

# LESSON 17

---

120 **capacity**

**maintenance**

What'd happen if a factory operated at full capacity for a long time with no maintenance?

If a factory operated at full capacity ..., the machinery would break down

**corporate ladder**

By climbing the corporate ladder, we mean being promoted within a large company and rising up through the hierarchy.

Is it important for you that you manage to climb to the top of the corporate ladder during your career?

Yes, it's important ...  
~ No, it isn't important ...

**core**

**core competency (core ability)**

**reliability**

**feature**

The middle of a fruit such as an apple is called the core. So in business, when we use the word "core" to describe something, we mean that it is central to the business, or, in other words, very important. The core activities of a business are its main activities or operations; core assets are a company's most important assets.

A core competency, or core ability, is something that a business is particularly good at. Perhaps it is design, or reliability, or keeping production costs low. A company's core competencies make it different from its competitors, and give it an advantage in the market.

What would you say were the core competencies of a company such as Rolls Royce (Apple, Rolex, Dyson etc.)?

I'd say the core competencies of ... were ...

121 Give me another example of the word "core", please.

Managing to offer state-of-the-art features at affordable prices is a core challenge for mobile phone manufacturers

## headhunt

How would you feel if you were headhunted by a company?

If I ..., I'd feel ...

Why?

## corporation tax

**Corporation tax is tax that companies have to pay on their profits. The government sets the rate for this tax. If a company makes no profit in a particular year, they don't pay any corporation tax.**

If a national government announced a significant drop in corporation tax, what effect might the news have?

If a national government announced ..., multinational businesses might consider relocating their headquarters to that country, levels of investment in the country might begin to increase etc.

## short-term

## long-term

## ambitious

What do you think the main short-term objective should be for the government of your country?

I think the main ...

122 In job interviews, why are candidates often asked about their long-term objectives?

In job interviews, candidates are ... because companies need to know how ambitious candidates are, whether it's worth investing time and money in training them etc.

## **show somebody the ropes**

**If you show somebody the ropes, you tell somebody who's new to a particular environment how everything is organized, and show them how everything works. For example, on your first day in a new job, someone always shows you the ropes.**

Give me an example of the idiom "show somebody the ropes", please.

On his first day, the new receptionist looked really lost, so I spent some time showing him the ropes.

## **flexitime (flexi-time)**

## **core hours**

What are the advantages of a flexitime work schedule?

The advantages of ... it helps people who have young children, it enables people to commute outside rush hour, appointments with doctors and dentists are easier to arrange etc.

When a company allows employees to work according to a flexitime policy, why are there normally certain core hours when everybody has to be working?

When a company ..., there are normally ... so that meetings and other group activities can take place

## 123 **found (v)**

**Instead of saying "The business was established in 2005", we can say "The business was founded in 2005".**

Give me an example of the verb "to found", please.

My father founded his company soon after leaving university

## outsource

## manpower

Under what circumstances is it a good idea for a business to outsource work rather than deal with it in-house?

It's a good idea ... when there's a lack of resources or manpower, when the skills required aren't available in-house, when it's more economical etc.

## master's (master's degree)

## MA

## MSc

## MBA (Master of Business Administration)

The letter "M" in high-level degree titles such as "MA", "MSc" or "MBA" stands for "Master". "MA" stands for "Master of Arts", "MSc" stands for "Master of Science", and "MBA" stands for "Master of Business Administration".

It is wrong, however, to say "I have a master degree" or "I have a master". Instead, we say "I have a master's degree" or "I have a master's". We can then name the academic subject, using the word "in". For example, we can say "I've got a master's in French" or "She's doing a master's in physics".

Is it correct to say "I have a master degree"?

No, it isn't correct ...

124 So, what should we say instead?

We should say "I have a master's degree" or "I have a master's" instead

Would you encourage someone who was planning to become an entrepreneur to do an MBA?

Yes, I'd encourage ...

