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"САМАРСКИЙ ГОСУДАРСТВЕННЫЙ ЭКОНОМИЧЕСКИЙ УНИВЕРСИТЕТ"

И.А. Мартынова

BUSINESS:
TODAY AND TOMORROW
БИЗНЕС: СЕГОДНЯ И ЗАВТРА

*Reading Essentials
and Note Taking Guide*

Учебник-практикум

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Данное издание входит в учебно-методический комплект "Business: Today and Tomorrow", состоящий из учебника-практикума и рабочей тетради. Основное внимание уделяется развитию навыков работы с англоязычной научной литературой по специальности, логике и структуре академического текста, терминологии и лексике, а также функционированию моделей, которые характерны для академических текстов по теории бизнеса. Развитие этих умений происходит комплексно и поддерживается заданиями по академическому письму и научной презентации. Задания активизируют аналитическое и критическое мышление, фоновые и профессиональные знания. Такой подход развивает академическую и профессиональную грамотность студентов и помогает им в работе с англоязычными научными текстами при написании эссе, научных статей для публикации в зарубежных научных журналах.

Предназначено для студентов магистерских программ по экономическим и управленческим направлениям.

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ВВЕДЕНИЕ

В связи с осуществлением перехода системы высшего образования на формат "бакалавриат и магистратура" учащимся необходимо в большей степени самостоятельно овладеть объемом знаний в определенной предметной области на соответствующем уровне образования, поскольку в магистратуре центр тяжести учебного процесса существенно смещается в сторону самостоятельного изучения дисциплины.

Учебник является первой частью учебно-методического комплекта, имеющего своей целью формирование у студентов общепрофессиональной компетенции (ОПК-1), определяемой в соответствии с ФГОС ВО 3+ программ магистратуры как "готовность к коммуникации в устной и письменной формах на русском и иностранном языках для решения задач профессиональной деятельности". УМК "Business: Today and Tomorrow" способствует приобретению навыков владения английским языком в области бизнеса и знакомит студентов с основополагающими темами в рамках рассматриваемой сферы.

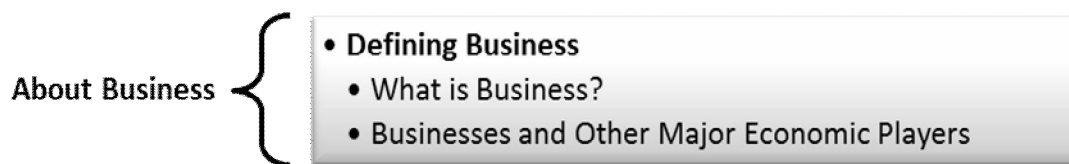
Данный УМК представляет собой внутридисциплинарный академический языковой курс для магистрантов, специально разработанный по методологии "академический английский для специальных целей" (English for Specific Academic Purposes). Выбор такой методологии обусловлен дискуссионным характером науки, ее открытостью, возрастающей доступностью к международным публикациям. На передний план выдвигаются умения анализировать, критически оценивать, интерпретировать и синтезировать сложную информацию, точно и объективно оценивать контекст, владеть международным терминологическим инструментарием и оперировать разнообразными моделями и иными инструментами профессионального и научного языка. Специфика данного пособия заключается в применении подхода, в центре которого стоит задача формирования аналитических навыков у студентов. Анализ как активный навык требует параллельного развития нескольких умений: критического мышления, интерпретации, обобщения и синтеза информации. В связи с этим на протяжении всего курса работа с текстом и лексикой в учебнике-практикуме (Reading Essentials and Note-taking Guide) поддерживается заданиями в рабочей тетради (Student's Workbook), развивающими навыки академического письма, устного реферирования, научной и профессиональной презентации. Эти задания активизируют интеллектуальный потенциал студентов и уже обретенные в процессе обучения в университете академические навыки и профессиональные знания, а также фоновые и общекультурные компетенции. Использование всего комплекса позволяет усилить практическую направленность обучения, сделать его более практико-ориентированным, что само по себе является желаемым результатом.

Учебник-практикум может использоваться в процессе изучения дисциплины независимо от второй части УМК, предполагающей более пристальный контроль со стороны преподавателя. Одна из важных задач при создании данного учебника-практикума - системное воспроизведение арсенала имеющегося в современной англоязычной литературе теоретического знания по дисциплине, что позволяет избежать "мозаичности" знаний и системных провалов в изучении. В то же время организация УМК устраняет угрозу "сокальзывания" в глубокое обсуждение профессиональных вопросов, поскольку задачей данного курса является не преподавание дисциплины на языке, а изучение специфических аспектов англоязычной литературы по дисциплине.

Организационная структура учебника-практикума тематически совпадает со структурой рабочей тетради. Структура состоит из пяти уроков, каждый из которых обладает определенной тематической направленностью. В курсе предусмотрены упражнения на развитие основных видов речевой деятельности - чтения, письма, аудирования и говорения. При этом форма некоторых упражнений меняется из урока в урок для избежания монотонности в обучении.

Данный курс служит хорошей базой для подготовки к международным бизнес-экзаменам BEC и BULATS.

UNIT 1. ABOUT BUSINESS



Read the text:

What is Business?

Human beings are continuously engaged in some activity or other in order to satisfy their unlimited wants. Every day we come across the word "business" or "businessman" directly or indirectly. Business has become essential part of modern world.

The term business is a broad, all-inclusive term that can be applied to many kinds of enterprises. According to Oxford Dictionary business can be defined as "commercial activity" or as "an organization or economic system where goods and services are exchanged for one another or for money". Businesses provide the bulk of employment opportunities, as well as the products that people enjoy. Some businesses produce tangible goods, such as automobiles, breakfast cereals, and digital music players; others provide services such as insurance, hair styling, and entertainment. Business drives the economic pulse of a nation.

Business is a fascinating subject. It surrounds us and affects us daily. A walk down the street, a wander around a supermarket, an Internet search on almost any topic will reveal commerce in its many and varied forms. At its core business is, and always has been, about survival and surplus-about the advancement of self and of society.

From the time that goods and services began to be traded in early civilizations, people have been thinking about business. The emergence of specialized producers and the use of money as a means of exchange were methods by which individuals and societies could, in modern terms, gain a "business edge". The ancient Egyptians, the Mayans, the Greeks, and the Romans all knew that wealth creation through the mechanism of commerce was fundamental to the acquisition of power and formed the base on which civilization could prosper. Today's companies may use different technologies and trade on a global scale, but the essence of business has changed little in millennia.

Find and write out English equivalents to the following Russian words and expressions:

удовлетворять потребности
обеспечивать, предоставлять, снабжать
возможности в области трудоустройства
реальные блага, материальные товары
страхование
развлечения
захватывающий
окружать
влиять
ежедневно

непрерывно, постоянно
в той или иной деятельности
для того чтобы
столкнуться с
прямо или косвенно
неотъемлемый
общий, комплексный термин
применять к
согласно, в соответствии с
деятельность

прогулка
обнаруживать, показывать
торговля, коммерция
излишек
улучшение, развитие, прогресс
торговать
появление
средство обмена
получить конкурентное преимущество
древний
накопление капитала
приобретение власти
процветать, преуспевать

наряду с
масса, множество
почти
поиск
во всем разнообразии
по сути, в своей основе
выражаясь современным языком
через, посредством
существенный, залог чего-либо
формировать основу
в мировом масштабе
суть, сущность
тысячелетия

Read the text:

Businesses and Other Major Economic Players

A nation's economic system significantly affects all the economic activities of its citizens and organizations. This far-reaching impact becomes more apparent when we consider that a country's economic system determines how the factors of production are used to meet the needs of society. Today, the mixed economy - an economic system that has elements of traditional, command, and market economies - is the most common type of economic system. To address scarcity, societies must answer four questions:

1. What goods and services-and how much of each-will be produced?
2. How will these goods and services be produced?
3. For whom will these goods and services be produced?
4. Who owns and who controls the major factors of production?

In a mixed economy, the four basic economic questions are answered through the interaction of households, businesses, and governments.

Households. Households, made up of individuals, are the consumers of goods and services as well as owners of some of the factors of production. As resource owners, the members of households provide businesses with labor, capital, and other resources. In return, businesses pay wages, rent, and dividends and interest, which households receive as income. As consumers, household members use their income to purchase the goods and services produced by business.

Businesses. Like households, businesses are engaged in two different exchanges. They exchange money for natural resources, labor, and capital and use these resources to produce goods and services. Then they exchange their goods and services for sales revenue. This sales revenue, in turn, is exchanged for additional resources, which are used to produce and sell more goods and services. Along the way, of course, business owners would like to remove something from the circular flow in the form of profits. When business profits are distributed to business owners, these profits become household income (Business owners are, after all, members of households). Households try to retain some income as savings. But are profits and savings really removed from the flow? Usually not! When the economy is running smoothly, households are willing to invest their savings in businesses. They can do so directly by buying stocks issued by businesses, by purchasing shares in mutual funds that purchase stocks in businesses, or by lending money to businesses. They can also invest indirectly by placing their savings in bank accounts. Banks and other financial institutions then invest these savings as part of their normal business operations. Thus, business profits, too, are retained in the business system. How, then, does government fit in?

Governments. The responsibility of the government is to protect and promote public welfare. The numerous government services are important but they (1) would either not be produced by private business firms or (2) would be produced only for those who could afford them. Typical services include national defense, police, fire protection, education, and construction of roads and high-

ways. To pay for all these services, governments collect a variety of taxes from households (such as personal income taxes and sales taxes) and from businesses (corporate income taxes). Actually, with government included, our circular flow looks more like a combination of several flows. In reality, it is. The important point is that together the various flows make up a single unit—a complete economic system that effectively provides answers to the basic economic questions. Simply put, the system works.

Find and write out English equivalents to the following Russian words and expressions:

гражданин	выпускать (о ценных бумагах)
факторы производства	акции
смешанная экономика	давать деньги в долг, кредитовать
дефицит	банковский счет
взаимодействие	защищать
домохозяйство	поддерживать
правительство	общественное благосостояние
человек, личность	позволять себе что-либо
потребитель	оборона
товары и услуги	налоги
владелец	единица, модуль, соединение
труд	вписываться
заработная плата	кругооборот
аренда	разнообразие, множество
процент	разнообразные, различные
доход	в процессе
природные ресурсы	в свою очередь
доход от продаж	дополнительный
прибыль	на самом деле, фактически
распределять	определять
удерживать	очевидный
сбережения	серьезное влияние
ценные бумаги	наиболее распространенный

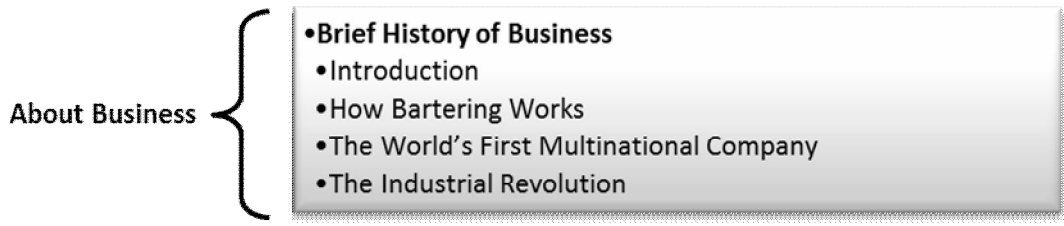


Read the texts again and take notes on the following points:

1. Give at least two definitions of business.
2. What do businesses provide and produce?
3. What is business about at its core?
4. Trace the historical connection between acquisition of power and the concept of business.
5. Identify the four major questions every society must answer to address scarcity.
6. Define the "mixed economy" and draw your own circular flow of how households, businesses and governments interact within it.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

business; enterprise; goods and services; employment opportunities; product; tangible goods; insurance; commerce; surplus; specialized producers; a means of exchange; business edge; wealth; mixed economy; scarcity; households; consumer; owner; factors of production; labor; wages; rent; dividends; interest; income; natural resources; sales revenue; profit; savings; stocks and shares; bank account; public welfare; national defense; tax.



Read the texts:

Introduction

There's a Chinese maxim that says "It's easy to open a business but it's an art to keep it open". Every commercial endeavor is founded on a basic human aspect-want.

Prior to the existence of money, the world depended on buying a service or object in exchange for another service or object - a system of business known as the barter system.

The history of business organizations-from the Assyrian merchants in the 19th century B.C to the Dutch East India Company in 1602 A.D to the current array of multibillion dollar companies-is a vast and truly remarkable one.

Today, as we set sail through the infant stages of the 21st century, business organizations and multinational corporations are not a handful, but almost a dime a dozen. With the unparalleled rise of technology and the advent of e-commerce, every man could be a businessman if he had the drive and the will to work hard enough. The Internet, perhaps, can be credited for being the single biggest reason for the commercial boom that we experience all around us. Today's heroes aren't war heroes or revolutionaries or celebrities, but business tycoons who, with their ambitious mind and through their relentless hard work, have made life far more comfortable and easier.

Companies like Microsoft®, Nokia®, Sony®, Nike®, Honda®, Wal-Mart®, and Apple® aren't just names of corporations to the people of today, but integral components of their everyday life. These big names and similar others, are already some of the most successful corporations in the history of business organizations, and will undoubtedly live on in the history of international business as some of the companies that changed the world forever.

How Bartering Works

Trading goods and services without the use of money is called bartering. This method of trade originated the moment communication developed, as far back as the prehistoric times. Early civilizations relied on this kind of exchange.

Historically, bartering was especially useful after humans dropped their nomadic ways and settled down to farming and living in communities. A wheat farmer can't live on bread alone, but he can trade some of his surplus yield to a cattle rancher in exchange for some meat. Or, the farmer can sell wheat to a hungry worker who has the skills to build him a new plow. With the new plow, the farmer can grow even more wheat for the next harvest with, and he can trade for more stuff. In these exchanges, each gets something he considers more valuable than what he gives up. The barter system sus-

tained early economies for millennia, and it probably predates recorded history. But, that doesn't mean it always works well. It has a lot of disadvantages that the invention of currency solved.

But when money was invented, bartering did not end, it became more organized.

Due to lack of money, bartering became popular in the 1930s during the Great Depression. It was used to obtain food and various other services. It was done through groups or between people who acted similar to banks. If any items were sold, the owner would receive credit and the buyer's account would be debited.

The World's First Multinational Company

Many consider the Dutch East India Company as the first multinational corporation in the world. Its main purpose was trade, exploration and colonization throughout the 17th and 18th centuries. With their trade expanding to most parts of the world, the Company established a monopoly in the field of business for over 200 years by carrying out colonial activities especially in Asia. At its height the Dutch East India Company established headquarters in many different countries, had a monopoly over the spice trade and it had semi-governmental powers in that it was able to begin wars, prosecute convicts, negotiate treaties and establish colonies. Despite the colonial nature of its operation, the Dutch East India Company, however, has gone down in the history of business organizations as the first ever multinational commercial enterprise.

The Industrial Revolution

The Industrial Revolution, which took place during 1700-1850 A.D, saw an unprecedented surge in technology, the effects of which we still see in today's digital age. In a way, some of the greatest pages in the history of the business organizations were written during the Industrial Revolution. An eruption of technological knowledge drastically enhanced the growth of several businesses like textiles, mining, metallurgy, chemicals, transport, medicine, and agriculture.

The giant leaps that technology made during the Industrial Revolution gave an impetus to the succeeding generations where large enterprises, headed by ambitious, revolutionary entrepreneurs thrived. Three names, if one were to pick and choose, that boosted the industrial world into a whole other arena of success were that of the Scottish Andrew Carnegie and the Americans John D. Rockefeller and Henry Ford. The three 19th-century industrialists didn't just stamp their indelible marks in the history of American business, but in the history of international business possibly forever.

Andrew Carnegie and the Steel Business

The Carnegie Steel Company, which was located in Pittsburgh, didn't merely see the rise one of the world's most successful businessmen, but created an all around progress that laid the foundation for America's superior standard of living in today's age. As far as the history of American business goes, the Carnegie Steel Company was the one company that transformed the infrastructure of the modern world. Carnegie's steel possessed two qualities that gave every business an inevitable upper hand-quality and cheapness. With the boom of the Carnegie Steel Company, bridges, skyscrapers, and high-rise buildings increased, and with it the standard of modern day infrastructure.

John D. Rockefeller and the Petroleum Industry

Rockefeller's Standard Oil Company changed the petroleum industry forever and put his name in big bold letters in the history of American business, as well as the history of international business. He was the first person in the history of American business to earn the title of being a billionaire. He is often quoted by financial and business magazines of today and is considered the richest man in history. Despite his several commercial commitments, Rockefeller, much like Carnegie, was one of the greatest philanthropists of his time.

Henry Ford and the Automobile Industry

He revolutionized mass production with his unique manufacturing process known as "the moving assembly line" that was able to finish a car within 98 minutes. By making available inexpensive automobiles to a large group of people, the Ford Motor Company raised the standard of living for American people and made America one of the leading economies. The history of American business owes a lot to one of the greatest American visionaries, Henry Ford. He was also a pioneer of welfare capitalism, which earned him a godlike status in the history of international business and in the hearts of laborers.

Find and write out English equivalents to the following Russian words and expressions:

максима, правило, принцип	подобно чему-либо
сохранять, поддерживать (в состоянии)	вносить в дебит
попытка, предприятие	цель
до момента, раньше	исследование
зависеть	на протяжении, в течение
в обмен на	устанавливать
известный как	головная компания, штаб-квартира
совокупность	в области, в сфере
современный	на вершине
обширный, бесконечный	специи
действительно, несомненно	наказывать осужденных
поразительный	вести переговоры
отправляться в плавание	торговый договор
начальный, зарождающийся	несмотря на
небольшое количество, горстка	однако
пруд пруди	подъем
беспримерный, беспрецедентный	последствия
наступление (события, эпохи)	в некотором смысле
напористость	вспышка
воля, желание	радикально
возможно	горная промышленность
резкий подъем	сельское хозяйство
испытывать, переживать	огромный рывок
промышленный магнат	стимул, импульс, толчок
неослабевающий	последующие поколения
неотъемлемая составляющая	предприниматель
происходить, брать начало	преуспевать
еще	если тщательно отбирать
доисторический	содействовать развитию
полагаться на	сфера интересов
с исторической точки зрения, ранее	оставить неизгладимый след
кочевой	только
осесть	повсеместный
сообщество	заложить основы
урожай	уровень жизни
скотовод	обладать
пшеница	давать неоспоримое преимущество
плуг	конвейер

считать
ценный
поддерживать
предшествовать
означать

быть должным
провидец
благосостояние
трудящиеся
доступный



Read the texts again and take notes on the following points:

1. Name and describe the system of business that was employed prior to the existence of money.
2. Describe the period in history when bartering was used again and give relevant examples.
3. Describe a company that is considered to be the first multinational corporation in the world. When and where did it operate?
4. What is meant by "semi-governmental powers" the first multinational corporation in the world had.
5. Describe the period of the Industrial Revolution and explain the reason that gave an impetus to it.
6. Name at least three businessmen who boosted the industrial world. What factors can be used to explain your position?

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

currency; bartering; merchant; business tycoon; multinational corporation; agriculture; mining; industrialist; infrastructure; entrepreneur; philanthropist; assembly line; welfare capitalism.

About Business

- **Brief History of Business**
- Global Brands
- An Era of Change

Read the texts:

Global Brands

The postwar period saw the growth of multinationals and conglomerates-businesses with multiple and diverse interests across the globe. The war had made the world seem smaller, and had paved the way for the global brand. These newly emerging global brands grew as a result of a media revolution-television, magazines, and newspapers gave businesses the means to reach a mass audience. Businesses had always used advertising to inform customers about products and to persuade them to buy, but mass media provided the platform for a new, and much broader, field-marketing.

In the 1940s US advertising executive Rosser Reeves promoted the value of a Unique Selling Proposition.

By the 1960s, marketing methods had shifted from simply telling customers about products to listening to what customers wanted, and adapting products and services to suit that. Initially, marketing had its critics.

In the early 1960s hype about the product became more important than quality, and customers grew dissatisfied with empty claims. This, and competition from Japanese manufacturers, had Western companies embracing a new form of business thinking: Total Quality Management (TQM) and Zero Defects management.

Guided by management theorists, such as W. Edwards Deming and Philip B. Crosby, quality was seen as the responsibility of the entire company, not just those on the production line. Combining Human Relations thinking and the customer-focused approach of marketing, many companies adopted the Japanese philosophy of kaizen: "continuous improvement of everything, by everyone". Staff at all levels was tasked with improving processes and products through "quality circles".

While TQM is no longer the buzzword it once was, quality remains important. The modern iteration of TQM is Six Sigma, an approach to process improvement that was developed by Motorola in 1986 and adapted by Jack Welch during his time as CEO of General Electric.

An Era of Change

However, the study of business as an activity in its own right emerged relatively recently. The terms "manager" and "management" did not appear in the English language until the late 16th century. In his 1977 text *The Visible Hand*, Dr. Alfred Chandler divided business history into two periods: pre-1850 and post-1850. Before 1850 local, family-owned firms dominated the business environment. With commerce operating on a relatively small scale, little thought was given to the wider disciplines of business. The growth of the railroads in the mid-1800s, followed by the Industrial Revolution, enabled businesses to grow beyond the immediate gaze of friends or family, and outside the immediate locale. To prosper in this new - and increasingly international - environment businesses needed different, and more rigorous, processes and structures. The geographic scope and ever-growing size of these evolving businesses required new levels of coordination and communication-in short, businesses needed management.

Managing Production

The initial focus of the new breed of manager was on production. As manufacturing moved from individual craftsmen to machinery, and as ever-greater scale was required, theorists such as Henri Fayol examined ever-more-efficient ways of operating. The theories of Scientific Management, chiefly formulated by Frederick Taylor, suggested that there was "one best way" to perform a task. Businesses were organized by precise routines, and the role of the worker was simply to supervise and "feed" machinery, as though they were part of it. With the advent of production lines in the early 1900s, business was characterized by standardization and mass production. While Henry Ford's Model T car is seen as a major accomplishment of industrialization, Ford also remarked "why is it every time I ask for a pair of hands, they come with a brain attached?" Output may have increased, but so too did conflict between management and staff. Working conditions were poor and businesses ignored the sociological context of work-productivity mattered more than people.

Studying People

In the 1920s a new influence on business thinking emerged-the Human Relations Movement of behavioral studies. Through the work of psychologists Elton Mayo and Abraham Maslow, businesses began to recognize the value of human relations.

Workers were no longer seen as simply "cogs in the machine", but as individuals with unique needs. Managers still focused on efficiency, but realized that workers were more productive when their social and emotional needs were taken care of. For the first time, job design, workplace environments, teamwork, remuneration, and nonfinancial benefits were all considered important to staff motivation. In the period following World War II, business practice shifted again. Wartime innovation had yielded significant technological advances that could be applied to commerce.

Managers began to utilize quantitative analysis, and were able to make use of computers to help solve operational problems. Human relations were not forgotten, but in management thinking, measurability returned to the fore.

Find and write out English equivalents to the following Russian words and expressions:

послевоенный	применять
разнообразный	относительно
казаться	появляться
подготовить почву	разделять
начинающий существовать	местный
аудитория	преобладать
реклама	непосредственный, ближайший
убеждать	место действия
сфера, область	тщательный
руководитель, должностное лицо	рамки
ценность, важность	порода
уникальное предложение	квалифицированный рабочий
перемещаться	машинное оборудование
соответствовать	все более эффективные
вначале	в общих чертах
назойливая реклама	выполнять задачу
пустые заявления	четкие общепринятые практики
конкуренция	завершение, достижение
производитель	прилагать к чему-либо
выбирать	поведенческий
направляемый	винтик в механизме
теоретик	стимулы, поощрение
качество	значительный
производственная линия	прогресс
сочетать	применять количественный анализ
подход	решать производственные задачи
перенимать, усваивать	выдвигаться на передний план



Read the texts again and take notes on the following points:

1. Explain the reasons for emergence of new global brands in the postwar period.
2. What caused a new form of business thinking in the 1960s. Give the detailed explanation.
3. Describe two periods of business history according to A. Chandler.

4. Based on the earliest theories of management infer why workers initially were seen as "cogs in the machine".

5. Based on the information about behavioral studies, outline some important factors that could influence staff motivation.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

brand; multinational; conglomerate; advertising; marketing; Unique Selling Proposition (USP); competition; manufacturer; Total Quality Management (TQM); Zero Defects Management; kaizen; Six Sigma; management; mass production; standardization; Human Relations Movement; remuneration; benefits; team work; motivation; job design; workplace environment; word-of-mouth advertising; endorsement; product placement; competitive advantage; International Organization for Standardization (ISO); benchmarking; lean manufacturing; just-in-time production.

UNIT 2. BUSINESS GOALS AND OBJECTIVES

Business Goals and Objectives

- What are the main economic objectives of the business?
- Profit

Read the texts:

What are the Main Economic Objectives of the Business?

Many people - especially stockholders and business owners - believe that profit is literally the bottom line or primary goal for a business. Indeed, profit is essential for the survival and growth of the business unit. It also provides stimulus to work. This has been regarded as the index of the business progress. So, **earning profit** could be seen as the most important aim of the business.

The predominant economic objectives of a business are:

Production of Goods: The objectives of the business involve production of the goods as per taste, fashion and the requirement of the customers. Production of goods in anticipation of demand and arranging their sale are regarded as economic objective of the business.

Productivity: It means to become efficient, effective, and abundant. It means producing more goods having the same resources or same amount of goods using lesser resources. It means producing new wealth or more wealth without additional cost.

Market Standing (Market Position): A business enterprise must aim at standing on stronger footing in terms of offering competitive products to its customers or serving them to their satisfaction. The ultimate objective of every firm must be to satisfy the needs of its customers. People generally do not buy goods and services simply to own them; they buy goods and services to satisfy particular needs. When firms lose sight of their customers' needs, they are likely to find the going rough. However, when businesses understand their customers' needs and work to satisfy those needs, they are usually successful.

Growth and Expansion of the Business: Profit should not be the only objective of the business and therefore the growth, survival and expansion of business activities are regarded as the major economic objectives. The growth of the business largely depends on the relationship of the business with consumer, shareholders and the creditors.

Research and Innovation: Discovery of new product or improving the existing product is termed as an economic objective of the business.

Profit

A business receives money (sales revenue) from its customers in exchange for goods or services. It must also pay out money to cover the expenses involved in doing business. If the firm's sales revenues are greater than its expenses, it has earned a profit. More specifically, profit is what remains after all business expenses have been deducted from sales revenue.

A negative profit, which results when a firm's expenses are greater than its sales revenue, is called a loss. A business cannot continue to operate at a loss for an indefinite period

of time. Management and employees must find some way to increase sales revenues and reduce expenses to return to profitability. If some specific actions are not taken to eliminate losses, a firm may be forced to close its doors or file for bankruptcy protection.

The profit earned by a business becomes the property of its owners. Thus, in one sense, profit is the reward business owners receive for producing goods and services that customers want. Profit is also the payment that business owners receive for assuming the considerable risks of business ownership. One of these is the risk of not being paid. Everyone else - employees, suppliers, and lenders - must be paid before the owners. A second risk that owners undertake is the risk of losing whatever they have invested into the business. A business that cannot earn a profit is very likely to fail, in which case the owners lose whatever money, effort, and time they have invested.

Find and write out English equivalents to the following Russian words and expressions:

особенно	стремиться
считать, полагать	устойчивое положение
буквально, в прямом смысле слова	конечная цель
суть (или главный пункт) аргумента	в целом, в основном
основной	определенный
прибыль	потерять из виду
действительно	с трудом продвигаться к цели
организационная единица (торговая или промышленная)	существующий
движущая сила	единственный
показатель	вследствие этого
доминирующий	научные исследования
предоставлять	в большой степени
требования	зависеть
упреждение, предчувствие	потребитель
спрос	акционер
рыночная позиция компании (позиция предприятия на рынке по отношению к его конкурентам)	рост; развитие

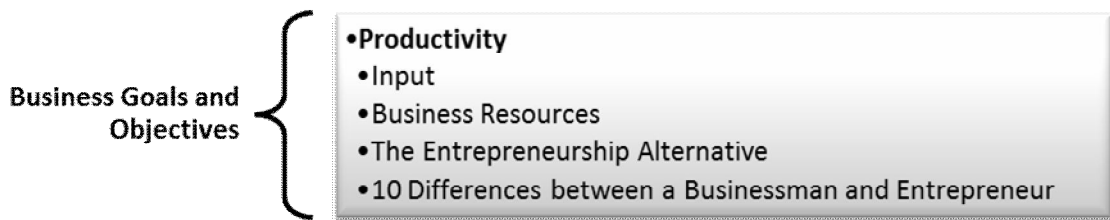


Read the texts again and take notes on the following points:

1. Support or criticize the idea that profit could be seen as the bottom line for a business.
2. Select the predominant objectives of a business and demonstrate why they are important.
3. Analyze the mechanism of earning a profit.
4. Evaluate the relationship among profit, loss and risks business owners undertake.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

supply and demand; production; productivity; shareholders / stakeholders; market standing / position; customer; profit; loss; sales revenue; expenses; profitability; bankruptcy.



