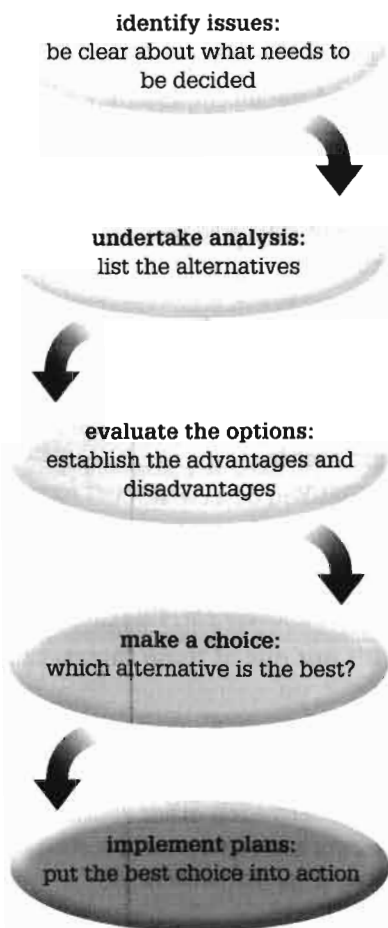


Case study

Decisions, decisions

- 1 How do you usually make decisions? Which statement best matches your own?
 - I always trust my instincts and make up my mind straight away!
 - I like to sleep on any important decisions. Things often look different in the morning.
 - I like to analyse difficult decisions carefully and look at all the options.
 - I always distrust obvious answers to problems.
 - I am better at making important decisions at work than in my private life.
- 2 Study the information about the decision-making process. Is it just common sense?

The decision-making process



- 3 Chapple and Scott's is a growing advertising agency which has just moved to larger premises in London. Every two years it holds a party for its most important and loyal clients. They have been discussing what they should do about this year's event. Look at comments 1-5 and decide which part of the decision-making process they belong to.
 - 1 'So on balance, we've decided to go for the museum option. Although we're proud of the new premises, one set of offices looks very like another. After all, we're supposed to be a creative agency and this would be something that people would remember for a long time to come.'
 - 2 'Right, now that we've made up our minds, we need to make it happen. Helen, we've discussed the budget, so could you get hold of the museum straight away and see what options they have for catering?'
 - 3 A: 'Well, let's brainstorm the choices, shall we? We could hold it here; that way everyone would get to see the premises.'
B: 'Or else we could have a reception in a hotel.'
C: 'I've also heard that you can hire rooms at the museum. Just imagine chatting to people surrounded by paintings of skeletons of dinosaurs! Wouldn't that be fun?'
 - 4 'There's no doubt that it would be cheaper to hold it here, and we do have a number of large rooms that we could use. A hotel could end up being extremely expensive and could give the wrong message to our clients. Provided we choose the right setting, the museum is a definite possibility.'
 - 5 'We really need to think carefully about why we're holding this event. Is it to impress people with our new premises, or to thank them for their loyalty over the past couple of years? Personally, I think our aim should be to cement good relations with our key customers.'
- 4 Can you think of any decisions you have made which you later regretted?
- 5 Sometimes life is compared to a maze where we make choices which are difficult or impossible to reverse and which have important consequences. Has this ever happened to you?

- 6 You and your partner are students at art college. For the last two winters you have had holiday jobs as skiing instructors. Two seasons ago you started to sell distinctive items of jewellery made to your own design. They were very popular and you have earned £3,000. You are now deciding what you should do.

You are going to make a series of business decisions which will lead to triumph, disaster, or a mixed triumph. Working in groups, make your first decision. Then go to point 10 or 15 depending on your choice and follow the instructions there. Points 1–14 are below; the rest are in File 7 on pages 128–9.

1 If you stop now you will miss a once-in-a-lifetime business opportunity. You should give up your art course and concentrate on the jewellery business.

Go to 10.

You should carry on with your art course and graduate in two years' time. Afterwards you can always go back to the jewellery business. It will still be there.

Go to 15.

