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**Y:** Right then, next step: define the relative importance of each of our criteria, give them a weighting. Claire, where would you put cost on a scale of one to five?

**C:** I'd say, four. It's not the be all and end all of it, but it's pretty important nevertheless.

**B:** Hang on, Claire, don't you think communications are more relevant than cost? And cost isn't nearly as critical as workforce; I'd only give it a three. What do you say, Yann?

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**Y:** So; it would seem that we can rule out Nice. Sorry, Claire, but I think the figures speak for themselves, don't you?

**C:** Yes, it's pretty black and white, I suppose.

**Y:** And it appears that the overall winner is Lille: so, do we go for Lille?

**B:** Like Claire said, it seems an open and shut case.

**Y:** Lille it is then. Is everybody happy with that?

## 7.5 Writing Financial reporting

### 2:31

Thank you, Sheena. Well, the film buffs amongst you may recognize the name SourceMedia. This is a company that used to be well known for making avant-garde films that won awards at obscure film festivals but never seemed to make any money. Well, they had to tighten their belts when finance for new movies became scarce, but now things are finally looking up for SourceMedia. They reluctantly abandoned the movies, and switched to making TV shows, and they seem to have discovered a recipe for financial success. You may have seen their hit sci-fi TV series *Fax-motor* – today the company announced that it had sold licensing rights for the US, China and South America to 3rd Planet TV. This means we'll be seeing local versions of the series being filmed and aired pretty much all over the world in the next few years. More importantly for SourceMedia, it means regular earnings for at least five years; profits could be as much as £5m next year, and that figure could even double the following year. So after seeing their share price fall steadily for the last five years or so, SourceMedia's shareholders finally have something to shout about! When the market closed a few minutes ago, SourceMedia was up 20 points – the share price hadn't been that high for three years! Look out for a further increase tomorrow; SourceMedia is still considerably undervalued compared to similar companies, so tomorrow should see plenty more investors jumping on the bandwagon!

## 7.6 Case study Lesage Automobile

### 2:32

**Mikhail:** There you go. No cream anymore, I'm afraid, but there's this skimmed milk powder if you want?

**Jack:** No, thanks, Mikhail. I'll take it black, like my soul!

**M:** OK, so how about baring that black old soul of yours, then? Are you intending to back Amelia on this 'no-frills' project?

**J:** Ah. Amelia wants a Logan. And what the Lesage family want, they generally get.

**M:** True. But don't you think there's a case for resisting the temptation to go downmarket? Just keep investing in quality, style and service?

**J:** Maybe. But the Logan is certainly providing growth for Renault, so who am I to say they're wrong?

**M:** So you think we should produce our own no-frills model? In our French plants?

**J:** Or maybe go the whole nine yards – build it in eastern Europe. No robots, no electronics, skilled workers on low wages: it's got a lot going for it.

**M:** Hm. More coffee?

**J:** Go on then.

**M:** But listen, Jack; developing a completely new model would take years – why not just take our cheapest existing model, and strip it right down to the essentials?

**J:** Mm. Worth considering. Another option is a joint venture with the Russians. Basically, we send them the shell, and they put in their own power train. Old-generation technology, but reliable – and cheap.

**M:** Well, if you want cheap, what about rebadging? Just buy in cars from India, and slap a Lesage badge on them!

**J:** I wouldn't rule it out.

**M:** Really? I suppose it all depends whether you're targeting our traditional markets in western Europe: I was thinking more in terms of developing markets in eastern Europe, China, Africa ...

**J:** Yeah, maybe both.

**M:** Hm. And perhaps there are other options we haven't even thought of yet. So what's your take on all this?

**J:** Well, I don't know. I guess the jury's still out. There's a lot riding on this. We're going to have to think it through very, very carefully, look at all the options, weigh up the pros and cons.

**M:** Yeah. I'm with you on that. You want some more of this?

**J:** No, I think I've had enough. Amelia's no-frills campaign has gone too far – there's only so much 'affordable' coffee a man can take!

## 8 Free trade

### 8.1 About business Free trade

#### 2:33

**Bradley:** What annoys me is that these days, saying anything against free trade seems to be politically incorrect.

**Rose:** Why, don't you think it's a good thing?

**B:** No, I don't!

**R:** Why not? I mean, for a start, prices would be much higher if we didn't have free trade.

**B:** Sure, but most people don't realize how much those low prices really cost. They're only possible because we import stuff from places like China and India, where labour is cheap and largely unregulated, and taxes are low. But that means jobs are lost in the US and in Europe, and we end up having to support millions of jobless people!

**R:** But the stores make bigger profits, right?

**B:** Oh, sure. But they're global corporations, not mom and pop stores. The profits they make are not recycled in the local economy, they're moved offshore. Did you know that every year, up to a trillion

dollars of our national wealth gets transferred out of the United States? So the trade deficit explodes, the rich get richer, and the poor get poorer. Free trade is bleeding America dry!

**R:** But if we manufactured all our electronics, say, in the US, we'd probably have to pay twice as much for them!

**B:** Possibly, especially if you could eliminate dumping. But we'd make economies of scale – and we wouldn't be encouraging child labour and sweatshops! And we'd be able to regulate exactly what each product could do and what was used to make them – it's very difficult to keep dangerous substances out of the market when stuff's being made on the other side of the world, you know. But the real point is, we'd have full employment, and we'd have control over our own economy and our own politics, instead of being told what to do by the IMF, the World Bank, the World Trade Organization, and so on.

**R:** Surely you don't subscribe to those crazy, world-domination conspiracy theories, do you?

**B:** Well, more economic power means more military power, it's a well-known fact.

## 8.3 Grammar Phrasal and prepositional verbs

### 2:34

**Dave:** First of all, I think we should kick off with a review of the trading laws in South-East Asia ...

**Jin:** Another review? That's the last thing we need. They last forever and it would eat into our valuable time. We've got to crack on with developing our strategy – what the heck is our best way into the new Asian markets?

**Sara:** Hang on, did you say *Asian* markets? Do you really think this is the right time to try breaking into new markets. What about consolidating our position here in Europe before we start talking about branching out into Asia. That's unknown territory for us.

**J:** But you know what the CEO said Sara. It's grow or die in our business and we urgently need to come up with a strategy for faster growth. We don't have a choice; Asia is where the action is.

**D:** Are you really suggesting that we give up our plans for growth in Europe? It might be a competitive market, but it's a high value one and we do have an established presence. I think we need to do more research and weigh up the advantages and disadvantages of such a radical change of strategy before storming ahead with plans for Asia.

**J:** But David, I never said we should call off the European campaign! I know we need to soldier on with growing our market share in our established market – Europe, but it's a slow business and if we don't try to grab a piece of the action in Asia right now, then someone else will!

**S:** So you're saying we should stay in Europe but move forward with plans for Asia at the same time.

**J:** That's exactly what I'm saying.