Read the texts:

Input

Resources can be defined as the inputs used in the production of those things that we desire. The economic theory of factors of production encompasses all of the resources and inputs that go into the manufacturing of products. Factors of production are the resources used to produce goods and services. There are four such factors:

Land and Natural Resources - elements that can be used in the production process to make appliances, automobiles, and other products. Typical examples include crude oil, forests, minerals, land, water, and even air.

Labor is the time and effort that we use to produce goods and services. It includes human resources such as managers and employees.

Capital is the money, facilities, equipment, and machines used in the operation of organizations. Although most people think of capital as just money, it can also be manufacturing equipment or a computer.

Entrepreneurship is the activity that organizes land, labor, and capital. It is the willingness to take risks and the knowledge and ability to use the other factors of production efficiently. An entrepreneur is a person who risks his or her time, effort, and money to start and operate a business.

These factors are classified also as management, machines, materials, and money (this, the 4 Ms), or other such nomenclature. More recently, **knowledge** has come to be recognized as distinct from labor, and as a factor of production in its own right.

The Entrepreneurship Alternative

The entrepreneurial spirit beats at the heart of private enterprise. There are many interpretations and definitions of entrepreneurship.

According to intellectuals and business experts, the definition of entrepreneurship is simply the combining of ideas, hard work, and adjustment to the changing business market. It also entails meeting market demands, management.

Most importantly, it describes the key directive of any business - innovation. Innovation is by far the primary factor that governs the very creation of a small business or entrepreneurship. Innovations can be processes or even products. Products can refer to anything that is created that can be sold, whether it is a new type of glue or even a service that provides; for example, housecleaning. However, innovations can also be anything that introduces the inventions of new products that change the marketplace or create a new marketplace. Some of these innovations may even replace current innovations to become the preferred product or process.

An entrepreneur is a person - man or woman - who can take an idea for an innovation and as a product of their social or economic background, and are able to produce it on demand for the general public, the government or even the military. They possess the ability to organize multiple people and tasks on any given day. They are inventive, can organize re-

sources, can organize others, can manage others' time/needs/wants/money, etc., can perceive opportunities where others cannot, can perceive risk levels and are risk takers.

10 Differences between a Businessman and Entrepreneur

Often the words "entrepreneur" and "businessman" are used interchangeably. Business people and entrepreneurs have many similarities. They both provide jobs for the unemployed, give solutions to the consumers, and help in developing the economy of a certain nation. However, they are not the same kind of people.

A businessman is any person that engages in a series of economic activities to earn a profit.

An entrepreneur, on the other hand, is someone who conceives an idea or a solution to a current problem that the society is facing, finds investors and sets up an enterprise to offer his expertise to the general public.

The following are 10 differences between a businessman and an entrepreneur:

1. **On The Originality Of Idea.** A businessman can make a business out of an unoriginal business or product idea. He enters into existing businesses, such as franchising and retailing. He chooses a hot and profitable business idea regardless of whether it is his original idea or borrowed from someone else. An entrepreneur is an inventor and the first creator of a product. He invests time, energy and money on his own idea. He doesn't start a business from an unoriginal idea. That is why he starts on a startup while a businessman starts on a business.

2. **On The Purpose Of Doing.** Most businessmen are doing business for profit, livelihood, for reaching their financial goals, and for becoming their own boss. Though, there are some business people who are not profit-oriented but people-oriented, that is, they are more concerned on the welfare of their workers and the satisfaction of their customers. Entrepreneurs are more concerned on changing the world. They want to pursue their passion and achieve an ultimate goal. They are not keen on financial returns, rather they are focused on what they can offer to the world. Their purpose for entrepreneurship is simply to make a difference in this world.

3. **On The Degree Of Risks.** Taken Businessmen take calculated and managed risks. They cannot afford to lose money and suffer from bankruptcy. That is why they always do the Math when it comes to business. Entrepreneurs are like sky divers. They take crazy risks. They often don't care of losing time and money just to pursue their passion. But since they do it with love, joy and passion, they often gain extraordinary rewards. Entrepreneurs, since they do the things they love the most, they do it with the best of themselves, resulting to greater success.

4. **On How He Treats Employees.** A business owner is an employer and a manager. He hires employees and workers to help his business grow. An entrepreneur is a friend and a leader. He finds peers and PEOPLE, whom he will never treat as machines. He invites them to help them grow.

5. **On How He Treats Customers.** A business owner usually sees customers as his source of sales and revenues. For him, customers are the lifeblood of his business. An entrepreneur sees customers as his source of duty and fulfillment. For him, customers are his own life blood.

6. **On How He Sees The Competition.** A business owner tries hard to beat his competitors and win the competition. He also considers cooperation rather than competition to achieve certain goals. An entrepreneur tries hard to beat his worst competitor - himself.

7. **On What He Thinks Of Money.** Losing money is one of the biggest worries of businessmen. Most business owners rely on a good economy to start, operate and attain success in business, especially in the retail, franchising and financing industry. Entrepreneurs do not worry a lot about money since they can always start from a scratch. Some entrepreneurs don't really care about money at all.

8. **On How He Deals With Time.** A businessman doesn't waste time. He always check the clock and doesn't want any work or output to be delayed out of schedule. He is fast and always on the go. An entrepreneur works like an artist or a scientist in a lab. His product is his masterpiece. That is why he can be slow and could spend a longer period of time to finish and perfect his product.

9. **On How He Sees the World.** An entrepreneur sees the world as an opportunity. He sees it as an opportunity to make a living. He also sees it as an opportunity help the people living on it. A businessman sees the world as a duty rather than an opportunity.

10. **On How He Defines Success.** A businessman defines success as the success of his business and its stakeholders. Its stakeholders include himself, co-owners, employees, customers, investors, and even his community. An entrepreneur doesn't define success. He simply do his job and let history defines the success that he accomplished.

Both businessmen and entrepreneurs are supposed to be the kind of people that our world needs. A businessman needs an entrepreneur. An entrepreneur may also need a businessman. There can also be a person who is partly a businessman and partly an entrepreneur.

Find and write out English equivalents to the following Russian words and expressions:

вложения, затраты	находчивый
охватывать	понимать, различать
прибор	взаимозаменяемо
сырая нефть	сходные черты
производственные фонды, помещения	обеспечивать безработных работой
оборудование	найти идею или решение
готовность	открывать предприятие
рационально	опыт, знание дела
перечень	независимо от
признавать	франшизное предприятие
отличный от	предприятие розничной торговли
современный анализ	стартап, недавно созданная фирма
различать	средства к существованию
материальный	благополучие
сочетать	следовать за
машинное оборудование	конечная цель
предоставлять	доход
требоваться	просчитывать все, когда дело доходит до
работник	обращаться с
закупать	нанимать
поддерживать в рабочем режиме	ровня, равный
частный	источник жизненной силы
трактовка	чувство удовлетворения
адаптация	полагаться на
быть сопряженным с	достигать
рыночный спрос	начинать с нуля
определяющее направление	терять, тратить зря
общепризнанно	выпуск (продукции)
обуславливать	все время в движении
относиться	шедевр
предпочитаемый	совершенствовать
предпосылка; происхождение	зарабатывать на жизнь
по требованию	акционер
вооруженные силы	общественность, местное сообщество
разнообразный	отчасти

**Business
Goals and
Objectives**

- **Productivity**
- Output
- Type of Output

Read the texts:

Output

Products. Products are things. They're tangible. They can be seen, they can be touched, they can be counted, they can be measured, and they can be stored for later use. They are produced by manufacturers. The fact that products are tangible has many management implications, most of them advantageous to managers. Because a product is tangible, its quality can be measured in a relatively straightforward manner before a customer has a chance to examine it. The function of the product can be measured and actually tested to make sure it works properly, allowing management to avoid exposing customers to poor quality. Electronic products are tested upon completion. Automobiles are examined for defects. Clothing is inspected for flaws in the fabric. The defective product is separated from the good products and is either fixed or destroyed. A completed product can be stored in finished-goods inventory until needed, or it can be shipped anywhere in the world for use. Some products are stored for only a short time before being consumed (some food, pharmaceuticals, stylish clothing, and newspapers, for example), but others have an extremely long shelf life (furniture, books, and toys, for example). When products can be stored for later use, their actual rate of production does not have to match the rate of demand in the short term. Matching output rate to a fluctuating demand is difficult, particularly when materials have to be ordered in advance and employees have to be hired and trained in advance. The ability to store products is important to production management. When a product is purchased, the customer typically has no idea of the conditions associated with its production. She doesn't care if processes are noisy, if they smell bad, or if the machines are dirty. It's the outcome of those processes that matters. The finished product is evaluated in terms of quality, but the process used to create it isn't. As consumers become more aware of production, however, they have also become more concerned. Consumers were shocked, for example, when they found out that certain clothing items they wore were being manufactured by children and in unacceptable conditions. In some cases, the companies that purchased the goods weren't even aware of the conditions in which they were manufactured. Issues such as employee exploitation and impact on environment have begun to interest consumers. Attributes such as the friendliness of the employees or the ambiance of the factory, however, make no difference.

Services. Services are intangible. They can't be touched or counted or examined the way a product can. They can't be stored for later use. Services are tasks that are done for the customer or done to the customer. They can't be examined or tested for quality before the customer gets them. In fact, they are often produced in a process that the customer is actually a part of. Sometimes it is the customer that is actually processed. The intangibility and customer involvement create a situation that can be quite difficult to manage. In a service, the customer does care about the production process because he spends time in it. The process can be as important as the outcome. The process utilized to entertain a customer at a theme park matters a great deal. The process a retailer uses to sell products defines the quality of service a customer perceives. The process a financial consultant uses to plan investments for a client matters because she is a player in that process. A close match between the output rate and the demand

rate is critical for services because people aren't willing to wait for a process to catch up with them. Access to an online retailer, for example, must be immediate or the customer will click on an alternative. A seat on an airplane must be available when a customer wants it or he'll simply buy a ticket on a competing airline. If either business has idle server capacity or empty seats at a particular time, it can't store that capacity for later use. Unfortunately for managers of services, service quality cannot be determined until after the fact. For customers, this means that they're exposed to poor quality service more often than they're exposed to poor quality products. Unlike manufacturing managers, who can "scrap" or "rework" defective products, service managers must attempt a "recovery" when customers are exposed to quality failures. When a restaurant finds out that a customer is dissatisfied, management attempts the recovery by providing complimentary drinks or a gift certificate for free meals at a later date. Customers place higher expectations on the employees in services because they are often face to face with them. When the customer watches a service production process and is involved in it, expectations for "special treatment" are common. A rule of thumb is that the greater the customer contact, the greater the expectation for customization, and the more difficult it is to maintain efficient processes. Banking by ATM, phone, and online removes customers from direct contact with bank personnel. For students, online registration has improved the efficiency of that process by removing direct student contact. The need to meet varied expectations and customize the service can make the management of a service more difficult and customer expectations harder to meet. Many services have removed service processes from customer access to increase productivity. Fig. 1.1 summarizes the characteristics of products and services.

Products	Services
Products are tangible.	Services are intangible.
Products are easy to measure.	Services are difficult to measure.
Products can be stored for later use.	Services can't be stored for later use.
Products can be checked for conformance to quality prior to customer receiving them.	Services can't be checked for conformance to quality prior to customer receiving them.
Production processes for products are relatively unimportant to customers.	Production processes for services are very important to customers.
Producers of defective products can repair or scrap the defects.	Producers of defective services must attempt to recover to retain the customer.

Fig. 1.1. Characteristics of products and services

As can be seen in fig. 1.2, business outputs often blend product and service components.

Produces Services Only	Produces a Balance of Products and Services	Produces Products with Very Few or No Services
<i>Examples:</i>	<i>Examples:</i>	<i>Examples:</i>
Advertising firm	Retailer	Furniture manufacturer
Brokerage firm	Computer manufacturer	Paint manufacturer
Bank	Automobile manufacturer	Grocery product manufacturer
Prison	Restaurant	Steel mill
Tanning salon	Car rental agency	
Hair stylist	Landscaping firm	
	Printing shop	

Fig. 1.2. Blend of product and service components

For example, you might order a product directly from a manufacturer, but along with that product comes a lot of services. Dell Computer Corporation provides an excellent

example of a manufacturer that has blended products and services. A customer buys a computer directly from Dell and receives services as well. One is fast delivery. The second is on-site support. The customer can also buy additional services, such as extended support. Dell's success, particularly in quantity purchases for businesses and schools, is not dependent solely on the quality of its products but can also be traced directly to its reputation for after-the-sale support.

Type of Output

The main output of any business is its suite of products or services. In today's economy, it is impossible to completely separate service-producing industries (traditionally known as "services") from product-producing businesses (traditionally known as "manufacturers"). Successful firms have recognized that potential customers do not compartmentalize value that way. Customers look at the total package, which includes aspects of both services and products. Failure to recognize this greatly reduces a firm's ability to compete.

Not all businesses produce consumer goods that we buy in the shops. There is a lot of buying and selling between businesses that we don't see.

1. Consumer Goods. This is the normal output of things we buy in the shops.
2. Consumer Services. These are things like insurance, holidays and hair-cuts.
3. Durable Goods. These are consumer goods which aren't consumed straightaway (like food aka non-durable goods) but last quite a long time, such as washing machines and TVs.
4. Capital Goods. This means productive equipment used by other businesses, such as machinery and vehicles.
5. Raw Materials. This means the basic starting ingredients of the productive process, such as wheat which ends up as bread or cake.
6. Semi-Finished Goods. This means components which one business buys from another and turns into something else e.g. components that go to make up a finished car.
7. Finished Goods. Businesses buy lots of finished goods e.g. cars for managers or PCs for employees.
8. Business Services. Businesses also buy services such as insurance and banking services.

Find and write out English equivalents to the following Russian words and expressions:

считать	догнать
измерять	доступ
хранить	немедленный
производитель	резервная мощность
последствия	списывать
выгодный	пытаться
относительно	возмещение
очевидный способ	бесплатный напиток
проверить	подарочный сертификат
должным образом	бесплатная еда
избегать	возлагать ожидания
плохое качество	особое отношение
завершение	практическое правило
брак ткани	модификация по требованиям заказчика
чинить	банкомат

склад готовой продукции	производительность
перевозить	рисунок
потреблять	смешивать
лекарственные препараты	доставка
чрезвычайно	клиентская поддержка на месте
срок хранения	дополнительные услуги
уровень	исключительно
совпадать	непосредственно
в краткосрочном периоде	постпродажное обслуживание
изменяющийся	набор
в частности	полностью
заказывать	разделить
заранее, предварительно	отделить
как правило	полезность, ценность
связанный с	единый пакет
результат	товары длительного пользования
иметь значение	известный как
предмет одежды	средства производства
недопустимые, неприемлемые	транспортные средства
условия	сырье
проблемы	составляющие
эксплуатация	пшеница
неотъемлемый признак	полуфабрикаты
обстановка, среда	запасные части
нематериальный	готовые изделия
вовлеченность, участие	
используемый	



Read the texts again and take notes on the following points:

1. Describe the relationship among input, output and productivity.
2. Define the factors of production and differentiate the importance of each.
3. Describe business resources that must be combined to organize and operate a business.
4. Identify the concept of entrepreneurship.
5. Compare and contrast a businessman and an entrepreneur.
6. Outline the differences between two major types of output.
7. Classify different output types.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

input; output; productivity; production; business resources; factors of production; 4Ms; entrepreneurship; entrepreneur; labor; capital; land; tangible goods; product; on-site support; after-the-sale support; consumer goods; durable goods; capital goods; raw materials; semi-finished goods.



Read the texts:

List of Market Participants

A company must identify its position relative to the competition in the market. By knowing if it is a leader, challenger, follower or nicher, it can adopt appropriate strategies to compete.

Leader. A market leader develops new and innovative products in an attempt to grow a larger market. A market leader invests heavily in research and development in order to create new products that stand apart from competitors. This can be an expensive strategy, making it difficult for a small business to implement, but the payoffs can be substantial.

Challenger. The challenger strategy is similar to the market leader strategy. Like the market leader, a challenger invests heavily in research and development in order to create products that are innovative and that can distinguish it from the competitors. The main difference between the challenger and the market leader is that the market leader is the number one company in the market, and the challenger is seeking to take that spot.

Follower. Companies using a follower strategy do not invest heavily in research and development. Instead, they use the innovations developed by other companies. As a result, their products are derivative, rather than original, and they therefore command lower prices. A prime example of this product strategy is found in the pharmaceutical industry, where some companies manufacture generic versions of drugs rather than developing their own.

Nicher. The niche product strategy involves developing a product for a smaller segment of the population. For example, a software producer might focus on the educational niche, or even narrower, the junior high school niche. This strategy can be beneficial for smaller firms with limited resources, as these resources can be deployed efficiently to focus on the needs of the niche market.

Markets and Their Classification

A market is a group of individuals or organizations, or both, that need products in a given category and that have the ability, willingness, and authority to purchase such products. Markets are broadly classified as consumer or business-to-business markets because marketing efforts vary depending on the intended market. Marketers should understand the general characteristics of these two groups.

Consumer markets consist of purchasers and/or household members who intend to consume or benefit from the purchased products and who do not buy products to make profits.

Business-to-business markets, also called industrial markets, are grouped broadly into producer, reseller, governmental, and institutional categories. These markets purchase specific kinds of products for use in making other products for resale or for day-to-day operations.

Producer markets consist of individuals and business organizations that buy certain products to use in the manufacture of other products.

Reseller markets consist of intermediaries such as wholesalers and retailers, who buy finished products and sell them for a profit.

Governmental markets consist of federal, state, county, and local governments. They buy goods and services to maintain internal operations and to provide citizens with such products as highways, education, water, energy, and national defense. Governmental purchases total billions of dollars each year.

Institutional markets include churches, not-for profit private schools and hospitals, civic clubs, fraternities and sororities, charitable organizations, and foundations. Their goals are different from such typical business goals as profit, market share, or return on investment.

Types of Market Structure

The capitalist system ensures that individuals and businesses make the decisions about what to produce, how to produce it, and what price to charge for the product. Mattel, Inc., for example, can introduce new versions of its famous Barbie doll, license the Barbie name, change the doll's price and method of distribution, and attempt to produce and market Barbie in other countries or over the Internet at www.mattel.com. This system also allows customers the right to choose between Mattel's products and those produced by competitors. As a consumer, you get to choose which products or services you want to buy. Competition like that between Mattel and other toy manufacturers is a necessary and extremely important by-product of capitalism. Business competition is essentially a rivalry among businesses for sales to potential customers. In a capitalistic economy, competition also ensures that a firm will survive only if it serves its customers well by providing products and services that meet needs. Economists recognize four different degrees of competition ranging from ideal, complete competition to no competition at all. These are perfect competition, monopolistic competition, oligopoly, and monopoly.

Perfect Competition. Perfect (or pure) competition is the market situation in which there are many buyers and sellers of a product, and no single buyer or seller is powerful enough to affect the price of that product. For perfect competition to exist, there are five very important concepts:

1. We are discussing the market for a single product, such as bushels of wheat.
2. There are no restrictions on firms entering the industry.
3. All sellers offer essentially the same product for sale.
4. All buyers and sellers know everything there is to know about the market (including, in our example, the prices that all sellers are asking for their wheat).
5. The overall market is not affected by the actions of any one buyer or seller.

When perfect competition exists, every seller should ask the same price that every other seller is asking. Why? Because if one seller wanted 50 cents more per bushel of wheat than all the others, that seller would not be able to sell a single bushel. Buyers could - and would - do better by purchasing wheat from the competition. On the other hand, a firm willing to sell below the going price would sell all its wheat quickly. However, that seller would lose sales revenue (and profit) because buyers are actually willing to pay more. In perfect competition, then, sellers - and buyers as well - must accept the going price. The price of each product is determined by the actions of all buyers and all sellers together through the forces of supply and demand. equilibrium, at the price of \$7. Economists call this price the market price. The market price of any product is the price at which the quantity demanded is exactly equal to the quantity supplied. In theory and in the real world, market prices are affected by anything that affects supply and demand. The demand for wheat, for example, might change if researchers suddenly discovered that it offered a previously unknown health benefit. Then buyers would demand more wheat at every price. Or the supply of wheat might change if new technology permitted the production of greater quantities of wheat from the same amount of acreage. Other changes that can affect competitive prices are shifts in buyer tastes, the development of new products, fluctuations in income owing to inflation or recession, or even changes in the weather that

affect the production of wheat. Perfect competition is quite rare in today's world. Many real markets, however, are examples of monopolistic competition.

Monopolistic Competition. Monopolistic competition is a market situation in which there are many buyers along with a relatively large number of sellers. The various products available in a monopolistically competitive market are very similar in nature, and they are all intended to satisfy the same need. However, each seller attempts to make its product different from the others by providing unique product features, an attention-getting brand name, unique packaging, or services such as free delivery or a lifetime warranty. Product differentiation is the process of developing and promoting differences between one's products and all competitive products. It is a fact of life for the producers of many consumer goods, from soaps to clothing to furniture to shoes.

Oligopoly. An oligopoly is a market (or industry) situation in which there are few sellers. Generally, these sellers are quite large, and sizable investments are required to enter into their market. Examples of oligopolies are the automobile, airline, car rental, cereal, and farm implement industries. Because there are few sellers in an oligopoly, the market actions of each seller can have a strong effect on competitors' sales and prices. If General Motors, for example, reduces its automobile prices, Ford, Honda, Toyota, and Nissan usually do the same to retain their market shares. In the absence of much price competition, product differentiation becomes the major competitive weapon; this is very evident in the advertising of the major automobile manufacturers. For instance, when Toyota was faced with declining sales as a result of quality and safety issues, it began offering buyer incentives to attract new-car buyers. Quickly, both Ford and General Motors began offering similar incentives and for the same reason - to attract new-car buyers.

Monopoly. A monopoly is a market (or industry) with only one seller, and there are barriers to keep other firms from entering the industry. In a monopoly, there is no close substitute for the product or service. Because only one firm is the supplier of a product, it would seem that it has complete control over price. However, no firm can set its price at some astronomical figure just because there is no competition; the firm would soon find that it has no customers or sales revenue either. Instead, the firm in a monopoly position must consider the demand for its product and set the price at the most profitable level. Classic examples of monopolies in the United States are public utilities, including companies that provide local gas, water, or electricity.

Each utility firm operates in a natural monopoly, an industry that requires a huge investment in capital and within which any duplication of facilities would be wasteful.

Natural monopolies are permitted to exist because the public interest is best served by their existence, but they operate under the scrutiny and control of various state and federal agencies. Although many public utilities are still classified as natural monopolies, there is increased competition in many areas of the country. For example, there have been increased demands for consumer choice when selecting a company that provides electrical service to both homes and businesses. A legal monopoly - sometimes referred to as a limited monopoly - is created when a government entity issues a franchise, license, copyright, patent, or trademark. For example, a copyright exists for a specific period of time and can be used to protect the owners of written materials from unauthorized use by competitors that have not shared in the time, effort, and expense required for their development. Because Microsoft owns the copyright on its popular Windows software, it enjoys a legal-monopoly position. Except for natural monopolies and legal monopolies, federal antitrust laws prohibit both monopolies and attempts to form monopolies.

Find and write out English equivalents to the following Russian words and expressions:

ПОЛНОМОЧИЯ
в широком смысле

выделяться среди конкурентов
внедрять

усилия	значительное вознаграждение
меняться в зависимости от	занять место
намеченный	производный, заимствованный
потребительский рынок	устанавливать цену
состоять из	непатентованное лекарственное средство
закупщик	выгодный
домохозяйство	гарантировать
перепродавать	побочный продукт
посредник	соперничество
округ	одиночный
местный	сильный
поддерживать	ограничения на вход
внутренний	спрос и предложение
миллиард	равновесие
церковь	количество
некоммерческий	ранее неизвестный
городской, муниципальный	изменения во вкусах
мужское студенческое общество	колебания
женское студенческое общество	спад
благотворительные организации	редкий
доля рынка	упаковка
определять	пожизненная гарантия
по отношению к	дифференциация продукта
конкуренция	удержать
компания - претендент / конкурент	поощрительные стимулы
компания последователь	заменитель
компания-нишевик	коммунальные предприятия
развивать	наблюдение
интенсивно вкладывать средства	авторское право
научно-исследовательские разработки	торговая марка
конкурент	несанкционированное применение



Read the texts again and take notes on the following points:

1. Classify the major types of markets.
2. Explain the difference among various market participants.
3. Outline the major types of market structures and explain them briefly.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

consumer market; business-to-business / industrial market; producer market; reseller market; institutional market; governmental market; market leader; market challenger; market follower; nicher; perfect / pure competition; monopolistic competition; oligopoly; product differentiation; legal monopoly; natural monopoly.

Business Goals and Objectives

- **Growth & Expansion**
 - Corporate Growth
 - M&As

Read the texts:

Corporate Growth

Growth seems to be a basic characteristic of business. One reason for seeking growth has to do with profit: A larger firm generally has greater sales revenue and thus greater profit. Another reason is that in a growing economy, a business that does not grow is actually shrinking relative to the economy. A third reason is that business growth is a means by which some executives boost their power, prestige, and reputation. Growth poses new problems and requires additional resources that first must be available and then must be used effectively. The main ingredient in growth is capital - and capital is most readily available to corporations. Most corporations grow by expanding their present operations. Some introduce and sell new but related products. Others expand the sale of present products to new geographic markets or to new groups of consumers in geographic markets already served. Although Walmart was started by Sam Walton in 1962 with one discount store, today Walmart has over 10,000 stores in the United States and 27 other countries and has long-range plans for expanding into additional international markets. Growth from within, especially when carefully planned and controlled, can have relatively little adverse effect on a firm. For the most part, the firm continues to do what it has been doing, but on a larger scale. For instance, Larry Ellison, co-founder and CEO of Oracle Corporation of Redwood Shores, California, built the firm's annual revenues up from a mere \$282 million in 1988 to approximately \$36 billion today. Much of this growth has taken place over the last 15 years as Oracle capitalized on its global leadership in information management software.

M&As

Growth Through Mergers and Acquisitions. Another way a firm can grow is by purchasing another company. The purchase of one corporation by another is called a merger. An acquisition is essentially the same thing as a merger, but the term usually is used in reference to a large corporation's purchases of other corporations. Although most mergers and acquisitions are friendly, hostile takeovers also occur. A hostile takeover is a situation in which the management and board of directors of a firm targeted for acquisition disapprove of the merger. When a merger or acquisition becomes hostile, a corporate raider-another company or a wealthy investor-may make a tender offer or start a proxy fight to gain control of the target company. A tender offer is an offer to purchase the stock of a firm targeted for acquisition at a price just high enough to tempt stockholders to sell their shares. Corporate raiders also may initiate a proxy fight. A proxy fight is targeted company. If the corporate raider is successful and takes over the targeted company, existing management usually is replaced. Faced with this probability, existing management may take specific actions, sometimes referred to as "poison pills", "shark repellents", or "porcupine provisions", to maintain control of the firm and avoid the hostile takeover. Whether mergers are friendly or hostile, they are generally classified as horizontal, vertical, or conglomerate.

Horizontal Mergers. A horizontal merger is a merger between firms that make and sell similar products or services in similar markets. This type of merger tends to reduce the number of firms in an industry-and thus may reduce competition. As a result most horizon-

tal mergers are reviewed carefully by federal agencies before they are approved in order to protect competition in the marketplace.

Vertical Mergers. A vertical merger is a merger between firms that operate at different but related levels in the production and marketing of a product. Generally, one of the merging firms is either a supplier or a customer of the other. A vertical merger occurred when social media giant Twitter acquired Summify. At the time of the 2012 merger, Summify, based in Vancouver, was a startup technology company in the process of building the next generation of news-reader software that had a unique approach to summarizing the most important information from social media feeds from Google, Facebook, and Twitter. Rather than develop its own software to summarize the most important information, Twitter simply purchased the Summify company.

