

Riassunto libro

### **Unit 1**

**Strategic alliances** enable companies to share resources. This creates synergies or advantages and leads to increased market share and greater competitiveness. Public companies also hope to increase shareholder value when they form alliances. There are many kinds of corporate alliances. Corporate partnerships are formed when two or more companies decide to co-operate on one particular project or mission. When companies join together, it is called a **merger**. When one company makes a successful takeover bid to buy another one, it is referred to as an acquisition.

### ***company bosses out on the prowl***

The article addresses the resurgence of chief executives seeking avenues for growth and value enhancement in their companies. Despite a slowdown during the dot-com boom, CEOs are once again actively seeking opportunities for expansion. To increase the likelihood of success in acquisitions, CEOs are advised not to be overly concerned about statistics indicating a high failure rate for such deals; instead, they should focus on identifying promising targets. The article emphasizes the importance of companies maximizing their value by concentrating on their core strengths or "core competence." CEOs are urged to learn from the failures of the 1990s, cautioning against overconfidence and the powerful influence of the herd instinct—preferring safety in numbers even if it means being wrong collectively rather than taking a potentially successful solitary path.

### **Unit 2**

A **project** is a complex series of tasks that have to be completed within a specific time period and with limited financial resources. Successfully managing a project involves estimating and controlling the resources, budget and time schedule necessary for a positive outcome. Starting With the specifications of project, project managers put together a project plan which will enable them to complete the work on time and on a budget.

Projects follow a life cycle which has four phases:

- Initiate
- Plan
- Execute/control
- Close

### ***how to run massive construction projects***

- Big construction projects are always tricky, but airports bring special problems: tricky building techniques, and the need to interface with other transport links and to install sophisticated electronics to handle passengers and baggage.
- T5 Agreement: This is a contract with the project's main suppliers, companies and subcontractors, which aims to minimize the conflicts and cost-cutting that usually plague big building works.
- Usually, contractors hold a beauty parade and take on the suppliers who bid lowest. The suppliers rely on glitches and delays to bump up the cost. Every time something goes wrong, legal haggling breaks out among suppliers and between them and the contractor, and work shuts down for weeks on end. With construction behind

schedule, time runs short for the final installation and testing of the electronic systems.

- New departures: Passing risk to suppliers chosen by beauty parade increases the risk of corner-cutting. And, as T5's suppliers are partners who will work on future projects, they have an incentive to do a good job. If something goes wrong later, there may be a debate about negligence, but not about which supplier is to blame.

### **Unit 3**

**Teamwork**, or the ability of a group of people to work well together accomplish a common goal, is one of the fundamentals of the world work. Professionalism and efficiency are often measured in terms of how good one is as a teamplayer or how much one contributes to team spirit. Successful teams accomplish their objectives because they are committed, respect the various roles within the team and meet their deadlines. Teams spend a large part of their working lives in meetings. It is therefore important to make sure that every meeting is positive, informative and a necessary use of the team's time. The chair person or facilitator plays a key role in coordinating the team's work and keeping everyone focused at meetings.

#### Types of meetings

- *The café meeting*: if sessions in the meeting room tend to last too long, brainstorming in particular can take place elsewhere, for example over coffee or a snack, to provide a relaxed and creative atmosphere.
- *The stand-up meeting*: Everyone in the team stands in a circle and gives updates on work, conveys solutions to problems and asks for help if necessary. Because people are standing up, they are more concise and to the point.
- *The egg-timer meeting*: When it is preferable to have people sitting comfortably, as they may need to refer to notes etc., use an egg-timer to make sure nobody speaks for too long. Participants conduct the meeting in a precise and time-efficient manner.
- *The walking meeting*: This is when two or three members of the team take a 10-15 minute walk outside the office complex to discuss confidential matters in an informal context.

Sometimes meetings can be a waste of time if they aren't organized properly. Bigger ones are usually more problematic, and team members have to put up with meetings where too little thought goes into the agenda, the location, the people asked to attend and the outcome, say those who try to improve them.

That allows unimportant ideas or tedious individuals to hog the floor, with the result that a lot of team members find it hard to look forward to the next meeting.

What makes meetings especially important to companies, though, is that this is where teams are moulded.

