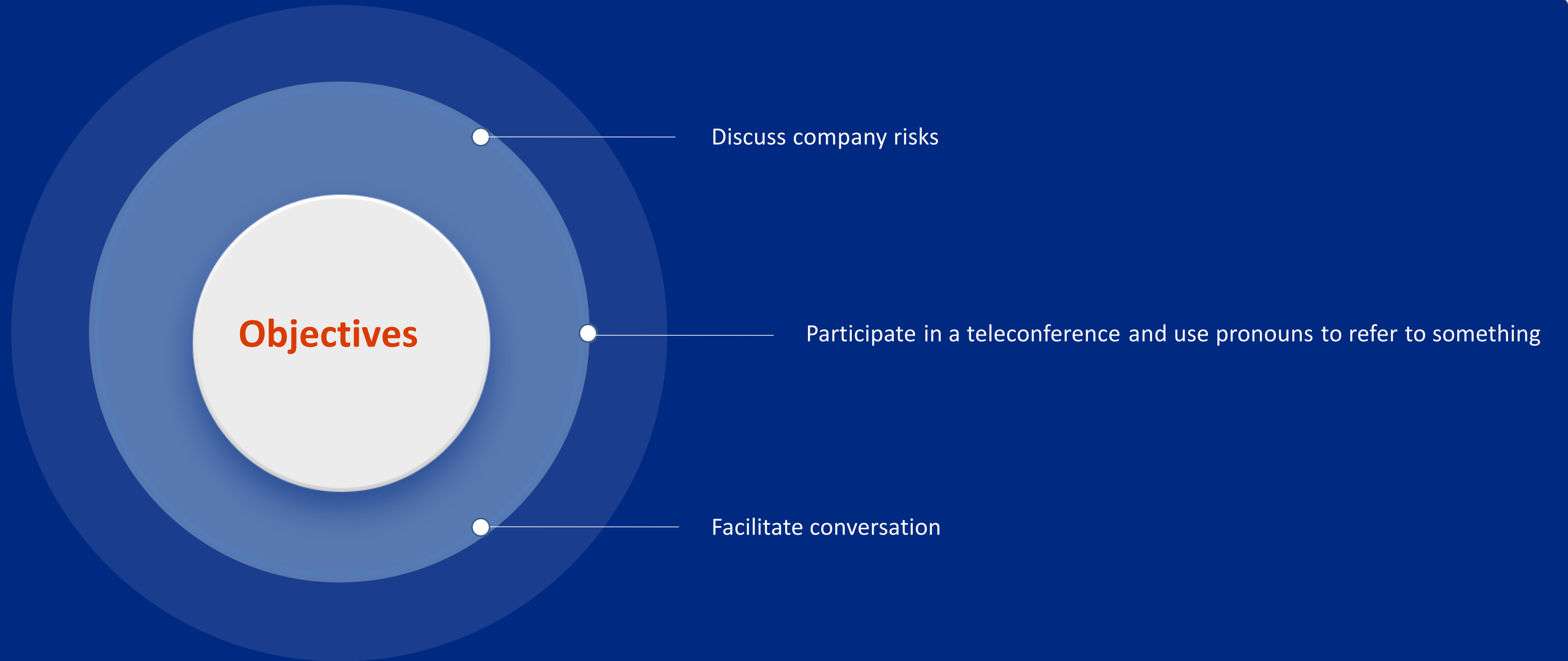


Business Advanced

Unit 4: Risk





Starting Point

‘Living at risk is jumping off the cliff and building your wings on the way down’

Ray Bradbury, Novelist

‘You can’t cross a chasm in two small steps’

David Lloyd George, British Prime Minister (1916-1922)

1. Discuss the quotes. Do you agree or disagree? Why?
2. Do you consider yourself a risk-taker? Why/Why not?



Working with Words I Handling a corporate crisis

1. What are some of the types of risks that businesses face?
How can they plan to manage risks?

2. The controversy over diesel emissions testing by car manufacturers highlights the need for companies to be aware of the risks involved in the making of decisions. Read the article in and answer the following questions (1-4)

1. What should companies do to prepare for the worst?
2. What dilemmas do companies face about communication when hit by a crisis?
3. Who in the company should take responsibility if something goes wrong?
4. How is a crisis likely to be remembered by the customers?



