



Business English (1)

Module 2

Business Topic

Overview



Vocabulary Preparation

- ▶ subsidiary
- ▶ division
- ▶ distribution
- ▶ after-sales services
- ▶ sell off
- ▶ go public
- ▶ list
- ▶ game
- ▶ logistics
- ▶ blockbuster
- ▶ insurance premiums
- ▶ stock broker
- ▶ 子公司
- ▶ 分部门
- ▶ 分销
- ▶ 售后服务
- ▶ 抛售
- ▶ 挂牌上市
- ▶ 列入上市证券表
- ▶ 行业, 职业
- ▶ 物流
- ▶ 了不起的人
- ▶ 保险费
- ▶ 股票经纪人

Vocabulary Preparation

- saga
- charisma
- devolve
- hierarchy
- resigned
- momentum
- paternalistic
- merger
- acquisition
- ERP(enterprise resource planning)
- ESA(enterprise services architecture)
- organic growth
- 一长串时间
- 领袖气质
- 下放, 移交
- 等级制
- 顺从的, 屈从的
- 势头, 动力
- 家长作风的
- 合并
- 收购
- 企业资源计划
- 企业服务系统
- 内生增长

merger n.

A merger is the joining together of two separate companies or organizations so that they become one. 合并 [商业]

例：

...a merger between two of America's biggest trade unions.

...美洲两个最大的工会的合并。

acquisition

n.

If a company or business person makes an acquisition, they buy another company or part of a company. 收购 [商业]

例：

...the acquisition of a profitable paper recycling company.

对一家有利润的废纸回收公司的收购。

Quotation

I think that our fundamental belief is that for us growth is a a way of life and we have to grow at all times.

--- Mukesh Ambani, Chairman of Reliance Industries

Why is it important for companies to grow?

Why is it important for companies to grow?

- Give shareholders a regular return on their investment
- To create jobs and maintain job security
- Growth means more market share and market share establishes the company in the market
-

How about you? What' your story?

