

*'It is not enough to succeed. Others must be seen to fail.'*  
Gore Vidal, US writer

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Negotiating

## CASE STUDY

Kensington United



## STARTING UP

charisma  
dedication  
discipline  
drive  
imagination  
looks  
luck  
money  
nepotism  
ruthlessness

brand  
customer  
headquarters  
innovation  
leader  
people  
profit  
shares  
subsidiaries  
workforce

- A** What makes people successful? Add four more words to the list in the box on the left. Then choose the five most important.
- B** Talk about a person you know who is successful. Why are they successful?
- C** What are the best indicators of an individual's level of success? How important are the following in your culture?
- |                  |                     |                               |
|------------------|---------------------|-------------------------------|
| exotic holidays  | cosmetic surgery    | chauffeur-driven car(s)       |
| designer clothes | expensive jewellery | mixing with famous people     |
| pedigree pets    | luxury home(s)      | exclusive club membership     |
| trophy partner   | domestic help       | having your name in the media |

- D** Complete these statements with the words from the box on the left. Then discuss with a partner which three statements are the best indicators of a successful business.

A successful business ...

- 1 is always making money and increasing its .....
- 2 is often the market .....
- 3 is moving forward and interested in .....
- 4 has a motivated .....
- 5 has a loyal ..... base.
- 6 has a world-famous ..... and an instantly recognisable logo.
- 7 issues ..... which are worth millions on the stock market.
- 8 has its ..... in a prestigious location.
- 9 has branches and ..... all over the world.
- 10 treats its employees well and is .....-orientated.

## VOCABULARY

## Prefixes

**A** Read this news report and identify nine common prefixes.

EXAMPLE: *multinational*

Rabbit, the successful mobile phone company, has renamed itself ChitChat Media as part of its effort to establish itself worldwide.

Although some industry commentators see the name change as risky and an indication of their overconfidence, the company continues to outperform all its rivals in the competitive telecoms market. In a statement, co-founder and CEO Markus Danton said that it was an exciting time for the company and that its achievements had been underestimated in the past. He went on to say, 'We are an ultramodern

company taking the next logical step to achieve our aim of becoming the leading company in the sector worldwide.'

He denied reports of problems in the recently entered Asian markets, claiming journalists had been misinformed. His ex-business partner Darius Schnell, who left the company less than three months ago, was not available for comment. Many experts feel Mr Schnell's contributions to the success of the company have been devalued in recent press reports since his hasty exit last November.



**B** Match the prefixes in Exercise A to these meanings.

- |                      |             |              |
|----------------------|-------------|--------------|
| 1 too much           | 4 extremely | 7 with       |
| 2 better / more than | 5 former    | 8 too little |
| 3 badly              | 6 opposite  | 9 again      |

**C** Cross out the word in each group that does not follow the prefix in bold.

- |                |   |
|----------------|---|
| 1 <b>under</b> | perform / rate / charge / <del>profit</del> |
| 2 <b>co</b>    | producer / worker / boss / author           |
| 3 <b>re</b>    | launch / engineer / locate / decide         |
| 4 <b>over</b>  | spend / lose / estimate / supply            |
| 5 <b>mis</b>   | manage / judge / look / calculate           |
| 6 <b>out</b>   | win / produce / bid / class                 |
| 7 <b>ultra</b> | efficient / cautious / modern / big         |
| 8 <b>ex</b>    | boss / director / employee / staff          |
| 9 <b>de</b>    | merge / grow / nationalise / regulate       |

**D** Complete these sentences with words from Exercise C in the correct form.

- Several sales staff ~~underperformed~~ last year and didn't meet their targets.
- Smith and Turner were the two ..... of the report.
- We will ..... our product as soon as we have finished the modifications.
- Sales were very disappointing. We ..... the number of people who would buy our product in Asia.
- Because the company has been ..... for years, we are close to bankruptcy.
- It was an expensive acquisition. They had to ..... their rivals to take over the company.
- Our ..... factory has state-of-the-art machinery.
- My ..... was impossible to work with, so I left the company.
- There is much more competition in ..... financial markets.

See the DVD-ROM for the i-Glossary.



**LISTENING**  
**Successful businesses**



Tom Hockaday

Watch the interview on the DVD-ROM.