Conglomerate Mergers. A conglomerate merger takes place between firms in completely different industries. A conglomerate merger occurred when financial conglomerate Berkshire Hathaway acquired Wesco Financial Corporation. While both companies were recognized as successful companies that have a history of increasing sales revenues and profits, they operate in different industries. Berkshire Hathaway, led by its CEO Warren Buffett, has a long history of acquiring firms that have great financial potential. Wesco, on the other hand, is a smaller company with its main business interests in insurance, furniture rental, and steel. The Berkshire Hathaway-Wesco merger was friendly because it was beneficial for both firms.

Merger and Acquisition Trends for the Future. While there have always been mergers and acquisitions, the recent economic crisis has changed the dynamics of how and why firms merge. Recently, mergers and acquisitions have been fueled by the desire of financially secure firms to take over firms in financial trouble. For a firm experiencing financial difficulties, a merger or acquisition is often a better option than bankruptcy. During the recent economic crisis, this trend was especially evident in the financial services and banking industry. For example, Wachovia was purchased by Wells Fargo in order to avoid a Wachovia bank failure or a government takeover of Wachovia's assets and loan portfolio. In other situations, a financially secure firm will purchase a company experiencing financial problems because it is a good investment. Economists, financial analysts, corporate managers, and stockholders still hotly debate whether mergers and acquisitions are good for the economy-or for individual companies-in the long run. Takeover advocates argue that for companies that have been taken over, the purchasers have been able to make the company more profitable and productive by installing a new top-management team, by reducing expenses, and by forcing the company to concentrate on one main business. Takeover opponents argue that takeovers do nothing to enhance corporate profitability or productivity. These critics argue that the only people who benefit from takeovers are investment bankers, brokerage firms, and takeover "artists", who receive financial rewards by manipulating corporations rather than by producing tangible products or services. Most experts now predict that mergers and acquisitions after the economic crisis will be the result of cash-rich companies looking to acquire businesses that will enhance their position in the marketplace. Analysts also anticipate more mergers that involve companies or investors from other countries. Regardless of the companies involved or where the companies are from, future mergers and acquisitions will be driven by solid business logic and the desire to compete in the international marketplace.

Find and write out English equivalents to the following Russian words and expressions:

уменьшаться
относительно
средство

состоятельный
предложение о приобретении
борьба за контроль над компанией

руководитель
повышать
власть
авторитет
ставить новые задачи
требовать дополнительных ресурсов
составляющая
связанный, родственный
дискаунтер, магазин уцененных товаров
долгосрочные планы
в более широком масштабе
приблизительно
поглощение, слияние
приобретение
по сути
по отношению к
поглощение, захват
совет директоров
фирма-налетчик, рейдер

получить контроль
компания-мишень
избежать
генеральный директор
движущие силы
финансово устойчивая фирма
испытывать финансовые трудности
вариант
тенденция
ярко выраженный
аналитик
сторонник
утверждать
противники
повышать
предсказывать
прогнозировать
независимо от



Read the texts again and take notes on the following points:

1. Classify and explain the ways a business can grow.
2. Describe the difference among various types of mergers.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

M & As; hostile takeover; tender offer; raider; CEO; target company; proxy fight; expansion; horizontal merger; vertical merger; conglomerate merger.



Read the text:

Creativity and Innovation

Innovation can come from any part of the business. The Japanese idea of kaizen-meaning continuous improvement - is an ancient philosophy, but it was first used in an industrial setting by Toyota in the 1950s. Founder Elji Toyoda expected all employees-from the factory floor to senior executives - to constantly come up with ideas for improving

products or production. This idea took hold around the world. Companies recognized value in setting up teams to increase creativity.

However, large companies often limit innovation - or at least the testing of its validity - to an R&D (research and development) department. They can focus on the changing needs of markets and respond appropriately, making sure they benefit from the premium price of innovative products, and build a brand loyalty. More recently, companies have also begun to value the creativity of their customers. Using an approach known as "open innovation", new ideas are welcomed from all sources, and customer feedback is valued in the product-development process. The opportunity for customers to post product ratings and reviews online allows ready access to customer feedback. Some even use online crowdsourcing to refine the design of products.

Research and development (R&D) is any investigative and creative work intended to lead to new discoveries or to improvements in existing products or processes. Some companies, in areas such as computer software and pharmaceuticals, depend on scientific research to bring about technological breakthroughs and keep themselves on the cutting edge of their industry. Others apply R&D to improve existing products.

Filling a Gap. In some cases, the direction of R&D is driven by market research findings that uncover a gap in the market, as it did for the cereal manufacturer Kellogg's. Market research showed that there was a desire in the UK for a sweeter breakfast cereal made from nuts, which people perceived to be healthy. To meet this need, Kellogg's instructed its R&D department to design a new breakfast cereal; the result was Kellogg's Crunchy Nut, which has become the second most popular cereal in the UK. There have been some cases in which market research pointed companies in the wrong direction. A prime example can be seen in the creation of Sony's Walkman. This portable audio cassette player was invented in 1978 by Nobutoshi Kihara, an audio engineer working for Sony. According to market research, the Soundabout (the name for the prototype Walkman) would never sell because focus groups declared that listening to music was a social rather than a solitary activity. However, Akio Morita, Sony's co-founder, told his R&D department to continue its work and ignore these findings. The Walkman went on to be one of Sony's most successful products.

More Products, More Often. Intense competition resulting from globalization, alongside rapid technological advances, has shortened the selling lives of many products. To stay in business in this tough trading environment, companies need to launch new products more regularly; those that are complacent and fail to innovate will be overtaken by their rivals. It could be argued that managers who do not invest in R&D are setting up businesses to fail. Companies such as BMW devote a sizable percentage of their turnover to R&D for motives that extend beyond self-preservation. Those that launch a new product first can charge premium prices and will benefit from monopoly profit until the competition arrives. In addition, consumers' brand loyalties are usually established early on. Companies that underinvest in R&D, fine to imitate rather than innovate, may have problems establishing a strong customer base. There is more to effective R&D than spending money on technical breakthroughs. According to Akio Morita, converting these advances into products that provide value and benefits for consumers is more important than the breakthrough itself. Therefore, it makes sense for R&D to be done by a multidisciplinary team that includes a representative from marketing, who understands the way the consumer's mind works.

In the past, companies required their own employees to design and develop new products. The knowledge was developed internally by the in-house research and development (R&D) department, and tended to be a closely guarded secret. This belief that a company should be in sole control of the creation of its intellectual property is known as closed innovation. In more recent times, a new approach has emerged. Open innovation is based on the idea that companies should be less private with their product development programs, reflecting the view that its customers can make valuable contributions to the product-development process.

Internet Feedback. The Internet has kick-started a sea change in how businesses get feedback from customers. Online ratings and reviews allow companies to see what their customers like and dislike about a product. In the IT industry, companies such as Apple and Microsoft use beta testing to enhance the quality of their new products. This process involves the software developer prereleasing copies of new software via the Internet. Members of the public who are interested in software and programming have the opportunity to road test the new product. They might point out bugs they encounter and offer possible solutions to the problems they have identified. The developer has the opportunity to improve the software before it is released, increasing the probability of the new product succeeding in the marketplace.

Crowdsourcing. The belief that companies can, and should, learn from their customers is growing. One example is the rise of crowdsourcing - a practice where companies get ideas, or even finance for a new product (crowd funding), from the public. There are different types of crowdsourcing. For example, some independent filmmakers finance their movies as crowdsourcing projects. Carmakers such as Citroen and Nissan have used crowdsourcing to enable car buyers to contribute ideas for the kind of product features that should be built into new vehicles. Citroen ran its crowdsourcing project via a Facebook app. Members of the general public were free to join the Facebook group - called C1 Connexion - and add their thoughts on six key aspects of the new car's design, including the number of doors, the color of the interior, and the equipment specification. Citroen kept its promise to build the car in line with the preferences expressed via the Connexion Facebook app. There are several advantages to incorporating positive and negative feedback from members of the public and customers into the product development process. The most obvious is that it is very cheap. In many cases companies do not pay for the ideas and opinions of crowdsourcers; interested volunteers offer the information free of charge. If cash is offered in exchange for feedback, the amounts tend to be small. Those who use crowdsourcing as part of the product-development process also recognize that there will be experts outside the company who are not on the payroll, but who have valuable ideas and knowledge that should be harnessed.

The online encyclopedia, Wikipedia, was set up in 2001 by Larry Sanger and Jimmy Wales as a crowdsourcing project. Rather than hiring paid writers and editors, the founders of Wikipedia asked members of the public to create the product themselves by submitting their articles electronically. By July 2013 Wikipedia comprised over 22 million articles, written in 285 languages by 77,000, largely anonymous and unpaid, authors. Wikipedia is an open-source project, meaning that everyone with access to the Internet is able to write or make changes to it. Wikipedia does not charge its customers for using its product. Instead, the project is financed by donations from supporters. Many of these supporters argue that Wikipedia is superior to conventional encyclopedias because, unlike them, articles can be updated quickly and easily. Wikipedia has taken the concept of crowdsourcing to the limit - the entire product has been created by consumers.

Find and write out English equivalents to the following Russian words and expressions:

постоянный	срок сбыта
древний	выпускать новый продукт на рынок
производственный цех	самодовольный
высшее руководство	обогнать
получить распространение	соперник
признать	вкладывать ощутимый процент от оборота
надежность, применимость	выходить за рамки
отдел научно-исследовательских	самосохранение

и опытно-конструкторских разработок	назначать цену
реагировать	цена выше номинала
должным образом, соответственно	использовать возможности
выигрывать	капиталовложений в недостаточной мере
приверженность определенной	делать упор на подражании,
торговой марке	а не на создании нового
ценить	изнутри
творчество	собственными силами,
подход	без привлечения внешних специалистов
источник	единоличный контроль
ответная реакция, обратная связь	ценный вклад
размещать в сети	дать импульс; подхлестнуть
рецензия, отзыв	резкое изменение, преобразование
улучшение	предварительное тестирование
научное исследование	размещение до официального поступления
технологический прорыв	в продажу
в авангарде	через "испытание в пробеге"
применять	дефект, ошибка
приводить в движение	разработчик
обнаружить незанятую нишу	привлечение общественности
воспринимать	к разработкам компании
направлять	предлагать идею
портативный	характеристики, функции продукта
заявлять	приложение
обособленный	техническое описание
соучредитель	доброволец
полученные данные	бесплатно
острая конкуренция	в списке работников предприятия
наряду с техническим прогрессом	редактор
	представлять статьи на рассмотрение
	превзойти традиционные энциклопедии

Read the text and summarize it in Russian:

Innovation in Details

Innovation is the act of introducing something new or doing something in a different way. Innovation in business differs from creativity in that the latter is generally associated with the generation of new ideas. In contrast, innovation refers to taking those new ideas and actually implementing them in the marketplace. Thus, creativity is simply one element of the innovation process through which new ideas lead to new products, procedures, or services. Business scholars often attribute company success to innovation. Because of growing international competition, innovation became even more vital for companies toward the end of the 20th century. Innovation usually results from trial-and-error experimentation and sometimes occurs incidentally where researchers produce something other than what they intended. Nevertheless, because of the growth of and accessibility to knowledge and information through the technology and information revolutions, researchers of the late 20th century generally could move from ideas to innovations much more quickly than their predecessors. A confluence of factors contributes to innovation in the business setting, including the research environment, market need, company strategy, and company resources.

Business innovation benefits from a diversity of personality types that fill different roles. After all, if every person in a company is extremely innovative, free-spirited, and nonconformist,

the company might lack balance and grounding. Thus, a multiplicity of personality types and traits can be accommodated by the innovation process, which requires at least five general personality types.

The first role of the innovation process is **idea generator**, someone who seeks to satisfy market needs by thinking of new ideas, developing solutions to problems, and identifying opportunities. Idea generators are often experts in one or two fields and are therefore able to recognize niche opportunities. They often enjoy working alone and are able to think abstractly and conceptually.

Champions, the second role in the innovation process, sell the ideas to others in the organization and secure resources to execute ideas. Individuals who play this role sometimes are referred to as intrapreneurs. In contrast to idea generators, champions are more apt to possess a wide range of interests, have general knowledge about several areas of a company or industry, and like to work with and influence other people. They are also more likely to be very energetic and to take risks.

Project leaders perform the third role in the process. They coordinate activities such as leading teams, planning and organizing projects, and balancing project goals with available resources and organizational needs. Effective project leaders are good at working with other people and fostering group cooperation. They are also adept at company politics and have a broad knowledge of company functions, such as finance, production, and marketing.

Gatekeepers, the fourth role in the innovation process, take charge of tracking influences outside of the organization through conferences, journals, friends at other companies, and similar sources. Gate-keepers pass the information on to others and serve as an information source, and sometimes critic, to idea generators, champions, and leaders. They facilitate group communication and project coordination. Good gatekeepers typically enjoy working with other people, are personable, and have a relatively high degree of technical competence. The gatekeeper role is one in which a non-innovative personality may still function to the benefit of the group.

Finally, the **coaching role** of the organizational innovation process involves encouraging and assisting team members, protecting the team from destructive outside forces (e.g., undertakers in other departments or groups), and securing the support of top-level management. Employees who fill the coaching role in the innovative process are usually good listeners. In addition, they tend to be less opinionated than their coworkers, a characteristic not ascribed to the stereotypical creative personality. Effective coaches are also proficient at politicking and have proven experience sponsoring new ideas.

Sources of Innovation. Innovation is occasionally the result of a stroke of genius. More often, though, it occurs in response to a problem or opportunity that arises either inside or outside of an organization. Management guru Peter Drucker (1909-2005) has identified four internal and three external impetuses for innovation. Internal prompts include unexpected occurrences, incongruities, process needs, and industry or market changes.

Internal Impetuses. Unexpected occurrences include mishaps, such as a failed product introduction. It is often through such unexpected failures (or successes) that new ideas are born from new information brought to light. For instance, Ford's failed Edsel gave the company new information about marketing that allowed it to achieve stellar gains with succeeding products. Unexpected occurrences can also take the form of accidents. For example, the hugely successful Nutra-Sweet artificial sweetener was created by an accident during a project completely unrelated to sweeteners. Incongruities result from a difference in a company's or industry's perception and reality. For example, although the demand for steel continued to grow between 1950 and 1970, profits in the steel industry fell. This incongruity caused some innovators to develop the steel minimill, a less expensive method of making steel that was also more conducive to changing market demands. Innovations inspired by process needs are those created to support some other product or process. For example, advertising was introduced to make mass-

produced newspapers possible. Newspaper publishers devised ads to cover the expense of printing the newspapers on the new equipment that made such printing possible. Industry and market changes, the fourth internal impetus to innovate, often result in the rise (and decline) of successful innovators. For example, innovation and business savvy allowed International Business Machines Corp. (IBM) to effectively dominate the computer industry during the 1970s and early 1980s. It failed, however, to respond to a market switch during the 1980s from mainframes to smaller computer systems, particularly workstations and personal computer networks. As a result, IBM's share of the computer market plummeted and profits plunged as more innovative newcomers emerged.

External Impetuses. External impetuses to innovate include demographic changes, shifts in perception, and new knowledge. Demographic changes affect all aspects of business. For instance, an influx of Asian and Mexican immigrants into the United States has created new market niches for companies. Likewise, an increase in the level of education of Americans has resulted in a dearth of qualified workers for some low-paying jobs, causing many companies to develop new automation techniques. Changes in perception also open the door to innovation. For example, despite the fact that health care in the United States has continually gotten better and more accessible, people have become increasingly concerned about their health and the need for better and more accessible care. This change in perception has generated a huge market for health magazines, vitamin supplements, and exercise equipment. Finally, one of the strongest external impetuses for innovation is new knowledge, or technology. When a new technology emerges, innovative companies can profit by exploiting it in new applications and markets. For example, the invention of Kevlar, a synthetic material, has spawned thousands of new product innovations, ranging from improved canoes and bulletproof vests to better tires and luggage.

Innovation Strategies. Two types of strategies for innovation in business are internal and market-based approaches. Internal strategies include programs and initiatives implemented by companies to foster a creative and innovative environment, whereas market-based strategies—such as the leader, quick follow, and slow follow strategies—refer to different approaches to delivering innovations to the market.

Internal Innovation Strategies. Internal strategies usually seek to develop and nurture the attributes of innovative corporations, such as prioritizing and encouraging innovation. Specific approaches to encouraging innovation differ by company and industry. For example, an integral aspect of Dow Corning Inc.'s strategy is to form "research partnerships" with its customers that solicit creative input from consumers and help the company benefit from new market opportunities. Similarly, researchers at Hewlett-Packard Company (HP) are encouraged to spend at least 10 percent of their time toying with pet projects. HP also keeps its labs open 24 hours each day and utilizes small divisions and decentralized decision making to promote innovation. Likewise, pharmaceutical giant Merck & Co., Inc. gives its researchers time and money to pursue high-risk, high reward projects—a strategy that has profited the company handsomely.

Market-based Strategies. Even companies with the most innovative organizational environments will languish if they fail to effectively market their innovations. For example, just because a firm improves its product doesn't mean that it should necessarily take the improvement to the market. From a strategic standpoint, the company could lose money if it has invested a lot of resources in marketing the original product because the improved version might cannibalize sales. On the other hand, if the company waits too long to introduce the improved version, a competitor may produce such an innovation earlier and capture market share. Consider the inventors of items such as the air conditioner or electric lamp. The innovators of those concepts died before their creations were widely accepted by the marketplace. Although there are a number of product- and industry-specific strategies that companies may employ to promote their in-

novations, three of the most common market-based innovation strategies include the leader, quick follow, and slow follow (or no follow) strategies, according to William E. Rothschild, author of *Strategic Alternatives*. A company that adopts a leadership strategy for its invention becomes the first to introduce the innovation to the market. The obvious risk of such a move is that the product or service will be rejected by the marketplace at a potentially enormous cost to the company. The leadership strategy, however, also may provide a variety of different benefits. For instance, companies often introduce an innovation to an existing product or service, calling it "new" or "improved," to breathe new life into it. Or they may bring out an improved product to discourage the competition from trying to steal market share, or to "leapfrog" their competitors. In the case of completely new products or ideas, a company may introduce the innovation in an effort to establish market dominance and attain leadership status. The quick-follow strategy is often used by established competitors that already lead an industry or market niche. Rather than assume the risk inherent to the leadership strategy, the company will simply wait for one of its competitors to introduce an innovation. Shortly thereafter, the company will follow the leader with a substitute or improvement of the innovation. Quick followers are usually relatively sure of their ability to crush the competition with their established reputation and marketing and distribution channels. The risk of the quick-follow tactic is that the follower will be unseated by a hugely successful introduction, or that it will lose its reputation as an innovator over time. Quick followers often include smaller competitors that are simply trying to keep up with the competition. They may try to target select market niches. For example, a company may follow with a cheaper version of a new innovation in an effort to lure buyers who can't afford the leader's product or service. A company that adopts a slow- or no-follow strategy may do so for a number of reasons. It may feel that existing competitive pressures or lackluster market growth make an investment in following an innovation unappealing. Or, the company may realize that it simply lacks the resources or technology necessary to compete with the new innovation. Some companies refuse to introduce or adopt an innovation because they fear that they will lose customers. For instance, a manufacturer of industrial air conditioners may delay introducing a substantially different technology because it knows that its existing customers have made large capital investments in its existing product line and will be hesitant to buy new equipment. Finally, some companies are so strong in marketing or manufacturing that product innovation is simply not a chief concern—they would prefer to wait until the new innovation is accepted by the market before they follow.



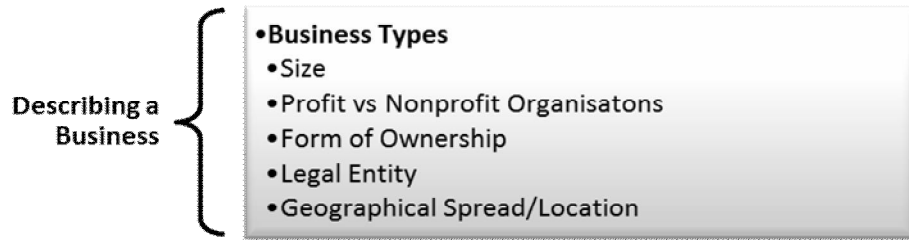
Read the texts again and take notes on the following points:

1. Demonstrate the major difference between creativity and innovation.
2. Compare the concepts of "open" and "closed" innovation.
3. Formulate the advantages of crowdsourcing. Support your answer with examples relevant to your point of view.
4. Define the role of an intrapreneur.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

innovation; R&D; open innovation; closed innovation; beta testing; crowdsourcing; premium price; turnover; market research; in-house; payroll; factory floor; specification; brand loyalty; validity; selling life; intrapreneur; focus group; target audience; ad campaign.

UNIT 3. DESCRIBING A BUSINESS



Read the text:

Different Classifications of Businesses

Modern business has a number of features. In this part we will look at different types of businesses and different ways they are distinguished from each other.

Generally types of businesses are discussed according to the following features: size; type of legal entity; form of ownership; primary business objective; geographical spread; core business activity; type of output; market type; job sector and others. Let us understand these classifications in details.

Size. There are a number of different ways of defining different-sized firms. The size of a company depends on a number of factors, such as gross receipts and number of workers. The U.S. Small Business Administration (SBA) publishes small business size standards based on North American Industry Classification System Codes, or NAICS. Many small businesses, according to SBA guidelines, employ 500 or so employees and make at least \$7 million annually; some industries are higher, such as textile mills where the threshold is 1,000 employees. However, many companies are "very small businesses", which means they employ fewer than 15 workers and make less than \$1 million a year. The Department of Trade and Industry (UK) defines the size of enterprises in terms of numbers of employees as follows:

- micro firm (0-9 employees);
- small firm (10-49 employees);
- medium-sized firms (50-249 employees);
- large firm (over 250 employees).

SOHO - Small Office / Home Office a term that refers to the small or home office environment and the business culture that surrounds it. A SOHO is often thought of as being the smallest of small businesses. It is a privately owned and operated business or individuals who are self-employed. SOHO is often characterized as being a small in both the size of the office space and number of employees. Today, the home office has become a popular choice for a work environment because Internet-based technologies allow individuals to work from home using email, Web, VoIP, and remote access software to communicate with global employers (see "teleworker"). A home office is a good choice for professionals who operate their own service-based small business (i.e., real estate, pet care, legal services) and for some Internet-based business including email marketing services, SEO consulting or ecommerce.

The Pros and Cons of Smallness. Do most owners of small businesses dream that their firms will grow into giant corporations - managed by professionals - while they serve only on the board of directors? Or would they rather stay small, in a firm where they have the opportunity (and the responsibility) to do everything that needs to be done? The answers depend on the personal characteristics and motivations of the individual owners. For many, the advantages of remaining small far outweigh the disadvantages.

Advantages of Small Business. Small-business owners with limited resources often must struggle to enter competitive new markets. They also have to deal with increasing international competition. However, they enjoy several unique advantages.

Personal Relationships with Customers and Employees. For those who like dealing with people, small business is the place to be. The owners of retail shops get to know many of their customers by name and deal with them on a personal basis. Through such relationships, small-business owners often become involved in the social, cultural, and political life of the community. Relationships between owner-managers and employees also tend to be closer in smaller businesses. In many cases, the owner is a friend and counselor as well as the boss. These personal relationships provide an important business advantage. The personal service small businesses offer to customers is a major competitive weapon-one that larger firms try to match but often cannot. In addition, close relationships with employees often help the small-business owner to keep effective workers who might earn more with a larger firm.

Ability to Adapt to Change. Being his or her own boss, the owner-manager of a small business does not need anyone's permission to adapt to change. An owner may add or discontinue merchandise or services, change store hours, and experiment with various price strategies in response to changes in market conditions. And through personal relationships with customers, the owners of small businesses quickly become aware of changes in people's needs and interests, as well as in the activities of competing firms.

Simplified Record Keeping. Many small firms need only a simple set of records. Record keeping might consist of a checkbook, a cash-receipts journal in which to record all sales, and a cash-disbursements journal in which to record all amounts paid out. Obviously, enough records must be kept to allow for producing and filing accurate tax returns. Independence Small-business owners do not have to punch in and out, bid for vacation times, take orders from superiors, or worry about being fired or laid off. They are the masters of their own destinies-at least with regard to employment. For many people, this is the prime advantage of owning a small business.

Other Advantages. According to the SBA, the most profitable companies in the United States are small firms that have been in business for more than ten years and employ fewer than 20 people. Small-business owners also enjoy all the advantages of sole proprietorships. These include being able to keep all profits, the ease and low cost of going into business and (if necessary) going out of business, and being able to keep business information secret.

Disadvantages of Small Business. Personal contacts with customers, closer relationships with employees, being one's own boss, less cumbersome record-keeping chores, and independence are the bright side of small business. In contrast, the dark side reflects problems unique to these firms.

Risk of Failure. As we have noted, small businesses (especially new ones) run a heavy risk of going out of business - about 50 percent survive at least five years. Older, well-established small firms can be hit hard by a business recession mainly because they do not have the financial resources to weather an extended difficult period.

Limited Potential. Small businesses that survive do so with varying degrees of success. Many are simply the means of making a living for the owner and his or her family. The owner may have some technical skill - as a hair stylist or electrician, for example - and

may have started a business to put this skill to work. Such a business is unlikely to grow into big business. In addition, employees' potential for advancement is limited.

Limited Ability to Raise Capital. Small businesses typically have a limited ability to obtain capital. Personal loans from lending institutions provide only about one-fourth of the capital required by small businesses. About 50 percent of all new firms begin with less than \$30,000 in total capital, according to Census Bureau and Federal Reserve surveys. In fact, almost 36 percent of new firms begin with less than \$20,000, usually provided by the owner or family members and friends.

Although every person who considers starting a small business should be aware of the hazards and pitfalls we have noted, a well-conceived business plan may help to avoid the risk of failure.

Profit vs Nonprofit Organizations. All businesses have commercial objectives. But for-profit businesses sell products or services to generate revenue and earnings. Success depends on the ability to gain more in revenue than is spent on fixed and variable expenses. Not-for-profit organizations (nonprofit businesses) are classified as businesslike establishments that have primary objectives other than returning profits to their owners. These organizations play important roles in society by placing public service above profits, although it is important to understand that these organizations need to raise money so that they can operate and achieve their social goals. Not-for-profit organizations operate in both the private and public sectors. Private-sector not-for-profits include museums, libraries, trade associations, and charitable and religious organizations. Government agencies, political parties, and labor unions, all of which are part of the public sector, are also classified as not-for-profit organizations.

Observers and advocates are often frustrated that this important aspect of everyday life is named by what it is not. Not for profit. Not part of government. Various substitutes have been proposed, but none have come into general usage. Among the proposed replacements perhaps the clearest is "community benefit organization", focusing on purpose, not on corporate form. The Center for Civil Society Studies at Johns Hopkins University has conducted careful research on the scope of "nonprofit" and similarly sponsored activities in many parts of the world. In their studies, "nonprofits" are defined as:

- organizations, that is, institutionalized to some extent;
- private, that is, institutionally separate from government;
- non-profit-distributing, that is, not returning profits generated to their owners or directors;
- self-governing, that is, able to control their own activities; and
- voluntary, that is, non-compulsory and involving some meaningful degree of voluntary participation. In some parts of the world there are specific laws, regulations and customs that create a policy framework within which identifiable nonprofit organizations operate.

Such organizations may be formally recognized by the government; usually, there specific limitations, privileges and exemptions that apply to these recognized groups concerning taxes, political activities, the employment of volunteers, and so forth. At the same time, it is certainly true that people have joined together in groups to achieve common purposes throughout human history and that frequently they have worked without any external coercion and without the goal of making money ("*sin fines de lucro*", in the elegant Spanish phrase that captures the idea). Such activities continue to this day, of course, in places where a fully developed "nonprofit sector" exists, such as the United States or Australia.

Form of Ownership. In many countries businesses function within the private enterprise system, an economic system that rewards firms for their ability to identify and serve the needs and demands of customers. The private enterprise system minimizes government interference in economic activity. Thus, *private company* may be defined as a business firm in the private (non-public) sector of an economy, controlled and operated by private individuals (and not by civil servants or government-employees). Though in most

cases businesses are owned by the private sector, some firms are actually owned by local, state, or the federal government. In another type of ownership structure, groups of customers may collectively own a company. Finally, groups of smaller firms may collectively own a larger organization. Both of these collective ownership structures are also referred to as cooperatives:

Public (Government) Ownership. One alternative to private ownership is some form of public ownership, in which a unit or agency of government owns and operates an organization. In the United States, local governments often own parking structures and water systems. Sometimes public ownership results when private investors are unwilling to invest in a high-risk project - or find that operating an important service is simply unprofitable.

