

### Starting up

- Describe a good 'customer experience' that you have had, and a bad one.
- Read through the whole article. Then do the exercise below.

### Vocabulary 1 – definitions

Match the nouns to their definitions.

Competition	working on something when you should be working on something else
Distraction	how big something is
Greed	obtaining and keeping power in an organisation
Politics	when two or more companies sell to the same market
Size	wanting too much of something

### Reading

Read through the article again and insert the nouns in the left hand column above as paragraph headings, a to e.

## Five reasons companies mistreat customers and staff

In the 1980s, a colleague I shared an office with got a call from his daughter. He had bought her a cheap compact disc player from audio retailer Richer Sounds in London to take to university and she had found that it didn't work. She took into a Richer Sounds shop in Manchester, where she was studying. The staff there tested it and it worked. But she seemed uncertain, so they gave her a more expensive CD player instead.

"This is not complicated," Julian Richer, the UK company's founder, told the Financial Times last week, as he outlined his business philosophy. Treat your customers and employees well and the business will thrive. Staff turnover and employee theft at Richer Sounds' 53 audio equipment stores are far lower than the retail average. He has done well enough over the years to buy several Rolls-Royces. Why don't all chief executives run their companies the way Mr Richer does? I can see five reasons why they don't.

a) \_\_\_\_\_

As companies grow, they need to put formal procedures in place. They feel they have to create a corporate bureaucracy, with marketing and human resources departments. The people at the top become increasingly distant from employees. They stop bothering with staff at the sharp end and the staff stop bothering with the customers.

b) \_\_\_\_\_

Mr Richer is unusual both in managing to retain control and maintain his focus. In companies where there are several founders their aspirations, both corporate and personal, can begin to diverge. Some want to concentrate on the existing business, others to diversify. Some want to sell out to a large acquirer, others to keep control. When non-founder managers come in, they have their own ambitions, both personal and corporate.

c) \_\_\_\_\_

Even if they are united, the company's leaders often want to move the business on. They enter new markets. They make acquisitions which, because of differences in culture and IT systems, seldom work. Having attempted this and found it too difficult, they need to retrench, refocus, close subsidiaries and lay off staff.

d) \_\_\_\_\_

Perhaps the biggest reason of all. The company's leaders regard making money as the principal aim of the business rather than a byproduct of running it well. They see an opportunity to make money for themselves by selling the company to a bigger rival to a private equity group or to list it on a stock exchange. Bosses continue to talk about employees being their biggest asset and the customer coming first, but their eyes are elsewhere.

e) \_\_\_\_\_

This can derail even the best-intentioned business leaders. Although Mr Richer says it isn't complicated, staying in business is hard. Other companies undercut your prices, and technologies and distribution methods change. Richer Sounds has done well to retain its shops in the face of online competition.

The company says it has done it by recruiting on "natural friendliness, rather than high-pressure sales skills" and finding staff who are enthusiastic and knowledgeable enough about the products to explain them to customers. Other businesses have found that isn't enough to survive. Or perhaps not enough of them have tried.



**Vocabulary 2 – recycling words**

Complete the answers to these questions by using appropriate forms of words from the article, with the number of letters shown in brackets.

- 1 Did Julian Richer go into great detail about his business principles?  
No, he just gave an \_\_\_\_\_ of them. (7)
- 2 If you treat people well, will your business succeed?  
Yes, it will \_\_\_\_\_. (6)
- 3 At Richer Sounds, are there high numbers of recruits and people leaving each year?  
No, there is low staff \_\_\_\_\_. (8)
- 4 At Richer Sounds, do employees steal more than in other retail organisations?  
No, there are fewer \_\_\_\_\_. (6)
- 5 In general, do organisations become more formal with time?  
Yes, they become more \_\_\_\_\_. (12)
- 6 In general, do managers and staff continue to care about customers as much as they used to?  
No, they \_\_\_\_\_ less about them. (6)
- 7 When a company grows, do all managers have the same ideas about development?  
No, they have different \_\_\_\_\_. (11)
- 8 Do acquisitions usually work?  
No, they \_\_\_\_\_ work. (6)
- 9 Are employees always kept on after one company buys another?  
No, there are often \_\_\_\_\_. (7)
- 10 Can the acquiring company continue to develop as before?  
No, it has to \_\_\_\_\_. (8)
- 11 Should making money be the main aim of a business?  
No, it should be a \_\_\_\_\_ of satisfying customers. (9)
- 12 Do managers of many companies really think that their employees are more important than anything else?  
No, they say this, but they don't really think that their employees are their biggest \_\_\_\_\_ . (5)
- 13 Can businesses develop without thinking about their competitors?  
No, they have to consider their \_\_\_\_\_. (6)
- 14 Are Richer's employees very familiar with the products?  
Yes, they are very \_\_\_\_\_. (13)
- 15 Are other companies' employees familiar with the products they sell?  
They can be, but this may not be enough for the \_\_\_\_\_ of the company. (8)

**Grammar – relative clauses**

1 Use the correct words to complete the relative clauses in these sentences.

- a) Richer Sounds recruits staff \_\_\_\_\_ are enthusiastic and knowledgeable enough about the products to explain them to customers. (2 possibilities)
- b) Julian Richer, \_\_\_\_\_ was born in London, went to school in Bristol.
- c) London is \_\_\_\_\_ the company has its headquarters.
- d) The London Bridge shop, \_\_\_\_\_ is very near London Bridge station, has the highest sales per square meter of any retail outlet in the world. (2 possibilities)
- e) 1978 was \_\_\_\_\_ this shop was opened.
- f) Satisfied customers, \_\_\_\_\_ come from all age groups, are the key to Richer's success. (2 possibilities)
- g) The company, \_\_\_\_\_ started out selling hifi equipment, now also sells television screens. (2 possibilities)
- h) Richer Sounds has not made the mistake of buying businesses \_\_\_\_\_ might have been attractive targets for other buyers. (2 possibilities)
- i) Julian Richer, \_\_\_\_\_ books about business are best-sellers, has decided to retire.
- j) Richer, \_\_\_\_\_ employees are among the happiest in the UK, is giving each of them £1000 for every year they have worked for the company.

2 Which of the above sentences contain 1) defining relative clauses, and which are 2) non-defining relative clauses?

**Further discussion / Group work**

- 1 Talk about an organisation that is well-known for its good customer service. What does it do that makes it better than its competitors, in your view?
- 2 Now think of an organisation that is not so good for customer service. What could it do to improve?

**ANSWER KEY****Vocabulary 1**

Competition – when two or more companies sell to the same market

Distraction – working on something when you should be working on something else

Greed – wanting too much of something

Politics – obtaining and keeping power in an organisation

Size – how big something is

**Reading**

- a) Size
- b) Politics
- c) Distraction
- d) Greed
- e) Competition

**Vocabulary 2**

- |                |               |                  |
|----------------|---------------|------------------|
| 1 outline      | 6 bother      | 11 byproduct     |
| 2 thrive       | 7 aspirations | 12 asset         |
| 3 turnover     | 8 seldom      | 13 rivals        |
| 4 thefts       | 9 layoffs     | 14 knowledgeable |
| 5 bureaucratic | 10 retrench   | 15 survival      |

**Grammar**

1

- |                |                |
|----------------|----------------|
| a) who, that   | f) who, that   |
| b) who         | g) which, that |
| c) where       | h) which, that |
| d) which, that | i) whose       |
| e) when        | j) whose       |

2

- 1 a), c), e), h)
- 2 b), d), f), g), i), j)

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