

## 6.1

## VOCABULARY

# Purchasing power

## Online trading

- 1 What does the word *quality* mean to you?
- 2 Read Peter Drucker's definition. Do you agree?  
 'Quality in a product or service is not what the supplier puts in. It is what the customer gets out and is willing to pay for. A product is not quality because it is hard to make and costs a lot of money, as manufacturers typically believe. This is incompetence. Customers pay only for what is of use to them and gives them value. Nothing else constitutes quality.'  
 Peter F. Drucker, management guru
- 3 Do you ever use eBay or a similar online trading place? Why? / Why not?
- 4 These items from an online feedback page describe buyers' and sellers' experiences. Explain what each underlined phrase means.
  - 0 Item exactly as described. Highly recommended seller.  
 You should buy from this seller.

| Item | Feedback   | Date and Time    |
|------|--|------------------|
| 1    | Great buyer! Very <u>prompt payment</u> . Thanks.  | 28 – Mar – 10:15 |
| 2    | <u>Beautifully packaged</u> and goods <u>in mint condition</u> .<br>Would do business again.   | 27 – Mar – 10:05 |
| 3    | A1! <u>Efficient service</u> and <u>swift delivery</u> . Pleasure to do<br>business with.      | 25 – Mar – 13:47 |
| 4    | Slight <u>delay in despatch</u> , but great communication.                                     | 21 – Mar – 12:11 |
| 5    | <u>Smooth transaction</u> . Thanks.  | 15 – Mar – 08:08 |
| 6    | <u>Unreliable!</u> This is the second time I have received<br>goods <u>not as advertised</u> . | 10 – Mar – 11:30 |
| 7    | Item <u>a bit marked</u> but very reasonably priced. Saved<br>\$\$\$\$\$.                      | 28 – Feb – 20:40 |
| 8    | Goods <u>damaged in transit</u> . Poor packing for high<br>price.                              | 20 – Feb – 14:25 |
| 9    | <u>Beware!</u> Sold me a camera that wasn't <u>in stock</u> .                                  | 16 – Feb – 21:14 |

- 5 Write feedback for the following two online trading experiences.
  - 1 John buys some jewellery for a friend's birthday which is in two days' time. The seller promises it will arrive the next day and it does. John writes about the seller.
  - 2 Freda sells a tennis racquet that she bought but never used. The buyer pays immediately, but when it is delivered claims it is second-hand and posts negative feedback. Freda writes about the buyer.

## Managing suppliers

- 6** Look at the following supplier–customer pairings. In which case would you expect the relationship to be based on:
- A a close working relationship?      B price?
- 1 a camera manufacturer and an electrical goods retailer
  - 2 a pharmaceutical company and a hospital
  - 3 a haulage (delivery by truck) company and a mail-order clothes retailer
  - 4 a maker of nuts and bolts and a helicopter manufacturer
  - 5 a maker of motors and a helicopter manufacturer
- 7** Complete this questionnaire from a business magazine to find out your attitude to suppliers. Compare your answers with your partner.

### SHALL WE DO BUSINESS?

How do you treat your suppliers? Answer our short survey.

- 1 When it comes to negotiating prices with a supplier, it's best to
  - A be as open as possible about each other's costs and margins.
  - B agree a price you're both happy with.
  - C squeeze them as hard as you can to get the best price.
- 2 When renewing contracts
  - A try to keep your suppliers and build a long-term relationship.
  - B renegotiate terms that are agreeable to both of you.
  - C force suppliers to re-tender for the contract each year.
- 3 When paying suppliers
  - A pay them promptly when you receive the invoice.
  - B be sensitive to their cash needs and pay at the due date.
  - C wait until the first payment reminder arrives before paying them.
- 4 When developing new products
  - A always involve your supplier – they can help with development and marketing.
  - B consider how your suppliers can help to share the cost of development.
  - C keep your developments secret and never trust your suppliers.
- 5 Think of your supplier as
  - A an integral part of your business.
  - B a business partner.
  - C just another company, with its own interests and concerns.

Now check your answers on page 143.



## READING

### Learning Tip

Keep a special notebook for fixed phrases (eg *for the time being*) and phrasal verbs (eg *come across, bring about*) and write example sentences to help memorise them.