HOW TO HANDLE A CORPORATE CRISIS

The emissions scandal shows that no company, however large or well-established, is immune to a crisis. But how a business responds when things go wrong can mean the difference between a swift resolution and making the problem a whole lot worse.

HAVE A PLAN

Of course, history is littered with corporate crises, and yet firms all too often fail to **learn from each other's mistakes**. So how should they best prepare for the worst? According to Rod Clayton, vice president of crisis at Weber Shandwick, they should **start with** some proper **contingency planning**. Companies are often quite well prepared operationally for emergencies – if something blows up, they know what to do – but they don't know what to do when the blow-up is more metaphorical or legal because they don't **have robust communications plans in place**. 'And even when they do, sometimes they haven't actually tested those plans or **run simulation exercises**,' he says.

Rebecca Gudgeon, a managing director at Grayling, says it is 'blatantly obvious' this is where VW went wrong. 'If you're a car company or train operator you are responsible for public safety, and so you are expected to have a plan in place if something goes wrong.'

STEP UP TO THE PLATE

It is vital that a chief executive – not their communications team or more junior members of staff – **takes ownership** of a crisis and speaks to the press. They should

always start by **expressing care for** those affected, and then explain how they plan to solve the problem.

But Weber Shandwick's Mr Clayton has some sympathy with companies expected to **show public remorse**. 'People often underestimate what a challenge it is to communicate very quickly about something very complicated when you don't know enough about what happened, and when there could be a lot of implications in what you say. The lawyers may tell you to say nothing about something – but if you end up being excessively conservative you can end up winning in the courtroom and losing all of your customers.'

THE ROAD TO RECOVERY

Ms Gudgeon believes VW can **restore its reputation**, just as carmakers Toyota and Lexus have survived their own scandals. But she says it will take a huge amount of 'investment and engagement' as well as a rethink of where it stands in the car market.

That said, popular brands can **be** surprisingly **resilient to crises**. 'Ultimately, if there is a problem that needs fixing, people will judge you more on what you did about the situation than what the situation originally was,' says Mr Clayton. 'And if you deal with an issue well, then ultimately you get credit for that.'

3. Match the phrases in bold in the text in 2 to definitions 1-9.

- 1. accept responsibility _____
- 2. accept, learn and move on from crises _____
- 3. begin by deciding what you will do if things don't go as planned _____
- 4. decide how you will talk to the press and everyone affected _____
- 5. do test runs _____
- 6. express publicly that you are sorry about what happened _____
- 7. fix a company's corporate image _____
- 8. show your concern for _____
- 9. take lessons from what others have done in a similar situation _____

4. Using the phrases in 3 above discuss what advice you would give to someone in the following situations:

- having to deal with a controversial report about the company in the media.
- losing customers as a result of a recent lawsuit and damaged reputation.
- running a company that has just had to withdraw a faulty product from sale.
- telling your team that a mistake you made means that you have lost the client.

5. Listen to three different people discussing risk. In each case, decide:



Audio 4.1

- 1. what their job might be
- 2. what risks they have to deal with

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6. Listen again and pay close attention to which speaker uses these adjectives.