2 The department store says it will carry on buying your jewellery on condition that they sell it under its name (you will have to remove any details of your company from boxes and packaging).

You like the idea of a guaranteed income which will help your company grow. You accept their offer. **Go to 13.**

You insist on your independence and look for other customers. You turn down the offer. **Go to 21.**

3 Your fragrances and clothes are a complete flop and damage your reputation. You are lucky enough to have another offer from the Luxury Label. However, the offer is greatly reduced. You still have enough to pay off your debts and walk away with enough money to start again.

Mixed triumph

4 The department store buyers like your designs but think they need more work. However, you have spent most of your bank loan and need to raise some more money.

You go back to the bank and ask for a new loan. **Go to 28.**

You abandon your ambitious plans and sell the car. You invest the last of your money on a new workshop and perfecting your designs. **Go to 17.**

5 Your shop in le Marais becomes very successful. You are still quite ambitious for further success.

You open shops in St Petersburg and Palm beach. **Go to 30.**

You decide to stretch your brand and produce accessories such as belts and leather goods carrying your logo and jewellery. **Go to 25.**

6 The franchise is a limited success but takes all your energy and creativity. You haven't become rich but at least you are comfortably off.

Mixed triumph



7 Your customer accepts the new deal you offer them. They recognize that your goods offer quality and good value for money. The business grows and you develop a wider customer base. You now aim to establish your jewellery as a recognizable brand.

You spend a large amount of money on advertising in fashion magazines. **Go to 27.**

You convince well-known celebrities to wear your jewellery and focus on product placement on TV programmes. **Go to 17.**

8 You meet a small but successful firm of jewellery makers at the fair. They are very excited by your designs and the quality of your work. They invite you to go into partnership in the States. This will mean sharing the secret of your techniques. You decide to trust them and take up their offer. **Go to 14.**

You are flattered by their offer but think the risk is too great. **Go to 19.**

9 The department store's offer guarantees you an income for the next two years. On the strength of this you become a limited company. You can now plan your next step. You continue to design and develop your range.

You employ more people. **Go to 2.**

You focus on finding new customers for your existing designs. **Go to 21.**

10 You realize that you need more money than your £3,000 to expand your business.

You go to the bank and ask them for a loan. **Go to 18.**

You approach family and friends to see if they are willing to finance you. **Go to 23.**

11 Congratulations! The bank has accepted your business plan. You now have enough money to invest in your company's future.

You invest in a new workshop and equipment and work on perfecting your designs and a characteristic new logo. **Go to 17.**

You buy a smart car, invest in brochures, and entertain buyers in department stores. **Go to 4.**

12 There is no snow this winter in the resorts where the chain has its shops. They return all their goods to you and you cannot meet your liabilities. You go bankrupt and lose everything.

Disaster

13 The department store can now dictate terms to you. However, they promise continued business.

You stay with the store's exclusive contract and plan for the future. **Go to 35.**

You decide to leave the rat race and explore other options. **Go to 27.**

14 Well done for trusting your judgement. Your acquaintances become dynamic business partners. You become an overnight success. You open a chain of jewellery shops and become rich, successful and happy.

Triumph

15 The moment has passed. You never get organized and spend the next twenty years wondering what would have happened. **Go back to 1** and start again!
Disaster

16 With the business angel's money you expand rapidly. You can improve on your designs and invest in marketing. A top department store is interested in stocking your jewellery. However, it insists on exclusivity for the first two years.

You decide to take the store's offer and do not look for other opportunities. **Go to 9.**

You decide that you do not want to be tied to an exclusive contract. **Go to 21.**

17 A fashion magazine writes an article about you and you are approached by small shops and private buyers and jewellery collectors. You have to decide whether to expand or consolidate.

You decide to raise awareness of your name by investing money in advertising on local radio. **Go to 27.**

You decide to keep your business small and produce expensive up-market items. **Go to 20.**

18 The bank says you can't have a loan without a business plan which includes a budget, sales and cash-flow forecasts.

You produce a business plan you think the bank will accept. **Go to 11.**

You decide to approach your family and friends. **Go to 23.**

19 By turning down this opportunity you have had your last chance. You simply run out of money and have to get a job with another jewellery firm.
Disaster

20 Your work is becoming better-known and you sell some expensive items to celebrities and film stars. You want to broaden your customer base.

