

## I FAMILY COMPANIES

Family companies are common all over the world. For example, in Brazil 85% of companies are family companies. In Hungary, the number is 79% and in the UK the figure is 77%. More than nine million families have companies in the United States and over 60% of the workforce work family companies. The situation is a little different in other countries. For example, in Spain 55% of companies are family companies and in Sweden it is 51%.

Tourism and shopping are important. Nearly 40% of family companies are shops, hotels, or restaurants. Family companies are usually small, with an average of about seven family members. Many family companies stop when the founder leaves the company and the usual life of all companies is only 24 years.

One company in Hawaii is a good example of family company. Robert is the finance manager for a big company there. His father, Ed, is an accountant for the same company and his father-in-law, Charles, is an engineer. His son, Chris, is a supervisor and his cousin, Donald, is a salesman. Donald's father, Jim, who is Robert's uncle, is a truck driver for the company and Jim's daughter, Marta (Robert's cousin), is a secretary. Marta's husband, Jack, also works for the company, as a machine operator! Why do they all work for the same company? Because it is a happy place, with good people who all want success for the company.

(New English File Business Elementary, Photocopiable materials OUP 2004)

## II END-OF-YEAR REVIEWS

1) Last June 'Blue Coast' started its new 360° feedback system. First the managers gave feedback to the people in their department. But then there was something new. The department staff answered questions about their manager. One manager in the sales department said: 'I was nervous about this idea but now I like it. People were very positive about my performance, but they were unhappy about some things in the department. I can now change those things.'

2) Last year was a difficult year for 'Capital City'. An external report about our financial services in Asia was very negative, and the shareholders at the AGM in June weren't happy with the situation. So in September we restructured our operations in Asia. We also have a new CFO<sup>1</sup>, Mark Carington. He knows the Asian market very well.

3) Last May we had a big order for our new 256GB memory cards from an important client in the United Arab Emirates. There was only one problem – the deadline. Our production people in Oakland worked overtime in June, July and August. Normally they go on vacation in the summer, but this year it wasn't possible. So thanks to everyone in our production department. You did a great job.

(Mike Hogan et al., Business English for Beginners A1, Cornelesen 2011)

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<sup>1</sup> CFO – Chief Executive Officer

### **III ONLINE VERSUS OFFLINE SHOPPING**

We know we can buy nearly everything over the Internet. But what do people usually buy? According to data from American express, 65% Internet shoppers buy music or films, 62% clothes and 58% toys and games. But men and women are different when they buy products online. Men usually buy music and films while women like buying clothes. And they are quite young: 54% of Internet shoppers are aged 18-44. Christmas is an especially important time for online shopping. In fact, over 25% of shoppers in the United States now use the Internet to buy their presents, compared with 15% in 2000.

The Internet is especially practical for services. For example, you can now look for and compare travel information, book your holiday and get your ticket without going to a travel agency. This is good for the Internet but bad for small shops. In fact, small shops now only have 47% of all shopping space in the UK, compared with 73% twenty years ago.

But surveys also say that many people still need and want face-to-face contact, especially when they need somebody to explain all the information and make specific recommendations for them.

(New English File Business Elementary, Photocopiable materials OUP 2004)

### **IV TOURISM IN A CHANGING WORLD**

We all know that the population in Europe is changing, but what are these changes and what do they mean for the future of global tourism and tourism companies all over the world?

Recent surveys show that there are four main changes in the population in Europe. Firstly, the population in general is getting older and smaller. This is because people are living longer and having fewer children. Secondly, a lot of people living in other parts of the world are moving to Europe to work and the populations are becoming very mixed and multicultural. Thirdly, young people are studying for a long time and starting their first job at a later age. Finally, people are getting divorced more and getting married less.

So what do these changes mean for tourism in general? Older people are travelling more, especially when they retire. They need different kinds of holidays, hotels and attractions, and they can travel at any time of the year, not only in July or August. There are also a lot of people who work in countries far away from their home. These people don't travel on holiday but return to their home countries regularly to visit their families. Tourists are also asking for more information about the country or city they are visiting and tourist guides need to know everything about the place where they are working. Now there is no 'typical' family, tourism companies need to sell very different kinds of holidays for very different groups of people, with or without children, with one parent or two.

If companies want to continue in the tourism business in this changing world, they need to be very flexible, to investigate what different people want on holiday and to sell specific holidays for specific tourists.

