



РОССИЙСКАЯ АКАДЕМИЯ НАРОДНОГО ХОЗЯЙСТВА  
И ГОСУДАРСТВЕННОЙ СЛУЖБЫ ПРИ ПРЕЗИДЕНТЕ РФ

**О Б Р А З О В А Т Е Л Ь Н Ы Е    И Н Н О В А Ц И И**

**Е.Н. Новикова, Е.Г. Пашкевич, С.Ф. Петрова**

# **ДЕЛОВОЙ АНГЛИЙСКИЙ**

**В КОНТЕКСТЕ  
СОВРЕМЕННЫХ ТЕНДЕНЦИЙ  
РАЗВИТИЯ БИЗНЕСА**

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Учебное пособие способствует приобретению обучающимися лингвистической и социокультурной компетенции, необходимой для использования английского языка на завершающих стадиях профессиональной подготовки менеджеров.

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## Unit 1

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### COMPANY STRUCTURE AND LEGAL FORMS OF OWNERSHIP

Regardless of its nature and where it is conducted, a business has to be structured within a defined legal framework. **The proprietors** of the business will select the form best suited to their particular needs. These may relate to issues such as limitation of **liability**, flexibility of management structures, privacy of financial data. Forms of business organizations can be categorized as follows:

1. Sole proprietorship;
2. Partnerships of one form or another;
3. Various types of companies with limited liability.

**The sole proprietorship** is the simplest form of business organization. A person who wishes to conduct his or her business in this way can start trading immediately. One requirement will involve certain basic information relating to the business, including the name under which it is to operate, being recorded on the commercial register. The downside is the unlimited personal liability that comes with it. The **sole proprietor/sole trader** is in effect trading on his or her own account and will, accordingly, be fully liable on contracts and other legal obligations undertaken on behalf of the business.

**The general partnership.** This form of organization involves two or more persons jointly pursuing a business purpose and agreeing to share both **profits and losses**. The partnership has certain advantages over other types of business organization. For instance, as it is based on a contract, the partners are generally free to determine for themselves exactly how the business should be run. All that is needed is a partnership agreement, which may include the following:

- the partnership name;
- a description of the partnership business;

- the names of the partners;
- the capital to be contributed by each partner;
- a statement as to how the profits are to be divided and losses shared and some other points.

Financial information relating to the business generally remains private. The principal disadvantage of the general partnership is **unlimited liability** for the debts.

There is another type of partnership — a **limited partnership (LP)**. An LP must have at least one general partner whose liability is unlimited. The liability of the remaining partners can be limited to the amount of their contribution to the partnership assets. The limited partners must take no role in the management of the business, this being left to the general partner(s).

**Limited liability companies.** The most widely used form of business organization is a company with limited liability. Firstly, such a company, in the eyes of the law, has a legal position. Secondly, the personal liability of its members is limited to the amount they have invested.

There are two types of limited companies — **public companies (Plc)** and **private companies (Ltd)**. In both cases, the company is formed by registration with the **Registrar of Companies**. The founders of the company must send to the registrar certain documents, including **the articles** and **memorandum of association** (the company's constitution). If the documents are in order, a **certificate of incorporation** will be issued and the company will be classified as a Private limited company (Ltd), whose shares cannot be traded on the Stock Exchange. However, a Public limited company (Plc) will only be registered as such if the share capital has a certain nominal value (in the UK at least £50,000). The company will not be allowed to start trading until the registrar has granted it a **trading certificate**. Public companies can sell shares on the Stock Exchange. A disadvantage of a private company (Ltd) is that its potential sources of finance are more restricted than those of a public company (Plc). The management and control of limited companies is divided between **the Board of Directors** and the shareholders acting in general meetings (AGM).

Public companies are often **multinationals**, i.e. companies that operate 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.