Personal Growth

<https://haokan.baidu.com/v?vid=12099792274063&pd=bjh&fr=bjhauthor&type>



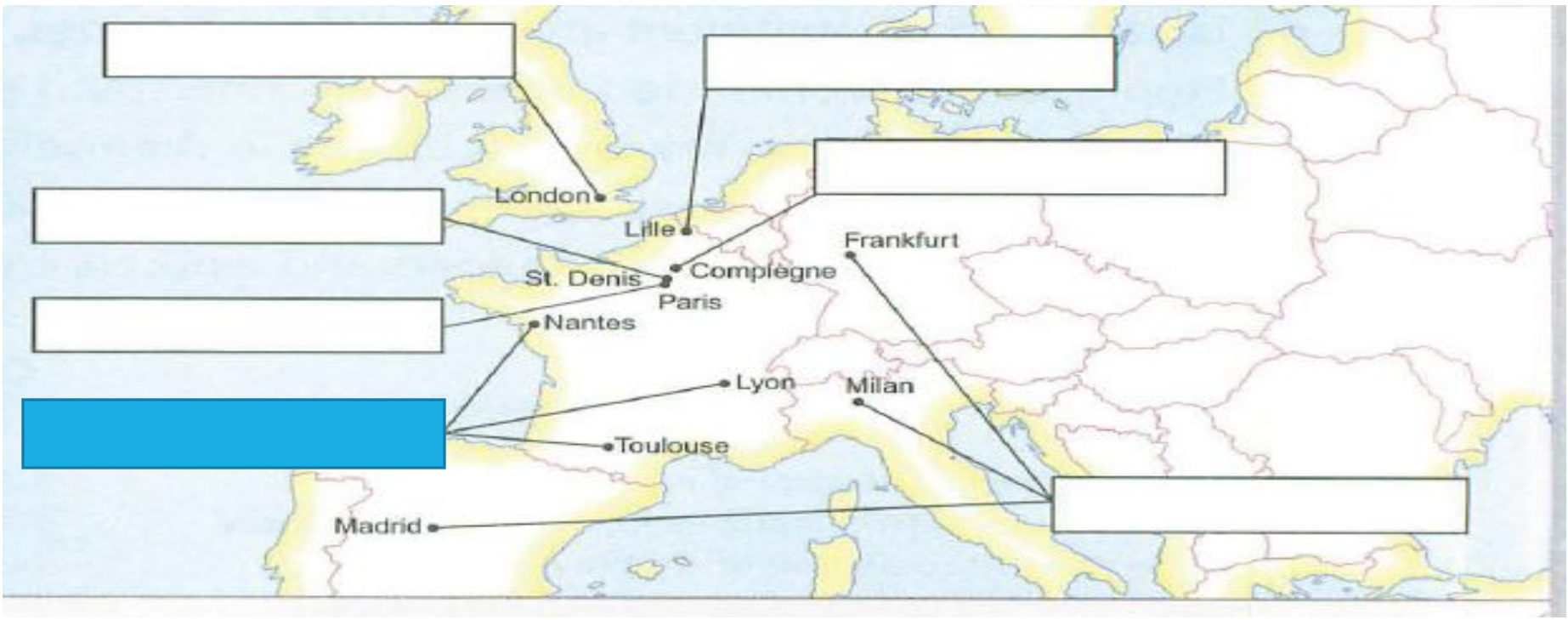
List the main departments of a company

- Production
- Research and Development (often abbreviated to R&D)
- Purchasing
- Marketing (including the selling function)
- Human Resource Management
- Accounting and Finance.

Subsidiary **Headquarters** **Sales**
Offices *Parts of a company*
Warehouse **R&D Division** **Main**
Plant

We are based in La Défense, the business district of Paris, and new products are developed nearby at our labs in St Denis. Our principal manufacturing facility is just outside Lille and products go from there to a central distribution point at Compiègne. Three sales agencies cover the various regions of France with international offices in Frankfurt, Milan and Madrid. The London office is run by our UK subsidiary.

Subsidiary Headquarters Sales
Offices
Warehouse R&D Division Main
Plant



Parts of a company

What is the difference between the following words and phrase?

1. A *sales office* and a *subsidiary*
2. A *warehouse* and a *plant*
3. The *headquarter* and a *division*

Group Discussion



Sales office VS Subsidiary

A Sales office

is part of the company's main sales department, but located in another town or country.

A subsidiary

operates as an independent company even though it is mainly or wholly owned by the parent company.

Warehouse VS Plant

A **warehouse** is a building where goods or raw materials are stored and from which they are distributed.

A **plant** is a place of production either manufacturing, assembly or packing.

Headquarters VS division

The **headquarters** are the main offices of the company where the top management and general administration work.

A **division** is a branch of a company responsible for one particular business activity (eg. a motor manufacturer might have an automobile division and a truck division)

Growth Strategy

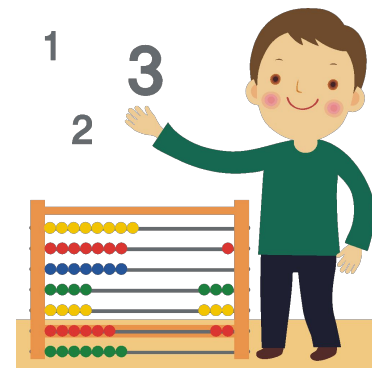
Find a **synonym** in the box for each of the underlined words.

go public sell off set up go out of business expand
take over make redundant shut down

- 1 We acquired Everforce Ltd in 2005.
- 2 Our target is to grow the business by 15% each year.
- 3 We created a subsidiary to sell after-sales services.
- 4 The company will be listed on the Stock Exchange next year.
- 5 They went bankrupt last year.
- 6 We laid 300 employees off in June.
- 7 After a lot of discussion we decided to close the plant.
- 8 We have divested our shares in the logistics company.

What is the difference between following expressions?

1. **Laying** people **off** and **firing** them
2. **Taking over** a company and **merging** with it
3. **Organic growth** and **non-organic growth**



What is the difference between following expressions?

People are **laid off** for economic reasons, ie. the company doesn't have enough work for them. People are **fired** because their work or behavior is unsatisfactory.

Often the difference can be academic, but a **take over** is what happens when a larger company buys a smaller company and a **merge** is when two similar sized companies join together.