(New English File Business Elementary, Photocopiable materials OUP 2004)

## **V KEEP HEALTHY – EAT THE RIGHT FOOD**

Do you eat too much food and is it the right type of food? According to a recent report from the World Health Organization, more than one billion people are now overweight worldwide. And it's not just an American or European problem. There are now many more diabetics in China, approximately 20 million, principally because the young Chinese don't eat the traditional diet of rice, fish, and green vegetables. The WHO report says the best way to protect yourself against diseases such as cancer, diabetes, and heart disease is by eating a lot of fresh foods, little salt, sugar and fat food and doing enough exercise.

And what are food companies trying to do to help their customers eat correctly? One large supermarket chain in the UK plans to reduce salt content in its products. But some experts think it is too difficult to make these changes to processed foods, especially because the average supermarket offers so many products, approximately 30,000 in the case of the UK.

So what can people do to improve their own health? Per day, the WHO recommends 55% to 75% of your daily diet should be carbohydrates, 400g of fruit and vegetables, between 15% and 30% of fat (but as little saturated fat as possible) and less than 5g of salt. Too much protein is also dangerous and the WHO recommends a maximum of 10% to 15% of the diet. It also recommends that people do at least one hour of moderate exercise every day.

In the UK, 25% of children are overweight and the Food Standards Agency has made some recommendations for the government:

- reduce fat, salt and sugar in children's food
- restrict advertising of sweets and snack foods during children's TV
- put 'health warnings' on some foods
- take away vending machines from schools that only sell sugary drinks and sweets

(New English File Business Elementary, Photocopiable materials OUP 2004)

## **VI WORK, WORK, WORK**

Why do the British work so hard? The usual working week in Britain is 43.6 hours, compared with 40.3 hours in the rest of the European Union. Perhaps it is because Britain has a more American business culture. In the United States, people frequently have two jobs, often work more than 50 hours a week, and take only two weeks a year for their holidays.

Germans have a reputation of being hard workers but a German politician, Wolfgang Clement, says that Germans don't work enough. In Germany there is an official 35 hour week but German workers also enjoy between 11 and 13 public holidays a year, compared with eight in Britain. If you telephone a German office from late morning to early afternoon, people are often 'at lunch'. But if you call mid-afternoon, it is time for their 'coffee and cake break'. Workers also frequently finish work early on Friday. In fact, Germans have a special saying: Freitag nach eins, macht jeder Seins (After 1pm on Friday, it's me – time).

Now, thanks to new European regulations, the maximum working week is 48 hours and minimum holiday per year is four weeks. Europeans say that quality of life is

important- time for their children, time to enjoy life. And the British agree. A recent study shows that British workers want more free time and feel very stressed.

(New English File Business Elementary, Photocopiable materials OUP 2004)

## **VII COMPANIES AND FINANCE**

Companies are involved in many activities, for example buying, selling, marketing and production, in a range of different industries, such as information technology, telecommunications, film, and car manufacture. Many well-known companies are multinationals, these are companies which operate in a number of countries.

Multinationals often have a complicated structure. There is usually a parent or holding company. This company owns other companies or parts of other companies. These other companies are called subsidiaries.

Companies and individuals often borrow money, and it is important to find a favourable interest rate. Rates are variable, and can rise or fall depending on the market. Many investors (people who use their money to earn more money), choose foreign or offshore bank accounts because they are tax-free. Anyone can buy shares in a public company and become a shareholder. All public companies in the UK are obliged by law to publish their financial results at the end of the tax year. They do this in their annual report to shareholders. Annual reports include profit and loss accounts which show turnover, or the total sum of money which is coming into the company.

(Sue Robbins: First Insights into Business, Longman)

## **VIII 1) PEOPLE**

Most people work because they need to earn a salary, but money is not the only motivation or reason why people work. People get job satisfaction from different factors, such as social interaction with colleagues. Status, that is your professional position, and achievement, doing something well, can be important. Some companies really value their employees and see them as the company's main asset. Managing people well can lead to better results and higher productivity for the company, but this can be difficult to do. People respond differently to different styles of management. Some organisations give their workers freedom to develop their roles and others don't.

## **2) RETAILING**

Retailing is the provision of goods or services to the customer. Retailers buy goods directly from the manufacturer or from a wholesaler (the 'middleman'), and make their income from the margin, or difference, between the price they pay for the goods and the price they sell the goods at to the consumer. A retail outlet is the place where customers can purchase goods, for example, a supermarket or a department store. Nowadays, many customers are shopping from home: shopping by the Internet, TV shopping channels or mail-order catalogues is becoming very popular.

(Sue Robbins: First Insights into Business, Longman)