**E Discuss these statements.**

- 1 Outselling your rivals is the best indicator of success.
- 2 Mismanagement is the biggest cause of business failure.
- 3 Rebranding is often a pointless exercise.
- 4 Underfunding and overstaffing are the quickest way to failure.
- 5 Undercutting the competition is a dangerous business strategy.

**A** **CD1.26 Isis Innovation is a technology development company owned by the University of Oxford. Listen to Tom Hockaday, its Managing Director, talking about the essential qualities of a successful business and complete the gaps in these two extracts.**

I think that the absolute essence of a business, or a .....<sup>1</sup> business, is one that manages to .....<sup>2</sup> and .....<sup>3</sup> something, whether that is a .....<sup>4</sup> or a .....<sup>5</sup>, but manages to .....<sup>6</sup> it for more than it .....<sup>7</sup> to .....<sup>8</sup> it.

... we are investing in the .....<sup>9</sup> to take it through various stages of development, so that we can demonstrate it has .....<sup>10</sup>, so that we might be able to attract more rounds of .....<sup>11</sup> investment or finance from other sources.

**B** **CD1.27 Listen to the second part of the interview and summarise in a short paragraph what Tom says about Natural Motion – the type of company it is, what it does and the reasons for its success.**

**C** **CD1.28 Listen to the final part of the interview and answer these questions.**

- 1 Which types of business does Tom expect to succeed in the near future?
- 2 Which four examples does he give?

**READING**  
**Carlos Slim**

**A** **Read the article on the opposite page and correct the six mistakes in this paragraph about Carlos Slim.**

Carlos Slim is probably the richest man you have ever heard of. The major influences on his life were his father, Julián, who was born in Mexico, and Jean Paul Getty. He studied finance at Harvard University and on graduating set up as a stockbroker. He made a lot of money in the Mexican recession of 1982, selling his assets in the middle of the crisis. In 1990, Slim gained control of Telmex, which owns 90% of Mexican telephone lines and is the largest part of Slim's empire. Slim is also involved in charity through his Carso Foundation.

**B** **Match the words on the left with words on the right to form word partnerships. Then check your answers in the article.**

- |            |              |
|------------|--------------|
| 1 business | a) spree     |
| 2 economic | b) acumen    |
| 3 annual   | c) recession |
| 4 retail   | d) point     |
| 5 turning  | e) sales     |
| 6 buying   | f) outlets   |
| 7 global   | g) crisis    |

**C** Complete this text with the word partnerships from Exercise B.

In 2008, influenced by China's success and its appetite for commodities, shipowners went on a .....<sup>1</sup>, and .....<sup>2</sup> of vessels reached an all-time high. The .....<sup>3</sup> came the following year with the housing crisis, credit crunch and .....<sup>4</sup> in the United States, which led to a .....<sup>5</sup>. Orders for ships dried up, and department stores and .....<sup>6</sup> throughout the world had empty shelves. However, business is recovering and there has been a transformation of the industry from one that relied almost exclusively on a shipowner's innate .....<sup>7</sup> to today's highly sophisticated finance-based industry.

**D** If you had Carlos Slim's money, what kind of businesses would you buy? What kind of lifestyle would you lead?

## Profile: Carlos Slim

by James Quinn



Carlos Slim is either the world's richest or second-richest man, with a fortune estimated to be in excess of \$67bn. Possibly the richest man you've never heard of, until recently his influence had largely been restricted to his native Latin America, where his sprawling family empire controls more than 200 companies, spanning everything from banking and retail to telecoms, road-building and restaurants. But given the size of his fortune, he was unlikely to stay local for long. In recent years, he has begun to stretch his increasingly long tentacles north of the border and into the United States, and this week took the American intelligentsia somewhat by surprise by revealing plans to inject \$250m into the *New York Times*.

Slim puts his success down to his admiration for his father Julián – who emigrated from the Lebanon aged 14 and made his fortune investing in property in the 1910–17 Mexican revolution –

and to American oil billionaire Jean Paul Getty. Slim learned of Getty's business acumen as a young boy and has gone on to mirror his ability to make money.