Organic growth refers to natural expansion through the growth of sales; **non-organic** generally refers to growth by acquisition.

Growth strategy



Strategies aimed at large market shares even at the expense of short-term earnings.

Organic growth

- The growth rate that a company can achieve by increasing output and enhancing sales.
- This excludes any profits or growth acquired from takeovers, acquisitions or mergers.
- **Selling in new areas or through new channels**
- **Selling to new customers or selling more to existing customers**



SAP stands for Systems, Applications, and Products in Data Processing (Anwendungen und Produkte in der Datenverarbeitung in German). SAP was founded in 1972 in Walldorf, Germany and now has offices around the world.

Originally known for leadership in enterprise resource planning (ERP) software, SAP has evolved to become a market leader in end-to-end enterprise application software, database, analytics, intelligent technologies, and experience management. A top cloud company with 200 million users worldwide, SAP helps businesses of all sizes and in all industries to operate profitably, adapt continuously, and achieve their purpose.

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Our mission is to help people
see data in new ways, discover insights,
unlock endless possibilities.



<https://www.oracle.com/corporate/>



VS

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SAP and Oracle are the world's leading companies in providing software solutions for business, but their business strategies are very different.

Read the text about SAP's growth strategy. Choose the best sentences from the list (A-H) below to complete each gap (1-6). Do not use any letter more than once.

- A In fact, it expects sales to companies with fewer than 25,000 employees to account for nearly half SAP's total software sales this year.
- B They recently announced they had purchased Virsa Systems, a privately held supplier of regulatory compliance software.
- C You just can't do everything yourself if you want to remain competitive.
- D Competition in the market is fierce and only the big players will survive.
- E Since then, it has evolved from a small, regional enterprise into the global market leader in ERP software, employing more than 34,000 people.
- F Kagermann was unimpressed with Oracle's appetite for big, headline-grabbing acquisitions (PeopleSoft, Siebel Systems).
- G That is different from buying half of a heart.
- H He made the comments while he was talking with reporters last week during his company's annual Developer Kickoff Meeting in Burlingame, CA.

SAP competes with 'organic growth'

How do you stay at the top of the heap in the business software game? If you're SAP, you do it through 'organic growth', not blockbuster acquisitions. That's the word from SAP CEO Henning Kagermann. (0) H.

'The second-best strategy is acquisition,' Kagermann said. 'The best is organic growth. We are not just doing organic growth because we have no other choices.'

The comment was aimed squarely at rival Oracle Corp., which spent nearly \$20 billion between 2004 and 2006 expanding its core database business into the SAP-dominated business applications market. (1) _____. 'We are the market leader,' he said. 'It's no surprise that a distant number-two player wants to catch up.'

SAP was set up in 1972 by five former IBM employees. (2) _____. Although it has a growing number of subsidiaries, these are complements to its main activities, as Shai Agassi, president of the company's Product and Technology Group explained, at the same time having a direct dig at Oracle. The key difference between the two companies, he says, lies in Oracle's tendency to 'acquire an industry solution that is at the heart'. 'When we do an

acquisition, it's at the edge of the solutions. (3) _____. Oracle is buying half body parts and trying to make a body out of it.'

In fact, Agassi expects SAP to grow faster than the rest of the industry this year – 15% to 17% in sales of new software licences – through internal innovation and small-scale acquisitions. (4) _____.

SAP used to concentrate on large business customers, but is increasingly pursuing sales in the midmarket, a strategy that began in 2000. (5) _____.

The company expects to finish development of the mySAP suite within the next four years, as well as its Enterprise Services Architecture (ESA). ESA is basically a platform that will allow SAP to provide consistent business services around it, in much the same way as Microsoft has built applications around its successful operating systems.

Among the company's other goals is the development of hundreds of additional services for the mySAP suite, a so-called 'ecosystem' of supportive technologies.

'Business in the future is not business in an enterprise,' Kagermann says. 'It's business in an ecosystem. (6) _____. We try to invite others with great ideas to innovate on the platform.'

SAP competes with “organic growth”

SAP (Systems Applications and Products in Data Processing) provides business applications software, often known as ERP (enterprise resource planning) software. These software programs help big companies to run their accounting systems and purchasing processes, and to manage customer relations. SAP adapts each piece of software to the needs of its customers according to the sector they work in .