#### Team roles

- **Team leader**: provide an environment that helps teams to get their work done. They organize locations and times of meetings and are responsible for providing resources required by the team to carry out their tasks.
- **Team facilitator**: helps develop and apply the procedure for teamwork. They establish the ground rules and then make sure that they are respected.
- **Team recorder**: responsible for writing down key points, ideas and decisions at meetings. Recorders need to prepare for meetings by reviewing the agenda carefully.
- **Timekeeper**: monitor how long the team is taking to accomplish its tasks and provide regular updates to the team on how well or poorly they are using their time.

- Team members: All team members must be enthusiastic and committed to the team's purpose. They should be willing to share responsibility and to accept different roles. They must share knowledge and expertise and never keep information to themselves. They should respect the opinions and positions of others in the team.

#### **Unit 4**

**Information** is a key resource for modern businesses, and **information management** has a direct impact on efficiency and performance. Information flows between the different parts of a business's information system (people, procedures, resources) in the form of data, voice, text and images. Information technology, hardware and software, allows this information to be gathered, processed, exchanged and stored.

Managers are thus able to analyze developments in their business in real time, in order to solve problems and exploit opportunities. Information systems are connected to internal and/or external networks (internet / intranets / extranets) and must be secured against attack.

#### **Automating management**

This article focuses on Gary Reiner, General Electric's chief information officer, known for his succinct communication style and the company's dedication to perfection. Reiner leads GE's significant initiative to digitize its operations extensively. This involves creating a digital nervous system connecting all aspects of the business, aiming to monitor everything in real time using a "digital dashboard" that highlights critical program statuses. This system alerts managers instantly if any metrics deviate from established goals.

GE's digitalization efforts, estimated to have saved \$1.6 billion in a year, exemplify the company's history of innovative business management. The article suggests that many companies will move towards becoming "real-time enterprises," instantly reacting to changes in their business, which in turn influences the broader economy towards a "now" economy.

The concept of real-time enterprises goes beyond accelerating information flow; it involves continuous business monitoring and the ability to react swiftly to changing conditions. New technologies, like wireless sensors, enable the collection of vast amounts of data that, when analyzed effectively, can optimize supply chains and even automate responses to new information.

While this shift won't likely end large firms, it will significantly impact their operations, potentially making economies more fluid and possibly more volatile. The article draws parallels between real-time technology and the potential for market volatility, citing the 1987 stock market crash caused in part by automated program trading.

#### **Unit 5**

The rapid pace of **technological development** is affecting every aspect of our personal and professional lives.

Consumer electronics products are making our lives more comfortable and entertaining. New and more innovative models are coming onto this almost saturated market all the time. The facility of browsing and uploading or downloading from the internet has changed forever the way we work and view the world. Nanotechnology is a new growth market, which

promised to bring smaller, lighter, more portable technological devices. But nowhere has technology more deeply changed our lifestyle than in field of mobile telecommunications.

### ***The march of the mobiles***

The article discusses the mobile phone industry's quest for new markets and innovation due to its saturation in developed countries and the need for sustained growth. It highlights unique products like the PetsCell, a phone for dogs, as an example of inventive designs tapping into new consumer segments. With nearly ubiquitous mobile phone usage globally, the industry seeks expansion through unconventional avenues, such as phones for infants or integrating phones into various devices like cars and household appliances. Additionally, strategies like encouraging increased phone usage through third-generation networks, fixed-mobile convergence, and extended coverage areas are being pursued. Despite widespread usage, the industry continues to innovate, aiming to fulfill the ever-growing desire for communication and connectivity.

### **Unit 6**

**Advertising** is a means of communication between an organization and its target audience using space or time purchased in the media. Businesses generally use the services of advertising agencies to create advertising campaigns that use combinations of commercials, posters, print adverts or internet pop-ups in order to publicize their products or services and persuade consumers to buy. Increasingly, advertisers are using other forms of promotion such as in-store displays, product placements and product demonstrations to draw attention to what they want to sell.