Collective (Cooperative) Ownership. Collective ownership establishes an organization referred to as a cooperative (or co-op), whose owners join forces to operate all or part of the activities in their firm or industry. Currently, there are about 100 million people worldwide employed by cooperatives. Cooperatives allow small businesses to pool their resources on purchases, marketing, equipment, distribution, and the like. Discount savings can be split among members. Cooperatives can share equipment and expertise. During difficult economic times, members find a variety of ways to support each other. Cooperatives are frequently found among agricultural businesses.

Legal Entity. Regardless of its size, every business is organized according to one of three categories of legal structure: sole proprietorship, partnership, or corporation. Each legal structure offers unique advantages and disadvantages.

The **sole proprietorship** dates back to the earliest economic system. It is characterized by a single owner, or, as its name implies, a sole proprietor. It is easily the most common form of business ownership in many countries today.

A second form of business ownership, and one that is probably as old as the sole proprietorship, is the **partnership**. The partnership is a business venture that has been voluntarily entered into by two or more persons. Limited partnership has one or more partners, some with limited liability up to their investment if business fails. Example: real estate. It has the following features:

- general partner manages the business;
- limited partners not involved in daily activities;
- limited partners receive return in the form of income and capital gains;
- limited partners often receive tax benefits.

The third major form of business organization is the **corporation**. The corporation was designed to overcome one primary difficulty with the sole proprietorship and the partnership, namely, the limited, uncertain duration of their existence. Over the years, however, the attractiveness of many of the other features of the corporation sparked its continued growth, and today the corporation accounts for most of the business activity transacted. The corporation is made up of individuals (usually three or more) who invest money in a business enterprise. They then receive certificates, or shares of stock in the company. These "shareholders" are entitled to vote at company meetings, receive dividends on their investment, and transact other business at the annual meeting of the stockholders. The stockholders elect a "board of directors" that is responsible for setting broad policies of the company and for selecting corporate officers to manage and operate the business.

Limited Liability Companies (LLCs) are a relatively recent development. LLCs are typically not permitted to carry on certain service businesses (e.g., law, medicine, or accounting). An LLC provides limited personal liability, as a corporation does. Owners, who are called members, can be other corporations. The members run the company unless they hire an outside management group. Profits and losses can be split among members any way they choose.

There are several variations of other forms of business organizations. The business trust, for example, is similar to both the corporation and the partnership, offering the advantages of the former without the disadvantages of the latter. This form of business operates exactly like a corporation, except that all property is deeded to a board of trustees to manage.

The **joint venture** is a short-term undertaking by two or more parties to achieve a particular goal. When the goal is achieved, the venture is dissolved. Such an organization is similar to a short-term partnership, since all parties have unlimited liability. Occasionally, a joint venture is organized for the purpose of selling securities to the public. Such a venture is usually referred to as a **syndicate**, and while still a joint venture, the syndicate differs only in that it enjoys limited-liability protection.

Another form of organization is the **cooperative**. A cooperative is a form of corporation that is designed to assist the members in achieving a particular goal. For example, in agriculture, a cooperative may be organized to distribute the produce, thereby eliminating the middleman. Profits thus earned are returned to the members. The cooperative can be called, therefore, an association of members united for a common purpose; in the above case, the purpose was to increase the profits earned by the farmers who belonged to the cooperative.

In recent years, the **franchise** has joined the sole proprietorship, the partnership, and the corporation as a popular form of business organization. The franchise combines elements of the sole proprietorship with those of a corporation. Specifically, a franchise is an operating agreement in which one party (the franchisee) agrees to operate a business developed by another (the franchisor.) The franchisee agrees to pay the franchisor a fee for the use of the franchisor's name.

Geographical Spread / Location. Each company has its location and connections to suppliers and customers who also operate in geographical space. According to their geographical location businesses may be generally classified.

Local Business. A company which provides goods or services to a local population. Though most often used when referring to a locally-owned business, the term may also be used to describe a franchise or corporate branch operating within a local area.

International Business Company (IBC). Corporation formed under the corporate legislation of a tax haven (such as Bahamas, Panama, Turks & Caicos.) IBCs are not authorized to do business in the country of formation (incorporation) but can have offices that manage global operations. In addition to the usual benefits accruing from incorporation (such as limited liability), IBCs also enjoy banking and corporate secrecy, rapid formation, low cost, little or no taxation, and minimal filing and reporting requirements. Some tax havens also allow nominee shareholders and directors.

Transnational Company. A commercial enterprise that operates substantial facilities, does business in more than one country and does not consider any particular country its national home. One of the significant advantages of a transnational company is that they are able to maintain a greater degree of responsiveness to the local markets where they maintain facilities.

Multinational Corporation (MNC). An enterprise operating in several countries but managed from one (home) country. Generally, any company or group that derives a quarter of its revenue from operations outside of its home country is considered a multinational corporation. There are four categories of multinational corporations:

- a multinational, decentralized corporation with strong home country presence;
- a global, centralized corporation that acquires cost advantage through centralized production wherever cheaper resources are available;
- an international company that builds on the parent corporation's technology or R&D, or
- a transnational enterprise that combines the previous three approaches.

According to UN data, some 35,000 companies have direct investment in foreign countries, and the largest 100 of them control about 40 percent of world trade.

Find and write out English equivalents to the following Russian words and expressions:

валовой доход	необязательный
порог, пороговая величина	освобождение
интернет-телефония	давление
удаленный доступ	объединять
дистанционный работник	скидка
недвижимость	человеческий опыт, знание дела
оптимизация поисковых систем	индивидуальное частное предприятие
за и против	компания, товарищество
совет директоров	предприятие, фирма
товары	ограниченная ответственность
часы работы магазина	прирост капитала
упрощенный	налоговая льгота
ведение учета [бухгалтерских книг]	вызывать
чековая книжка	должностное лицо корпорации
журнал денежных поступлений	первый / последний из упомянутых
журнал денежных выплат [расходов]	передавать по договору дарения
налоговая декларация	совет попечителей
отмечать время прихода / ухода на работу	совместное предприятие
бороться; стараться получить	ценные бумаги
вышестоящий по должности	изделие, изделия; продукт, продукция
увольнять	посредничество
сокращать	франшизное предприятие
"сам себе хозяин"	законодательство
обременительный, тягостный	"налоговый рай"
рутинные операции	регистрация
технический навык	коммерческая тайна
увеличивать капитал; добывать капитал	налогообложение
перипетии / превратности и ловушки	требование к хранению данных и ведению учета
хорошо продуманный план	номинант, претендент, соискатель
прибыль	преимущество в затратах [по затратам, в издержках, в себестоимости]
учреждение, организация	
профсоюз	
сторонники	
заменитель	
рамки, границы	
самоуправление	
добровольный	



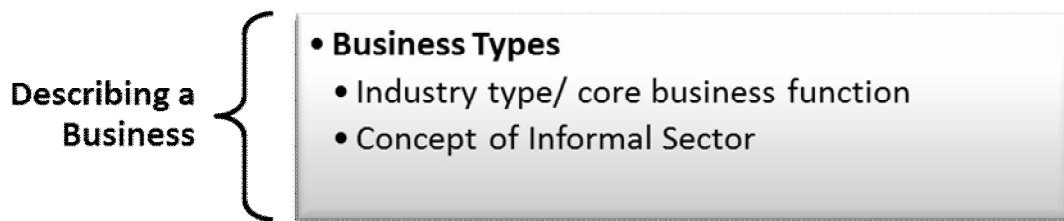
Read the text again and take notes on the following points:

1. Explain how businesses could be distinguished according to their size.
2. Explain how businesses could be distinguished according to their primary business objective.

3. Explain how businesses could be distinguished according to their form of ownership.
4. Explain how businesses could be distinguished according to their legal entity.
5. Explain how businesses could be distinguished according to their geographical location.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

tax haven; gross receipt; Small / Home Office (SOHO); VoIP; teleworker; real estate; e-commerce; cash receipt journal; cash-disbursement; tax return; nonprofit organization; civil servant; cooperative; sole proprietorship; partnership; joint venture; limited liability company; capital gain; tax benefits; securities; franchise; incorporation; taxation; Multinational Corporation (MNC); translational company; International Business Company (IBC); parent company; Small and Medium Enterprise (SME).



Read the texts:

Industry Type / Core Business Function

The core business function equals in most cases the primary economic activity of the enterprise. The expression "activity" is usually used to identify productive activities. These activities are defined as the use of inputs (e.g., capital, labor, energy and materials) to produce outputs. The outputs that result from undertaking activities can be transferred or sold to other units (in market or non-market transactions), placed in inventory or used by the producing units for own final use. There are several different types of business industries that can be classified according to economic activity. The five types of business industries are primary, secondary, tertiary, quaternary and quinary.

Primary Industry. The primary sector of the economy extracts or harvests products from the earth. The primary sector includes the production of raw material and basic foods. Activities associated with the primary sector include agriculture (both subsistence and commercial), mining, forestry, farming, grazing, hunting and gathering, fishing, and quarrying. The packaging and processing of the raw material associated with this sector is also considered to be part of this sector.

Secondary Industry. The secondary sector of the economy manufactures finished goods. All of manufacturing, processing, and construction lies within the secondary sector. Activities associated with the secondary sector include metal working and smelting, automobile production, textile production, chemical and engineering industries, aerospace manufacturing, energy utilities, engineering, breweries and bottlers, construction, and shipbuilding.

Tertiary Industry. The tertiary sector of the economy is the service industry. This sector provides services to the general population and to businesses. Activities associated with this sector include retail and wholesale sales, transportation and distribution, entertainment (movies, television, radio, music, theater, etc.), restaurants, clerical services, media, tourism, insurance, banking, healthcare, and law.

Quaternary Industry. The quaternary sector of the economy consists of intellectual activities. Activities associated with this sector include government, culture, libraries, scientific research, education, and information technology.

Quinary Industry. Some consider there to be a branch of the quaternary sector called the quinary sector, which includes the highest levels of decision making in a society or economy. This sector would include the top executives or officials in such fields as government, science, universities, nonprofit, healthcare, culture, and the media. In Australia the quinary sector refers to domestic activities such as those performed by stay-at-home parents or homemakers. These activities are typically not measured by monetary amounts but it is important to recognize these activities in contribution to the economy.

The list of industries is not exhaustive by any means, since each country would have minor variations in labelling the different sectors. In addition, some industries appear to straddle the divide. For instance, the food industry may include farming (primary), processing and packaging (secondary) and retail (tertiary).

Concept of Informal Sector

The informal sector covers a wide range of labor market activities that combine two groups of different nature. On the one hand, the informal sector is formed by the coping behavior of individuals and families in economic environment where earning opportunities are scarce. On the other hand, the informal sector is a product of rational behavior of entrepreneurs that desire to escape state regulations. The two types of informal sector activities can be described as follows.

1. Coping strategies (survival activities): casual jobs, temporary jobs, unpaid jobs, subsistence agriculture, multiple job holding.

2. Unofficial earning strategies (illegality in business):

2.1. Unofficial business activities: tax evasion, avoidance of labor regulation and other government or institutional regulations, no registration of the company.

2.2. Underground activities: crime, corruption - activities not registered by statistical offices.

The informal sector plays an important and controversial role. It provides jobs and reduces unemployment and underemployment, but in many cases the jobs are low-paid and the job security is poor. It bolsters entrepreneurial activity, but at the detriment of state regulations compliance, particularly regarding tax and labor regulations. It helps alleviate poverty, but in many cases informal sector jobs are low-paid and the job security is poor. The size of the informal labor market varies from the estimated 4-6% in the high-income countries to over 50% in the low-income countries. Its size and role in the economy increases during economic downturns and periods of economic adjustment and transition.

The concept of the informal sector was introduced into international usage in 1972 by the International Labor Organization (ILO) in its Kenya Mission Report, which defined informality as a "way of doing things characterized by (a) ease of entry; (b) reliance on indigenous resources; (c) family ownership; (d) small scale operations; (e) labor intensive and adaptive technology; (f) skills acquired outside of the formal sector; (g) unregulated and competitive markets". Since that time, many definitions were introduced by different authors and the ILO itself. The ILO/ICFTU international symposium on the informal sector in 1999 proposed that the informal sector workforce can be categorized into three broad groups: (a) owner-employers of micro enterprises, which employ a few paid workers, with or without apprentices; (b) own-account workers, who own and operate one-person business, who work alone or with the help of unpaid workers, generally family members and apprentices; and (c) dependent workers, paid or unpaid, including wage workers in micro enterprises, unpaid family workers, apprentices, contract labor, homeworkers and paid domestic workers.

Operationalizing the concept of informality for the purpose of measurement is not easy both because the two categories of the informal sector overlap and because the border between the informal and the formal sector is blurry. First, if unofficial earning strategies are exercised by a low-profit small enterprise with low quality working conditions, then workers of this enterprise and the enterprise itself can be classified as belonging to both informal market categories. An example of such a case is an unregistered one-person low-profit street trade enterprise - these characteristics combine unofficial and survival activities. Second, some formal market jobs or enterprises can be classified as informal if it is found that they have poor work protection or if the life style and opportunities they entail are considered undesirable. If the street trader from the previous example registers her enterprise, the enterprise and the trader herself could be categorized as belonging to the formal sector if the profit is considered above the survival level.

Find and write out English equivalents to the following Russian words and expressions:

рыночные операции	научные исследования
складирование	принятие решений
добывать	наука
собирать урожай	домашний, бытовой
натуральное сельское хозяйство	неработающий
горная промышленность	домохозяйка
лесное хозяйство	дефицитный, скудный
выпас скота	приспособление
охота	выживание
собирательство	непостоянная работа
рыбная ловля	временная работа
карьерные работы	уклонение от уплаты налогов
упаковка	нелегальная деятельность
обработка, переработка	безработица
готовые изделия	неполная занятость, частичная
металлообработка	безработица
выплавка, плавление	гарантия занятости
энергоносители (системы водоснабжения, коммунальных услуг, теплоснабжения и энергоснабжения)	ущерб, вред
машиностроение	соответствие
пивоваренный завод	ослаблять, смягчать
завод безалкогольных напитков	бедность спад (деловой активности)
канцелярия	приспосабливание, адаптация
средства массовой информации	переходный период
страхование	трудоемкий
здравоохранение	подмастерье, ученик (в ремесле), новичок, работающий на себя

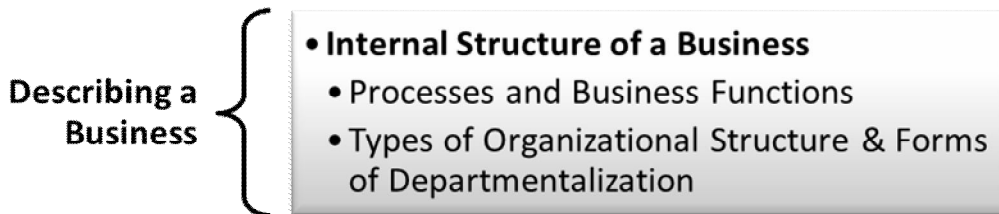


Read the texts again and take notes on the following points:

1. Explain how businesses could be distinguished according to their core business function.
2. Describe the concept of businesses operating in informal sector.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

inventory; core business function; primary industry; secondary industry; tertiary industry; quaternary industry; quinary industry; subsistence agriculture; tax evasion; underemployment; job security; own-account worker; apprentice; economic downturn; economic adjustment; transition period; casual jobs; temporary jobs; multiple job holding.



Read the texts:

Processes and Business Functions

All businesses organize themselves slightly differently from one another. In order to provide a standard classification approach, a set of eight business processes was identified that defines the full range of activities a firm engages in to conduct its business. Within these processes are business functions that describe in greater detail the specific activity that a firm performs in order to produce its product, provide its service, or otherwise achieve its objective. The processes begin with the procurement of inputs and end with those services provided after the sale of the good or service. The eight processes are grouped into core business processes and support business processes. Core business processes relate most directly to the basic business of the firm, with operations representing the key industry activity of the company. Support business processes facilitate core business processes.

Core Business Processes. Following are the five core business processes characterizing any firm.

Procurement, Logistics, and Distribution. Those activities associated with obtaining and storing inputs, and storing and transporting finished products to customers.

Operations. Those activities which transform inputs into final outputs, either goods or services.

Product or Service Development. Activities associated with bringing a new, improved, or redesigned product or service to market. Among these activities are research, marketing analysis, design, and engineering.

Marketing, Sales, and Customer Accounts. Activities aimed at informing existing or potential buyers. These activities include promotion, advertising, telemarketing, selling, and retail management.

Customer and Aftersales Services. Support services provided to customers after they purchase the good or service. Such activities include training, help-desk services, call-center services, and customer support for guarantees and warranties.

Support Business Processes. Three support business processes characterize a firm.

General Management and Firm Infrastructure. Corporate Governance (legal, finance, planning, and public and government relations), accounting, building services, management, and administrative support).

Human Resource Management. Activities associated with recruiting, hiring, training, compensating, and dismissing personnel.

Technology and Process Development. Activities related to maintenance, automation, design or redesign of equipment, hardware, software, procedures, and technical knowledge.

Functions of Different Departments. Every organization is made up of different departments. Departments are the small functions or the parts of the organizations which are responsible to carry out different tasks. Each department contributes to the running of the business. It is important that all these separate functions are properly integrated and co-ordinated so all the separate bits of the business are working together towards the same objectives.

The most common departments are:

- production;
- marketing & Sales;
- finance;
- human resource;
- and in some cases, Information Technology departments.

Production Department. The production department is responsible for converting inputs into outputs through the stages of production processes. The Production Manager is responsible for making sure that raw materials are provided and made into finished goods effectively. He or she must make sure that work is carried out smoothly, and must supervise procedures for making work more efficient and more enjoyable.

There are five production sub-functions:

- production and planning. They will set the standards and targets at each stage of the production process. The quantity and quality of products coming off a production line will be closely monitored;
- purchasing department. This department will provide the materials, components and equipment required. An essential part of this responsibility is to ensure that stocks arrive on time and are of good quality;
- the stores department. The stores department are responsible for stocking all the necessary tools, raw materials and equipment required to service the manufacturing process;
- the design and technical support department. They are responsible for the design and testing of new product processes and product types, together with the development of prototypes through to the final product;
- the works department. This department is concerned with the manufacture of products. This will include the maintenance of the production line and other necessary repairs. The works department may also have responsibility for quality control and inspection.

Human Resource Department. The role of Human resource department is in charge of recruiting, training, and the dismissal of employees in an organization:

- recruitment and selection;
- training programs. Training programs are held by the HRD to improve the employees skills, as well as to motivate them. There are three main types of training:
 - 1) induction training;
 - 2) on-the-job training;
 - 3) off-the-job training;
 - 4) manpower planning.

The HR department needs to think ahead and establish the number and skills of the workforce required by the business in the future. Failure to do this could lead to too few or too many staff or staff with inappropriate needs:

- dismissal and redundancy (retrenchment).

Dismissal is where a worker is told to leave their job due to unsatisfactory work or behavior. Redundancy is when the business needs to reduce the number of employees either because it is closing down a branch or needs to reduce costs due to falling profits. It may also be due to technological improvements, and the workers are no longer needed.

Marketing Department. These are the main section of the market departments:

- sales department is responsible for the sales and distribution of the products to the different regions;
- research & development department is responsible for market research and testing new products to make sure that they are suitable to be sold;

- promotion department decides on the type of promotion method for the products, arranges advertisements and the advertising media used;
- distribution department transports the products to the market.

Finance Department:

- book keeping procedures. Keeping records of the purchases and sales made by a business as well as capital spending;
- preparing Final Accounts Profit and loss account and Balance Sheets;
- providing management information. Managers require ongoing financial information to enable them to make better decisions;
- management of wages. The wages section of the finance department will be responsible for calculating the wages and salaries of employees and organizing the collection of income tax and national insurance for the Inland Revenue;
- raising finance. The finance department will also be responsible for the technical details of how a business raises finance e.g. through loans, and the repayment of interest on that finance. In addition it will supervise the payment of dividends to shareholders.

Types of Organizational Structure & Forms of Departmentalization

The internal structure of a business may also take different forms. Companies may be classified according to their:

Type of Organizational Structure. The four basic types of organization structures are line, line-and-staff, committee, and matrix. While some companies do follow one type of structure, most use a combination.

Line Organizations. A line organization, the oldest and simplest organization structure, establishes a direct flow of authority from the chief executive to employees. The line organization defines a simple, clear chain of command - a hierarchy of managers and workers. With a clear chain of command, everyone knows who is in charge and decisions can be made quickly.

Line-and-Staff Organizations. A line-and-staff organization combines the direct flow of authority of a line organization with staff departments that support the line departments. Line departments participate directly in decisions that affect the core operations of the organization. Staff departments lend specialized technical support. The line-and-staff organization is common in midsize and large organizations. It is an effective structure because it combines the line organization's capabilities for rapid decision making and direct communication with the expert knowledge of staff specialists.

Committee Organizations. A committee organization is a structure that places authority and responsibility jointly in the hands of a group of individuals rather than a single manager. This model typically appears as part of a regular line-and-staff structure.

Matrix Organizations. Some organizations use a matrix or product management design to customize their structures. The matrix structure links employees from different parts of the organization to work together on specific projects.

Form of Departmentalization. **Departmentalization** is the process of dividing work activities into units within the organization. In this arrangement, employees specialize in certain jobs-such as marketing, finance, or design. Depending on the size of the firm, usually an executive runs the department, followed by middle-level managers and supervisors. The five major forms of departmentalization subdivide work by product, geographical area, customer, function, and process.

Product Departmentalization. This approach organizes work units based on the goods and services a company offers.

Customer Departmentalization. A firm that offers a variety of goods and services targeted at different types of customers might structure itself based on customer departmentalization.

Geographical Departmentalization. This form organizes units by geographical regions within a country or, for a multinational firm, by region throughout the world.

Functional Departmentalization. Some firms organize work units according to business functions such as finance, marketing, human resources, and production. An advertising agency may create departments for creative personnel (say, copywriters), media buyers, and account executives.

Process Departmentalization. Some goods and services require multiple work processes to complete their production. A manufacturer may set up separate departments for cutting material, heat-treating it, forming it into its final shape, and painting it.

Find and write out English equivalents to the following Russian words and expressions:

производственный процесс (цепь последовательных видов деятельности (операций, функций), результатом которой является конкретный продукт или услуга)	сокращение штатов (увольнение из-за отсутствия работы, из-за излишка рабочей силы или из-за неспособности нанимателя выплачивать заработную плату)
бизнес-функция - группа логически взаимосвязанных задач, выполняющихся для достижения поставленной бизнес-цели	рабочая сила
поставка, снабжение, закупка	окончательная отчетность
распространение	баланс (отчет об активах и пассивах предприятия)
хранение	счет прибылей и убытков [доходов и расходов]
производство	расчет заработной платы
продвижение, раскрутка, рекламирование	подходный налог
прямой маркетинг по телефону	линейно-функциональная [линейно-штабная] организация
послепродажное обслуживание	власть, полномочия
гарантии	порядок соподчиненности
корпоративное управление	в организации, цепь инстанций
управление трудовыми ресурсами	иерархия
набор, наем	ответственный
обучение	настраивать (адаптировать, модифицировать) по индивидуальному заказу
вознаграждение	(рабочий) инструмент
увольнение	испытание
содержание и техническое обслуживание, уход, текущий ремонт	введение в должность
автоматизация	без отрыва от производства
оборудование	на рабочем месте
аппаратура, аппаратные средства (в отличие от программных) "железо"	учебные занятия в нерабочее время
программное обеспечение (ПО), компьютерные программы, "софт"	разделение на отделы
отдел	копирайтер (сотрудник какой-либо фирмы, часто рекламного агентства, занимающийся написанием рекламных текстов)
количество - качество	управлять отделом
запасные части	медиобаер, покупатель рекламного места и времени
сырье, ассортимент (товаров), запас	ответственный сотрудник рекламного агентства
складирование, сдача на склад	сотрудник, ведущий счета
	и организующий рекламу для своих клиентов
	режущий материал
	термообработка



Read the texts again and take notes on the following points:

1. Identify the difference between a core business function and support business functions.
2. Name and explain business processes characterizing any firm.
3. How could you define a "department"?
4. Outline and explain the functions of the most common departments.
5. Classify businesses according to their type of organizational structure.
6. Give the detailed explanation of departmentalization process.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

departmentalization; line organization / hierarchy; committee organization; line-and-staff organization; matrix structure; buyer; purchasing; procurement; core business function (primary activity); support business functions (ancillary activities).

UNIT 4. BUSINESSES AND THEIR ENVIRONMENT



Read the texts:

Macroenvironment (General Business Environment)

No business operates in a vacuum. Businesses are surrounded by all sorts of external factors or macro environmental factors which influence what businesses do and how they operate. Some of the main ones are:

Political factors, or how and to what degree a government intervenes in the economy. Specifically, political factors include areas such as tax policy, labor law, environmental law, trade restrictions, tariffs, and political stability. Political factors may also include goods and services which the government wants to provide or be provided (merit goods) and those that the government does not want to be provided (demerit goods or merit bads). Furthermore, governments have great influence on the health, education, and infrastructure of a nation.

Economic factors include economic growth, interest rates, exchange rates and the inflation rate. These factors have major impacts on how businesses operate and make decisions. For example, interest rates affect a firm's cost of capital and therefore to what extent a business grows and expands. Exchange rates affect the costs of exporting goods and the supply and price of imported goods in an economy

Social factors include the cultural aspects and include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety. Trends in social factors affect the demand for a company's products and how that company operates. For example, an ageing population may imply a smaller and less-willing workforce (thus increasing the cost of labor). Furthermore, companies may change various management strategies to adapt to these social trends (such as recruiting older workers).

Technological factors include ecological and environmental aspects, such as R&D activity, automation, technology incentives and the rate of technological change. They can determine barriers to entry, minimum efficient production level and influence outsourcing decisions. Furthermore, technological shifts can affect costs, quality, and lead to innovation.

Environmental factors include weather, climate, and climate change, which may especially affect industries such as tourism, farming, and insurance. Furthermore, growing awareness to climate change is affecting how companies operate and the products they offer - it is both creating new markets and diminishing or destroying existing ones.

Legal factors include discrimination law, consumer law, antitrust law, employment law, and health and safety law. These factors can affect how a company operates, its costs, and the demand for its products.

All in all, these factors constitute the basis for the external analysis (PESTEL analysis stands for "Political, Economic, Social, and Technological, Environmental and Legal analysis") when a company conducts a strategic analysis or does market research.

Six External Micro environmental Factors that Affect Businesses

Customers. Customers have the most direct microeconomic impact on a business. The simple fact is that you can't successfully operate a for-profit company without attracting targeted customers. Knowing your ideal customer types and developing and presenting effective marketing campaigns are integral to building a customer base and generating revenue streams.

Employees. Workers produce, sell or service the goods and service that drive a business. The availability of qualified, motivated employees for a business is vital to economic success. If a company operates a highly technical business, for instance, it might have to pay more in salary to attract a limited number of available, specialized workers.

Distribution Channels and Suppliers. Sourcing goods used in production or resale and distributing your inventory to customers are important as well. Manufacturers rely on materials suppliers and resale companies rely on manufacturers or wholesalers to transport goods. To operate profitably, a company needs to get good value on products and supplies and, in turn, offer good value to its customers with accessible solutions.

Competitors. The level of competition also impacts a firm's economic livelihood. In theory, more competitors means the firm's share of dollars customers spend diminishes. However, a large number of competitors in an industry usually signifies lots of demand for the products or services provided. If an industry lacks competition, a business might not find enough demand to succeed in the long run.

Investors. Shareholders and investors may help fund a company at start-up or as it looks to grow. Without funds to build and expand, owners likely can't operate a business. They could look to creditors, but they have to repay loans with interest. By taking on investors, owners share the risks of operating and often gain support and expertise. Owners do give up some control, though.

Media and the General Public. Company's local community and media also affect its ongoing business image. Communities often support companies that provide jobs, pay taxes and operate with social and environmental responsibility. If a company doesn't do these things, it may run into negative public backlash. Local media often help your story proliferate, for better or worse.