## The reverse supply chain

### 1 Discuss the following questions.

- 1 Have you ever had to return a product that you bought online? What was the reason?
- 2 How do you think companies try to prevent this from happening?

### 2 Read through the text below quickly. How do companies keep the cost of replacing products down?

### 3 Put one word in each gap to complete the text.

In 2017, global online retail sales reached US\$2 trillion, accounting (0) \_\_\_\_\_ *for* \_\_\_\_\_ around 8% of all consumer shopping. In the UK and China, the proportion was double that amount, at 17% and 15.5% respectively. For retailers, this means that the logistics of delivering the right product to the right person in the shortest possible time is more important (1) \_\_\_\_\_ ever. Companies spend a lot of time and money making their forward supply chain operations as efficient as possible, knowing that this will ensure a happy customer and the possibility of repeat business. But what (2) \_\_\_\_\_ something goes wrong and the product has to be returned? Companies then need a 'reverse supply chain' system that is equally efficient.

The first step is to collect the product. In the forward supply chain, companies carefully batch and time different deliveries to keep the cost as low as (3) \_\_\_\_\_. This is not so easy with returns, so most companies use third-party delivery specialists, (4) \_\_\_\_\_ as Fedex, to do this for them.

The second step is to analyse the problem with the product and decide what to do with it. If the wrong product was sent, it will (5) \_\_\_\_\_ then be repackaged for another customer. If the product is faulty or damaged, the company will need to decide if it is (6) \_\_\_\_\_ repairing or not. In some cases, it may choose to resell the product at a lower price; in (7) \_\_\_\_\_ cases, it may repair it or return it to the manufacturer for repair. Companies that have been able to streamline this process by having a clear set of rules that speed up the decision-making process find that they spend considerably less (8) \_\_\_\_\_ their reverse supply chain.

The costs of handling returned products can range from 1% of a company's total supply chain costs to 10%. This can be (9) \_\_\_\_\_ to inefficiencies in the recovery of the product, but more often, companies with the lowest reverse supply chain costs are the ones that have minimised issues in the forward supply chain – breakages, incorrect labelling, etc. As (10) \_\_\_\_\_ everything in logistics, forward planning is the key.

### 4 How do you think companies can benefit from having an efficient reverse supply chain?

## GRAMMAR

## Reduced relative clauses

### 5 Replace the relative clauses in these sentences with either:

A a present participle (eg *working*) B a past participle (eg *worked*)

- 0 The people who work in the warehouse are not well paid.

*The people working in the warehouse are not well paid.*

The money which is saved is spent on other projects.

*The money saved is spent on other projects.*

- 1 Goods which are damaged in transit are taken straight back to the factory.
- 2 Anyone who receives an incorrect item does not have to pay to return it.
- 3 Companies that manage their reverse supply chain well win more customers.
- 4 Some of the delivery companies that were used by us in the past had poor service records.

- 5 Customers who don't want a replacement product are given a refund.
- 6 Companies often allow customers to keep products which cost less than the collection cost.
- 7 Companies which only operate as online retailers, like Amazon, have set up networks of collection points.
- 8 Traditional retailers who try to compete in the online sales sector allow their customers to return items directly to their shops.

## LISTENING

### A contract to supply

**6** You have a shop selling flooring products (carpets, tiles, wooden flooring, etc). What would be the most important points to consider when negotiating a contract with your suppliers? Make a list with your partner.

**7**  **6.1 Listen to the conversation between Paul (from the retailer, A1 Flooring) and Barbara (from the supplier, Paragon Floors) and choose the correct answer.**

- 1 Sales of the Klik laminate flooring have been
  - A poor, even though customers are satisfied with it.
  - B good, but they could be better.
  - C good and customer satisfaction is high.
- 2 In the future, Paul would like to see
  - A reductions on the products at certain times of year.
  - B a better commission.
  - C greater discounts on certain product lines.
- 3 Barbara doesn't want to
  - A have a special policy just for A1 flooring.
  - B give any further discounts.
  - C mention this to her boss.
- 4 Another problem for Paul is that
  - A Paragon's stock levels are too low.
  - B Paragon can't always supply the precise product ordered.
  - C Paragon are not flexible enough.
- 5 Barbara says the shortages of stock are
  - A due to limited space in their warehouse.
  - B becoming less of a problem.
  - C not the fault of Paragon.
- 6 She says that wood is
  - A an expensive natural product.
  - B difficult to store and to move from place to place.
  - C is available in many different types.
- 7 Paul says that his customers
  - A understand the situation.
  - B will wait for the right product if they have to.
  - C will take their custom to another retailer.