SAP是目前全世界排名第一的ERP软件。它代表着最先进的管理思想、最优秀的软件设计。世界五百强中有超过80%的公司使用SAP。中国的大型国营、民营企业90%使用SAP。ERP是具有强大功能的解决方案平台，提供全面的功能，帮助企业实现成功管理。共由十个模块组成，涵盖企业管理、财务会计、销售、采购、业务伙伴、银行业务、物料和库存管理、生产管理、成本会计、报表等。具有独一无二的特点，如智能数据导航，强大的分析工具，在线预警，开放的标准。

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Oracle (美国甲骨文公司) built its business on marketing database software for big companies and institutions. 全球大型数据库软件公司，成为全球仅次于微软的全球第二大软件公司，遍及145多个国家的用户提供数据库、工具和应用软件以及相关的咨询、培训等。

Peoplesoft (人科公司)成立于1987年,是协同合作企业软件全球领导供应商。在全球共有107个国家超过4700家企业机构使用人科公司完全网际网络化的软体,通过与客户、伙伴及员工之间的协同合作来降低成本并提高工作产能。2004年12月被甲骨文股份有限公司收购。

Siebel Systems (希尔宝系统公司)于1993年成立,是电子商务软件的突出供应商,其客户关系管理(CRM)、企业资源管理(ERM)以及合作关系管理(PRM)应用软件用于实现这些方面的自动化以及允许企业通过互联网和零售或电话中心网络等其他渠道来执行和调节相关任务。2005年以58亿美元被甲骨文股份有限公司收购。

Language

Have a direct dig (para4):

to make a joke or remark to annoy or criticize someone
挖苦

Acquire an industry solution that is at the heart:

buy the key part of an industry solution

Language

Ecosystem of supportive technologies

Business in the future is not business in an enterprise. It's business in an ecosystem.

未来的商业绝不是一个企业内部的事情，而是在一个相互影响的系统里进行的。

Technology Ecosystems

Successful large-scale commercial efforts usually arise from a “technology ecosystem”

- Biological ecosystem??
- Technology ecosystem??

Technology Ecosystems

Successful large-scale commercial efforts usually arise from a “technology ecosystem”

- Biological ecosystem: “A community of plants and animals existing in an environment that supplies them with water, air, and other elements they need for life.”
- Technology ecosystem: An interdependent community of technology and service companies operating within a common framework and architecture, with different roles for many specialist players

Examples of successful technology ecosystems

- Personal computers: Intel processor and system definitions, Microsoft software...
- Cell phones: Global standards, semiconductors, phones, firmware, base stations.....
- Wi-Fi

Business Ecosystems

Business Ecosystems

Business ecosystem: An economic community supported by a foundation of interacting organizations and individuals—the organisms of the business world. This economic community produces goods and services of value to customers, who are themselves members of the ecosystem. The member organizations also include suppliers, lead producers, competitors, and other stakeholders. Over time, they co-evolve their capabilities and roles, and tend to align themselves with the directions set by one or more central companies. Those companies holding leadership roles may change over time, but the function of ecosystem leader is valued by the community because it enables members to move toward shared visions to align their investments and to find mutually supportive roles.



SAP orchestrates an ecosystem of business persons, developers, and IT services professionals who span business strategy, business processes, technology, and operations.

Within the ecosystem, customers co-innovate and partners collaborate to achieve results that test cost, time, and expertise limitations in everyday business.

While unified by shared business goals, communities are fluid enough to ensure that information is dynamic, agile, and accessible.

Growth strategy for SAP and Oracle

- Oracle has chosen to expand by making acquisitions, sometimes of big companies with quite different skills.
- SAP grows more organically and it makes acquisitions when they are smaller and more closely related to what they already do.
- SAP's long-term strategy is to increase sales to medium-sized companies and to develop a platform for all its applications.

Past Simple 一般过去时

(1) 一般过去时表示在过去某个特定时间发生，也可以表示过去习惯性、经常性的动作。**一般过去时不强调动作对现在的影响，只说明过去的事情。**

(2) 一般过去时常与表示过去的时间状语或从句连用，如：yesterday, last week, in 1993, at that time, once, during the war, before, a few days ago, when 等等。

(3) 一般过去时与现在没有联系，只是说明某个动作发生的时间是在过去。

例子：I did my homework yesterday evening.