Find and write out English equivalents to the following Russian words and expressions:

работать, функционировать	нанимать возрастных работников
внешний	стимул
вмешиваться	барьеры для новых компаний
конкретно	передача стороннему подрядчику
налоговая политика	некоторых бизнес-функций
трудовое законодательство	предприятия
закон по защите окружающей среды	изменение
торговые ограничения	понимание
пошлины	предлагать
товары, потребление которых ограничивается / запрещается правительством	уменьшать
более того	закон по защите прав потребителей
влияние	антимонопольное законодательство
процентные ставки	трудовое законодательство
	представлять собой основу

обменный курс
 уровень инфляции
 сильное воздействие
 влиять
 следовательно
 предложение
 сознательность, сознание
 население
 распределение
 отношение
 акцент
 безопасность
 стареющее население
 значить, подразумевать
 рабочая сила
 затраты на рабочую силу

существенный
 обслуживать
 наличие
 перепродавать
 товары, инвентарь
 поставщики
 доступный, удобный
 средства к существованию
 показывать, символизировать
 испытывать недостаток
 финансировать
 выплатить кредит с процентами
 владелец, собственник
 местное сообщество
 обратная (негативная) реакция
 средства массовой информации
 распространяться
 к радости ли, к горю

**Businesses and
their
Environment**

- Internal Business Environment
- Business Ethics : Corporate Social Responsibility
- Final Notes

Read the texts:

Internal Business Environment

As the name suggests, "internal" business environment refers to internal factors and resources that affect the running of the business. An organization's internal environment is composed of the elements within the organization, including current employees, management, and especially corporate culture, which defines employee behavior.

Organizational Direction. The role of company leadership is an important internal business factor. Leadership style impacts organizational culture. The positive or negative nature, level of family-friendliness, effectiveness of communication and value of employees are cultural implications that result from leadership approaches. Companies often provide formal structure or direction with mission and vision statements. These are forward-looking statements that provide the business for company decisions and activities. Effective mission statements lead to effective efforts. In today's quality-conscious and highly competitive environments, an effective mission statement's purpose is centered on serving the needs of customers. A good mission statement is precise in identifying the following intents of a company:

- customers - who will be served;
- products / services - what will be produced;
- location - where the products / services will be produced;
- philosophy - what ideology will be followed.

Company policies are guidelines that govern how certain organizational situations are addressed. Just as colleges maintain policies about admittance, grade appeals, prerequisites, and waivers, companies establish policies to provide guidance to managers who must make decisions about

circumstances that occur frequently within their organization. Company policies are an indication of an organization's personality and should coincide with its mission statement.

Employees. Business hires employees. It is the major internal factor. It works inside the business. It can be controlled by the business. Employees differ in skill, knowledge, morality, and attitude and so on. Motivated, hard-working and talented workers generally produce better results than unmotivated, less-talented employees. Business processes and relationships within and between departments and employees also significantly impact business effectiveness and efficiency. In a high-performing workplace, employees not only have talent, but they work well together and collaborate on ideas and resolutions.

Shareholders. Management deals with many shareholders. Shareholders have the right of ownership, power of management and voting right. The actual management of organization is carried out by elected representative of shareholders jointly known as board of directors. Boards of directors have the responsibility of overseeing the management of organization. It plays the major role in formation of objectives, policies, strategies of the organization as well as their implementation.

Organization Structure. It is located inside the organization. The arrangement of various facilities, pattern of relationships among the various department, responsibility, authority and communication is the organization structure. It also included specialization and span of control. In other words, the formal structure of an organization is the hierarchical arrangement of tasks and people. This structure determines how information flows within the organization, which departments are responsible for which activities, and where the decision-making power rests. Some organizations use a chart to simplify the breakdown of its formal structure. This organizational chart is a pictorial display of the official lines of authority and communication within an organization.

Organization Culture. The sets of values that help the members to understand what organization stand for how it does work, what it considers, cultural values of business forces of business and so on. It helps in direction of activities. The culture of an organization distinguishes it from others and shapes the actions of its members. Four main components make up an organization's culture:

- values;
- heroes;
- rites and rituals;
- social network.

Values are the basic beliefs that define employees' successes in an organization. For example, many universities place high values on professors being published. If a faculty member is published in a professional journal, for example, his or her chances of receiving tenure may be enhanced. The university wants to ensure that a published professor stays with the university for the duration of his or her academic career - and this professor's ability to write for publications is a value.

The second component is heroes. A hero is an exemplary person who reflects the image, attitudes, or values of the organization and serves as a role model to other employees. A hero is sometimes the founder of the organization. However, the hero of a company doesn't have to be the founder; it can be an everyday worker, such as hard-working paralegal Erin Brockovich, who had a tremendous impact on the organization.

Rites and rituals, the third component, are routines or ceremonies that the company uses to recognize high-performing employees. Awards banquets, company gatherings, and quarterly meetings can acknowledge distinguished employees for outstanding service. The honorees are meant to exemplify and inspire all employees of the company during the rest of the year.

The final component, the social network, is the informal means of communication within an organization. This network, sometimes referred to as the company grapevine, carries the stories of both heroes and those who have failed. It is through this network that employees really learn about the organization's culture and values.

A byproduct of the company's culture is the **organizational climate**. The overall tone of the workplace and the morale of its workers are elements of daily climate. Worker attitudes dictate the positive or negative "atmosphere" of the workplace. The daily relationships and interactions of employees are indicative of an organization's climate.

Business Ethics: Corporate Social Responsibility

An organization that wants to prosper over the long term is well advised to consider business ethics, the standards of conduct and moral values governing actions and decisions in the work environment. Businesses also must take into account a wide range of social issues, including how a decision will affect the environment, employees, and customers.

These issues are at the heart of social responsibility, whose primary objective is the enhancement of society's welfare through philosophies, policies, procedures, and actions. In short, businesses must find the proper balance between doing what is right and doing what is profitable. Business ethics are now in the spotlight as never before. The quest for profits is a central focus of business because without profits, a company could not survive.

But businesspeople also recognize their social and ethical responsibilities. To succeed in the long run, companies must deal responsibly with employees, customers, suppliers, competitors, government, and the general public. The social responsibility of business means various obligations or responsibilities or duties that a business-organization has towards the society within which it exists and operates from. Generally, the social responsibility of business comprises of certain duties towards entities, which are listed below. Shareholders or investors who contribute funds for business. Employees and others that make up its personnel. Consumers or customers who consumes and / or uses its outputs (products and / or services). Government and local administrative bodies that regulate its commercial activities in their jurisdictions. Members of a local community who are either directly or indirectly influenced by its activities in their area. Surrounding environment of a location from it operates. The general public that makes up a big part of society.

Now let's discuss how the survival, growth and success of business are linked and dependent on sincere execution of its social responsibilities.

1. **Shareholders or Investors.** Social responsibility of business towards its shareholders or investors is most important of all other obligations. If a business satisfies its funders, they are likely to invest more money in a project. As a result, more funds will flow in and the same can be utilized to modernize, expand and diversify the existing activities on a larger scale. Happy financiers can fulfill the rising demand of funds needed for its growth and expansion.

2. **Personnel.** Social responsibility of business towards its personnel is important because they are the wheels of an organization. Without their support, the commercial institution simply can't function or operate. If a business takes care of the needs of its human resource (for e.g. of office staff, employees, workers, etc.) wisely, it will boost the motivation and working spirit within an organization. A happy employee usually gives his best to the organization in terms of quality labor and timely output than an unsatisfied one. A pleasant working environment helps in improving the efficiency and productivity of working people. A good remuneration policy attracts new talented professionals who can further contribute in its growth and expansion. Thus, if personnel is satisfied, then they will work together very hard and aid in increasing the production, sales and profit.

3. **Consumers or Customers.** Social responsibility of business towards its consumers or customers matters a lot from sales and profit point of view. Its success is directly depends on their level of satisfaction. Higher their rate of satisfaction greater are the chances to succeed. If a business rolls out good-quality products and / or delivers better quality services that too at reasonable prices, then it is natural to attract lots of customers. If the quality-price ratio

is maintained well and consumers get worth for their money spend, this will surely satisfy them. In a long run, customer loyalty and retention will grow, and this will ultimately lead to profitability.

4. **Government.** Social responsibility of business towards government's regulatory bodies or agencies is quite sensitive from the license's point of view. If permission is not granted or revoked abruptly, it can result in huge losses to an organization. Therefore, compliance in this regard is necessary. Furthermore, a business must also function within the demarcation of rules and policies as formulated from time to time by the government of state or nation. It should respect laws and abide by all established regulations while performing within the jurisdiction of state. Some examples of activities a business can do in this regard:

- licensing an organization;
- seeking permissions wherever necessary;
- paying fair taxes on time;
- following labor, environmental and other laws, etc. If laws are respected and followed, it

creates a goodwill of business in eyes of authorities. Overall, if a government is satisfied it will make favorable commercial policies, which will ultimately open new opportunities and finally benefit the organization sooner or later. Therefore, satisfaction of government and local administrative bodies is equally important for legal continuation of business.

5. **Local Community.** Social responsibility of business towards the local community of its established area is significant. This is essential for smooth functioning of its activities without any agitations or hindrances. A business has a responsibility towards the local community besides which it is established and operates from. Industrial activities carried out in a local-area affect the lives of many people who reside in and around it. So, as a compensation for their hardship, an organization must do something or other to alleviate the intensity of suffering. As a service to the local community, a business can build:

- a trust-run hospital or health center for local patients;
- a primary and secondary school for local children;
- a diploma and degree college for local students;
- an employment center for recruiting skilled local people, etc. Such activities to some-extend

may satisfy the people that make local community and hence their changes of agitations against an establishment are greatly reduced. This will ensure the longevity of a business in a long run.

6. **Environment.** Social responsibility of business with respect to its surrounding environment can't be sidelined at any cost. It must show a keen interest to safeguard and not harm the vitality of the nature. A business must take enough care to check that its activities don't create a negative impact on the environment. For example, dumping of industrial wastes without proper treatment must be strictly avoided. Guidelines as stipulated in the environmental laws must be sincerely followed. Lives of all living beings are impacted either positively or negatively depending on how well their surrounding environment is maintained (naturally or artificially). Humans also are no exception to this. In other words, health of an environment influences the health of our society. Hence, environmental safety must not be an option else a top priority of every business.

7. **Public.** Finally, social responsibility of business in general can also contribute to make the lives of people a little better. Some examples of services towards public include:

- building and maintaining devotional or spiritual places and gardens for people;
- sponsoring the education of poor meritorious students;
- organizing events for a social cause, etc. Such philanthropic actions create a goodwill or

fame for the business-organization in the psyche of general public, which though slowly but ultimately pay off in a due course of time. The world is recognizing the importance of social responsibility of business.

Final Notes

Sometimes external and internal environments are intertwined. For instance, political and economic issues will affect the availability of a workforce and other resources. They will also affect the availability of finances to the business. During political unrests, most businesses are not able to operate normally and some end up shutting down all together. Other external environments that can affect the internal environment include legal restrictions. Sometimes, laws are passed that affect some businesses. For instance, some of the laws like the increase of taxes on some goods and services affect the business.

The central difference between internal and external business environments is that, one can be controlled while the other one can't. However, a company has some control over its internal business environment. Companies can control their management and resources to ensure that they realize good production levels. External environments, on the other hand, aren't easy to control or manage. In fact, some of these factors can lead to the closure of a business.

Find and write out English equivalents to the following Russian words and expressions:

постановка задачи	полномочия
заявления, касающиеся будущего	предельный объем ответственности, норма
осознающий важность качества	управляемости
точный, четкий	иерархическое распределение
намерение, цель	производственных задач
местоположение	определять
политика, установка, курс, стратегия	циркулировать
основные направления	схема
направлять, определять	упрощать
реагировать на, решать	деление, разбивка, схема
устанавливать, определять	графическое отображение
прием в учебное заведение	ветви власти
оспаривание оценки	набор ценностей
предварительное условие, предпосылка	поддерживать
отказ	формировать
обстоятельства	составляющие
показатель	ритуалы и церемонии
совпадать	социальные связи
нанимать на работу	возлагать, наделять
различаться	преподаватель
навык, умение	бессрочный контракт
нравственное поведение	продолжительность
позиция, отношение	достойный подражания, образцовый
и так далее	помощник юриста
производительность и продуктивность	общепринятая практика,
высокопроизводительный	обычный порядок
сотрудничать	чествовать заслуженных работников
решение, анализ	церемония награждения
право голоса	корпоративные праздники
избранный представитель	ежеквартальные собрания
совместно, совокупно	награждаемые являют собой пример
совет директоров	для подражания
следить за, надзирать	неофициальная система передачи
систематизация, классификация	информации

систематизация, классификация
средства, оборудование

информации
побочный продукт
общий
боевой дух
взаимодействие
служить показателем чего-либо



Read the texts again and take notes on the following points:

1. Summarize the differences between external and internal business environment.
2. Outline and analyze the components of business macroenvironment.
3. Outline and analyze the components of business microenvironment.
4. Outline and analyze the components of internal business environment.
5. Explain the application of the following business tools, namely PESTEL and SWOT analyses.

Additional Reading

Two Case Studies

Use of PEST analysis at UNISON

Introduction. UNISON is Britain and Europe's biggest public sector trade union, representing more than 1,3 million members working in public services. Job roles they represent in the public sector include, for example:

- librarians;
- human resources, IT and finance workers;
- teaching assistants and early years nursery staff;
- secretaries;
- cleaners, caretakers and school meals supervisors;
- care workers, social workers and nurses.

UNISON campaigns on a variety of issues relevant to its members. Currently, it is running the Migrant Workers Participation Project. This campaign focuses on the issues faced by migrant workers in the UK. Migrant workers are employees who have moved from overseas to the UK to find work. They form an important and growing part of the workforce in both the private sector and public sector.

These workers are at particular risk of being exploited in the workplace. This may be due to lack of knowledge of their rights, their limited command of the English language and the fact that they are often reluctant to complain about their treatment by employers. They may also be exploited because of racist attitudes. UNISON believes that the best way of preventing exploitation is through trade union representation in the workplace. One of the objectives of the current UNISON campaign is to increase the number of migrant workers who are part of the union.

When making decisions, a business needs to take account of internal and external factors:

Internal factors are ones that are within its control. Examples include how many staff the business employs, the number of machines it uses and how much money owners choose to invest in the business.

External factors are those that are outside of its control. These may be direct or indirect influences. Direct influences include suppliers, customers and competitors. Indirect influences include legislation, the economy or technology.

These external influences are summarized by the mnemonic PEST. This stands for Political, Economic, Social and Technological influences.

UNISON looks at a range of issues to assess the external factors it needs to take account of when considering the needs of its members. UNISON considered these factors when setting its aims and objectives for protecting the rights of migrant workers. An understanding of many external factors helped it to decide which strategies and tactics were best for achieving these objectives.

Political Factors. Political factors include government policies, legislation and foreign influences, particularly from the European Union (EU). Several political factors surround the issue of immigration. Legislation on immigration comes both from the UK government and from the EU. For example, workers from all EU countries, except Romania and Bulgaria, have the right to live and work in the UK. Since the expansion of the EU in 2004, around 700,000 Polish workers have registered to work in the UK, boosting the UK workforce, enabling the economy to expand.

Immigration is an emotive issue, which often generates sensational headlines in tabloid newspapers. These include allegations that migrant workers "take" British jobs or that they "undercut" pay levels, working for less than British workers. The data available does not support these allegations. UNISON believes that if migrant workers are part of a trade union membership and can benefit from properly negotiated pay rates, this type of misinformation will not arise.

As part of its campaign, UNISON aims to dispel the negative views on migration. Migrant workers play an extremely important role in providing many needed services. This provision would not be possible without migrant workers. Government statistics prove that the overall effects of net migration into the UK have been positive for UK businesses and the economy.

In areas of high migrant populations, there are greater pressures due to, for example, insufficient housing and health provision. The migrant workers population is not evenly spread across the UK - the majority of migrants are in London and the South East, according to government statistics.

In addition, because of the short-term nature of much of the work, the pattern of migrant workers is not easy to track. Government and local authorities need to be able to invest in services sufficiently quickly to meet the demand. It is important to understand that the same pressures on services would occur if large numbers of UK workers suddenly moved to an area.

One of the most important political factors in UNISON's external environment is employment legislation. UNISON aims to ensure that these laws meet the needs of workers by lobbying the government when it feels the law needs changing. In a recent report, the Trade Union Congress (TUC) found that many employers were ignoring employment law. Some companies were not paying their workers the minimum wage, while others forced workers to work longer than legally permitted under the working time directive. It can be very difficult for migrant workers to get legal advice when they have problems at work. This is partly due to language barriers. Many also fear losing their jobs if they complain.

Like other low-paid workers, they rely on legal advice, paid for by the government through legal aid. Reduced funding for legal aid and for immigration advice in particular has resulted in fewer solicitors taking on legal aid cases. Many migrant workers seeking help have been turned away. As a result, UNISON has put in place legal advice and information services to help migrant workers understand their rights.

Economic Factors. Most migrants come to the UK from countries that are less economically developed. They can earn a better wage in the UK than in their home country. For example, the average monthly salary in the UK in 2007 was almost £2,500 whereas in Poland it was £500. This difference in wages allows the migrants to enjoy an improved standard of living. The migrant workers are also able to send money back to their families who remain in their home countries.

However, as well as the economic benefits migrant workers receive themselves, they are also an important part of the UK economy, both in public and private sectors. According to government fig-

ures, the working output of new migration adds 0,5% to the country's Gross Domestic Product (GDP). In 2006, this was equivalent to adding an extra J6 billion to the economy.

One of the reasons why migration improves the economy is that it increases the size of the total labor market. Migrant workers to the UK replenish a decreasing workforce. In 2006, 400,000 people left the UK and 590,000 people arrived, 157,000 of these came to study. Migrant workers fill several areas of the labor market where there are skills shortages or they do jobs that people in the UK do not want to do because the working conditions may be poor or wages low. Often migrant workers are "de-skilled" because they take work in different industries at a lower skill level than the one for which they are qualified. These industries include agriculture, hospitality and food packing.

Many business leaders express the view that migrant workers often have a more positive work ethic than domestic workers. Employing workers who not only have the necessary skills but who are also keen to work allows many businesses to achieve a competitive advantage. UNISON recognizes the benefits to the economy that migrants bring. It has worked hard to ensure that workers receive fair pay and valid career opportunities to keep attracting migrant workers to the UK.

Social Factors. A number of social factors have increased the flow of workers into the UK. Many migrants moved to the UK to improve their standard of living. Social factors in the UK also contribute to the demand for migrant workers in the UK. The UK has an ageing population. Without immigration, the labor force would be shrinking. As a result, there is a smaller labor force supporting the growing population of retired workers. This is forecast to get worse over the next 20 years. There are also specific vocational areas where the UK has a skills shortage. For example, 16% of all care workers are migrant workers. These workers are skilled workers who have trained in their home nations. Without them, the range of care provision would be less.

Many social issues may affect migrant workers whilst they are in the UK. For example, UNISON is aware that many migrant workers have difficulty communicating in English. This creates problems with understanding important documents such as contracts of employment, company rules and notices. Migrant workers are often unaware of their rights in the workplace.

The language barrier also affects migrants outside the workplace. It causes difficulties in shops, accessing housing and education and understanding the welfare system. Not being able to understand cultural issues such as behavior and customs is another big factor. Together these problems make many migrant workers feel socially excluded from English-speaking co-workers.

UNISON has helped many migrant workers overcome these issues in different ways:

It produces workers' rights leaflets in 11 different languages.

It also works with community groups like the ONNS (Overseas Network of Nurses in Scotland). These groups provide advice and social communities for overseas workers.

UNISON has provided information on welfare and tax so workers can understand what they need to pay and any benefits they can receive.

Recently it has developed a dedicated migrant workers section on its website where key information is available in a range of languages.

It is also running ESOL (English for Speakers of Other Languages) courses to help migrant members learn English.

As part of UNISON's bargaining agenda, it is seeking to make employers aware of the issues that are important to migrant workers. For example, it wants employers to print health and safety rules in other languages and to provide migrant workers with a welcome pack that gives information about local services and sources of information. It also aims to persuade employers to provide paid time off and pay course costs for workers attending language courses. Because migrant workers are better able to identify the bargaining issues that are important to them, UNISON believes it is important for them to be members and actively involved in the union.

Technological Factors. Changes in technology, including a rise in automation in the workplace and the development of the internet, have transformed the way in which many businesses work:

Automation of production processes in factories means less-skilled workers are needed.

The internet has opened up a need for information processing in purchasing and data management areas, for example, in online shopping. Many migrant graduates have come to fill these more specialized vacancies.

The biggest technological factor affecting migration has been the increased availability and reduced cost of transport. Over 75% of migrants fly into the UK, most using budget airlines.

Advances in online money transfers enable migrant workers to send money home easily and securely. This makes them more willing to migrate. A United Nations statistic shows that migrant workers send home over twice the amount given in international aid to developing countries.

Improvements in telecommunications have made it easier for potential migrants to discover what job opportunities are available. Through online chat rooms, they gain information and advice from other migrants from their own country and can keep in contact with friends and family in their home countries.

UNISON's website is an important means of communicating with members. For example, it has welfare pages providing migrants with information about the benefits they can receive. The site provides access to leaflets in a range of different languages. These give advice on their rights at work and information about health and safety. This greatly improves the livelihood and work experience of UNISON members.

Conclusion. UNISON aims to improve the working lives of migrant workers by increasing their level of trade union representation.

PEST analysis is a useful tool for analyzing the external environment surrounding migrant workers. It also helps to identify and understand the reasons why migrants come to the UK and the issues they face. UNISON has worked hard to raise awareness of the economic benefits migrant workers bring to the UK economy.

UNISON greatly supports migrant workers. It has provided them with a range of advice and assistance. This has made it easier for them to settle in the workplace.

UNISON has an ongoing role in persuading employers and the government to implement policies to benefit migrant workers. This has enabled the UK economy to benefit from the increasing number of workers migrating here. Migrants provide an increasingly skilled workforce necessary to maintain the growing number of services demanded by the UK's growing economy.

Questions:

1. Explain the purpose and benefits of PEST analysis.
2. Outline the factors that could lead to exploitation of migrant workers.
3. Analyze the factors which have led to increased immigration to the UK in recent years.
4. Evaluate the extent to which the UK economy benefits from migrant labor.

SWOT analysis and Sustainable Business Planning

Introduction. IKEA is an internationally known home furnishing retailer. It has grown rapidly since it was founded in 1943. Today it is the world's largest furniture retailer, recognised for its Scandinavian style. The majority of IKEA's furniture is flat-pack, ready to be assembled by the consumer. This allows a reduction in costs and packaging. IKEA carries a range of 9,500 products, including home furniture and accessories. This wide range is available in all IKEA stores and customers can order much of the range online through IKEA's website. There are 18 stores in the UK to date, the first of which opened in Warrington in 1987. In July 2009 IKEA opened a store in Dublin too - its first in Ireland. IKEA stores include restaurants and cafés serving typical Swedish food. They also have small food shops selling Swedish groceries, everything from the famous meatballs to jam. Stores are located worldwide. In August 2008 the IKEA group had 253 stores in 24 countries, with a further 32 stores owned and run by franchisees. It welcomed a total of 565 million visitors to the stores during the year and a further 450 million visits were made to the IKEA website. IKEA sales reached

21,2 billion Euros in 2008 showing an increase of 7%. The biggest sales countries are Germany, USA, France, UK and Sweden. In 2008 IKEA opened 21 new stores in 11 countries and expects to open around 20 more in 2009 as part of its strategy for growth. Low prices are one of the cornerstones of the IKEA concept and help to make customers want to buy from IKEA. This low price strategy is coupled with a wide range of well designed, functional products. IKEA's products cater for every lifestyle and life stage of its customers, who come from all age groups and types of households. This is vital in times when the retail sector is depressed, as it increases IKEA's potential market.

Since it was founded IKEA has always had concern for people and the environment. The IKEA vision "to create a better everyday life for the many people" puts this concern at the heart of the business. IKEA has responded to the public's rising concern for sustainability in its choice of product range, suppliers, stores and communication. It has also spotted business potential in providing sustainable solutions. IKEA's concern for people and the environment encourages it to make better use of both raw materials and energy. This keeps costs down and helps the company to reach its green targets and have an overall positive impact on the environment.

This case study will show why IKEA believes a strong environmental stance is good business practice.

SWOT analysis. IKEA's goals of sustainability and environmental design are central to its business strategy. It has launched a new sustainability plan to take the company through to 2015. This will combine social, environmental and economic issues. IKEA uses SWOT analysis to help it reach its objectives. This is a strategic planning tool. It helps the business to focus on key issues. SWOT is the first stage of planning and looks at the Strengths, Weaknesses, Opportunities and Threats involved in a project or business venture. Strengths and weaknesses are internal aspects. This means that they are within the control of the business. They may refer to aspects of marketing, finance, manufacturing or organisation. Opportunities and threats are external factors. This means that they are outside the control of the business. These may include the environment, the economic situation, social changes or technological advances, such as the internet. A business can create opportunities and counter threats by making the most of its strengths and addressing its weaknesses. For example, one of IKEA's key strengths is its strategic aim to use no more material than necessary in the production of each item. In addition, it develops its product plans to increase its use of waste or recycled materials:

- One particular table, the NORDEN table, uses knotty birch wood. The knots in this wood usually mean it is rejected by other retailers and manufacturers as unsuitable for use. However, IKEA has made the knots part of its design feature.

- OGLA chairs are made using wood waste from saw mills and LACK tables use a 'sandwich' of stiff card between wood sheets to reduce the amount of solid wood needed.

Strengths. Strengths could include a company's specialist marketing expertise or its location. They are any aspect of the business that adds value to its product or service. IKEA's strengths include:

- a strong global brand which attracts key consumer groups. It promises the same quality and range worldwide;

- its vision - "to create a better everyday life for many people";

- a strong concept - based on offering a wide range of well designed, functional products;

- at low prices;

- a "democratic design" - reaching an ideal balance between function, quality, design and price.

IKEA's "Cost Consciousness" means that low prices are taken into account when each product is designed from the outset.

These strengths contribute to IKEA being able to attract and retain its customers.

One way IKEA measures its strengths is the use of Key Performance Indicators (KPI). KPIs help IKEA to assess the progress of its vision and long-term goals by setting targets and monitoring progress towards these. An example of one of IKEA's KPIs is the percentage of suppliers that are

currently IWAY approved. The IWAY is the IKEA Way of Purchasing Home Furnishing Products. This guideline defines the social and environmental requirements IKEA expects of its suppliers.

IKEA has strengths right through its production processes:

- increasing use of renewable materials - IKEA improved its overall use from 71% in 2007 to 75% in 2009;
- "smarter" use of raw materials - IKEA increased the use of recycled or reclaimed waste products in energy production across all stores from 84% in 2007 to 90% in 2009;
- volume commitments - IKEA believes in creating long-term partnerships with its suppliers in order to achieve this. By committing to buying large volumes over a number of years IKEA can negotiate lower prices. This also benefits the suppliers because they enjoy the greater security of having guaranteed orders;
 - economies of scale - for instance, bulk buying at cheaper unit costs;
 - sourcing materials close to the supply chain to reduce transport costs;
 - delivering products directly from the supplier to IKEA stores. This slashes handling costs, reduces road miles and lowers the carbon footprint;
 - using new technologies - for example, IKEA's OGLA chair has been in its range since 1980. The chair has changed through the years to reduce the amount of raw materials needed.

Opportunities. A business uses its strengths to take advantage of the opportunities that arise. IKEA believes that its environmentally focused business conduct will result in good returns even in a price sensitive market. As the company states:

"There is a true business potential for IKEA in providing solutions that enable customers to live a more sustainable life at home. IKEA is developing effective solutions for customers in order to support them recycling or reusing used products, aiming at no products ending up at landfill and the recycled materials used in producing new IKEA products".

Some of the opportunities that IKEA takes advantage of through its sustainability agenda are:

- a growing demand for greener products;
- a growing demand for low priced products. Trends in the current financial climate may result in consumers trading down from more expensive stores;
- demand for reduced water usage and lower carbon footprints.

IKEA has a number of areas of focus to its work with sustainability, each of which it supports in various ways:

1. Solutions for a sustainable life at home - IKEA gives online tips and ideas for this.
2. Sustainable use of resources. IKEA aims for zero waste to landfill, wastewater treatment and programmes to reduce its use of water.
3. Reducing carbon footprint. IKEA aims to reduce energy use, use more renewable energy, cut its use of air transport and reduce packaging. Its green transport initiative includes an aim to reduce business flights by 20% in 2010 and 60% by 2015.
4. Developing social responsibility. IKEA's policy includes support for charities such as the World Wildlife Fund, UNICEF and Save the Children.
5. Being open with all its stakeholders. This involves building trust through good communication with consumers, co-workers, key opinion formers and the press. Being sustainable is a central part of IKEA's image.