## Ordering events: tense practice

1 A woman is having bad experiences with her hot water boiler. These sentences are taken from a letter of complaint she wrote to the manufacturer. Match the two halves of each sentence.

- |                                |  |
|--------------------------------|--|
| 0 In the beginning             | A it seemed like the most convenient option.               |
| 1 This is the third time that  | B I am taking showers at the local swimming pool.          |
| 2 On the second occasion       | C it was working fine.                                     |
| 3 The next time it breaks down | D I have had to ask for an engineer to come out.           |
| 4 At that time                 | E the engineer never turned up.                            |
| 5 For the time being           | F I am told that my case is very untypical.                |
| 6 At no time                   | G I will take legal action through the small claims court. |
| 7 Every time I call            | H I had never had any problems with my boiler.             |
| 8 Before that time             | I I have tried to repair the boiler myself.                |

2 Complete this letter by putting the verbs in the correct tense.

Dear Sir

I (0) *am writing* (write) to you today because up to now I (1) \_\_\_\_\_ (be) unable to get a satisfactory answer to my question from your telephone operators. Each time I call, the operator (2) \_\_\_\_\_ (promise) that she will investigate and call me back, but no-one ever does.

Three months ago, I purchased a vacuum cleaner from your High Street store in Hertford. At the time it (3) \_\_\_\_\_ (be) on offer and (4) \_\_\_\_\_ (seem) like a very good deal. However, on the third occasion that I used it, it (5) \_\_\_\_\_ (break) down. When I opened it, I discovered that there was a dead mouse in the motor! Since I do not have mice in my home, I concluded that the mouse (6) \_\_\_\_\_ (get) into the machine before that time, most probably in your factory.

Originally, I intended to ask only for an apology and compensation. However, as this is now the sixth time that I (7) \_\_\_\_\_ (try) to speak to you about it, I can only assume that you would prefer to discuss the matter in court. Accordingly, the next letter you receive (8) \_\_\_\_\_ (be) from my lawyer.

I enclose copies of two photographs of the mouse and the vacuum cleaner, which for the time being I (9) \_\_\_\_\_ (keep) as evidence.

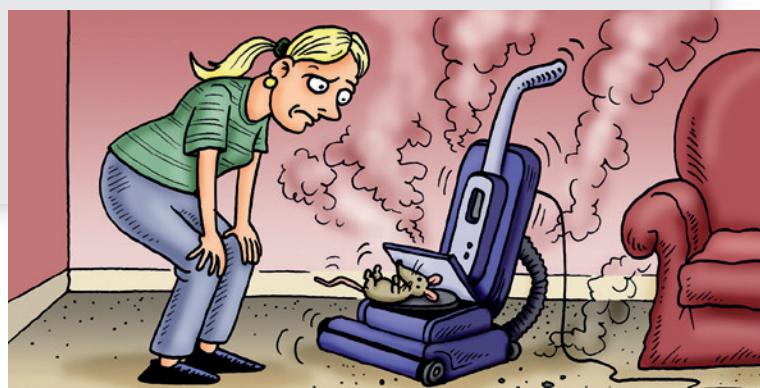
Please be aware that at no time (10) \_\_\_\_\_ (I / want) to pursue this matter in the courts.

It is something you have brought about through your own negligence.

Yours faithfully

*Martha Logan*

Martha Logan



## A letter of complaint

- 3** You bought a new phone eight months ago, but the battery on the phone is giving out after about two or three hours of use and needs recharging. Study the following information: an entry from the owner’s manual about battery life (A) and a reply from the customer services department to an email you wrote to them asking for a free replacement (B). Do you think this is a satisfactory reply?

A



This device uses a high-quality lithium-ion battery that will power the device for two to three days on a full charge. The battery should last 18 months with normal use and care. Beyond 18 months you will begin to notice a reduction in battery performance. The warranty on the device is six months with respect to the charger and the battery.