Most companies consist of three groups of people: shareholders, management team and workforce. Large business organizations have a

hierarchy with a number of levels, and a line of command running from top to bottom. There may also be staff positions that are not integrated into the hierarchy, e.g. Assistant to Marketing Manager. The organization might also be divided into functional departments, such as production, finance, marketing, sales and personnel or human resources (**HR**) department. Larger organizations are often further divided into autonomous divisions, each with its own functional section.

A traditional hierarchal company is normally given strategic direction by the board of directors headed by the **chairman** or **chairperson** (UK)/**president** (US), though operations in all directories are headed by the **chief executive officer (CEO)** sometimes known in the UK as the **managing director**. A **director** normally heads each function within the company (e.g. HR director) and managers lead the departments within a function or directorate.

More recent organizational systems include **matrix management**, in which people report to more than one superior, and autonomous, temporary teams that are responsible for an entire project are created.

**Ex. 1. Answer the following questions.**

1. What types of business framework can you name?
2. What is the simplest form of business organizations? Why?
3. What is a major disadvantage of being a sole trader?
4. What is General Partnership?
5. What does partnership agreement include?
6. What does LP stand for? What is the role of limited partners?
7. What are common features for limited companies?
8. How is a limited company formed?
9. What documents are necessary for a company to become a Plc?
10. What is the difference between an Ltd and a Plc?
11. What is a multinational company?
12. How can organizations be structured?
13. What is matrix management?

**Ex. 2. Provide business terms for the following definitions.**

1. A person who owns and runs a business and is the only person who is legally responsible for it.
2. A business owned by two or more people who are responsible only for the amount they have invested in the business if it is unable to pay its debts.
3. A company which is listed on the Stock Exchange.

4. An official document that states that a company has officially been created.
5. A company that may not offer its shares for sale to the public.
6. The legal duty of the shareholders of a company to pay all its debts.
7. A company owned or controlled by another company.
8. A company that owns shares in different types of businesses and may or may not carry out its own business activities.
9. A way of organizing a company in which people from different departments work together and so each employee has two or more managers in different departments.
10. The person in a company who has the most power and authority and is responsible for managing its daily affairs.

**Ex. 3. Fill in the gaps with the following words and expressions.**

✓return	✓stock options	✓Chief Finance Officer (CFO)
✓mergers	✓shareholders	✓Chief Operations Officer (COO)
✓outside directors	✓dividends	✓compensation
✓the board of directors externally	✓salary	✓chairman and board of directors
	✓assets	✓individuals
		✓reporting directly to

### THE BOARD OF DIRECTORS

The primary responsibility of the board of directors is to protect the shareholders' \_\_\_\_\_ and ensure they receive a decent \_\_\_\_\_ on their investment. Many directors there feel that it is their primary responsibility to protect the employees of a company. It is the board's job to select, evaluate, and approve appropriate compensation for the company's chief executive officer (CEO), evaluate the attractiveness of and pay \_\_\_\_\_, recommend stock splits, oversee share repurchase programs, approve the company's financial statements, and recommend or strongly discourage acquisitions and \_\_\_\_\_.

The board is made up of individual men and women (the "directors") who are elected by the \_\_\_\_\_ for multiple-year terms. In most cases, directors either 1) have a vested interest in the company, 2) work in the upper management of the company, or 3) are independent from the company but are known for their business abilities. In ex-

change for providing their services, corporate directors are paid a yearly \_\_\_\_\_, additional \_\_\_\_\_ for each meeting they attend, \_\_\_\_\_, and various other benefits. When you consider that many executives sit on multiple boards, it's easy to understand how their directorship fees can reach into the hundreds of thousands of dollars per year.

\_\_\_\_\_ is made up of two types of representatives. The first type involves \_\_\_\_\_ chosen from within the company, who work for the company on a daily basis. The other type of representative is chosen \_\_\_\_\_ and is considered to be independent from the company.

Board members can be divided into three categories:

Chairman, Inside Directors, \_\_\_\_\_.