Weaknesses and Threats

Weaknesses. IKEA has to acknowledge its weaknesses in order to improve and manage them. This can play a key role in helping it to set objectives and develop new strategies. IKEA's weaknesses may include:

- The size and scale of its global business. This could make it hard to control standards and quality. Some countries where IKEA products are made do not implement the legislation to control working conditions. This could represent a weak link in IKEA's supply chain, affecting consumer

views of IKEA's products. The IWAY code is backed up by training and inspectors visiting factories to make sure that suppliers meet its requirements.

- The need for low cost products. This needs to be balanced against producing good quality. IKEA also needs to differentiate itself and its products from competitors. IKEA believes there is no compromise between being able to offer good quality products and low prices.

- IKEA needs to keep good communication with its consumers and other stakeholders about its environmental activities. The scale of the business makes this a difficult task. IKEA produces publications in print and online (for example "People and the Environment") and carries out major TV and radio campaigns to enable the business to communicate with different target audiences.

Threats. If a company is aware of possible external threats, it can plan to counteract them. By generating new ideas, IKEA can use a particular strength to defend against threats in the market. Threats to IKEA may stem from:

- social trends - such as the slowdown in first time buyers entering the housing market. This is a core market segment for IKEA products;

- market forces - more competitors entering the low price household and furnishings markets. IKEA needs to reinforce its unique qualities to compete with these;

- economic factors - the recession slows down consumer spending and disposable income reduces.

IKEA addresses these issues in many ways. It manages weaknesses and threats to create a positive outcome.

Social trends: IKEA is building online help to guide customers to a more sustainable life. Here it can focus on home improvement in the slowing housing market. It supports customers with tips and ideas on its website to reduce their impact on the environment. This will also save them money. Staff are trained on sustainability, both on what IKEA is doing and how they can take responsibility to become sustainable for themselves.

Market forces: IKEA is large enough to enjoy economies of scale. This lowers average costs in the long run through, for example, better use of technology or employing specialized managers. Economies of scale also give a business a competitive edge if cost savings are then passed on to customers in the form of lower prices. This puts up high barriers to entry for smaller companies entering the market.

Economic factors: IKEA's low prices create appeal amongst its customers in tough financial times. It is vital to keep prices as low as possible when the retail sector is depressed. IKEA's pricing strategy targets consumers with limited financial resources. Its products will also appeal to those with higher budgets through good quality and design. The company must ensure that it is always recognised as having the lowest prices on the market in the future. Communication plays an important role here.

Conclusion. IKEA is a well-known global brand with hundreds of stores across the world. In order to improve performance, it must assess its external and competitive environment. This will reveal the key opportunities it can take advantage of and the threats it must deal with. IKEA responds to both internal and external issues in a proactive and dynamic manner by using its strengths and reducing its weaknesses. Through this, IKEA is able to generate the strong growth it needs to retain a strong identity in the market.

IKEA's passion combines design, low prices, economical use of resources, and responsibility for people and the environment. The company's products, processes and systems all demonstrate its environmental stance. For example, clever use of packaging and design means more items can fit into a crate, which means fewer delivery journeys. This in turn reduces IKEA's carbon footprint.

IKEA believes that there is no compromise between doing good business and being a good business. It aims to go beyond profitability and reputation. IKEA is intent on becoming a leading

example in developing a sustainable business. This will create a better everyday life for its customers. IKEA has discovered a business truth - being sustainable and responsible is not just good for customers and the planet, it is also good for business!

Questions:

1. Describe what is meant by a SWOT analysis.
2. Explain the difference between internal and external factors.
3. Analyse ways in which IKEA has managed to minimise threats to its business.
4. Discuss the contribution of SWOT analysis to IKEA's business growth.

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

business environment; external environment; macroenvironment / general business environment; operating / specific business environment / microenvironment; labor law; tariffs; merit goods; merit bads; interest rate; exchange rate; inflation rate; workforce; automation; cost of capital; supplier; incentives; barriers to entry; outsourcing; antitrust law; distribution channel; specialized workers; PESTEL analysis; SWOT analysis; inventory; advocacy groups; trade union; marketing campaign; goodwill of business; Corporate Social Responsibility (CSR); bribery; asset; Vision / Mission Statement; organizational structure; corporate culture; staff / personnel.

UNIT 5. CHANGES & FUTURE

Changes and
Future

- Changing Concept of Business
- The Future of Business
- Fix The Enterprises, Fix The Economy

Read the text:

Changing Concept of Business

Continual Change. For centuries social, political, and technological factors have forced companies and individuals to create new ways of generating profits. Whether bartering goods with a neighboring village or seeking ways to make profits from social networking, business thinking has changed, shifted, and evolved to mirror the wants and needs of the societies whose wealth it creates.

Digital Pioneering. Just as television and mass media had done before, the growth of the Internet in the 1990s and early 2000s heralded a new era for business. While early hype led to the failure of many online start-ups in the dot-com bubble of 1997 to 2000, the successful e-commerce pioneers laid the foundations for a business landscape that would be dominated by innovation. From high-tech garage start-ups-such as Hewlett-Packard and Apple- to the websites, mobile apps, and social-media forums of the modern business environment, technology is increasingly vital for business. The explosion of new businesses thanks to technology also helped to expand the availability of finance. During the 1980s and 1990s finance had grown into a distinct discipline. Corporate mergers and high-profile takeovers became a way for businesses to grow beyond their operational limits; leverage joined marketing and strategy as part of the management lexicon. In the late 1990s this expanded to venture capital: the funding of small companies by profit-seeking investors. The risk of starting and running a business remains, but the opportunities afforded by technology and easier access to finance have made taking the first step a little easier. With microfinance, and the support of online networks and communities of like-minded people dispensing business advice, enterprise has never been more entrepreneurial. Recent business thinking has brought diversity and social responsibility to the fore. Businesses are encouraged, and increasingly required by law, to employ people from diverse backgrounds and to act in an ethical manner, wherever they operate in the world. Businesses such Nike and Adidas require suppliers to prove that labor conditions in their factories meet required standards. Sustainability, recycling, diversity, and environmentalism have entered business thinking alongside strategic management and risk.

New Horizons. If business thinking has shifted, so too has the nature of business itself. Where once a company was constrained by its locality, today the opportunities are truly global. Globalization does, however, mean that business is more competitive than ever. Emerging markets are creating new opportunities and new threats. They may be able to outsource production to low-cost countries, but as their economies grow, these emerging nations are breeding new competition. China, for example, may be "the world's factory", but its home-grown companies are also starting to represent a threat to Western businesses. As the global recession of 2007-08 and ongoing economic uncertainty have proven, business in the 21st century is increasingly more

interdependent and more challenging than ever before. Starting a business might be easier, but to survive entrepreneurs need the tenacity to take an idea to market, the business acumen to turn a good plan into a profitable enterprise, and the financial skill to maintain success.

Additional Reading

Doing Better by the Environment

A Nestle Case Study. The environment is a key subject that affects us all. Protection of the environment and the move towards sustainable development remains a responsibility that must be shared between the public, governments and the private sector. Following years of work on environmental issues dating back to the 30's, in 1996 the Nestle Environmental Management System (NEMS) was introduced which consolidates all environmental measures taken by the Nestle Group. NEMS is now used to ensure continuous improvement in Nestle's environmental performance covering all its business activities.

This case study examines the background to sustainable development, the environment and its protection. It also looks at how Nestle S.A., the world's leading food company, developed a policy and current business practices that reduce the company's effect on the environment.

Sustainable Development. The latter part of the twentieth century saw an increasing concern for the environment. The concept of sustainable development (as defined by the World Commission on Environment and Development in 1987) is: development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs".

There are many views about the nature of sustainability. In its simplest form it is about ensuring a better quality of life for everyone, now and for future generations. To achieve this, sustainable development is concerned with achieving economic growth alongside the protection of the environment and also at the same time making sure that these economic and environmental benefits are available to everyone. These three aspects - economic, environmental and social form the basis of the sustainable development concept.

Rio and After. By the early 1990s there was considerable pressure for governments to create agreements concerning the environment and its protection. In 1992 the United Nations Conference on Environmental and Development (UNCED) was held in Rio de Janeiro. The main outcome of the conference was Agenda 21, which marked an important landmark in the sustainable development fight, and inter country co-operation.

Agenda 21 was the main document signed at the conference. It was over 800 pages long, and represented a new global commitment to sustainable development. It was not a legally binding document, but was devised as a working plan which countries would follow. The conference marked the start of global co-operation, which was needed to deal with the many issues, including concern for the environment.

The Sustainable Business. The concept and support for, sustainable development is growing. Many businesses have integrated a strategy of sustainability (taking into account its 3 main aspects - economic, environment, social). It makes good business sense for companies to be environmentally friendly as improved efficiency in manufacturing in turn leads to a more efficient use of natural resources. Operating efficiently translates to competitive advantage for business and supports the economic pillar of sustainability as well. Therefore, all aspects of sustainability are seen as complementary, and mutually interdependent.

Agenda 21 states that responsible businesses should play a major role in improving the efficiency of resource use. This can result in minimizing waste and protecting human health and environmental quality. For a business to be environmentally sustainable, the company must start by becoming environmentally aware from the inside. The whole ethics and culture of the organization must reflect those of sustainable development. This includes what the company does, how it treats its workers, how it deals with other organizations, how the managers act and what mes-

sages these actions send out. Sustainable Development is an integrated approach including economic, environmental and social aspects. Therefore all three are to be put at complementary levels of priority each considering effects of the other components.

Agenda 21 lays out a seven point plan for businesses to start changing values and perceptions. It states that they should:

- develop policies that support operations and products that have lower environmental impacts;
- ensure responsible and ethical management of products and processes from the point of view of health, safety and the environment;
- make environmentally sound technologies available to affiliates in developing countries without prohibitive charges;
- encourage overseas affiliates to modify procedures in order to reflect local ecological conditions and share information with Governments;
- create partnerships to help people in smaller companies learn business skills;
- establish national councils for sustainable development, both in the formal business community and in the informal sector, which includes small scale businesses;
- increase research and development of environmentally sound technologies and environmental management systems.

Nestle as a Sustainable Business. As the world's largest food company, Nestle S.A. is dedicated to providing consumers with the best food throughout their lives. The primary role of the Company is the transformation of natural resources into finished products that meet consumers' expectations for safety, quality, convenience and value. Naturally, Nestle is committed to sustainable development and environmentally sound business practices. The key drivers for Nestle's worldwide environmental approach are:

- total compliance with all laws and regulations in all countries where it operates;
- that Nestle seeks to provide a leadership role - to establish the benchmark for good business practice.

By committing resources, both human and financial, to secure environmental targets, including:

- employing new technologies and processes;
- measuring the costs and benefits to the business of its activities;
- ensuring employees are aware of best practice.

To be effective a programme of environmental improvement must be supported by practical management systems. Nestle's worldwide approach, therefore, has been to:

- set targets for environmental improvements;
- monitor progress;
- audit results;
- review targets.

Progress to Date - an Example from Nestle UK. In the UK a series of surveys at all Nestle UK locations formed the basis for a programme of continuous improvement. Action plans were developed for each Nestle UK site, including capital expenditure plans for environmental protection.

Nestle's Environmental Management System. NEMS is an organizational tool at the heart of Nestle's programme for the environment, and sets the framework for all measures applied.

The NEMS objectives include:

- to provide a systematic approach that ensures compliance with Nestle's environmental policy, relevant laws and Nestle's operational standards;
- to ensure the continuous improvement of Nestle's environmental performance, e.g. through the conservation of natural resources and the minimization of waste;

- to achieve compatibility with international voluntary standards on environmental management systems;
 - to build mutual trust with consumers, governmental authorities and business partners.
- NEMS is being implemented throughout Nestle S.A.'s entire operation.

Ways in which Nestle is Doing Better by the Environment. Nestle UK's commitment to sustainable business practice is illustrated by two business examples of areas where improvements are being made.

Packaging. Packaging is essential to maintain the high quality of the products. Nestle continuously reviews packaging and, where possible, reduces the amount used. This results in saving on materials such as glass and plastics. Nestle is also playing its part in meeting national targets for the recovery and recycling of packaging waste. Nestle has established a set of criteria for evaluating packaging. These are:

- Is the packaging appropriate for the product?
- Is the size of pack justified?
- Are there any unnecessary components within the pack?
- Could any of the components be reduced in weight or thickness?
- Could the manufacture and construction of the outer packaging be made simpler?
- Is the material re-usable or recyclable? Between 1991 and 2000 Nestle UK has been able to reduce its consumption of materials by up to 10.

Major achievements in this area included:

- removal of the inner plastic sleeve from Kit Kat Bumper packs saving 160 tones of plastic per year;
- a reduction in the thickness of 200g Nescafe jars saving 1041 tones of glass per year;
- a reduction in thickness of base material for chilled dessert pots saving 150 tones of plastic over a two year period.

Energy Management. As an integrated part of its environmental policy, Nestle UK is committed to responsible energy management and seeks to use energy as efficiently as possible. This is done to:

- improve cost-effectiveness, productivity and working conditions;
- prolong the useful life of fossil fuels;
- avoid unnecessary expenditure;
- prevent related emissions to the environment.

This involves seeking to buy fuels at their most economic cost and then to use them as efficiently as possible. It also means a reduction in pollution, and less dependence on non-renewable resources. In the short-term this involves gaining better control over energy consumption. Different operations are measured to determine energy usage. Nestle is investing in energy saving measures as well as staff that are properly informed. Carbon dioxide is the most significant of the greenhouse gases believed to be responsible for the effects of Global Warming. The Kyoto Conference on Climate Change (1999) has meant that the UK and many other Governments have entered into a legally binding agreement to reduce greenhouse gases. In addition, the Government has set a unilateral target of 20% reduction of carbon dioxide by 2010 from 1990 levels. This is a summary of the steps taken by Nestle UK since 1994 to reduce greenhouse gas emissions:

- the replacement of a coal-fired steam raising plant with a gas-fired combined heat and power plant at York, saving 45,000 tones of CO₂ per year;
- similar changes at Dalston - saving 24,000 tones;
- Ashbourne - saving 9,000 tones;
- Fawdon - saving 12,500 tones.

All figures shown relate to savings made per year.

As a company which produces frozen, chilled and other perishable foods, refrigeration is essential to many parts of Nestle's production and distribution systems. Nestle is progressively

cutting refrigerants that are potentially harmful to the environment. In the late 1980's a survey indicated that up to 10 of refrigerants used by the company in the UK were CFCs. The decision was made to phase out CFCs in all but small, hermetically sealed systems and today this programme is complete. Nestle Policy and the Environment Protection Act all forbid the deliberate discharge of refrigerants into the atmosphere. Where refrigerant has to be removed from a system and cannot be immediately reused, it is recovered and sent for recycling or disposal by suitably qualified companies.

Conclusion. World governments are increasingly realizing their responsibility to develop and implement shared solutions to global environmental issues. At the same time responsible businesses like Nestle S.A. are taking on a leadership role. This should drive forward changes in policy and practice which will help us all to enjoy a sustainable future.

Questions:

1. How can the removal of the inner plastic sleeve from Kit Kat Bumper packs be seen as a move towards sustainability?
2. Why are International Treaties like Rio and Kyoto important in encouraging sustainable business practice?
3. Give one other example of how Nestle has developed business practice in line with Agenda 21's seven point plan for business.
4. Why is it important for organizations like Nestle to show leadership in developing sustainable business practice?
5. What further steps could Nestle take in contributing to sustainability?

Find and write out English equivalents to the following Russian words and expressions:

соседний	поощрять
отражать	все больше и больше
благополучие	законодательство
возвестить о начале нового этапа	нанимать на работу
искусственно созданная шумиха	требовать
крах, неудача	поставщик
недавно созданная компания	условия труда
интернет-компания	соответствовать стандартам
заложить основы	устойчивость
мобильное приложение	повторное использование отходов производства
жизненно важный; необходимый	ограниченный чем-либо
благодаря, из-за (кого-либо / чего-либо)	месторасположение
доступность	конкурентный
слияние корпораций	возникающий
имеющий большой резонанс	возможности
поглощение (другой компании)	угрозы
использовать (с выгодой для себя)	передавать (часть бизнес-процесса)
венчурный (рисковой) капитал	независимому подрядчику
доступ	дешевый
единомышленники	порождать
делиться	происходящий в данный момент
предпринимательский	неопределенность
многообразие	взаимозависимый
социальная ответственность	испытывающий стойкость
вывести на передний план	упорство
	проницательность



Read the text again and take notes on the following points:

1. Why and how was the digitization of business related with the availability of finance?
2. Outline the new concepts that entered business thinking with the growth of the Internet.
3. Describe the relationship between the trends of "globalization" and "outsourcing".

Key Terms. You should now be able to define and give examples relevant to each of the following terms:

start-up; dot-com; e-commerce; innovation; merger; takeover; microfinance; social responsibility; diversity; supplier; sustainability; recycling; environmentalism; strategic management; globalization; outsourcing.

Read the text and summarize it in English:

The Future of Business

Looking at entrepreneurship from the economic-history context allows us to look at the flow of events in time and space such as inventions and innovations, the context in which they occurred and the impacts upon society these actions and events had.

We know many things about what will happen in the future from past events, trends, and the present. We know that it will be extremely likely that the US economy will be surpassed by China as the largest economy in the not too distant future. This will bring in a completely new set of geo-political, military, social, economic, cultural, and business dynamics. We may have some doubt, but where is the world's fastest train? Where is the world's tallest building? Where is GDP growth fastest? Where are the most cars sold? Which country uses the most cement? Which country uses the most steel? and which country has the most engineering graduates? Compare this to the country which produces mostly arts, sociology, and communications graduates.

We know that industry is relocating to Asia, which is eroding Western tax bases and will also erode standards of living. China and India are catching up and closing the technology gap through education and research and development. It may take a number of years but it will happen. We are not certain that the next person who walks on the moon will be an American.

Post industrial economies are less controllable that people think and cannot be relied upon for continual growth. This is bolstered by the loss of employment due to offshoring of work and the West's future maybe similar to Japan's deflationary economy. Other authors add that firms in post industrial societies invest in primarily unproductive enterprises and that capitalism in general has lost its creativity.

Some of the above is inevitable due to demographics. The population in most post-capitalist societies is generally aging as babyboomers retire. Aggregate incomes will decrease, thus decreasing the standard of living in those countries. As a consequence savings will decrease, as will domestic investment. GDP in the future will be more dependent on exports to the growing economies of China, Asia, and Brazil.

It is generally agreed that by 2050 world population will be around 9 billion, which brings up many issues about consumption, technology, and resource usage. This population increase will mainly occur within Sub-Saharan Africa, India, and Latin America, which will bring questions about the gap between North and South. Population will be expected to fall in China, Eastern Europe, and the former Soviet Bloc countries. Population in 2050 will most probably be more urban and witness the emergence of mega-cities. The UN predicts that by 2025 Tokyo will

have 30 million, New Delhi, Sao Paulo, and Mumbai 20 million, with Dhaka, Ciudad de Mexico, New York-Newark, Kolkata, and Shanghai, very close behind.

Although we can see many trends concerning the future, predictions about what will happen are extremely difficult as we don't know what crises the world and individual countries will face, and how these crises will be overcome. Any shock that is large enough may put a country or the world on a completely different trajectory, look at Haiti and Japan. This could be a financial accident, a pandemic, an international security crisis (think of Iran and North Korea), or an extreme earth or climate event that may potentially put the world off course. On the other side there may also be technological breakthroughs that may change some aspects of life that we cannot foresee at this point. It is very difficult to always immediately know what the implications of new technologies are on business. For example the internet's influence on British GDP occurred in spurts, rather than linearly and has disrupted some industries but empowered others.

Predicting the future is difficult and as Bremmer & Keat point out that back in the 1950s nobody was predicting that the Soviet Union would be transformed into a number of capitalist successor states in the 1990s, or that China would become a capitalist powerhouse. What we certainly don't know is where a new Oprah, Bill Gates, Thomas Edison, John D. Rockefeller, Sam Walton, or Steve Jobs will appear and what they will do. This is the most unpredictable element of the future but also the most important driver of the future.

Some of the issues that will influence opportunity in the future will be:

- continued volatility of commodity prices, levels of economic activity, employment, aggregate demand, and exchange rates, which could undermine the stability and confidence of the financial system;
- global warming and the necessary changes to our lifestyles to compensate for the effects. Also the need to find solutions to these emerging problems;
- declining oil reserves and higher petrochemical prices;
- water shortages in some regions, where we may witness conflicts over the issue;
- food shortages in some regions;
- the emergence of new technologies;
- higher unemployment in post industrial societies, with accompanying social pressures;
- increasing world population size and changing demographics;
- a likelihood that this generation will not be as financially well off as the last;
- an increase of immigration around the world;
- any single country i.e., Middle East, Iran, or North Korea able to start intensive international diplomacy and highlighting the weaknesses of existing international bodies, and
- changing political scenarios with the Asia-Pacific being the focal point of tension between shifting balances of power between the superpowers.

Read the text by Henry Mintzberg and summarize it in Russian:

Fix the Enterprises, Fix the Economy

An economy is simply an accumulation of transactions involving goods and services, mostly carried out by business enterprises. Their behavior is what matters, and this can be adequately perceived only on the ground, where the behavior occurs - where an economy is built, where it breaks, and where it must be fixed.

MONTREAL - Much commentary about the American economy nowadays leaves the impression that economists should fix its problems. But Washington is teeming with smart economists, and the problems remain.

An economy is like a cloud: only when inside does one realize how diffuse it is - and that what matters are the particles of vapor that it comprises.

Likewise, an economy is an accumulation of transactions involving goods and services, mostly carried out by business enterprises. Their behaviors are what matters, and they cannot be

adequately perceived from the distant perspective of economic models and statistics, but only on the ground - where an economy is built, where it breaks, and where it must be fixed.

On the ground, there are two kinds of enterprises: those that rely on exploration, and those that rely on exploitation. Every economy has both, but a healthy one favors the explorers. This fosters the sense of enterprise that made the United States such an economic powerhouse. Unfortunately, the American economy now favors the exploiters.

Economic development proceeds through a cycle that begins with young, exploring enterprises introducing new products, services, and processes. Over time, however, as they succeed, many explorers become exploiters. They saturate their markets, run out of new ideas, and get lazy. They then extend their product lines instead of developing new products; cut costs by putting pressure on their workers; lobby governments for favorable treatment; merge with competitors to reduce competition; and manipulate customers to squeeze out every last penny.

This, of course, makes these enterprises vulnerable to the creative challenges of the next wave of explorers - the fast new firms that confront the fat old corporations - and the cycle of destruction and reconstruction begins anew.

Contrast this with the America of bailouts, where the fat are considered "too big to fail". In fact, many are too big - or at least too mismanaged - to succeed. How else to explain why major banks and insurance companies bet their futures on mortgages that a little investigation would have shown to be junk? Their senior managers either didn't know, or cynically thought that they could get away with it, while the rest of their managers either didn't care, or couldn't get through to their bosses.

This American problem goes far beyond the bailouts. For every Apple and Google - explorers par excellence - count the energy companies with their cozy tax deals, the defense contractors that live off government budgets, and the pharmaceutical companies that buy their innovations and price what the market will bear, thanks to patents that governments grant, but without policing their holders.

On top of this, many US startups now leap into exploitation. Whereas America's entrepreneurs had traditionally been inclined to create sustainable legacies, now many of them strive for an early IPO that will let them cash out quickly. This can be terribly dysfunctional, cutting off much of what still must be learned.

When economists boast about America's great productivity, what they have in mind is exploration - finding ways to do things better, especially through superior processes. But much of this "productivity" has in fact been destructively exploitative. Think of all the corporations that have fired great numbers of people at the drop of a share price, leaving behind underpaid, overworked employees and burned-out managers, while the CEOs escape with their bonuses.

To see where this leads, imagine a company that fires all of its workers and then ships its orders from stock. Economic statistics would record this as highly productive - until, of course, the company runs out of stock. American enterprise is running out of stock.

Seen in this way, there is no quick fix for America's current economic problems. Firing workers or even printing money can be easy; changing dysfunctional behaviors is not. The US economy will have to be fixed by its enterprises, one by one, on the ground. Attitudes will have to change, and this will demand great dedication and patience - traits that seem to be in short supply in the US today.

The place to start is America's executive suites, which should be cleared of mercenaries in order to encourage real leadership. That is the easy part: get rid of the obscene compensation packages and watch the mercenaries disappear. People who care about building and sustaining decent enterprises - and who understand that doing so is a team exercise - can then take over.

Successful enterprises take time to create - time spent on inventing better products, serving customers more effectively, and supporting workers in ways that enhance their commitment. Symbols matter, too: the term "human resources", for example, should be retired, because a great enterprise is a community of engaged human beings, not a collection of detached capital.

Public support should be shifted from protecting large established corporations to encouraging the growth of newer enterprises. And startups should be discouraged from rushing into the embrace of the stock market's short-sighted analysts (and many an established corporation should be encouraged to escape that embrace). At the same time, regulation and taxation should be used to rein in disruptive day trading and other exploitative speculation that crowds out sustainable investment and disrupts regular business activities.

Above all, what the American economy needs now are managers who know and care about their businesses. Armies of MBAs who have been trained to manage everything in general but nothing in particular are part of the problem, not the solution. So are economists who study clouds without ever getting wet.