B

Dear Mr King  
 Thank you for your email of 12 July. Unfortunately, your phone battery is now out of warranty, and we are therefore unable to provide a replacement free of charge.  
 If you would like to purchase a new battery, please contact our sales team.  
 Kind regards  
 Customer Services

### Exam Success

Always make sure that you include in your answer all the elements specified in the question. Also think about which elements deserve more attention and which deserve less.

- 4** You are unhappy about this response. Write another email demanding a free replacement battery. Use this guide to help you. Write 200–250 words.

#### Writing guide

reason for writing (refer to their email)  
 refer to their manual and describe how you use the phone  
 state why you are not satisfied  
 suggest next steps  
 thank them and close the letter.

Dear Sir / Madam  
 I am writing in answer to your email of 16 July in which you ...

# 6.2

## Telephoning

### VOCABULARY



### Telephone expressions

1 These are things you commonly hear people say to you on the phone. Respond to them using *will* or *'ll*. Use two–five words in each gap.

- 0 Hello, is John there?  
Sure, I'll *just get him* for you.
- 1 I'm sorry, the line is engaged. Would you like to hold?  
No, that's OK. I \_\_\_\_\_ later.
- 2 OK. Can you take a message?  
Of course. I \_\_\_\_\_ and paper.
- 3 Can I have the sales department, please?  
One moment. I \_\_\_\_\_ through.
- 4 But I need the information by the end of today.  
OK, I \_\_\_\_\_ as soon as I can.
- 5 Can you ask Esther to bring her laptop with her?  
Sure. I \_\_\_\_\_ the message.
- 6 Is his bill for \$3,000 or \$3,500?  
One second. \_\_\_\_\_ my records.
- 7 Can I speak to Sarah, please?  
Hang on. I \_\_\_\_\_ back from lunch yet.
- 8 So, it's the Taj Mahal restaurant at 1 o'clock.  
Great. I \_\_\_\_\_ to seeing you then.

2 6.2 Listen and compare your answers.

### Problems with orders

3 The following are extracts from telephone conversations between a supplier (the wooden flooring manufacturer, Paragon Floors) and a customer (the flooring retailer, A1 Flooring). Who said what – the customer or the supplier?

- 0 'We ordered ten pallets but you only sent us five. I don't know if there's been some misunderstanding.' *customer*
- 1 'I'm calling about payment of invoices 2310 and 2324. We sent you a reminder on 4 May, but haven't heard anything. Is there a problem?'
- 2 'I'm sorry. We don't have that particular item in stock at the moment. Would you accept a replacement of a similar item?'
- 3 'I received an invoice for the last order (no. 301) but I think we've been overcharged. Can you check it for me?'
- 4 'I have your order here, but there's no purchase order number on it. Can you send it to me?'
- 5 'One of the pallets arrived damaged. What's the best thing to do now?'
- 6 'Delivery was due today, but it's 4 o'clock and I have had no communication, either from you or the delivery firm.'
- 7 'You're due to receive four pallets of item 501 tomorrow. You may notice that the colour is very slightly different from the one shown in the catalogue. Please check it on arrival and let me know if this is going to be a problem.'

### SPEAKING

- 4 Take the roles of customer and supplier and act out seven telephone conversations. Use the extracts in exercise 3 as the basis for each call. There are some useful phrases in the box below to help you.



**Customer:** Hello, it's Simon here from A1 Flooring. I'm just calling about the order we received today. We ordered ten pallets but you only sent us five. I don't know if there's been some misunderstanding.

**Supplier:** One moment, I'll just check. Ah, I can see what happened. We only had five pallets in stock. The others will be with you next week. Is that OK?



#### Telephoning

Hello. Can I speak to Mr ...?  
Hello. Can I speak to the person who deals with ...?  
Hello. I wonder if you can help me. I'm calling about ...?  
One moment. I'll put you through.  
I'll see if he's free.  
I'm afraid he's not available.  
Can I take a message?  
I'll have to get back to you on that.  
If you can call me soon, I'd appreciate it.  
I'll call back later.  
Thanks for your help.  
Thanks for calling.  
It was nice talking to you.