### ***Targeting the audience***

The article discusses the evolving landscape of the advertising industry, highlighting the challenges it faces amidst significant changes in media diversity and the advent of new technologies like the internet. Lord Leverhulme's historic complaint about the uncertainty of advertising's effectiveness reflects the industry's struggle to measure the true impact of advertising efforts. Despite the disorienting period for advertising, spending in the industry is on the rise, projected to reach \$343 billion. The article delves into the various alternatives to traditional advertising methods, including public relations, direct mail, consumer promotions, in-store displays, and more. The debate within the industry centers on determining the most cost-effective strategies for achieving results. This includes considerations like whether public relations efforts or display ads are more effective, or if showcasing products in malls and service stations is better than glossy magazine ads.

Making decisions about advertising channels is becoming increasingly complex due to shifting consumer behavior. People are spending less time on traditional media like newspapers and magazines while showing increased interest in cinema, radio, and notably, the internet. However, the internet's effectiveness in brand building remains a subject of debate, even as its share in the advertising landscape is growing rapidly. Amidst these changes, some in the industry remain optimistic, emphasizing

the advertising industry's inherent inventiveness in adapting to challenges. Despite the uncertainties, the industry continues to evolve, tackling creative challenges and exploring innovative ways to reach consumers.

## **Unit 7**

The activities of all companies are subject to national and **international laws**, which lay down the conditions under which they can operate in their home markets and abroad. Companies and individuals use the services of a law firm or of a corporate legal department to take legal action or to litigate in order to obtain compensation for harm they have suffered. Both sides in a lawsuit are represented by their lawyers (US attorneys); the plaintiff or litigant brings the lawsuit against the defendant. Businesses can be sued if they fail to respect their obligations under the law. Most lawsuits are settled out of court through negotiation between the two parties.

### ***Company liability: The people vs the USA***

The piece highlights six primary areas where companies face substantial litigation risks: **product liability, antitrust, intellectual property, employee conduct, contractual failure, and shareholder actions**. Litigation risks are complex and challenging to analyze, often causing financial markets to react negatively, raising financing costs for companies irrespective of potential verdicts or settlements. The article discusses the economic aspects of litigation, noting that while it might seem fair for companies at fault to pay, the distribution of settlements often heavily favors lawyers, resulting in a significant portion of the money returning to shareholders minus legal fees. However, the lack of incentive for plaintiff lawyers or juries to consider broader economic consequences, especially regarding hefty punitive damages, is pointed out. The article underscores the lack of comprehensive and accurate data on litigation costs, emphasizing the need for better mechanisms to capture and analyze this information. It touches upon the Supreme Court's efforts to reevaluate verdicts and emphasize tying penalties more closely to actual harm, highlighting the ongoing struggle to address the challenges posed by excessive verdicts in litigation.

## **Unit 8**

**Brands** are more than just product names. They are a mark of quality, and it is the brand name that distinguishes a product from other similar products and gives it a brand identity. Global brands have the ability to cross both geographical and cultural boundaries, building international reputations of quality. Creating brands and brand awareness is the job of the brand manager. Once the brand name has been established, the makers sometimes engage in brand extensions, which involves using the brand name of a range of products. In the case of luxury brands, companies have

to be careful to avoid overexposure, which could damage the exclusive aspect of the brand image.

## **Unit 9**

Most business ventures start as investments by entrepreneurs, who hope to make financial gains or returns on investment (**ROI**). Money for a new business may come from banks, or from venture capitalists and business angels, who also give entrepreneurial advice. As businesses grow, they invest in their own projects in order to increase profits and dividends for shareholders. Some businesses such as insurance companies and investment banks employ professional fund managers to oversee investment portfolios of different types of shares (US stock) and bonds on the global stock markets as their main profit-making activity. Although all businesses aim to make a profit, some organizations think it is important only to make ethical investments, possibly with lower returns, in projects that, for example, don't harm the environment.

### ***Freud, folly and finance***

The article delves into human decision-making and the various biases that influence choices about the future, ranging from financial investments to business strategies. It highlights several tendencies:

1. **Inaccurate Predictions:** People often make poor forecasts about stock market movements, housing prices, and games of chance due to their overreliance on intuition and neglect of hard evidence.
2. **First Impressions and Negotiations:** Initial encounters heavily influence judgments and negotiations. The asking price in negotiations tends to anchor subsequent discussions, even if the initial figure isn't accurate or truthful, as people find it challenging to question their initial impressions.
3. **Difficulty in Admitting Mistakes:** Businesses struggle to abandon failing projects or admit errors, resulting in continued investment in unsuccessful ventures due to the reluctance to admit faults or reverse decisions.
4. **Emphasis on Personal Experience:** People give undue weight to personal experiences, even if they aren't the best indicators. For instance, investing in overvalued shares because a relative profited from them showcases this bias.
5. **Fear of Failure and Loss Aversion:** People tend to fear losses more than they value gains, leading to irrational behavior in the stock market. Fear of failure and regretting past decisions significantly influence future actions.
6. **Decision-making Efforts:** There's an imbalance in decision-making efforts. People spend excessive time on minor decisions and insufficient time on crucial ones. This imbalance was evident during the boom years when some companies focused more on planning trivial events than on strategic mergers.