Audio 4.1

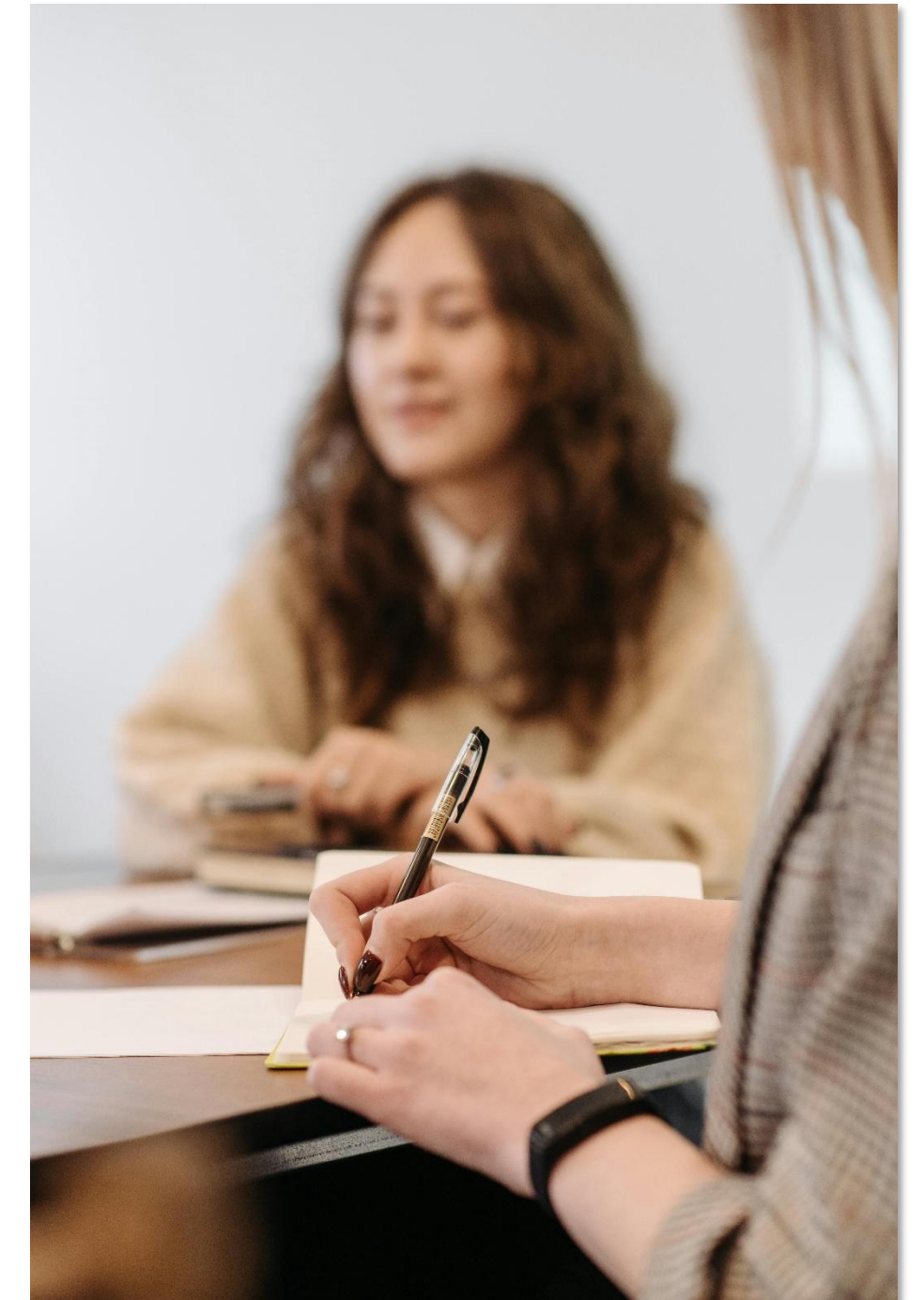
bold *cautious* *foolhardy* *imprudent* *over-cautious*
prudent *rash* *reckless* *risk-averse* *sensible*

7. Which of the adjectives in 6 have a positive connotation (+) and which have a negative connotation (-)?

8. Read these four comments from employee appraisal reports. Which of the adjectives in 6 could you use to describe the employees' attitudes towards risk?

1. Lewis takes no or few risks.
2. Alicia has a balanced, realistic view of risks.
3. Nanina doesn't take a sufficiently careful view of risks.
4. Luca completely ignores obvious dangers and is largely unworried by risks.

9. Think about someone you know (e.g. friend, relative, partner, etc.). Describe their attitude towards risk or handling a crisis. How similar is their attitude to your own?



10. Read this information about a PEST analysis.

PEST analysis (n): a way of analysing four key external factors that may affect an organization, business or project.

Political (e.g. change of government; change of legislation; change of tax; impact of corruption)

Economic (e.g. change of inflation rate; change of labour supply and costs; impact of competitors' behaviour)

Social & Cultural (e.g. change of public opinion, taste or attitudes; population and employment changes; educational changes)

Technological (e.g. new technologies; changing costs of communications; different ways of working)

Think about your company. For each category in the PEST analysis:

1. brainstorm possible changes in your sector, your country or the world
2. think about the associated risks for your company /project and any possible action points in response to these risks

Example: (Economic) One of our competitors might launch a huge marketing campaign on the media, by means of which discounts will be offered. We would then run the risk of losing market share if we do not take any action whatsoever. We should try to be bold about new product ideas to keep ahead of the competition.