DICTIONARY

-A-

access - доступ; подход

accessibility - доступность

accounting - учет; бухгалтерский учет (система сбора и обработки финансовой информации о предприятии, позволяющая пользователям выносить обоснованные суждения о финансовом положении организации или физического лица и принимать экономические решения)

achieve - добиваться, достигать

acquisition - приобретение; поглощение

acreage - площадь земли в акрах

activity - деятельность; мероприятие

additional - добавочный, дополнительный

adhesive - клей

adjustment - регулирование; согласование; приведение в соответствие; приспособливание, адаптация

administration - организационное управление

admittance - вход, доступ; подход

adopt - принимать; принимать на вооружение; перенимать, усваивать

advance - успех; прогресс; достижение

advancement - продвижение; улучшение; развитие; прогресс

advantage - преимущество

advantageous - благоприятный; выгодный; полезный

adverse - враждебный; неблагоприятный, неблагоприятный; вредный

advertising - реклама, рекламирование; рекламное дело

advocacy groups - группа поддержки [пропаганды], (общественное) движение (неформальная организация, выступающая за или против какого-либо общественного явления)

advocate - защитник; сторонник, приверженец (точки зрения, образа жизни)

affect - оказывать воздействие, влияние; касаться, затрагивать

afford - быть в состоянии (сделать что-либо); позволить себе (что-либо)

after-the-sale support - постпродажное обслуживание

aftersales - послепродажный

aka - также известный под именем; иначе называемый

alleviate - ослаблять, смягчать (например, экономический кризис)

ambiance - окружение; обстановка, среда

amount - величина, количество; итог, результат; сумма

ancillary - вспомогательный, добавочный, подсобный; подчиненный

annually - ежегодно

antitrust law - антимонопольный закон

appeal - призыв, обращение

appliance - аппарат, прибор; приспособление, устройство

apprentice - подмастерье, ученик (в ремесле); новичок, начинающий

approach - подход

appropriate - подходящий, соответствующий; должный

artificial - искусственный, ненатуральный, неестественный; поддельный, фальшивый

assembly line - сборочная линия, линия сборки, сборочный конвейер (совокупность производственного оборудования, организованная таким образом, чтобы однородные заготовки последовательно перемещались по разным производственным секциям, в которых осуществляются отдельные этапы сборки)

assets - имущество, средства, авуары, ресурсы, активы (машины и оборудование, здания, остаток денежных средств в кассе, банковские депозиты, ценные бумаги, ссуды и другие материальные и нематериальные объекты собственности, которыми владеет то или иное физическое или юридическое лицо)

ATM (Automatic Teller Machine) - банкомат

attain - достигать, добираться; добиваться

attitude - позиция; отношение

attribute - отличительная черта, характерное свойство, неотъемлемый признак; символ, атрибут; 1) attribute to - объяснять (чем-либо), относить за счет (кого-либо / чего-либо); 2) attribute to - приписывать (кому-либо / чему-либо), относить к (чему-либо)

authorized - санкционированный, разрешенный; уполномоченный; легализованный, узаконенный; авторизованный

automation - автоматизация, перевод процедур, процессов или оборудования на работу в автоматическом (т.е. контролируемым автоматикой) режиме

available - доступный; имеющийся в распоряжении, наличный

avoid - избегать, остерегаться, сторониться, уклоняться

avoidance - минимизация налоговых затрат

awards banquet - торжественный обед в честь церемонии вручения наград

aware - знающий, осведомленный, сведущий, сознающий

-В-

backlash - мощная обратная реакция группы людей (обычно негативная; на событие, закон, тенденцию развития, которые устанавливают преимущества для других групп людей)

balance sheet - баланс (отчет об активах и пассивах предприятия)

bank account - счет в банке

bankruptcy - банкротство; несостоятельность

barriers to entry - барьеры входа [на вход] (одна из характеристик рыночной структуры, состоящая в наличии препятствий к появлению на рынке новых продавцов; к ним могут относиться патенты и лицензии, экономия от масштабов производства у существующих фирм и т.д.)

barter - меновая торговля, бартер, натуральный [бартерный] обмен, товарообмен (обмен товара на товар без использования денег; форма встречной торговли)

behavior - образ действий, поступки; манеры; поведение

beneficial - выгодный, полезный, прибыльный; благотворный

benefit - пособие (страховое по безработице, по болезни и т.п.)

beta testing - бета-тестирование, опытная эксплуатация (предварительное тестирование аппаратных и программных изделий избранными пользователями с целью выявления недостатков и возможного усовершенствования)

blend - смешивать

blended - смешанный

blurry - расплывчатый

board of directors - совет директоров

bolster - поддерживать, помогать

book keeping - бухгалтерия; счетоводство

borrow - занимать

bottler - завод безалкогольных напитков

bottom line - итог; суть дела; определяющий фактор; чистая прибыль

branch - отрасль, подразделение; отделение, филиал

brand loyalty - приверженность марке (поддержка потребителями определенной марки или продукта; является результатом удовлетворенности потребителей товарами данной марки и приводит к росту продаж товаров данной марки)

break-even - безубыточность, самоокупаемость (состояние, при котором расходы равны доходам, т.е. когда нет ни прибыли, ни убытка; также объем деятельности, при котором наступает такое состояние)

breakthrough - прорыв, достижение, успех; открытие

breweries - пивоварни (по NAICS 2002: совокупность организаций, занимающихся производством солодового пива, эля и безалкогольного пива)

bribery - дача или получение взятки, взятка; взяточничество

bureaucracy - бюрократия (согласно М. Веберу: модель организации, основанная на формальных, обезличенных правилах (положительное свойство современного бессловного общества, в котором все равны перед законом), где продвижение возможно исключительно в силу квалификации; в этой модели присутствуют детальная структуризация организации и четкое описание роли каждого ее элемента)

bushel - бушель (мера емкости = 36,3 л); большое количество, множество (чего-либо)

business - бизнес, предпринимательская деятельность; торговля, коммерция; количество проданных товаров или услуг; деловая активность; промышленное или торговое предприятие; фирма, компания

business edge - серьезное конкурентное преимущество; сильная сторона

business environment - условия [внешняя среда] бизнеса (любые внешние по отношению к фирме факторы, прямо или косвенно влияющие на ее деятельность (например, предложение сырья, спрос на продукцию, налоговое законодательство и т.п.; термин используется часто как синоним *macroenvironment*, хотя *business environment* имеет более широкое значение))

business trust - трест (вид экономического объединения, при котором входящие в него предприятия или фирмы теряют свою коммерческую самостоятельность); крупная промышленная монополия, объединение компаний в целях регулирования цен и объемов производства в какой-либо отрасли

business unit - организационная единица (торговая или промышленная), подразделение или филиал фирмы; дочерняя компания

business-to-business (B2B) - "бизнес для бизнеса" - взаимодействие между предприятиями; схема организации такого взаимодействия, в том числе с привлечением интернет-ресурсов; электронная торговля по схеме "предприятие - предприятие"; межкорпоративная электронная торговля; оптовая электронная торговля; электронная биржа

business-to-consumer (B2C) - "бизнес для потребителя" - взаимодействие между предприятием и потребителем; схема организации такого взаимодействия, в том числе с привлечением интернет-ресурсов; розничная электронная торговля; розничный интернет-магазин

business-to-government (B2G) - "бизнес для правительства" - взаимодействие между бизнесом и правительством; схема организации такого взаимодействия; системы электронной коммерции, обслуживающие предпринимательские структуры, с одной стороны, и госучреждения - с другой

buyer - закупщик (сотрудник отдела снабжения компании или магазина, работа которого заключается в закупке товаров для компании (магазина); относится к группе "специальности, связанные с менеджментом по закупкам"

by any means - каким бы то ни было образом; любым способом

by-product / byproduct - побочный продукт

-С-

calculated risk - обдуманый риск; риск с точно рассчитанными шансами на успех; расчетный риск

capital - капитал

capital goods - инвестиционные [капитальные] товары, средства производства (товары долгосрочного использования, например производственное оборудование, завод, другие хозяйственные постройки, административные помещения и т.п.)

cargo - груз

cash - деньги; наличные деньги

cash-disbursement - денежные выплаты [расходы] (связанные с оплатой счетов поставщиков, выплатой заработной платы и т.п.)

cash-receipts journal - журнал денежных поступлений (журнал, в котором учитываются все поступления денежных средств, в том числе от покупателей, должников и т.п.)

casual - случайный, бессистемный, нерегулярный; свободный, неофициальный; повседневный, непарадный (об одежде)

chain of command - порядок соподчиненности в организации; цепь инстанций; скалярная подчиненность, скалярная цепь (иерархия уровней управления, создаваемая делегированием полномочий и ответственности)

challenger - рыночный претендент (фирма в отрасли, которая борется за увеличение своей рыночной доли, за вхождение в число лидеров; такая фирма должна обладать определенными преимуществами перед рыночным лидером (предлагать лучший продукт, продавать продукт по более низкой цене и т.д.), чтобы достичь своих целей)

charge - назначать, запрашивать цену

charitable - благотворительный

Chief Executive Officer (CEO) - (главный) исполнительный директор (один из руководителей корпорации, отвечающий за основную часть ее текущей деятельности); генеральный директор (корпорации); директор-распорядитель (фирмы); директор (предприятия)

Chief Financial Officer (CFO) - (главный) финансовый директор (один из руководителей корпорации, отвечающий за финансовые вопросы); вице-президент корпорации по финансам; заместитель директора по финансовым вопросам

Chief Information Officer (CIO) - (главный) директор по информационным технологиям (отвечающий за приобретение и внедрение новых технологий, за управление информационными ресурсами); главный управляющий по информации

Chief Operating Officer (COO) - (главный) операционный директор (один из руководителей корпорации, отвечающий за повседневные операции, за текущую деятельность); заместитель директора по производственным вопросам; исполнительный директор

citizen - гражданин

civil servant - государственный служащий, чиновник; сотрудник международной организации

Civil Society Organization (CSO) - организация гражданского общества (любая организация, добровольно сформированная гражданами; не преследует своей целью извлечение прибыли и не рассматривается в качестве составляющей государственного сектора или объединения предпринимателей)

clerical - офисный, канцелярский, конторский

co-owner - совладелец

coaching - кураторство, инструктирование, наставничество (метод обучения без отрыва от производства, где производственный руководитель сам консультирует подчиненного и помогает ему освоить необходимые навыки)

coercion - принуждение

coincide - совпадать

commodities - сырье, сырьевые товары

community - местное сообщество, население; общество, общественность, народ, граждане

compartmentalize - отделять

compensating - компенсация

compete - конкурировать

competing - конкурирующий, соперничающий

competition - конкуренция

competitive - соперничающий; конкурентный, конкурентоспособный

competitor - конкурент

complacent - самодовольный; услужливый, почтительный, любезный, обходительный

completion - завершение, окончание; заключение, конец, финал

complimentary - бесплатный; приветственный

component - компонент; составная часть, деталь; комплектующее изделие

conceive - постигать, понимать; дать начало (чему-либо); испытать, ощутить, почувствовать

concerned - интересующийся; обеспокоенный

conglomerate - промышленный конгломерат; многопрофильная корпорация

conglomerate merger - объединение ничем не связанных компаний

consumer - потребитель

consumer goods - потребительские товары, товары народного потребления

consumer markets - рынок индивидуальных потребителей, потребительский рынок, рынок потребительских товаров (сфера купли-продажи товаров индивидуального и семейного назначения: продовольствия, одежды, бытовой техники и др.)

consumer products - потребительские товары

consumer services - потребительские услуги (услуги, предоставляемые населению врачами, парикмахерами, химчистками, механиками, водопроводчиками, услуги по доставке товаров и т.д.)

consumer-to-consumer (C2C) - "потребитель для потребителя" (системы электронной коммерции, предназначенные для частных лиц: доски объявлений в Интернете, электронные аукционы)

consumption - потребление

contamination - загрязнение; заражение

contemporary - новый, современный

controversial - спорный, сомнительный; дискуссионный

conventional - обычный, обыкновенный; традиционный, общепринятый

cooperation - сотрудничество, взаимодействие; объединение усилий, совместные действия

cooperative - кооператив, кооперативное общество (добровольное объединение людей или мелких компаний с целью организации производства и предоставления всем участникам этого объединения (членам кооператива) какой-либо услуги на более выгодных условиях, чем они могли бы получить без создания кооператива (при покупке этой услуги на рынке); например, кооперативный банк, созданный для повышения процента по вкладам и снижения процента по кредитам своим членам, потребительское общество для совместных закупок товаров, сельскохозяйственный кооператив для совместной продажи продукции, жилищный кооператив и т.п.; в американском законодательстве кооператив может быть инкорпорированной компанией)

coping - приспособление

copyright - авторское право

core - суть, сущность; основной, центральный

core business function / principal activity - основная деятельность (основной вид деятельности, которым занята компания, т.е. компания специализируется на осуществлении данной деятельности (например, на производстве автомобилей, на добыче нефти, на торговле, на финансовых услугах и т.п.) и получает от нее большую долю дохода, чем от каких-либо дополнительных видов деятельности)

corporate culture - корпоративная культура (свод наиболее важных положений деятельности организации, определяемых ее миссией и стратегией развития и находящихся выражение в совокупности социальных норм и ценностей, разделяемых большинством работников)

corporate governance - корпоративное управление (распределение властных полномочий в корпорации, прежде всего между менеджерами и акционерами)

Corporate Social Responsibility (CSR) - корпоративная социальная ответственность, ответственность бизнеса перед обществом

count - пересчитывать; вычислять, подсчитывать, считать

creativity - творчество (процесс); креативность (свойство личности); способность к творчеству

cross-fertilization - взаимное развитие

crowdsourcing - краудсорсинг по аналогии с аутсорсингом (outsourcing) - привлечение работников-добровольцев, часто неквалифицированных интернет-пользователей, например для наполнения сайта тем или иным контентом; расходы на содержание таких штатных сотрудников минимальны

crude oil - сырая, неочищенная нефть

curb - обуздание, сдерживание (чего-либо); обуздывать, сдерживать, укрощать, усмирять

current - текущий, данный, современный; действительный; действующий

customer - покупатель; потребитель; заказчик; клиент

customer base - клиентурная [клиентская] база (совокупность всех клиентов данной компании)

customization - модификация в соответствии с требованиями заказчика

customize - настраивать (адаптировать, модифицировать) в соответствии с требованиями заказчика

cutting edge - передний край, центр деятельности; at the cutting edge - на переднем крае, в авангарде

-D-

deal - сделка, соглашение, договор; deal with - иметь дело с (кем-либо); пользоваться услугами, быть клиентом (какой-либо компании), сотрудничать с (какой-либо компанией)

defect - неисправность, повреждение, поломка

definition - определение, формулирование (процесс); дефиниция, формулировка

delivery - поставка, доставка

demand - спрос

department - отдел; отделение; управление; служба; цех; факультет; кафедра; ведомство, департамент, министерство

departmentalization - департаментализация, выделение (разделение организации на отделы, выделение групп)

derivative - производный, выведенный, вторичный; неоригинальный, банальный

detriment - ущерб, вред

develop - развивать, совершенствовать

devotional - религиозный; благочестивый

digital - цифровой

diminish - убывать, уменьшаться

direct marketing / telemarketing - прямой маркетинг по телефону, телефонный маркетинг, телемаркетинг (использование телефона и телекоммуникационных технологий совместно с системами управления базами данных для таких маркетинговых функций, как продажа товаров и услуг по телефону; организация телефонных центров обслуживания, проведение маркетинговых опросов, сбор и обработка необходимой информации)

directive - директива, руководящее указание, распоряжение, инструкция; определяющий направление, направляющий; указывающий

directly - совершенно, прямо; непосредственно

disadvantage - неудобство, невыгодное положение, неблагоприятное условие; барьер, помеха, преграда, препятствие, затруднение; вред, ущерб, урон

discount - скидка, уменьшение цены

dismissal - увольнение; отставка; сокращение

dismissing - увольнение

dissatisfied - неудовлетворенный, недовольный, раздосадованный (чем-либо)

distinguish - различить, находить отличия; распознавать; характеризовать, служить отличительным признаком

distribution - распространение

distribution channel - канал распределения - элемент внутреннего торгового аппарата фирмы либо торговый посредник, через которого осуществляется реализация определенного вида продукции определенной группе покупателей; совокупность независимых организаций, участвующих в процессе продвижения товара или услуги от производителя

expertise - экспертиза; экспертная оценка; человеческий опыт, знание дела; квалификация, компетентность, компетенция

exploitation - использование, употребление, эксплуатация

expose - делать видимым, обнажать; показывать, выставлять напоказ

extended support - услуги дополнительной поддержки

external - внешний, наружный, поверхностный

external environment - внешняя среда (организации) (факторы окружающей среды, на которые организация практически не в состоянии повлиять, а может лишь прогнозировать и приспосабливаться к их изменениям)

extract - получать, извлекать, добывать

-F-

face - стоять лицом к лицу, встречаться; быть обращенным (к кому-либо / чему-либо); быть повернутым (в определенную сторону); сталкиваться

facilities - средства обслуживания; оборудование; сооружения; приспособления; устройства; условия

factors of production - факторы производства

factory floor - производственные помещения (в отличие от административных); заводской цех; работники предприятия (в отличие от управляющего персонала)

failure - неудавшееся дело, неудача, успех, провал

fair - ярмарка; торгово-промышленная выставка

feature - особенность, характерная черта; деталь, признак, свойство; особенности; общий вид

fee - вознаграждение; гонорар; комиссия

feedback - отклик, отзыв, ответная реакция; обратная связь, связь производителя с потребителем, информация от потребителя

figure - цифра; иллюстрация, рисунок; диаграмма, чертеж

final accounts - окончательная отчетность (финансовая отчетность, составляемая в конце отчетного периода (обычно в конце года))

findings - полученные данные, добытые сведения, выводы

finished goods - готовые изделия

firm - фирма; устойчивый; непреклонный, решительный; прочный, твердый

fix - приводить в порядок; налаживать, регулировать; ремонтировать, чинить

flat organization - плоская организация [структура, организационная структура] (организационная структура, которая характеризуется меньшим количеством уровней управления, чем в иерархии обычной организации; обычно предполагает меньшее количество промежуточных управляющих, т.е. все подчиненные подразделения или группы имеют одного главного управляющего)

flaws in fabric - брак в ткани

fluctuating - колеблющийся

fluctuation - колебание; неустойчивость

follower - рыночный последователь (фирма в отрасли, которая проводит политику следования за рыночным лидером; такая фирма предпочитает сохранять свою рыночную долю, не принимая рискованных решений)

foster - поощрять, побуждать, стимулировать; одобрять; воспитывать, обучать, растить

franchise - франчайзинг (специальный вид лицензирования, когда компания - владелец известной торговой марки предоставляет другой компании право ставить эту торговую марку на свою продукцию, но при этом получает право контроля за качеством (и так далее) продукции компании-франчайзера)

franchisee - франшизополучатель, покупатель франшизы; оператор, пользователь

franchising - договор коммерческой концессии, франчайзинг (лицензионное соглашение, подразумевающее использование товарного знака и технологий со взаимными обязательствами и льготами между передающей и получающей сторонами, предоставляемое за плату и оформленное в соответствии с законом о товарных знаках)

franchisor - франчайзер, франшизодатель (лицо, выдающее другому лицу (франчайзи) лицензию на производство или продажу своего товара (услуги) на определенной территории)

free - бесплатный

free-flow - безнапорный; самотечный

freight - перевозка грузов

fulfillment - реализация своих возможностей; удовлетворенность достигнутым; выполнение, осуществление, исполнение, завершение
functional structure - (линейно-) функциональная структура (организационная структура, состоящая из различных отделов, каждый из которых отвечает за конкретную функцию управления: отдел финансов, отдел продаж, отдел маркетинга, конструкторский отдел и т.п.)

-G-

gap - лакуна, пробел, пропуск; глубокое расхождение (во взглядах); недостаток

gatekeeper - контролер, посредник

gathering - собрание, заседание, митинг; встреча; собирательство; уборка; уборочная
generation - поколение

generic - обобщенный, общий, универсальный

geographic structure - географическая организационная структура, организация по географическому принципу (организационная структура, при которой имеется управляющий общенациональной службой, каждое подразделение организации отвечает за работу на определенной территории (например, в маркетинговой службе могут существовать несколько управляющих региональными службами сбыта, управляющих зональными службами сбыта, районных управляющих по сбыту и торговых агентов); данный тип организационной структуры является разновидностью дивизиональной структуры и характерен для фирм, осуществляющих свою деятельность в масштабах страны)

gift certificate = gift token - подарочный сертификат (специальный купон, чек на определенную сумму, выпускаемый магазином, торговым центром и т.д., который можно обменять на любой товар стоимостью в указанную сумму; такой сертификат может быть вручен покупателю в рекламных целях, как правило, он покупается с целью сделать подарок кому-то, кто потом придет с сертификатом в магазин и выберет понравившийся товар на данную сумму)

goods - товар(ы)

goodwill of business - "гудвилл", нематериальные активы (разница между рыночной оценкой фирмы и суммой ее чистых активов); "неосязаемый капитал" (фирмы) (репутация, престиж, клиенты, связи и пр.)

govern - управлять; влиять; руководить, направлять; определять, обуславливать

government - правительство

governmental market - рынок государственных учреждений (спрос со стороны федеральных, региональных и местных органов власти)

grapevine - слухи, неподтвержденные сообщения

grazing - выпас

grounding - основы предмета

guarantees - гарантия

guidelines - основные / руководящие принципы; курс действий; нормативы; руководящие документы

-H-

harvest - плоды, результат (какого-либо действия, каких-либо усилий); пожинать плоды; расплываться (за что-либо)

hazard - риск, опасность

healthcare - здравоохранение

hierarchy - иерархия, иерархическая структура (организация, уровень); инвертированная древовидная структура, где на верхнем уровне находится один или несколько элементов, под каждым из которых, в свою очередь, один или несколько элементов нижележащего уровня (уровней)

hierarchy / line organization - иерархия (организационная структура, в которой четко выделено несколько уровней управления; М. Вебер в разработанной им концепции бюрократии рассматривал иерархию как общественное устройство, для которого характерны рациональность и регламентированность)

hire - нанимать, предоставлять работу, приглашать на работу

hiring - наем; договор личного / имущественного найма; прокат

honoree - награждаемый

horizontal merger - слияние конкурирующих компаний

hostile takeover - враждебное поглощение (попытка получить контроль над компанией путем скупки ее акций на рынке против воли руководства или ведущих акционеров этой компании)

household - домашнее хозяйство, домохозяйство (небольшая группа людей, проживающих в одном и том же жилище, объединяющих часть или весь свой доход и имущество и совместно потребляющих определенные типы продуктов и услуг, прежде всего жилищные услуги и продукты питания; различают семейные и несемейные домохозяйства)

-I-

idle - бесполезный; неработающий; неиспользуемый; незанятый

illegibility - неразборчивость, неудобочитаемость, нечеткость

impact - сильное воздействие; влияние

impetus - побуждение, движущая сила; стимул, импульс, толчок

implement - выполнять, осуществлять; обеспечивать выполнение, приводить в исполнение

implementation - выполнение, исполнение, осуществление, реализация; внедрение

implication - следствие, вывод; последствия, результаты; то, что подразумевается; подтекст; смысл

in advance - заблаговременно, заранее

in charge - заведующий; дежурный; ответственный

in order to - для того, чтобы

in-house - внутренний; внутрифирменный; собственный; штатный; внутри фирмы, собственными силами, без привлечения внешних специалистов

incentives - средства поощрения, стимулы; льготы

income - доход, приход, прибыль

incongruity - несовместимость, несочетаемость, несоответствие; неуместность; бессвязность, непоследовательность

indicative - указывающий, показывающий

indigenous - врожденный, природный, прирожденный; местный

induction - введение, ознакомление

industry - промышленность; отрасль промышленности; фирма, компания, предприятие

inflation rate - уровень инфляции

influx - втекание, приток (финансов, фондов, капиталов); приток, наплыв (большого количества людей)

informal economy - неформальная экономика (совокупность форм хозяйственной деятельности, не фиксируемой в формальных контрактах и не учитываемой государственной статистикой; может быть как легальной, так и нелегальной; понятие ввел К. Харт)

informal sector - неофициальный сектор (не охваченный официальной статистикой)

infrastructure - инфраструктура (промышленная, городская); сети обслуживания населения; инженерные коммуникации

innovation - новшество, нововведение, новаторское решение, новаторство; инновация

input /output - вложения, затраты, инвестиции / выход; продукция; выпуск изделий

institution - орган, учреждение; институт (общественный)

institutional market - рынок организаций, институциональный рынок (рынок, на котором в качестве покупателей выступают организации, приобретающие товары в благотворительных, образовательных и общественных целях; нередко это относится к некоммерческим организациям, например к школам, музеям, библиотекам, приобретающим товары для предоставления их в пользование другим людям)

institutional unit - институциональная единица - хозяйствующий субъект, характеризующийся единообразием поведения и автономией в принятии решений в отношении своей основной экономической функции; хозяйственная единица, которая в соответствии с действующим законодательством может владеть активами, принимать на себя обязательства и заниматься производственной и коммерческой деятельностью, совершать сделки с другими институциональными единицами

institutionalize - институционализировать; превращать в институт, установленную практику; наделять законным статусом

insurance - страховой полис, страховка; страхование

intangibility - нематериальность

intangible - нематериальный

intellectual - интеллектуал (человек с высоко развитым интеллектом, занимающийся интеллектуальным трудом); человек умственного труда

interest - интерес, заинтересованность; заинтересовать; проценты (на капитал)

interest rates - процентные ставки

internal - внутренний

internal business environment - внутренняя среда (организации) (параметры организации, которые определяют ее имидж, от которых зависит сплоченность внутри организации и эффективность достижения ею своих целей; к внутренней среде относятся следующие элементы: культура организации, система мотивации и вознаграждения сотрудников, история и традиции организации, стиль управления, наличие осознанной миссии организации; общие взгляды и ценности, позволяющие работать в команде, и т.п.)

International Business Company (IBC) - компания международного бизнеса (компания, зарегистрированная в офшорной зоне, пользующаяся связанными с офшорной зоной льготами, но не имеющая права на осуществление деятельности в пределах страны регистрации и проводящая только международные операции)

International standard industrial classification - Международная классификация промышленных стандартов

International Standard Industrial Classification of all Economic Activities (ISIC) - Международная стандартная отраслевая классификация всех видов экономической деятельности (классификация видов экономической деятельности, предназначенная для упрощения ведения и анализа экономической статистики; является базой для многих национальных классификаций отраслей; разработана под эгидой Статистической комиссии ООН)

intertwine - переплетать, сплестать, закручивать; переплетаться, сплетаться

intrapreneur - интрапренер (сотрудник крупной корпорации, который имеет полномочия и финансовые ресурсы разрабатывать и организовывать производство новых товаров и услуг, т.е. действует как предприниматель в рамках отдельной корпорации)

invention - изобретение

inventive - изобретательный, находчивый; обладающий признаками изобретения; изобретательский

inventor - изобретатель

inventory - опись, список, реестр (список всех активов с указанием стоимости каждого, например список всех активов физического лица, предъявляемый при подаче заявления на получение кредита; список всех предметов, находящихся в здании, и т.п.)

involvement - вовлеченность; участие

issue - вопрос; проблема; дело; тема

-J-

job security - гарантия занятости, обеспеченность работой (состояние, при котором работник уверен, что его работа у данного работодателя носит долгосрочный характер, что его должность не будет ликвидирована по сокращению штатов, и т.д.)