Management Team. It is directly responsible for the day-to-day operations of the company.

Chief Executive Officer (CEO) – as the top manager, the CEO is typically responsible for the entire operations of the corporation and reports directly to the \_\_\_\_\_. It is the CEO's responsibility to implement board decisions, with the assistance of senior management.

\_\_\_\_\_ – responsible for the corporation's operations, the COO looks after issues related to marketing, sales, production and personnel.

\_\_\_\_\_ – also \_\_\_\_\_ the CEO, the CFO is responsible for analyzing and reviewing financial data, reporting financial performance, preparing budgets and monitoring expenditures and costs.

## READING

**Ex. 4. Try to answer these questions before you read the text.**

1. What is meant by a global company?
2. What big telecommunication companies do you know?
3. What do you know about BT?
4. What does a Company Profile include?
5. What activities are involved in telecommunications today?

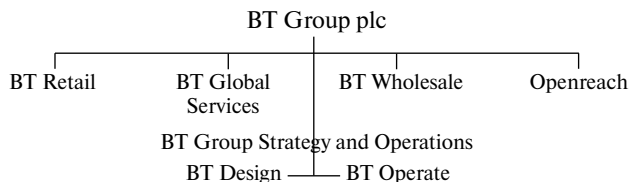
## THE BT STORY COMPANY PROFILE

BT is one of the world's leading providers of communications solutions and services operating in 170 countries. Our principal activities in-



clude networked IT services, local, national and international telecommunications services, and higher-value broadband and internet products and services. BT consists principally of four lines of business: BT Global Services, Openreach, BT Retail and BT Wholesale.

### *BT's structure*



### *Our company details*

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group Plc is listed on stock exchanges in London and New York.

### *BT's History*

#### *Looking back to the future*

BT is the world's oldest communications company, with a direct line of descent from the first commercial telecommunications undertaking in Europe. The Electric Telegraph Company established in 1846, was the first outside the United States to exploit leading edge telegraphy technology and introduce electrical communications to an astonished world. Within ten years an international network had been developed, making communications possible within minutes and hours instead of days and weeks. The consequences for every aspect of society were dramatic and profound.

Fast forward to today and technology is more central to BT's business than ever before as it builds on the foundation of the digital era to create the information age. **Virtual markets, electronic commerce, broadband and mobility are now the watchwords** which are changing radically the way companies and people do business. The successful companies of the future will be those which exploit their technology to underpin their business, generate revenues and minimize costs. For BT, **the willingness to embrace new relationships**, both technical and commercial, will be

key to maintaining its influence on the development of the communication industry.

### ***BT's Strategy: the transformation story***

The recent history of BT is a story of business transformation. It is the story of a company that has grown and prospered through being competitive, customer focused and innovative, that has learned to compete and win against some of the world's biggest companies to become a truly global operation. BT serves customers in more than 170 countries. We have one of the largest IP networks in the world and we are adding one new city to that network every 7 days.

Five years ago BT decided to stake its future on meeting the demand for IT infrastructure and solutions among global organizations and the rapid expansion of broadband in the UK. Our strategy is to grow this "new wave" business whilst continuing to fight for our more traditional business in the UK. This business was worth more than £8bn in 2007/08 and made up approximately 40% of our revenue. These services are designed to help customers make the most of the convergence of networks and services, mobile and fixed products, media and communications:-

### ***BT – the global company***

Broadband communications enable organizations to work across time zones and borders. We are building the IT infrastructure for globalization. We are helping businesses reach new markets and customers, and helping them improve their productivity and operational efficiency.

Our target is to be:

- valued by our customers for the excellence of our people and networked IT services;
- respected by all as a world-class services organization; and
- acknowledged as the experts in helping customers profit from convergence.