11. Report back to your colleagues on your PEST analysis.

Business Communication I Taking part in a teleconference

1. What advice would you give to someone participating in a teleconference in English for the first time?

Compare your ideas with the following guidelines.

Guidelines for participating in a teleconference

- ✓ before the call starts, familiarize yourself with the agenda.
- ✓ during the call itself, enunciate clearly, be concise and try to avoid making long speeches or talking over other people.
- ✓ it's often a good idea to identify yourself each time you come back into the conversation - otherwise people can quickly get confused about who's speaking. When you want to ask a question, nominate the person you want to respond.
- ✓ if no one else is doing it, offer occasional brief recaps. Paraphrase or summarize what has been said - it's a good way to help people focus and you can check if you have really understood. Stay on topic, keep to the agenda and encourage everyone else to do the same.



Read the *Context* and look at the agenda

Context

Frangipani Travel has been organizing luxury specialist tours and safaris in Kenya, Brazil, India and Egypt for a number of years. Their main target clientele has been well off European couples. However, more potential Frangipani customers are organizing holidays for themselves via the Internet and there is less demand for ready-made packages. The company is considering a bold reorientation to focus exclusively on ecologically sound 'green holidays'. Jean-Luc, a senior manager based in France, has organized a teleconference with the regional managers to discuss the risks. The participants in the teleconference are - Joana in Brazil, Khalid in Egypt, Thomas in Kenya, and Greta in India.

Agenda

Conference call
23 November
10 a.m. GMT

Moderator:
Jean-Luc Boyer

- 1 Introductions.
- 2 Proposal 1: redirect Frangipani entirely towards 'Green-Stay' tours (Joana)
- 3 Proposal 2: introduce 'Green-Stay' tours alongside traditional holiday offers (Greta)..
- 4 Decide on conclusions to take to the board. Agree action points.
- 5 AOB
- 6 Set date for follow-up meeting.

2. Listen to four teleconference extracts and check if guidelines from 1 are (not) followed.



Audio 4.2

3. Put expressions 1-15 from the teleconference into categories a-e.

1. I'd be interested in hearing what you think about this.
2. I'm not fully convinced as yet.
3. Can I just ask everyone to sum up their views?
4. Maybe we're digressing a little.
5. Am I right in saying that the general opinion is we can go ahead on this?
6. Could you let Greta finish, please?
7. Maybe we can let Joana answer that.
8. You're saying that it's not worth reconsidering?
9. I'd like to draw things to a close.
10. Can I just check - we are now talking about the alternative smaller-scale proposal?
11. I still have serious reservations.
12. Joana, could you talk us through this?
13. I'm having some second thoughts about it.
14. We seem to have some sort of consensus.
15. If I could just bring the conversation back to the agenda.

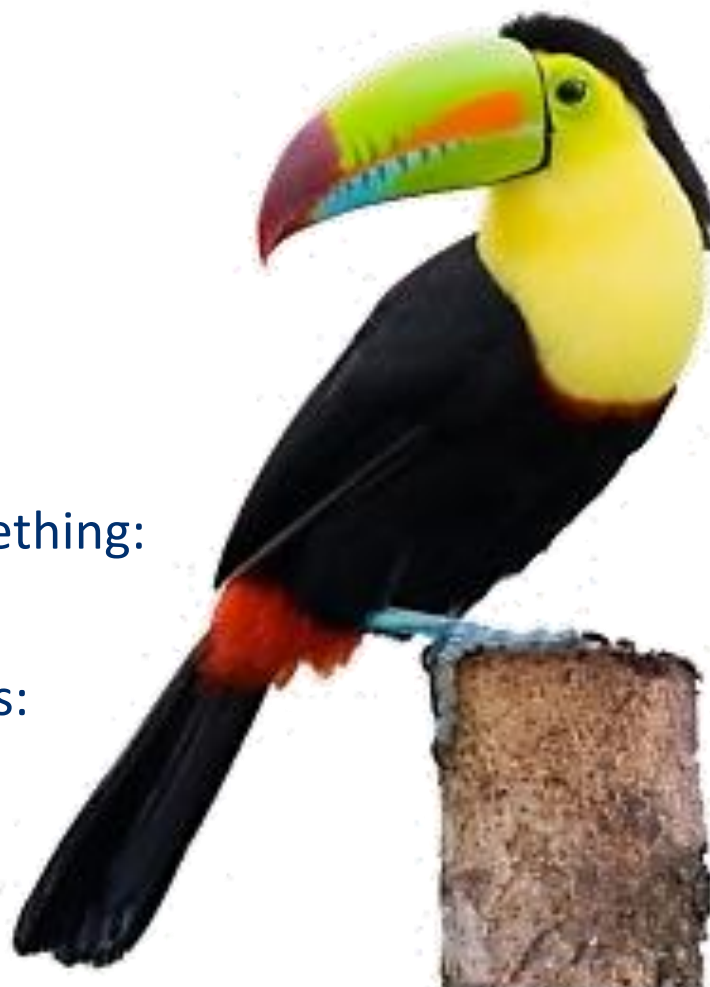
a. Inviting/nominating someone to say something:

b. Checking if you have understood something correctly:

c. Stating that you are not persuaded or have doubts about something:

d. Managing the discussion and the behaviour of the participants:

e. Summarizing/ending the discussion:



4. Look at the following expressions from the teleconference in A and the alternative expressions in B. What are the differences between them?

	A	B
1	Could you talk us through this?	Tell us about it.
2	Am I right in saying that the general opinion is we can go ahead on this?	Do you all agree to go ahead on this?
3	I'd be interested in hearing what you think about this.	Tell us what you think.
4	Can I just check ... ?	Can I check ... ?
5	We seem to have some sort of consensus.	We all agree.

5. Listen to these extracts from the teleconference. Decide what the speaker really means in each case. Follow the example.



Audio 4.3

- 1. That's interesting, Thomas. *That's not relevant. I don't want to continue talking about this topic.*
- 2. I'm not sure this is getting us anywhere.
- 3. Maybe we can let Joana answer that.
- 4. Sorry, Khalid ...
- 5. With respect Joana ...

Key Expressions

Checking understanding

- Am I right in saying that the general opinion is ... ?
- You're saying that ... ?
- Can I just check - we are now talking about ... ?

Nominating/inviting someone to say something

- X, could you talk us through this?
- I'd be interested in hearing what you think about this.
- Maybe we can let X answer that.

Expressing doubts/ disagreement

- I still have serious reservations.
- I'm not fully convinced as yet.
- I'm having some second thoughts about ...
- With respect ...

Managing the discussion/ participants

- Sorry, X. Could you let Y finish, please?
- Maybe we're digressing a little.
- That's interesting X, but I think ...
- I'm not sure this is getting us anywhere.
- If I could just bring the conversation back to the agenda.

Ending the meeting

- We seem to have some sort of consensus.
- I'd like to draw things to a close.
- Can I just ask everyone to sum up their views?

6. Your company is looking into the possibility of introducing performance-related pay in all its offices worldwide. Some staff took part in a short teleconference to compare initial reactions to the idea.

One of the participants is describing the call to a colleague. For each underlined section, discuss what each speaker might have said.

‘By five minutes past two we were all online. The moderator ¹nominated the HR Manager to talk about the proposal and our options, because he’s championing the suggestion. I wasn’t sure if I had properly understood what he said, so I ²asked for clarification to check if I had understood correctly. He gave a much clearer response. After that we all started discussing the main proposal quite usefully. Then the moderator ³invited the representative from Finance to give her opinion, but she started making a long and irrelevant speech about executive bonuses so the moderator ⁴interrupted her and ⁵tried to get the discussion back on topic. We talked for about 25 minutes and then the moderator ⁶ended the meeting by asking us to ⁷summarize the main points that had been made.’



7. Think of a current issue in your work and take into account the following points (1-3)

1. Take notes about the issue under the headings below.
Issue: _____
What needs to be decided: _____
Important factors to consider when making a decision: _____
2. Write a short agenda for a teleconference about this issue.
3. Now take part in the teleconference to discuss the issue and reach some conclusions

Alternatively, turn to the following slide. Work in small groups, choose a moderator, and have the teleconference.