~ No, I wouldn't encourage ...

## goodwill

## valuation

The term **“goodwill”** refers to the additional value that a company has as a result of intangible assets that attract customers, such as its strong brand, good reputation, customer loyalty etc. Goodwill can be an important asset, and so, when a company is sold, the price includes a valuation of its goodwill.

When talking about the intangible assets of a business, what does the term **“goodwill”** mean?

When talking ..., the term **“goodwill”** means the additional value that a company has as a result of intangible assets that attract customers, such as its strong brand, good reputation, customer loyalty etc.

Name a company that you think would have a high goodwill valuation if it were sold now.

... is the name of a company that ...

## flag up

**“To flag something up”** means **“to mention something to others so that they are aware of it”**. For example, if you notice that deliveries from a supplier are regularly arriving late, you might decide to flag it up to your colleagues.

Give me an example of the idiom **“to flag something up”**, please.

The auditors flagged up several areas of concern in their report

## 125 assemble

How often do the directors of a company assemble for an AGM?

The directors ... annually

In a modern car plant, are most components assembled manually or by machine?

In ..., most components are assembled by machine

**franchise**

**franchisee**

**franchisor**

Name a well-known fast-food business whose outlets are franchises.

... is a well-known fast-food business whose outlets are franchises

In addition to products, what does a franchisor usually provide a franchisee with?

In addition to products, a franchisor ...

**stake**

**stakeholder**

**welfare**

If we have a stake in a business, it means that we have equity in it, or that we are directly affected by its success or failure. Some examples of stakeholders are shareholders, employees, customers etc.

Of the following three groups of stakeholders, whose welfare do you think the average CEO is most interested in: customers, employees or shareholders?

Of those three groups of stakeholders, I think the average CEO ...

**corporate hospitality**

**sum**

Why are big companies often willing to spend large sums of money on corporate hospitality?

Big companies ... because they believe it helps them to develop relationships with new clients, and to strengthen loyalty among existing clients

**Exercise 8**

*From the four options given with each sentence, choose the one word that fits correctly in the gap.*

- 1 The Bank of England has lowered its ... rate by 0.5%, which should cause lenders to lower their own interest rates too.  
( basic / base / basis / bass )
- 2 I'll never forget the look on my manager's face when I handed ... my notice.  
( back / up / over / in )
- 3 Can we save any money by dealing directly with the factory and cutting ... the middle man?  
( away / out / down / off )
- 4 Please could staff use the back door until ... notice, as the front of the building is being painted. ( future / newer / further / later )
- 5 That software didn't work on my laptop and, as ..., it was completely useless to me.  
( yet / such / well / regards )
- 6 The dress ... states quite clearly that suits must be dark blue, grey or black.  
( condition / term / sense / code )
- 7 When it's operating at ... capacity, this factory can produce 2,000 cars a week.  
( big / fast / upper / full )
- 8 Thanks for ... Susan the ropes earlier; she already seems to be settling in quite well. ( showing / offering / sending / throwing )
- 9 As one of the main shareholders, I have a large stake ... this business.  
( on / for / in / of )
- 10 If you've got any concerns about the trip next week, please flag them ... as soon as possible.  
( out / up / over / away )



The four stages of a product life cycle are:/ introduction, growth, maturity, and decline./ When franchises are sold,/ their goodwill valuation is often high./ This company was founded by a German entrepreneur./ Why buy the equipment?/ Surely it'd be more economical to lease it./ Pass any queries regarding petty cash to me./ Your business model seems very scalable/ and, as such,/ could serve as a useful benchmark./ Please ensure nothing important/ is omitted from your report./ What are our long-term prospects?/ There's maintenance going on this week,/ so production capacity is down./ I don't understand or approve of your attitude;/ sadly, your work has become routinely casual./ What would you say was your best feature?/ The welfare of this subsidiary's stakeholders/ is our main priority.