We are making real progress:

- we have won contracts with world class organizations as diverse as Unilever, Reuters, Microsoft, Volkswagen, Volvo, BMW, Fiat, the EU, NATO and the NHS;
- BT has invested £480m in acquisitions completed in 2008;
- in 2008, BT's workforce in Asia Pac rose by 464% and in the Americas by 28%.

### ***BT Vision***

BT Vision, our next generation television service, was launched in December 2006. The service is designed to be easy to use, bringing the next generation of TV technology within reach of a mass audience and putting the UK at the forefront of the development of digital TV delivery. There are now over 282,000 customers. BT Vision's service covers the range of 'traditional' programming such as first run movies, older, classic library movies, high profile UK and US episodic television programming, children's programming, sports and music. The service gives customers the opportunity to watch programming with complete flexibility, not only in terms of when and what they watch, but also how they pay for it. Vision customers can view programs from the leading rights owners, including Disney, Dreamworks, BBC Worldwide, NBC Universal, HBO, Paramount, Warner Music Group, and National Geographic. BT's own business is still primarily located in the UK, with 32 out of 34 call centers being located here.

### ***BT and the 2012 Olympics***

BT is the Official Communications Service Provider for the London 2012 Olympic and Paralympic Games. We will be responsible for providing all communications services to the London Organizing Committee (LOCOG) and all communications services to the workforce and at venues. We are also a Sustainability Partner and will work with LOCOG to help stage sustainable Games.

### **Some things you might not know:**

- BT is delivering the largest **product tagging project** in the world for Marks and Spencer.
- **Sorting out spam** – Around 90 per cent of e-mails on the internet are spam. BT introduced the world's first fully-automated 'spam buster' system in October 2006, tracking down and tackling professional spammers.
- **Crime fighting** – BT's satellite technology is being used in the first police mobile forensic lab. It can conduct DNA and blood tests at the crime scene instantly linking into national databases, making the first critical minutes of a serious crime investigation more effective.
- **Financial centers across the globe** – BT equipment powers 1,400 trading floors across 51 countries with over 60,000 users.

- **Mental Health** – BT has launched a major program to tackle problems such as anxiety, depression and stress in its workforce. BT has cut the number of employees off work suffering from psychiatric problems by 30 per cent over the last four years.
- **Our Home IT support service** has provided 10 million minutes worth of advice since it was launched 18 months ago. Offering help with problems ranging from wireless connections to storing digital photos.

**Ex. 7. Decide whether the following statements are true or false.**

1. BT is active in a number of businesses.
2. BT was the first company, which introduced electrical communications.
3. It established its operations worldwide within a decade.
4. BT Plc is a parent company for BT Group Plc.
5. BT can sell its shares on NASDAQ Stock Exchange.
6. BT company widely offshores its operations.
7. BT is a service provider for major sports events.
8. BT is developing its operations in retail area.
9. The company has contributed to police investigations.
10. BT pays close attention to the quality of working life.

**Ex. 8. Using the information from the article and the information below describe the structure of BT Group.**

Chairman – Sir Michael Rake

Chief Executive – Ian Livingston

Chief Executive of BT Global services – Francois Barrault

Group Finance Director – Hanif Lafani

Chief Executive of BT Retail – Gavin Patterson.

**The following words and expressions may be helpful:**

✓at the top of the company	✓report to	✓be support-	✓be responsible for
✓be headed by	✓be account-	ed by	✓be in charge of
✓be led by	able to	✓be assisted by	✓take care of
✓consist of	✓be under		
✓comprise			
✓be made up of			

**Ex. 9. Prepare and deliver a 10-minute presentation about your company profile.**

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## Unit 2

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### MARKETING

#### INTRODUCTION

Marketing consists of **the strategies and tactics** used to identify, create and maintain satisfying relationships with customers that result **in value** for both the **customer and the marketer**. Strategies are best explained as the direction the marketing effort will take, while tactics are steps or decisions made to follow the strategies. In order to reach the goal of creating a relationship that **holds value** for customers and for the organization, marketers concentrate on the following: **Target Markets, Products/Services, Promotion, Distribution, Pricing** and additional services that increase the **product value**. The most important marketing function involves efforts needed to gain knowledge of customers, competitors and the markets. Marketing therefore combines market research, new **product development**, distribution, advertising, promotion, product improvement and so on.