Joint Venture (JV) - совместное предприятие, совместная деятельность (юридическая форма предпринимательства на основе краткосрочного, однопредметного, разового объединения лиц для реализации конкретного проекта, часто без образования юридического лица; в налоговом законодательстве обычно считается разновидностью товарищества; используется как механизм объединения ресурсов и сокращения рисков при выполнении проекта; совместные с национальными предприятиями часто являются главным способом проникновения иностранного капитала на национальный рынок)

-K-

kaizen - кайдзен - продолжающееся [непрерывное, постоянное] улучшение [совершенствование] (концепция управления, согласно которой достижение идеала невозможно, но возможно постепенное приближение к нему путем регулярного совершенствования осуществляемых действий)

knowledge - знание; познания; осведомленность

-L-

labo(u)r - труд

labor intensive - трудоемкий; трудоинтенсивный

labor union - профсоюз

lack - недостаток, нужда, отсутствие (чего-либо); **lack for** - испытывать недостаток, нуждаться в (чем-либо), не иметь

land - земля

languish - слабеть, чахнуть, вянуть, ослабевать
launch - начало (каких-либо действий); выпуск новых товаров на рынок
law - закон; право; правоведение, юриспруденция
law suit - судебный процесс; иск
legal entity - юридическое лицо
legal monopoly - монополия, имеющая юридическую основу
lender - займодавец, кредитор
leverage - использовать (с выгодой для себя); средство для достижения цели; действие рычага; система рычагов
lifeblood - источник жизненной силы
lifetime warranty - гарантийный срок службы
limited liability company - общество с ограниченной ответственностью (ООО)
line and staff structure - линейно-штабная структура
line organization / hierarchy - иерархия (организационная структура, в которой четко выделено несколько уровней управления; М. Вебер в разработанной им концепции бюрократии рассматривал иерархию как общественное устройство, для которого характерны рациональность и регламентированность)
line-and-staff - линейно-функциональная [линейно-штабная] организация (включает в себя специализированные подразделения (штабы), которые не обладают правами принятия решений и руководства какими-либо нижестоящими подразделениями, а лишь помогают соответствующему линейному руководителю в выполнении отдельных функций, прежде всего функций стратегического планирования и анализа)
livelihood - средства к существованию; жалование, заработок; пособие, стипендия
loan - заем, ссуда
lobbying - лоббирование (деятельность заинтересованной группы, проявляющаяся во влиянии всеми возможными способами на органы власти и общественное мнение ради принятия нужного ей решения)
local - местный
local business - местная торговля
location - размещение; местоположение
logistics - организация и технология перевозок; материально-техническое обеспечение (в том числе персоналом, материалами, оборудованием, техническим обслуживанием, транспортом)
longevity - долгожительство, долголетие; долговечность
loss - убыток, ущерб, потеря

-М-

machinery - машинное оборудование; машины
macroenvironment / general business environment - макросреда, внешняя среда (демографические, экономические, природные, научно-технические, политические, культурные факторы, которые организация или физическое лицо не может изменить)
maintain - поддерживать, сохранять (в состоянии, которое имеется на данный момент, особенно в хорошем); обслуживать; содержать в исправности
maintenance - эксплуатация; содержание в исправном состоянии; техническое обслуживание; сопровождение
make a living - зарабатывать на жизнь
malpractice - должностное преступление, преступная халатность
manufacturer - изготовитель, производитель
market challenger - рыночный претендент (фирма в отрасли, которая борется за увеличение своей рыночной доли, за вхождение в число лидеров; такая фирма должна обладать определенными преимуществами перед рыночным лидером (предлагать лучший продукт, продавать продукт по более низкой цене и т.д.), чтобы достичь своих целей)
market follower - рыночный последователь (фирма в отрасли, которая проводит политику следования за рыночным лидером; такая фирма предпочитает сохранять свою рыночную долю, не принимая рискованных решений)
market leader - компания, занимающая самую большую долю рынка
market nicher - нишевик, фирма-нишевик, нишевой игрок (фирма, занимающая определенный сегмент рынка, свободный от конкуренции (например, небольшой магазин с узкой специализацией, инвестиционный банк с ограниченным кругом клиентов и предоставляемых услуг и т.п.))
market position / market standing - рыночная позиция компании (позиция предприятия на рынке по отношению к его конкурентам)
market share - доля рынка (удельный вес компании в общем объеме рыночных продаж)
market structure - рыночная структура, структура рынка (тип рынка, определяющий наличие власти над рыночной ценой у отдельного продавца или покупателя; определяется следующими характеристиками: количество продавцов и покупателей, однородность продукции, возможность входа (ухода) на рынок (с рынка), распределение информации о рынке между его участниками и др.)

marketing campaign - кампания по организации и стимулированию сбыта
marketing intermediary - маркетинговый посредник (фирмы, помогающие компании в продвижении, сбыте и распространении ее товаров среди клиентуры; к ним относятся торговые посредники, фирмы-специалисты по организации товародвижения, агентства по оказанию маркетинговых услуг и кредитно-финансовые учреждения)
masterpiece - шедевр; лучший образец, образцовое изделие; что-либо удивительное, достойное восхищения
match - подходить, соответствовать
matrix structure - матричная организационная структура [организация] (организационная структура, в которой сосуществуют функциональные службы (маркетинговые, финансовые, производственные) и подразделения, отвечающие за конкретные направления деятельности (конкретный вид продукции, территорию или проект); в такой организационной структуре у одного работника оказывается два начальника, например, руководитель проекта и функциональный руководитель)
matter - иметь значение, значить; быть значимым, существенным
measure - измерять, мерить
media - средства массовой информации
merchant - купец, торговец; лицо, занимающееся оптовыми продажами
merger - слияние, объединение (коммерческое, промышленное)
Mergers and Acquisitions (M&As) - слияния и поглощения. Корпоративные сделки по обмену акциями и т.п., результатом которых является создание укрупненных (часто транснациональных корпораций)
merit bads - неодобряемые [порицаемые] блага (товары, потребление которых ограничивается или запрещается государством, например наркотики)
merit goods - социально значимые блага; общественно-желательные блага (товары и услуги, потребление которых поощряется государством вне зависимости от желания членов общества потреблять их, например образование, опера и балет, музеи, вакцинации и т.д.; такие товары часто предоставляются бесплатно или по ценам ниже себестоимости за счет субсидий государства их производителям)

meritorious - заслуживающий одобрения, награды, благодарности; похвальный, достойный поощрения
metal working - металлообработка
middleman - комиссионер; агент, маклер, посредник
military - вооруженные силы; войска, военная сила; военнослужащие
mindset - менталитет; склад ума, (привычный) образ мыслей, тип мышления
mining - горная промышленность; горные работы; разработка месторождения; добыча полезных ископаемых
mission statement - "постановка задачи". На модном деловом жаргоне означает официальный отчет о целях и стоимости любой компании, государственной организации и т.п. Mission statement является одним из основополагающих требований при предложении любой корпоративной инициативы, а используемый язык (обычно набор пустых клише) демонстрирует респектабельность и вызывает доверие публики
mixed economy - смешанная экономика (экономическая система, функционирование которой определяется как решениями частных хозяйствующих субъектов, так и мерами государственного регулирования)
multinational - мультинациональная [многонациональная] компания [корпорация], мультинационал, транснациональные корпорации
Multinational Corporation (MNC) - многонациональная [мультинациональная] корпорация, МНК (корпорация, имеющая филиалы более чем в одной стране и оперирующая более чем на одном национальном рынке; иногда проводят различие между многонациональной и транснациональной компаниями: головная компания многонациональной корпорации принадлежит собственникам из двух и более стран, а головная компания транснациональной корпорации принадлежит собственникам из одной страны)
multiple - многократный; множественный, неоднократный, повторяющийся; составной; со сложной структурой; разнообразный, разнородный; многочисленный, различный

-N-

national defence = national defense - национальная оборона, оборона страны

natural monopoly - естественная монополия (разновидность монополии, которая оправдана с точки зрения эффективности; либо объем выпуска, соответствующий минимально эффективному размеру фирмы, достаточен для удовлетворения всего рыночного спроса, так что минимизация средних издержек достигается при функционировании на рынке только одной фирмы (например, метро, местный водопровод, газо- и нефтепровод))

negligence - халатность (неисполнение или ненадлежащее исполнение лицом своих обязанностей в силу недобросовестного отношения, невнимательности и т.д., приведшее к существенному нарушению прав или причинению ущерба другим лицам)

niche - рыночная ниша (незанятый сегмент рынка товаров или услуг)

nicher - нишевик, фирма-нишевик, нишевой игрок (фирма, занимающая определенный сегмент рынка, свободный от конкуренции (например, небольшой магазин с узкой специализацией, инвестиционный банк с ограниченным кругом клиентов и предоставляемых услуг и т.п.))

nomenclature - номенклатура, перечень, список

nominee - кандидат, предложенный на какую-либо должность; номинант, претендент, соискатель

Non-governmental Organization (NGO) - неправительственная организация

non-renewable resources - невозобновляемые ресурсы

nonconformist - диссидент, инакомыслящий

nonprofit - некоммерческая организация

not-for-profit organizations (nonprofit businesses) - некоммерческая организация (организация, целью которой является не получение прибыли, а выполнение каких-либо социально значимых функций (например, благотворительная организация, образовательный или научный институт и т.д.))

nurture - вскармливать, воспитывать

-О-

observer - наблюдатель, эксперт

obtaining - приобретение

offer - предлагать; предложение

oligopoly - олигополия (рыночная структура, характеризующаяся существованием на рынке незначительного числа продавцов при наличии большого числа покупателей; важнейшим свойством этой рыночной структуры является сильная взаимозависимость фирм, откуда вытекает необходимость для отдельной фирмы учитывать при принятии любого решения вероятные ответные действия других фирм; для анализа олигополистического поведения часто используют теорию игр; различают ситуации кооперативного и некооперативного поведения фирм)

on the go - быть в движении (в работе)

on-site support - поддержка; помощь на месте

on-the-job - без отрыва от производства; на рабочем месте

ongoing - происходящий в настоящее время; продолжающийся, непрерывный, постоянный

operate - работать, действовать, функционировать; заведовать, управлять; разрабатывать; эксплуатировать

operating - рабочий, эксплуатационный, действующий

operating / specific business environment / microenvironment - микросреда (поставщики, маркетинговые посредники, клиенты, конкуренты и контактные аудитории, т.е. факторы, на которые фирма может оказывать хотя бы частичное влияние)

operation - деятельность, работа

operations - производственный отдел; отдел эксплуатации

opportunity - шанс, возможность; перспектива

option - выбор, альтернатива, (возможный) вариант

order - заказ; заказывать

organigram - план организации; организграмма (блок-схема организационной структуры системы)

organization chart - схема организационной структуры, организационная диаграмма [схема], оргограмма, органограмма (таблица (схема), в которой представлен состав подразделений и должностных лиц компании, их соподчиненность и взаимодействие)

organizational structure - организационная структура, структура организации (система отделов и подразделений, из которых состоит организация, и административно-финансовые отношения между ними)

output - продукция; выпуск изделий; производительность; мощность, отдача; пропускная способность; емкость; итог, результат

outsourcing - привлечение соисполнителей, аутсорсинг (передача независимому подрядчику некоторых бизнес-функций или частей бизнес-процесса предприятия)

outstanding - выдающийся; знаменитый

overlap - частично покрывать; заходить один за другой; перекрывать; частично совпадать

owner - владелец; собственник, хозяин

ownership - обладание, владение, собственность

-P-

paralegal - помощник юриста (человек с неполным юридическим образованием, помогающий профессиональному юристу в работе)

partnership - компания, товарищество

pay off - расплачиваться сполна; рассчитываться с кем-либо; покрывать (долг)

payment - выплата, платеж

payroll - фонд заработной платы (компания); платежная ведомость

peer - человек одного круга, уровня, равный (по должности, званию, возрасту); равный (по положению, способностям); ровесник, сверстник

perceive - воспринимать, понимать, осознавать, постигать

percentage - процент; процентное отношение; процентное содержание; часть, доля; количество

perception - восприятие, ощущение

perfect competition - совершенная конкуренция (рыночная структура, при которой большое число фирм предлагает однородный продукт и ни одна фирма не имеет достаточно большой доли рынка; в результате производитель не имеет контроля над ценой, по которой продается продукция, и может манипулировать только объемом своего выпуска)

perfect - совершенствовать; развивать, улучшать

performance - производительность, эффективность (объем работы, выполненной за единицу времени)

personnel - персонал, кадры, штат, кадровый состав (группа людей, которые являются сотрудниками какой-либо организации)

PESTEL analysis - аналитический инструмент стратегического планирования. Данный анализ направлен на выявление политических, экономических, социальных, технологических и юридических или законодательных аспектов внешней среды, которые могут повлиять на стратегию компании

pharmaceuticals - лекарственные препараты; фармацевтика

philanthropist - филантроп

pitfall - подвох, подводный камень; ошибка, просчет; заблуждение

poison pill - "ядовитая пилюля", "отравленная таблетка" (любые методы борьбы с враждебным поглощением компании; в случае попытки враждебного поглощения компания-цель может принять на себя обязательства, которые сделают такую операцию чрезмерно дорогостоящей (например, это может быть выпуск новых привилегированных акций, погашаемых по высокой цене в случае поглощения компании, дорогостоящая система бонусов и др.))

policies - система; методика; правила; принципы; нормы, стандарты; линия поведения, установка, курс, стратегия

poor quality - низкое качество

porcupine provision - "условие дикобраза" (обобщающее название, распространяющееся на разнообразные оговорки и условия, которые включаются в устав и иные подобные документы компании и предназначены для защиты от нежелательных попыток поглощения)

possess - владеть, иметь, обладать, располагать

predecessor - предшественник

premises - помещение; владение (недвижимость: здания с прилегающей территорией)

prerelease - предварительный выпуск (выпуск программного продукта после завершения бета-тестирования, но до начала официальных продаж. Производится с целью скорейшего ознакомления с продуктом партнеров и удовлетворения наиболее нуждающихся пользователей. Обычно пользователи имеют право на бесплатную замену предварительного выпуска на окончательный)

prerequisite - предпосылка; предварительное условие

primary goods / commodities - сырье, сырьевые товары

primary sector - первичный сектор (сектор экономики, включающий в себя добывающую промышленность, сельское хозяйство и другие отрасли, производящие сырье)

private - частный

private limited company - частная компания с ограниченной ответственностью (компания с числом акционеров от двух до пятидесяти, с ограниченным правом передачи акций, невозможностью выпуска акций и облигаций на свободный рынок, ограничением ответственности акционеров вложенным ими капиталом; после названия обычно пишется сокращение "Ltd." (Лтд.); частные компании, как правило, освобождены от обязанности по публикации их финансовых отчетов, для них упрощена процедура внешнего аудита)

process - подвергать (технологическому) процессу; обрабатывать; перерабатывать

procurement - приобретение; получение (оборудования и т.п.); закупки; поставки; материально-техническое снабжение

producer market / industrial markets - рынок производителей, рынок товаров промышленного [производственного] назначения, коммерческий рынок (покупатели и продавцы товаров и услуг, используемых прямо или косвенно в производстве других изделий или услуг)

product development - развитие продукта, разработка и совершенствование продукции (процесс улучшения характеристик существующих видов продукции, а также разработки новых ее видов)

product differentiation - дифференциация [индивидуализация] продукта (наличие у продукта отдельной фирмы характеристик и качеств, отличающих его от аналогичной продукции других фирм с целью повышения конкурентоспособности)

production - производство, получение; изготовление; добыча; выработка

production line - производственная [поточная, технологическая] линия (совокупность обрабатывающих машин или рабочих мест, расположенных по ходу технологического процесса изготовления деталей или сборки изделий; за каждой машиной или рабочим местом закрепляется одна или несколько операций)

productive activity - производственная деятельность

productivity - производительность, продуктивность

profit - прибыль - превышение доходов (поступлений) над расходами (издержками) компании; положительная разница между продажной и покупной ценами товара, финансового инструмента и т.д.

profit and loss account - счет прибылей и убытков [доходов и расходов], результативный счет (бухгалтерский счет, на котором учитываются поступление и расходование средств компании)

profitability - прибыльность, рентабельность, доходность

profitable - прибыльный, выгодный, доходный, рентабельный

proliferate - распространяться (о знаниях и т.п.); быстро увеличиваться (в количестве), разрастаться

properly - должным образом, как следует, правильно

property - собственность

prosper - преуспевать, процветать

provide - снабжать; доставлять; обеспечивать (кого-либо / что-либо)

proxy fight - борьба за доверенности (борьба за контроль над компанией путем привлечения на свою сторону представителей акционеров, имеющих доверенности на голосование на общем собрании акционеров)

psyche - дух, душа

Public Limited Company (PLC) - открытое акционерное общество, общество с ограниченной ответственностью, открытая [публичная] компания с ограниченной ответственностью (общество, акции которого находятся в открытой продаже на фондовой бирже; его учредители отвечают по обязательствам общества только в пределах своих вкладов в его уставной капитал; законодательство устанавливает многочисленные обязанности такой компании, связанные с раскрытием информации о ее деятельности, необходимостью проведения обязательного аудита финансовой отчетности)

public welfare - общественное благосостояние

purchase - покупка, закупка; покупать, закупать

pure competition - чистая конкуренция

pursue - преследовать (цель); следовать намеченному курсу; добиваться

-Q-

quantity - количество; численность, число
quarrying - разработка (полезных ископаемых) открытым способом; разработка карьера
quarterly - раз в квартал, раз в три месяца
quaternary sector - четвертичный сектор
quinary sector - пятеричный сектор

-R-

raider - налетчик; мародер; "фирма-налетчик" (компания, потенциально способная поглотить другие компании. "Налет" [raid] осуществляется в виде массивной скупки акций компании-жертвы с целью получить контрольный пакет ее акций)
range - ряд, линия, цепь, вереница; шеренга; ассортимент, сортамент; номенклатура
raw materials - сырье
real estate - недвижимость
recession - спад, рецессия (фаза делового цикла, следующая за бумом; характеризуется статистически фиксируемым ослаблением деловой активности)
record keeping - учет, ведение учета [бухгалтерских книг]
recovery - возмещение, восстановление
recruit - нанимать (на работу)
redundancy - сокращение штатов (увольнение из-за отсутствия работы, из-за излишка рабочей силы или из-за неспособности нанимателя выплачивать заработную плату)
refer - направлять; отсылать (к кому-либо / чему-либо); приписывать (чему-либо); отнести на счет (чего-либо)
relatively - относительно, сравнительно
reliance - доверие, уверенность; степень использования (чего-либо), зависимость (от использования чего-либо)
rely on - полагаться; надеяться
remote - дистанционный, действующий на расстоянии, удаленный
remuneration - вознаграждение; оплата, компенсация
renewable resources - возобновляемые ресурсы
rent - арендная плата; арендовать, брать в аренду
representative - представитель

research - исследование

Research and Development (R&D) - научные исследования и разработки, научно-исследовательские и опытно-конструкторские разработки (НИР и ОКР)

reseller market - рынок перепродаваемых товаров

responsibilities - ответственность; обязательства

retail - розничная продажа; продавать в розницу

retailer - розничный торговец; торговая фирма (ведущая розничную торговлю)

retailing - розничная торговля (любая деятельность по продаже продукции непосредственно конечным потребителям для их личного некоммерческого пользования, не только продажа товаров в магазине, но и предоставление услуг; может включать в себя прямые продажи через консультантов, продажу по каталогам и т.п.)

retrenchment - сокращение, урезывание

return - доход, прибыль, выручка, поступления; возвращать (ся)

revenue - доход (по основной [обычной] деятельности), выручка (любые поступления от продаж или из других источников (например, доходы от собственности, процентные доходы от владения акциями и т.п.))

review - рецензия, критическая статья

reward - награда, вознаграждение

risk taker /seeker - искатель риска (лицо, которое предпочитает рискованные действия; в более узком смысле: лицо, которое при оценке сравнительной выгодности различных альтернатив помимо математического ожидания выигрыша учитывает также и уровень риска и при этом из двух альтернатив с равными математическими ожиданиями выигрыша выбирает альтернативу с большим риском, так как это предполагает возможность большего выигрыша)

rite - обряд, церемония; ритуал, церемониал

ritual - обряд, ритуал

rival - соперник, конкурент

rivalry - соперничество, конкуренция, соревнование, состязание

routine - обычный порядок, общепринятая практика; определенный режим

rule of a thumb - эмпирический метод; правило большого пальца; практический способ, метод (в отличие от научного); приближенный подсчет

-S-

safety - безопасность

salary - жалование, заработная плата (служащего); оклад

sale - продажа; распродажа

satisfy - удовлетворять (кого-либо; чьи-либо требования, запросы); соответствовать, отвечать (каким-либо требованиям)

savings - сбережения

savvy - сообразительность, находчивость, смекалка; здравый смысл; смекалочный, толковый, сообразительный

scale - масштаб

scarce - недостаточный, скудный; редкий, дефицитный

scarcity - дефицит

schedule - список, перечень, каталог; описание, реестр; график, программа, план; расписание (на транспорте); повестка дня

scholar - ученый (обычно гуманитарий)

scientist - ученый; научный работник

scope - границы, рамки, пределы (возможностей, знаний и т.п.); масштаб, предел, размах; сфера, область действия

scrap - выбрасывать за ненужностью; списывать

screening - (тщательная) проверка, сортировка

scrutiny - внимательный осмотр; исследование, наблюдение

sea change - (резкое) изменение, преобразование, полная трансформация

secondary sector - перерабатывающая, обрабатывающая промышленность

securities - ценные бумаги

self-employed - мелкий предприниматель (лицо, которое занимается мелким бизнесом без найма других работников (например, выполняет мелкую домашнюю работу))

semi-finished goods - полуфабрикаты (продукты труда, которые должны пройти одну или несколько стадий обработки, прежде чем стать готовыми изделиями, годными для личного или производственного потребления)

Search Engine Optimization (SEO) - комплекс мер по оптимизации сайта с целью улучшения его позиций в поисковиках

services - услуги

share - доля, часть; квота; акция; пай; делиться

shareholders - акционеры

shark repellent - "акуляя отравка", "акулий репеллент" (любые меры по защите компании от недружественного поглощения (например, защитное слияние, поправки к уставу компании, заключение сложных договорных отношений с партнерами и т.п.); имеют целью сделать компанию непривлекательной для "поглотителя")

shelf life - срок хранения (продукта); сохраняемость

shift - изменять, менять; изменение; перемещение, сдвиг

ship - перевозить (груз, товар); отправлять (различными видами транспорта)

short term - короткий срок; краткосрочный

shrink - уменьшаться, сокращаться

sideline - побочная работа; вторая / побочная профессия; дополнительные товары (к основному ассортименту); не допускать, исключать; оттеснять на второй план

sin fines de lucro - некоммерческая организация

six sigma - шесть сигм (программа статистического предотвращения дефектов за счет снижения вариативности процессов; название означает, что расстояние до нижней предельной границы качества должно составлять шесть стандартных отклонений, тогда уровень дефектов будет составлять три на миллион)

skill - искусство, мастерство; умение; навык; ловкость, сноровка

Small and Medium Enterprise (SME) - мелкие и средние предприятия

smelting - выплавка, плавление

social welfare - социальное благосостояние, социальное обеспечение, социальная помощь

Small Office / Home Office (SOHO) - малый или домашний офис

sole proprietorship - индивидуальное частное предприятие (организационная форма предпринимательской деятельности одного лица)

sole trader - индивидуальный предприниматель (физическое лицо, осуществляющее предпринимательскую деятельность от своего имени и за свой счет; для того чтобы начать индивидуальную предпринимательскую деятельность, не требуется проходить специальную государственную регистрацию; вместе с тем, учет индивидуальных предпринимателей осуществляется налоговыми органами для целей налогообложения; финансовые результаты деятельности не подлежат обязательной проверке и могут не публиковаться; индивидуальный предприниматель отвечает по обязательствам, возникшим в результате осуществления им предпринимательской деятельности, всем своим имуществом)

solely - единственно, исключительно, только; в одиночестве; самостоятельно, единолично

solitary - отдельный; сам по себе; исключительный

span of control - норма управляемости; предельный объем ответственности (концепция административно-управленческой деятельности. Касается предельного числа ведомств, которыми может эффективно управлять одно высшее руководящее лицо, или максимального числа непосредственно подчиненных ему сотрудников. Большинство экспертов согласны, что таким предельным числом является число 20. Часто принимается во внимание при проведении административных реорганизаций)

special treatment - особое обращение

sponsorship - финансовая поддержка

staff / personnel - персонал, кадры, штат, кадровый состав (группа людей, которые являются сотрудниками какой-либо организации)

stakeholder - акционер

stand apart - стоять в стороне, особняком

Standard Industrial Classification (SIC) - Стандартная промышленная классификация (отраслей народного хозяйства)

standard of living - уровень жизни, материальное благосостояние

standardization - стандартизация; приведение в соответствие со стандартом

start from a scratch - начать с нуля, начать на пустом месте

start up - стартап (только что созданная компания (возможно, еще даже не являющаяся юридическим лицом), находящаяся на стадии развития и строящая свой бизнес либо на основе новых инновационных идей, либо на базе только что появившихся технологий. Чаще всего характерные особенности стартапа - это нехватка финансов и непрочное, почти "партизанское" положение фирмы на рынке. Из-за того, что в США стартапы, как правило, создаются студентами, такие компании часто называют "гаражными")

stockholder / shareholder - акционер

stockholders - акционеры, пайщики

stocking - складирование

stocks and shares - акции и облигации

store - хранить, сохранять; магазин

stores department - отдел производственных запасов; склад

storing - хранение, сохранение

straddle - растягиваться; перекидываться; колебаться, вести двойственную политику; шагать

stringent - веский, убедительный; строгий; обязательный; точный

subsistence agriculture - натуральное сельское хозяйство

substantial - важный, значимый, значительный, немаловажный, существенный; прочный, солидный

substitute - заменитель, суррогат

success - удача, успех, благоприятный исход

successful - успешный

suite - набор, комплект

summarize - суммировать, резюмировать, подводить итог

supplier - поставщик

supply - предложение; снабжение, поставка

support - поддержка, помощь; отдел технической поддержки, служба технической поддержки; поддерживать; поддерживающий, оказывающий поддержку; вспомогательный, второстепенный

surpass - превосходить, превышать; обгонять, опережать, перегонять

surplus - излишек, избыток, превышение (например, поступлений над расходами)

sustainability - устойчивость; устойчивое развитие (характеризует общественную и человеческую деятельность, благодаря которой общество и каждый из его членов удовлетворяют свои потребности, не нанося вреда природному потенциалу, т.е. сохраняя равные возможности для существования и развития последующих поколений; понятие применяется в социально-экономической сфере и в сфере экологии)
SWOT analysis - анализ сильных, слабых сторон, возможностей и опасностей
syndicate - синдикат, консорциум (любое объединение банков, страховых компаний, подрядчиков, товаропроизводителей или других фирм для осуществления общего проекта, например объединение товаропроизводителей с целью сбыта и реализации единой ценовой политики)

-Т-

tangible - материальный
tangible goods - реальные блага, материальные товары
target-company - компания-цель (поглощения); компания-объект (поглощения); приобретаемая компания (компания, которая является объектом попытки поглощения со стороны другой компании)
tariff - тариф, налог, пошлина
tax - налог
tax evasion - (незаконное) уклонение от уплаты налогов
tax haven - "налоговый рай", "налоговая гавань", "налоговое убежище" (страна или территория, которые привлекают иностранных юридических и физических лиц низким уровнем налогов)
taxation - обложение налогом, налогообложение, взимание налога
teleworker - дистанционный [виртуальный] работник, телеработник (работающий вне офиса компании и поддерживающий связь с руководством при помощи современных технических средств)
temporary - временный
tender offer - тендерное предложение (метод осуществления поглощения через публичное предложение акционерам поглощаемой компании купить их акции)
tertiary sector - обслуживающий сектор

textile mill - текстильная фабрика
threshold - порог; преддверие; отправной пункт, канун, начало
to some extent - до некоторой степени
tools - инструментарий
total package - единый пакет предложений, единый пакет мероприятий
Total Quality Management (TQM) - комплексное управление качеством (концепция, подразумевающая участие всех работников организации в повышении качества продукции и оптимизации производства с целью долгосрочного удовлетворения потребностей клиентов
trace - проследить; обнаруживать, устанавливать; разыскивать
trade restrictions - торговые ограничения, ограничения торговли (ограничения, налагаемые государством на объемы торговли с целью защиты интересов национальных производителей, а также для обеспечения общественных интересов и выполнения международных обязательств, например введение импортных или экспортных квот)
trade union - профессиональный союз, профсоюз, тред-юнион (организация рабочих и / или служащих одной профессии, отрасли или предприятия, созданная для защиты своих интересов в отношениях с работодателями, в том числе для ведения коллективных переговоров по вопросам оплаты и условий труда, рабочего времени и т.п.; объединение профессиональных союзов)
Transnational Company (TNC) - транснациональная компания, ТНК (по выработанному в ООН определению: предприятия, независимые от страны их происхождения и формы собственности на них (частные, государственные или смешанные), имеющие отделения в двух или более странах, которые функционируют в соответствии с системой принятия решений, позволяющей проводить согласованную политику и общую стратегию)
trial-and-error - метод проб и ошибок
turnover - оборот, товарооборот (суммарная стоимость продаж за отчетный период для отдельной компании, отрасли или экономики в целом)
tycoon - промышленный или финансовый магнат

-U-

ultimate goal - конечная цель

unacceptable - недопустимый, непозволительный, неприемлемый

unauthorized - неразрешенный, несанкционированный

underemployment - неполная занятость (рабочей силы); несоответствующая квалификации (работающего) работа

underperformance - слабая экономическая активность

unemployed - безработный

unemployment - безработица

utilities - коммунальные службы (по NAICS 2002: сектор и подсектор экономики, в который включены организации, занимающиеся предоставлением коммунальных услуг: электроснабжение, водоснабжение, газоснабжение, отопление и вывоз мусора)

utility firm - коммунальное предприятие

utilize - утилизировать; использовать; расходовать; употреблять

-V-

validity - юридическая сила, юридическая действительность, законность, юридическое действие; аргументированность, вескость, мотивированность, обоснованность

value - стоимость, цена, ценность (денежный эквивалент какой-либо вещи; т.е. сумма денег, за которую эта вещь может быть продана или куплена; можно говорить об индивидуальной ценности вещи для отдельного человека - она измеряется количеством денег (благ), которые этот человек готов отдать за приобретение этой вещи, и рыночной ценностью (цена, стоимость) вещи, которая устанавливается на рынке через взаимодействие спроса и предложения)

variable - изменчивый, изменяющийся, непостоянный

vehicle - транспортное средство

vertical merger - "вертикальное сверху вниз" [vertical-backward] - слияние основной компании с компаниями, поставляющими сырье и комплектующие; "вертикальное снизу вверх" [vertical-forward] - слияние основной компании со сбытовыми и торговыми сетями; создание конгломератов

vision / mission statement - "постановка задачи" (на модном деловом жаргоне означает официальный отчет о целях и стоимости любой компании, государственной организации и т.п. Mission statement является одним из основополагающих требований при предложении любой корпоративной инициативы, а используемый язык (обычно набор пустых клише) демонстрирует респектабельность и вызывает доверие публики)

vital - (жизненно) важный, насущный, существенный, необходимый

vitamin supplement - витаминные добавки

Voice over IP (VoIP) - передача голоса (голосового, или речевого, трафика) по IP-сетям, голос поверх IP, телефония на базе IP; VoIP-телефония, интернет-телефония

voluntary - добровольный; добровольческий; бесплатный, неоплачиваемый, добровольный, благотворительный (о работе); содержащийся на добровольные взносы

volunteer - волонтер, доброволец, человек, безвозмездно выполняющий какую-либо работу

voting right - право голоса

-W-

wages - заработная плата (рабочих)

waiver - отказ (от права, требования, привилегии); документ (об отказе от права); отказывающийся от своего права; разрешенное отступление (от требований), разрешенное отклонение (от требований)

warehousing - складское хозяйство; складирование, хранение на складе

warranties - гарантии

waste time (money) - зря тратить время (деньги)

wasteful - неэкономный, расточительный

welfare - благосостояние

wheat - пшеница

wholesaler - оптовик, оптовый торговец

workforce - рабочая сила

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and Note Taking Guide*

Учебник-практикум

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