacturing companies.

The figures seem to suggest that, on the whole, customers are always likely to react negatively to mergers. This is due to a perceived drop in levels of service after a merger. The results indicate that retailers, where service is crucial to customer satisfaction, are particularly affected, as opposed to manufacturers, who benefit from mergers. Of course, this is the result of improved product quality and design, which are the most important factors for their customers.

7.5 Writing Presentation slides

2:48

Good morning everyone, and thank you for coming. Two months ago, you asked me to conduct a strategic analysis of the company's strengths, weaknesses, opportunities and threats. I'm here today to present my findings, and to make recommendations on the basis of those findings. I intend first to give a short summary of the company's position, and then to invite you to ask questions and give your reactions to my proposals. If anything is not clear, please feel free to interrupt me.

First of all, I'd like to remind you of the company's main strengths. Galway Software has a reputation for innovation and quality in developing highly-specialized customer applications. We are able to provide excellent service thanks to our small team of expert engineers and developers. What's more, our finances have been carefully and cautiously managed: as you can see from the figures on this slide, today the company is in good financial health with practically no debt.

However, there are also a number of weaknesses which must be considered. The first, small weakness is office space. We just don't have enough. The second, more significant weakness is costs. As this graph shows, our development costs have risen steadily, whereas market prices are falling. It is becoming increasingly difficult to maintain our profit margins. The principal explanation for these high costs is the high salaries we have to pay to attract experienced developers. A third, associated problem is