#### THE CENTRALITY OF MARKETING

Most management and marketing writers now distinguish between selling and marketing. The “selling concept” assumes that resisting consumers have to be persuaded by vigorous hard-selling techniques to buy non-essential goods or services. Products are sold rather than bought. The “marketing concept”, on the contrary, assumes that the producer’s task is to find wants and fill them. In other words you can’t sell what you make, you make what will be bought. As well as satisfying existing needs marketers can **anticipate and create** new ones. The markets for Walkman, personal computers, video games, to choose some recent examples, were largely created rather than identified.

Companies are always looking for marketing opportunities – possibilities of filling unsatisfied needs in areas in which they are likely to enjoy a differential advantage, due to their particular competencies.

Market opportunities are generally isolated by **market segmentation** – dividing a market into **submarkets or segments** according to customers' requirements or buying habits. Once a target market has been identified, a company has to decide what goods or services to offer always remembering the existence of competitors. This means that much of the work of marketing has been done before the final product or service comes into existence. It also means that the marketing concept has to be understood throughout the company, e.g. the production department of a manufacturing company as much as the marketing department itself. The company must also take account of competitors who always have to be identified, monitored and defeated in the search for loyal customers.

Once a product concept has been established, the company has to think about **the marketing mix** – the set of all the various elements of a marketing program, their integration, and the amount of effort that a company can expend on them in order to influence the target market. The best known classification of these elements is the **4P's**: Product, Price, Promotion and Place.

**Product** is not just a collection of components. A “total product” includes the image of a product, its design, quality and reliability, brand name, size, packaging, services and guarantee – as well as its features and benefits. Products have a life cycle and companies are continually developing new products **to replace** products whose sales are declining and coming to the end of their lives.

**Place** comprises **distribution channels**, location of **retail outlets**, transport, **inventory size**, etc. Retail products, for example, can go through various channels of distribution such as “producer – end-users” (the product is sold directly to the end-user by the company's sales force, direct response advertising, or direct mail), “producer – retailers – end-users”, “producer – wholesalers – retailers – end-users” and others.

**Price** takes account of the value of the product, the ability of the customer to pay, the volume of sales required, possible credit terms prices charged by the competition on the market. Price includes basic list-price, discounts, the length of the payment period and so on.

**Promotion** is a form of corporate communication that uses various methods to reach a targeted audience with a certain message. Promotion groups together **advertising, publicity, branding, sales promotion, and personal selling**. Every product must possess a “**unique selling proposition**” (**USP**) – the features and benefits that make it unlike any other product in its market. Like most marketing decisions, an effective promotional strategy requires understanding how promotion fits with other

pieces of the marketing puzzle (e.g., product, distribution, pricing, target markets).

Apart from the marketing of **consumer goods**, there is a great deal of marketing of **industrial goods**. **Industrial or business market** consists of individuals or organizations that acquire goods or services which are used in the production of other goods, or in the supply of services to others. Industrial market which is larger than the **consumer market**, contains all the raw materials, manufactured parts and components that go into consumer goods, plus capital equipment such as buildings and machines, energy supplies and a number of services ranging from cleaning to management consulting. The selling environment of business markets presents different circumstances when compared to selling to consumers: 1) business markets are more likely to be price driven than brand driven, and 2) demand in business markets tends to be more changeable than in consumer markets.

## MARKETING RESEARCH

Rather than risk launching a product or service solely on the basis of intuition or guesswork, most companies undertake market research (GB) or marketing research (US). They collect and analyze information about the size of a potential market, about consumers' reactions to particular product or service features and so on. Research plays a significant role in marketing decision areas.