Optional I Taking part in a teleconference

Background

You are regional managers for Framingisfun, a manufacturer of dairy products. Framingisfun has recently launched a new, very strongly flavoured blue cheese. Despite a positive reaction to its taste, the cheese hasn't been selling well and it has been agreed that the name 'Old Mouldy' (which was intended to be humorous) has probably been putting customers off. A teleconference has been arranged to decide on a new name and marketing strategy.

Preparation

1. Think of a possible new name for the cheese and some reasons why it should be used.
2. Prepare to do at least three of the following during the teleconference.

- 🕒 digress
- 🕒 check your understanding
- 🕒 express doubts
- 🕒 nominate another person to say something
- 🕒 intervene to ensure a speaker doesn't dominate
- 🕒 interrupt in order to take over the topic

Agenda

- 1 Introductions
- 2 Each participant to suggest a new name for the cheese, with reasons. Follow-up questions and discussion.
- 3 Reach agreement on new name
- 4 Discuss whether the product name can simply be changed on the packaging or if a full new product launch is required.
- 5 Agree action points.

Culture Question

- ⦿ Are you often interrupted in meetings? If so, how does this make you feel?
- ⦿ What factors would you consider before making an interruption?
- ⦿ Do you think people from different cultures might react differently to interruptions?



Practically Speaking I Establishing rapport

1. Which of the methods for establishing rapport (a-j) would you use in (1), (2) & (3) below ?

1. when meeting someone for the first time
 2. when meeting a colleague or friend again after a long time
 3. when meeting a business contact who could help improve your career prospects
-
- a. asking a follow-up question
 - b. asking about someone's journey
 - c. being modest about achievements
 - d. echoing the other person to encourage them to say more
 - e. giving a brief summary of your recent history
 - f. joking about yourself
 - g. paying a compliment
 - h. picking up on a key word in order to extend the conversation
 - i. recalling past events in common
 - j. showing that you already know something about a person you have just met

extra vocabulary

Keyword | *matter*

Match the use of ***matter*** in 1-7 to definitions a-g.

- | | |
|-------------------------------------|-------------------------------|
| 1. As a matter of fact, I do smoke. | a. actually |
| 2. It's a matter of urgency. | b. even if it's difficult |
| 3. It's no laughing matter. | c. is important |
| 4. That will make matters worse. | d. must be dealt with quickly |
| 5. This matters. | e. problem |
| 6. We'll do it, no matter what. | f. the situation |
| 7. What's the matter? | g. very serious |

2. Listen to five conversation extracts. For each extract decide on the relationship between the speakers, the methods in 1 they use to establish rapport, and the phrases they use to do this. Fill in the following table.



Extract	Relationship	Methods to establish rapport	Phrases
1			
2			
3			
4			
5			

3. Imagine it is five years in the future. You have been invited to a social event to meet up with the other students who were in your English class. You haven't seen any of them for a long time.

1. Take a minute to think where you might be and what you might be doing in five years' time. Make notes below about your future life.

- The date today is: _____
- I work at/in: _____
- My work mainly involves: _____
- Now I'm living in: _____
- The biggest difference compared with my life five years ago is: _____

2. Talk to your former classmates/ teacher. Use as many methods for establishing rapport from 1 as you can.



Talking Point

1. Read the two BBC articles. What went wrong in planning the Tokyo 2020 Olympics? How could these issues have been avoided? Explain.

Tokyo 2020 Olympics logo scrapped amid plagiarism claim

The logo for the 2020 Tokyo Olympic Games has been scrapped after allegations that it was plagiarised.

The Games Organizing Committee said there were too many doubts over the emblem for it to be used. Its withdrawal is a highly unusual move.

Belgian designer Olivier Debie claimed that the design was similar to his 2013 logo for the Theatre de Liege. He and the theatre had filed a lawsuit to prevent it being used.

Mr Debie expressed surprise at the organizers' decision on Tuesday as they had publicly backed the design only days earlier. He told BBC Radio 5 live: 'I thought the Olympic Committee was a big machine and I didn't dare to take action against them.' But the director of the Theatre de Liege had told him they had to 'do something' and they sought the help of good copyright lawyers. He said the logo, devised in 2011, had been official for two years and would have been available on sites like Pinterest around the world.

Japan was seen as a safe pair of hands to host the Olympics, but Tuesday's developments cap an awkward month for the organizers.

There may also be repercussions for lucrative sponsorship deals as Japan Airlines and other sponsors have already started using the logo.