Past Continuous 过去进行时

- 由“was (were) + V-ing”构成。
- 表示在过去某一时刻或某一段时间内进行或发生的动作。常与表示过去的时间状语连用，如：last night, last Saturday等；或者与when, while, as引导的过去时间状语连用。
- 表示过去某时正在进行的动作，不强调是否已完成。
- What were you doing at ten last night? 你昨晚十点钟在干什么？
- He was watching TV when I came in. 我进来时他正在看电视。
- We were having a good time at that time. 那个时候我们玩得正高兴。

Past Simple vs Past Continuous

- I was reading a novel last night. 昨晚我在看小说。(可能没看完。)
- I read a novel last night. 昨晚我看了一本小说。(已经看完了。)
- I was writing an article last night. 昨晚我在写文章。(可能没写完。)
- I wrote an article last night. 昨晚我写了一篇文章。(已经写完了。)

Present Perfect 现在完成时

- 由“have (has) + 过去分词”构成。
- 表示动作发生在过去某个时间，但其结果与现在有联系。
- 它可指动作或状态从过去某时开始一直延续到现在，有可能刚刚结束，也可能尚未结束，有可能继续下去，强调对现在的影响。
- I have finished my homework. 我已经做完了作业。
- He has taught in this school for ten years. 他在这所学校任教已有十年了。

Past Perfect 过去完成时

- 由“had + 过去分词”构成，主要表示过去某时或某一动作之前已经发生的动作，表示“过去的过去”，常带有时间状语，但很多情况下是通过上下文表示出来。
- 表示发生在过去的动作对现在造成的某种影响或结果，用来指定在另一个过去行动之前就已经完成了的一个事件。
- 过去某动作一直持续到现在将来可能还要延续下去。句中的动作发生在过去之前(过去的过去)，即过去完成时动作发生在过去的过去。He said he had been to Beijing twice. 他说他已经去过北京两次。(因为“说”said就是过去式，而去北京的动作发生在说said的过去，所以用过完而不用现完)

Past Perfect 过去完成时

They had already left when we got to the station.

我们到达车站时他们已经离开了。

He told me that he had bought a new car.

他告诉我他买了一辆新车。

I had learned English for six years before I came to the university.

我在来这所大学之前已经学了六年英语。

Study these extracts from the text about SAP

- Name each underlined tense (past simple, past continuous, past perfect, present perfect or *used to*).
- Say what you know about each tense's use and why you think it is used here.

- 1 He made the comments while he was talking with reporters last week.
- 2 SAP was set up in 1972 by five former IBM employees.
- 3 Since then, it has evolved from a small, regional enterprise into the global market leader.
- 4 They recently announced they had purchased Virsa Systems.
- 5 SAP used to concentrate on large business customers, but is increasingly pursuing sales in the midmarket.
- 6 It's a strategy that began in 2000.

You receive this internal email.
Follow the instruction in it.

Hi Denise

Below is the short company history I've written for the 'About us' entry on the English page of the new website. I think it's generally OK but I'm so unconfident about my use of tenses in English that I've just left the verbs in the infinitive! Can you put them in the right form and send it back? Thanks and sorry for being so useless!

Brigitte

This is the unusual story of Raincoat Software, a company that (1) _____ (come) into being accidentally because of the hobby of one man, Hans Meier.

In 1998 Hans (2) _____ (work) as a computer programmer for a large bank in Zurich. But he (3) _____ (be) restless. Each evening he (4) _____ (return) home and, just for fun, (5) _____ (hack) into official websites on his personal computer (not the bank's, of course!). The day after he (6) _____ (hack) onto a particularly sensitive US government website, he (7) _____ (receive) an email from them. Fearing that this would be the end of his career as a hacker and at the bank, he (8) _____ (open) it. It (9) _____ (be) a request from the US government, asking if he (10) _____ (want) a job as a security advisor.

Rather than taking a job as a government employee, Hans Meier (11) _____ (see) the opportunity to make a successful business out of computer security protection. Raincoat Software (12) _____ (be) born.