7. **Government Decision-Making Challenges:** Governments, facing diverse political pressures, are prone to making irrational decisions due to conflicting interests, further complicating the decision-making process compared to businesses. Overall, the article emphasizes the need for a better approach to decision-making, advocating for a balance between intuition and evidence-based reasoning, particularly in crucial decisions in finance and business.

## **Unit 10**

All businesses depend directly on the **energy sector**, which is the largest single market in the world. Some energy companies trade in fossil fuels (coal, gas and petroleum) while others supply electricity or fuel to end users. Many of the products derived from petroleum, like plastic, chemicals and fertilizers, are essential components or ingredients for industry. As petroleum reserves become scarcer, this drives up oil prices and encourages companies and governments to develop alternative or renewable energies. Increasing energy consumption is creating pollution and causing global warming, a problem some countries are addressing through the Kyoto agreement.

### ***Fossil fuel dependency.***

In the midst of soaring gasoline prices in the United States, concerns about the reliability of global oil reserves have surfaced. Some petroleum geologists caution that official estimates of available oil reserves are significantly inflated. Energy companies and oil-producing nations have incentives to inflate these figures, aiming to appear more competitive and influential. Consequently, there might be considerably less oil available than claimed, potentially leading to an earlier peak in global oil production. The consequences of an underestimated oil supply could be severe, impacting various sectors heavily reliant on petroleum, from transportation to food production. As the supply diminishes, extracting remaining oil becomes costlier and more challenging, potentially rendering oil as an unsustainable energy source. Despite assurances from major players in the oil industry about adequate reserves, questions persist about the accuracy of these estimates, especially considering the rapidly rising energy demands of developing nations like China. A miscalculation in global oil reserves could lead to increased reliance on less efficient and more polluting fuels, exacerbating global warming. The worst-case scenario could entail total economic collapse, with rising gas prices and sporadic blackouts being mild precursors to potential future crises. The article highlights the critical need to question the reliability of oil supply estimates, as the future of oil might not be as optimistic as it seems for those dependent on modern conveniences powered by oil.

**The power of money:** The World Bank, an international institution providing financial assistance to countries, is undergoing a significant review of its energy policy. This review comes at a crucial time as global energy demand is expected to surge in the upcoming years. However, the Bank faces a dilemma regarding its past financing of numerous fossil fuel projects that contribute to increased carbon dioxide levels and hasten global warming effects. To address this issue, the Bank has commissioned a special committee to prepare a report outlining recommendations for its future energy policy. This report aims to provide guidance on whether the Bank should continue financing fossil fuel projects or pivot towards a more radical approach, emphasizing cleaner and renewable energy sources. The decisions made by the World Bank in this regard hold considerable weight as they determine the direction of future energy development initiatives.

## **Unit 11**

An Initial Public Offering (**IPO**) takes place when a private company raises capital by introducing its shares on the stock market and becomes a public limited company (plc). Before a private company can go public, it must comply with the requirements of the regulators of the stock exchange (Securities Exchange Commission in the US) and file an application giving full details of its accounts. Most companies prefer to use the services of an investment bank to manage or underwrite the offering.