There are two categories of market research: **primary research and secondary research**.

When a marketer conducts research to collect original data it is referred to as **primary marketing research**. There are two basic types of primary research methods – **quantitative** and **qualitative**. Quantitative research comes in many forms but the most popular forms are surveys, tracking, and experiments. The main methods of distributing **surveys** are via postal mail, phone, website or in person. The most well known example of tracking research is used by websites as they track customer visits. Marketers often undertake experiments. For example, a market researcher for a **retail chain** may want to study what the effect on sales would be if a **point-of-purchase display** is moved to a different location in a store. Qualitative Research includes individual interviews, **focus groups and observational research**. In a focus group a group of **respondents** (8–12) are usually interviewed by a trained researcher to find out their opinions of a **product concept**. **Observational research** means watching customers as they perform their activities.

The most widely used research method is collecting data through **secondary research**, that is collecting information that others have already gathered, using such sources as marketing research reports, magazine articles, government statistics, company records and others. There are several advantages of secondary approach: easy access and generally lower cost for acquiring the information. But there are also major disadvantages: results may be out-of-date, the information may be **inadequate** or **statistically not valid**.

**Ex. 1. Answer the following questions.**

1. What is marketing?
2. What activities are involved in marketing?
3. What are two types of market research?
4. What is primary research and what methods does it include?
5. How can you use quantitative research techniques?
6. What is secondary research?
7. Why is marketing strategy of great importance?
8. What are the elements of the marketing mix?
9. How can you set a price of a product, what should you take account of?
10. What is the difference between selling and marketing concepts?
11. What is industrial market and how does it differ from consumer market?

**Ex. 2. Match the terms from the business brief with their corresponding definition.**

1	Target market	A	The way the products or services are made available to customer.
2	USP – Unique selling proposition	B	A feature of a product or service that makes it different from all others.
3	Distribution channel	C	A group of people you want to sell your product to.
4	Qualitative research	D	A type of market research examining aspects that cannot easily be measured such as opinions or attitudes.
5	Quantitative research	E	Advertising a product at the place, where the product is sold.
6	Marketing mix	F	A type of market research examining aspects that can be measured or expressed as numbers.
7	Point of purchase display	G	The main factors that influence a consumer decision to buy a particular product or <i>service</i> .



8	Personal selling	H	The act of dividing possible customers into groups according to their age, income, sex, etc.
9	Focus group	I	The activity of selling goods and services to other businesses or organizations rather than the public, B2B marketing.
10	Market segmentation	J	An idea for a product and the way it should be sold and presented to the public.
11	Industrial Marketing	K	A group of people, specially chosen, who are asked to discuss and give their opinions about a product concept.
12	Marketing concept	L	The use of people who are trained to sell a company's products, to talk to and to persuade a customer to buy something.

**Ex. 3. Fill in the gaps with words and expressions from the business brief.**

Any mentioning of a company's products in any media read, viewed or heard is called \_\_\_\_\_.

Our \_\_\_\_\_ for this drink is teenagers.

Only 2.6% of the survey \_\_\_\_\_ said they had plans to buy a home the next six months.

According to \_\_\_\_\_, customers can be manipulated into buying things.

Consumers are always looking for the service that offers the best \_\_\_\_\_.

Feedback from \_\_\_\_\_ suggested that the advertisement made people feel they could talk to the bank.

\_\_\_\_\_ permits firms to tailor products for specific markets.

## READING

**Ex. 4. Try to answer these questions before you read the text.**

1. How can you define marketing in simple terms?
2. What are the elements of marketing?
3. What does marketing strategy consist of?
4. What is a brand? Why are brands necessary?
5. What two concepts do marketers argue about? Which one do you support?
6. How has the notion of marketing changed?
7. What influenced the shift in marketing strategic focus?
8. What activities are involved in promotion?