Since then, the company (13) _____ (employ) over 50 'security experts' – in other words, people with a similar background to our founder. We (14) _____ (help) over 300 large companies and government departments and are now a \$100 million a year business.

But did the US government think it (15) _____ (take) a risk by employing Hans Meier all those years ago? The answer they (16) _____ (give) then is still the company's motto today: 'Better safe than sorry'.

Writing about the past

Write a short piece (100 words approx) about a turning point in your life, work or studies: a moment when you decided to pursue a different route from the one you had up to that point. Use the following questions to help you.

1. What were you doing before that?
2. What happened to change your life?
3. What happened next?

Suggested answers

- Change my attitude
- Come to me as a light
- Realize the value of something
- Be wonderstruck with
- I think that is the real that everyone goes through.
- Make me understand most of the things I have been wondering all my life.
- In my previous conservation opinion, success is always hard and it is impossible for an ordinary person like me to achieve.

Merger & Acquisitions

Merger

Broadest definition: any takeover of one company by another, when the businesses of each company are brought together as one.

Narrow definition: distinct from an acquisition: the coming together of two companies of roughly equal size, pooling their resources into a single business.

Acquisition

it occurs when one company acquires from another company either

a controlling interest in the company's stocks or a business operation and its assets.

Full and partial acquisition

Full: all the stock capital

Partial: controlling interest

Distinction

- Relative size of the individual companies in the business combination
- Ownership of the combined business
- Management control of the combined business

Word Power

Merger

Merge with; merger between A and B;

Collaboration; consolidation

Form an alliance

Merger of equals (对等兼并)

Acquisition

Acquire; the acquirer; the acquired;

An acquisition is **paid** in cash.

Expansion; growth;

Takeover; buyout

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In December 2004 Oracle, the world's second largest business software applications provider, took over PeopleSoft, the third largest. Read the letter that the CEO of PeopleSoft, Dave Duffield, wrote to his employees.

1. Does he think the takeover will benefit employees or not?
2. Which of these adjectives best describes his feelings about the takeover?

bitter / resigned / angry

This is a sad day for me, and I'm sure an equally sad day for you.

It is now clear that Oracle will acquire our company. Over the past few weeks, our independent directors met with individual stockholders to get their views. We were told during these conversations that they believed Oracle's \$24 wasn't adequate and did not reflect PeopleSoft's real value. It became clear to us that the vast majority of our stockholders would accept \$26.50 and Oracle was willing to pay for it.

You should know, and I hope you would expect, that I am deeply saddened by this outcome. We have come so far under such trying circumstances over the past eighteen months, and especially the past two and a half months. PeopleSoft had gained significant momentum in all areas of our company, including with customers, prospects, and in the financial community.

Over the next few weeks, we will be working with Oracle to ensure that you get answers to as many questions as possible that you have. I believe some of you will find interesting opportunities at Oracle, others will take your talents and work elsewhere in the area that you live, while another group may have difficulties finding rewarding job experiences. It is to this last group that I offer my sincerest apologies for not figuring out a different conclusion to our 18-month saga.

I know it is little comfort, but I am extraordinarily proud of what we have accomplished over the past 17-plus years, and longer in the case of JD Edwards. And I am even prouder of you for your perseverance and teamwork over the past eighteen months.

I make a final request. And that is to continue our work with our heads held high. Whether it's serving customers, building products or working on internal operations, PeopleSoft and the people at PeopleSoft have built their reputation as a company with class.

Sincerely,

Dave

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1.He thinks that some will find opportunities in the newly merged company, some will leave, others will find it difficult to adapt.

2.He is resigned. He repeats several times how sad he is, but says although he tried his best to find a different conclusion it was not possible.

Merger & Acquisitions-Reasons

Merger & Acquisitions-Reasons

- ✓ To reduce costs
- ✓ To expand the company
- ✓ To enter new markets
- ✓ To buy market share
- ✓ To buy brands or patents
- ✓ To buy a distribution channel
- ✓ To complement a product portfolio
- ✓

Merger & Acquisitions-Problems

Merger & Acquisitions-Problems

- A hostile takeover may lead to resentment
- The difficulty of combining different company/ national cultures
- Job losses due to restructuring

What happens when companies merger or acquire other companies?
Look at the table below and make notes.