### ***Page and Brin's daring IPO.***

Larry Page and Sergey Brin, Google's founders, are challenging the traditional process of going public, defying Wall Street norms. Page and Brin have opted for a public auction, offering shares at market prices directly to all interested buyers. This move is expected to earn Google an extra \$100 million compared to the conventional method, cutting the fees for firms like Morgan Stanley involved in the auction. Previously, entrepreneurs succumbed to Wall Street practices due to a lack of options and the monopoly on information held by big brokerage firms. However, cracks in this system appeared in the late '90s when auction-based approaches were introduced, yet few entrepreneurs embraced these changes, often favoring traditional banks for IPOs due to their access to analysts who often hyped stocks. Page and Brin's decision to apply their analytical approach to the IPO industry could potentially revolutionize Wall Street, mirroring their impact on the internet. By relying on the public's perception of the fairness of their method compared to the perceived collusive nature of traditional IPOs, they are taking a significant leap of faith. Page and Brin, while not typical leaders, represent a new generation of tech-driven visionaries challenging the status quo, betting on their ability to outthink and outmaneuver established norms.

## Unit 12.

Businesses compete against each other to sell their products and to increase or defend existing **market share**. When a company succeeds in creating a new market, competitors enter the industry, offering similar products but at a lower price. To stop their customers from switching to alternative products, businesses must maintain a competitive advantage. This can be achieved by differentiating the product or service, by having a lower cost of production, possibly through economies of scale, or by controlling the source of supply or the distribution network.

## Unit 13

The banking sector has four main types of institutions. **Central banks** implement the monetary policies of governments/countries and fix interest rates for other banks. Commercial banks or clearing banks take deposits and make loans to private individuals and businesses. Investment banks or corporate banks provide advice and specialist services to corporations or large individual customers. Microedit banks or microfinance institutions lend sums of money to people in developing countries for small business development.

### *Investing in development*

Microfinance institutions typically offer small loans, usually less than \$1,000, to marginalized individuals without collateral, with a repayment default rate as low as 5%. De Lesseps sees microfinance as an opportunity for both social impact and financial profit, insisting that lending to the poor in developing nations benefits both borrowers and investors. He emphasizes that while the aim isn't solely philanthropic, the primary concern remains the profitability for investors. His involvement began when approached to invest in BlueOrchard, founded by microfinance experts. Visiting impoverished villages, De Lesseps witnesses the transformative impact of microcredit, where loans facilitate agricultural growth and economic productivity. Despite charging interest rates higher than international benchmarks, he highlights that local credit rates are significantly higher, justifying the cost. De Lesseps sees immense untapped potential in microfinance, estimating the industry could absorb more than \$10 billion to effectively manage funds for developing countries and make a substantial difference.

## Unit 14

Professional development opportunities or **in-company training** courses are offered to working people who need to develop new skills to become more competent at their jobs. The courses usually take place in-house or in specialized training

centers, as well as online. Organizations pay for them out of the training budget, and the course generally take place in company time. As well as improving business performance, offering staff opportunities for training has a positive impact on motivation and staff loyalty. It has been proved that staff generally feel greater job satisfaction and a personal sense of achievement as a result of any training they do.

## **Unit 15**

**Professional-service firms** provide services to other companies, which often rely on expert advice from consultants who advise on strategy and policy making. Investment banks and finance companies offer advice on financial transactions, while bookkeeping and auditing are often outsourced to independent accountants or auditors. Legal matters are placed in the hands of law firms, and information technology systems are regularly looked after by external professionals. Some professional- service firms provide 'complete solutions' by offering legal, accounting and strategic expertise. However, in the USA recent legislation limits the extent to which, for example, audit firms can give policy advice on other aspects of business due to the conflict of interests this practice gives rise to.

### ***Global professional-service firms***

The text highlights the analogy between ancient armies and professional-service firms accompanying industrial clients in the 1980s and 1990s. It portrays how firms provided expertise globally, echoing the groups assisting armies during ancient marches. However, as firms went global, aiming to match their clients' expansion, they faced managerial challenges, conflicts of interest, and regulatory issues. The "do everything everywhere" strategy posed problems as clients tended to procure services locally for superior knowledge and client relationships. Legislation like the Sarbanes-Oxley Act imposed restrictions on service provisions, especially for audit clients. Despite the allure of multinational operations, local management grew more pivotal in service procurement, akin to ancient armies leaving locals to manage their conquered territories. While some international presence is necessary, especially in the European Union, coordinating local service providers for multinationals becomes crucial. The "Charmed Circle" of New York law firms demonstrated profitable yet modest international expansion, favoring informal networks with top-ranked firms for collaborations and knowledge exchange. Ultimately, until a better approach emerges, this method of informal networks and limited international expansion seems to be the way forward for most professional-service firms.