## 6.3

## EXAM FORMAT

## Exam Success

Be calm and business-like in your letters: don't make threats or claims you cannot justify; don't exaggerate and don't be rude.

## Writing Test: Part Two

Part Two of the Writing Test is a choice between writing a letter, a report or a proposal (200–250 words). Part One carries 10 marks and Part Two 20 marks. Give yourself 40–45 minutes to complete Part Two.

You are expected to respect the conventions and formats of these types of business writing in English. With all types it is most important to answer the question fully.

This means addressing all the bullet points in the task.

### Reports and proposals

Reports and proposals need to be clearly organised and follow a conventional report / proposal format. They should be divided into paragraphs and have an introduction and conclusion. There is often a paragraph summarising the proposal or (in the case of a report) the findings, and they may include a recommendation.

### Letter writing

Letters or emails should be divided into clear paragraphs with appropriate opening and closing remarks.

Types of letter include: complaining, explaining and sorting out problems, apologising for a mistake, inviting someone to co-operate in business, etc. The instructions will describe the situation and list all the elements that you should include in your letter. It may also show an extract of another letter, advertisement, etc to which you have to respond.

### Letter writing

Follow these steps.

- Read the instructions twice and note all the elements that have to be included in the letter.
- Think carefully about who the letter is for, what your relationship is to the person, and what the reason for writing is. This will determine the *register* (formal, semi-formal, etc) and *tone* (apologetic, determined, etc) of the letter. The tone and the arguments you present must be natural and convincing.
- Plan the letter before beginning to write. You will probably need to include five–six paragraphs:
  - introduction
  - reason for writing
  - background to problem
  - possible solutions
  - next steps
  - conclusion.

By giving it a clear structure you will find it easier to write.

- When you have finished read it back to yourself. Imagine you are the receiver of the letter. Is it clear? Does it sound convincing? Does it achieve its purpose?
- Look for basic grammatical errors (subject–verb agreement, use of tenses, etc).

**EXAM SKILL****Letter writing conventions**

As in any language, letters in English use certain conventions and stock phrases. Below is a list of some of the more common ones. Complete them by adding one word in each gap.

| Letter writing conventions   |                  |
|--|------------------|
| <b>Beginning and ending</b>  |                  |
| Dear Sir / Madam   | Yours faithfully |
| Dear Ms Johnson  | Yours (1) _____  |
| Dear David   | Kind regards     |
| <b>Reason for writing</b>  |                  |
| I am writing to apologise for / enquire about / thank you (2) _____ / ...          |                  |
| I am writing (3) _____ answer to your letter / enquiry about ...                   |                  |
| (4) _____ our recent meeting / telephone conversation, I am writing to ...         |                  |
| I was given your name by someone who suggested you might be able to help us to ... |                  |
| <b>The background</b>  |                  |
| (5) _____ you may know, ... is an ... based in ...                                 |                  |
| As you will recall, three weeks ago we ...   |                  |
| Recently, we ...   |                  |
| <b>The result</b>  |                  |
| As a result (6) _____ this, we have had to ...                                     |                  |
| Consequently, we would like to ...   |                  |
| The result of this is that ...   |                  |
| <b>The next step</b>   |                  |
| What I propose is that ...   |                  |
| In (7) _____ to resolve this matter, I suggest that ...                            |                  |
| We would appreciate (8) _____ if you could ...                                     |                  |
| We would be (9) _____ if you could now ...   |                  |
| <b>Further communication</b>   |                  |
| Please do not (10) _____ to contact me if you wish to discuss any of the above.    |                  |
| I look forward to hearing from you / receiving ...                                 |                  |
| <b>Signing off</b>   |                  |
| Thank you again for your custom / interest / understanding.                        |                  |
| Once (11) _____, my apologies for the delay / misunderstanding / error.            |                  |
| I hope you find this solution satisfactory.  |                  |

**EXAM PRACTICE**

2 Following the approach described above, answer this question from Writing Test Part Two.

**PART TWO**

- Write 200–250 words.
- A supplier whom you have dealt with for several years without any problems has recently sent you the wrong stock on three separate occasions.
- Write a **letter** to the company:
  - informing them of the problem
  - explaining the impact it has on your business
  - asking for an explanation for these mistakes
  - suggesting the action you will take if these mistakes continue.