	Opportunities	Threats
Employees		
Shareholders		
Customers		
Supplies		

Opportunities and threats

The effect of combining two companies is greater than the two can achieve separately

Reducing the central functions: eg. One purchasing director instead of two.

Finding complementary activities: eg. One company is efficient in manufacturing, the other has good distribution networks

	opportunities	threats
customers	Company more efficient—quality / service improved	Confusion arising from the change of name, systems or management
Suppliers	New opportunities may arise in other parts of the company	Contracts may have to be renegotiated and some may lose out
employees	Restructuring might create new responsibilities and job opportunities	Changes in working conditions, some may lose their jobs if there is rationalization
shareholders	Value of shares is likely to increase, at least in the short term	The value of their shares should increase at first but in the longer term...?

The PeopleSoft takeover

1.(Track 03) listen to two account if the takeover by a commentator and an industry analyst, both close to the takeover. What are the main differences in the working environment and the way employees were rewarded at the two companies.

2.Listen again and answer the questions. For each question (1-6), mark one letter (A, B or C) for the correct answer.

Suggested Answers

Oracle is a more stressful company to work in, but people can earn a lot of money. Peoplesoft was a more caring company, but people had a lot of responsibility put on them. Also they didn't earn much money until they had established themselves. ✓

- 1 What is said about how consultants are deployed in big IT consulting companies?
 - A They are given jobs with a lot of responsibility.
 - B They are often expected to learn on the job.
 - C They only work on projects where they have proven experience.
- 2 What does the commentator say about salaries at PeopleSoft?
 - A At least the company was open about its pay policy.
 - B They were at the market rate for the job.
 - C They were unacceptably low.
- 3 How did employees feel about their CEO, Dave Duffield?
 - A That he respected them and looked after them.
 - B That he was ready to leave the company.
 - C That he developed good software applications.
- 4 What does the commentator imply happened after the merger?
 - A The company's reputation suffered.
 - B People grew to respect the new CEO.
 - C A lot of people lost their jobs.
- 5 How does the industry analyst defend the company's growth strategy?
 - A He says size is very important in this industry.
 - B If Oracle hadn't taken over PeopleSoft, someone else would have.
 - C He says it will make them the biggest company in the sector.
- 6 How does he explain the differences in company culture?
 - A The two CEOs had a different philosophy.
 - B The two companies were involved in different types of business.
 - C There was no real difference.

Read this extract from an article in Business Strategy magazine. Where do these four type of organization belong in the text?

Stock brokers Restaurants Oil companies Banks

Business Strategy magazine, May

Organisational culture

	Low risk	High risk
Rapid feedback and reward	Work-hard, play-hard culture	Tough-guy macho culture
Slow feedback and reward	Process culture	Bet-the-company culture

A lot of attempts have been made to categorise the organisation and culture of different companies, but only two things seem certain: 1) that many different cultures and types of organisation can exist within each company – and 2) that the activity and sector play a crucial role in determining how work is organised. Deal and Kennedy recognised this when they proposed four different types of organisational culture:

Work-hard, play-hard culture tends to apply to companies like software developers or (1) _____ which need to react quickly to changing circumstances and to work at a high tempo. Creativity often plays an important part in their

work so they tend to be organised in a project-based way, grouping people in teams to solve particular tasks.

Tough-guy macho culture concentrates power around key personnel, but it will also devolve a lot of responsibility to the individual and emphasise decisions that affect the present rather than the future. Examples are (2) _____ sports teams, police, the military.

Process culture applies to companies which have strict hierarchies and strict job roles, such as insurance companies, (3) _____ and public services. Strategy and direction seem to take second place to organisation and so they are often, maybe unfairly, associated with plodding and bureaucracy.

Bet-the-company culture may also be present in companies with a hierarchical structure, but long-term planning and investment, involving high risk, is also a key feature, so direction and goals are generally clearer. Examples are aircraft manufacturers and (4) _____.

Suggested Answers

(1)	stock brokers
(2)	restaurants
(3)	banks
(4)	oil companies