BBC News, 1 September 2015

Tokyo Olympic stadium gets new, cheaper design

A new, more scaled-down, design has been chosen for the main stadium at the 2020 Summer Olympics in Tokyo.

Spiralling costs had forced the scrapping of renowned architect Zaha Hadid's futuristic original design. The new design, by Japanese architect Kengo Kuma, will cost 149bn yen (\$1.2bn; £825m) to build.

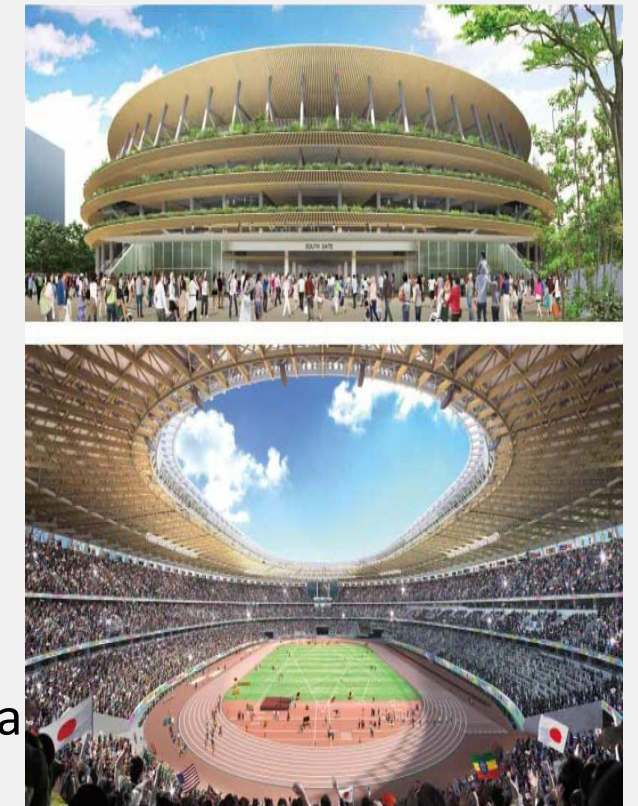
Ms Hadid's plan would have cost 252bn yen, making it the world's most expensive sports venue. Mr Kuma's design will cost an additional 4bn yen to design and maintain.

The scrapping of the design caused a row that eventually led to the resignation of Japan's Education and Sports Minister Hakubun Shimomura in October.

Mr Kuma's design echoes Japanese temple styles, with a low-lying steel and wood structure, surrounded by trees. It will sit more than 20 metres lower than the previous design and supporters say it fits better with its immediate environment, which includes the greenery around the nearby Meiji Shrine.

It beat a rival proposal by architect Toyo Ito. That too was simpler than Ms Hadid's proposal, which was compared with a gigantic bicycle helmet or an oyster, and which would have taken up a much larger area - 78,100 sq m (840,660 sq ft) against 72,400 sq m for Kengo Kuma's concept.

Construction of the new design will also be quicker. Necessarily so when the International Olympic Committee deadline for completion is January 2020, ahead of the Games' start in July that year.



BBC News, 22 December 2015

Discussion

1. The 2016 Rio de Janeiro Olympic Games were hit by a number of planning difficulties. Work with a colleague. Take a look at the list of some of these issues below and discuss what could have been done to avoid the risks.

What happened	What could have been done
Athletes complained that the Olympic Village was sub-standard and unfinished. Problems with plumbing, electrics and gas were reported.	
The water changed from blue to green in the Olympic diving pool.	
Rowing events had to be rescheduled due to rough water conditions.	
Security was so much of a concern that some teams recommended that their athletes remain in the Olympic Village when not competing.	
Wide-spread public health concerns, such as the Zika virus, resulted in several athletes not attending the Games.	
Sewage being emptied into the sea meant that swimmers were advised not to open their mouths when swimming.	
Low ticket sales meant a lot of empty seats at Olympic events.	



Task

1. Decide on the top five things that can go wrong when planning a big national or global event.
2. Hold a meeting to plan a large international event for your company on the event and then focus on:
 - What is going to happen?
 - What needs to happen to make sure you get the expected results? What
 - Could go wrong / what are the risks?
 - What can you do to avoid the risks becoming reality?