Aged 11, he invested in government saving bonds, keeping a detailed ledger to track all of his purchases. By 15, he had bought a very small shareholding in Banco Nacional de México – then the largest bank in Mexico, and one to which he has recently been linked with buying, as the current owner Citigroup looks to divest some of its assets.

While studying civil engineering at university in Mexico City, he realised the way to make money was from investing in companies, and so set up on his own as a stockbroker on graduation, working 14-hour days.

It was not until the Mexican recession of 1982 that Slim really began to make some money, taking advantage of a nationwide 'fire sale' of assets by

local and foreign investors alike, looking to sell in the midst of one of the country's worst economic crises.

The period led to the formation of one of the key parts of Slim's empire – Grupo Carso, which today has annual sales of \$8.5bn a year and owns retail outlets such as Sanborns and Sears, as well as a wide range of manufacturing businesses.

Eight years later, in 1990, came the second major turning point in Slim's career when Mexico decided to privatise its national telecoms company. Slim went head to head with America's Southwestern Bell, France Telecom and as many as 35 other domestic investors, but managed to seize control of Telmex.

Some 90 per cent of the telephone lines in Mexico are today operated by Telmex. But it is the low-cost mobile phone network América Móvil, which he also controls, which has grown to be the most substantial part of his empire, opening up other parts of Latin America to mobile telephony. It now operates in 11 countries, including Brazil, Ecuador and Guatemala.

Many commentators believe that his recent buying spree is part of a desire to replicate what he did in Mexico in the 1980s on a world stage, taking advantage of the global recession by investing in distressed assets at knock-down prices while he can.

In spite of his obvious wealth, he remains frugal in his tastes, and is often seen wearing a plastic-effect wrist-watch which doubles as a calculator. His clothes tend to be bought from the many retailers his empire owns.

Over the next four years, he has committed to spend \$10bn through his charitable Carso Foundation, whose main aim is to fight marginalisation and poverty by investing in health, education and employment.

from *The Telegraph*

## LANGUAGE REVIEW

## Present and past tenses

Complete the rules with the words *present simple*, *present continuous*, *present perfect*, *past perfect* or *past simple*.

- We use the ..... to describe actions and situations which are generally true.  
*Carlos Slim **is** worth about \$67bn.*
- We use the ..... to describe completed actions or events which took place at a particular time or over a period of time in the past.  
*Slim **bought** Telmex in 1990.*
- We use the ..... to describe current or temporary situations.  
*Petrol **is getting** more expensive by the week.*  
*At the moment, Slim **is writing** a book about his family.*
- We use the ..... to describe life experiences, the present results of past actions or to announce news.  
*The company **has done** well recently.*  
*In recent years, Slim **has devolved** power to his family.*
- We use the ..... to describe an action which is completed before a time in the past.  
*The office **had closed** by the time we got there.*

➔ Grammar reference page 147

**A** Label the tenses in these sentences based on the article on page 39 and say why those tenses are used.

- In recent years, Slim has begun to stretch his tentacles north.
- Aged 11, he invested in government saving bonds.
- He remains frugal in his tastes.
- By 15, he had bought a very small shareholding in Banco Nacional de México.
- Slim is currently looking at investing in distressed assets.

**B** Write an article about Apple for a business magazine. Use these notes, putting the verbs in brackets into appropriate tenses.

### THE COMPANY

- (*reinvent*) the personal computer with the Macintosh in 1980s
- (*have*) highest brand loyalty of any computer manufacturer
- (*operate*) more than 250 retail stores
- (*have*) informal culture

### HISTORY

- (*start*) in Cupertino, California, April 1, 1976
- October 23, 2001: (*introduce*) the iPod digital music player
- Since it was formed 1976, (*employ*) over 75,000 people worldwide

### RECENT EVENTS

- Recently (*rank*) first as most admired company overall in Fortune survey
- People in survey by CoolBrands recently (*vote*) the iPhone as world's coolest brand
- September 28, 2009 downloads from App Store (*surpass*) 2 billion

### WHAT IT IS DOING NOW

- Currently (*experience*) the greatest expansion in its history
- Now (*focus*) on its software more than ever
- At time of writing, (*offer*) students a free iPod Touch with the purchase of a MacBook



**C** Research Carlos Slim on the Internet and write a final paragraph for the article on page 39 saying what he is doing now.