You consolidate and open a tiny shop in le Marais, an exclusive area of Paris. **Go to 5.**

You invest heavily on a website and selling over the Internet. **Go to 24.**

21 You have found two large potential customers. You only have the resources to supply one. Customer A insists on double discount but will pay in 30 days. Customer B is a chain of gift shops in mountain resorts. They offer to stock your jewellery on a sale or return basis. This means they will pay if they sell the goods or else they will return them to you. However, they promise to sell your jewellery at the full recommended price.

You choose customer A. **Go to 26.**

You choose customer B. **Go to 12.**

21 Even though the factory's samples were good, its real production was of low quality. About 20% of the production is sub-standard.

You send the goods anyway and offer a substantial discount. **Go to 33.**

You send a part-shipment and promise to send the rest when it is ready. **Go to 34.**

You choose customer B. **Go to 12.**



23 Unfortunately no one in your family is prepared to risk their money!

However, an uncle introduces you to a business 'angel' who is prepared to invest money in your business for a 25% share.

You accept the angel's offer and sign a legal agreement. **Go to 16.**

You decide to approach the bank again with a plan you think the bank will accept. **Go to 11.**

24 Your website attracts hardly any business. You realize too late that people will only buy well-established brands over the Net. You become a victim of Net fraud and debts force you out of business.
Disaster

25 Your new range is a huge success. One of the world's foremost luxury labels offers to buy you out. You wonder if you can go even further on your own.

You decide to take the offer. **Go to 29.**

You stretch your brand to cover clothes and fragrances. **Go to 3.**

26 Your new customer places big orders but, as you expected, your profit margin is quite low. Somehow you need to cut your costs.

You see some low-cost, high-quality samples from a Far Eastern jewellery manufacturer. You let them produce your designs for you. **Go to 22.**

You explain your position to your customer and try to negotiate a better deal for their next season's order. **Go to 7.**

27 Your previous actions have cost you a lot of money and put the future of the company in danger. Now you need to re-think your operation completely. With a new business manager you choose between these options.

You start a jewellery-making franchise teaching manufacturing techniques and supplying materials to your franchisees. **Go to 31.**

You adapt your designs to cheaper dress jewellery and sell it through network marketing. **Go to 32.**

28 The bank is horrified that you have wasted its money. It makes you liquidate all your assets to get its money back.
Disaster

29 The offer makes you rich and you decide to leave the rat race. You move to the South of France and become a member of the international scene. Sometimes when you see your designs advertised in expensive fashion magazines you wonder if you could have made it even bigger!
Triumph

30 You know nothing about operating shops in the USA or Russia. You are wiped out and lose everything.

Disaster

31 You underestimate the difficulty of turning ordinary people into craftspeople capable of producing high-quality jewellery which sells well.

You persevere with the franchise and improve your training. **Go to 6.**

You abandon the franchise and look for new opportunities at the San Diego Jewellery Fair. **Go to 8.**

32 The direct marketing concept is a brilliant success. Many women have been searching for bold well-produced dress jewellery at a reasonable price. You become rich and are the topic of many business magazine articles.

Triumph

33 A bad move. The customer angrily rejects the entire consignment. You are unable to find another buyer and suffer a cash flow crisis. You cannot satisfy your creditors and go bankrupt.

Disaster

34 The customer is not very happy but at least they accept you have acted honourably. However, you doubt whether they will place any further orders. You need to rescue your business fast!

You go to the San Diego Jewellery Fair in an attempt to make new contacts. **Go to 8.**

You decide to appoint a new business manager to help you investigate other business openings. **Go to 27.**

35 The department store rejects your new designs as too avant-garde. Tired and fed up, you sell your business to another jewellery manufacturer.

Disaster

8 Unit 11

page 113

- 1 You are Jo Kellogg. You are calling Mrs Sharpe, a human resources manager, about arranging a student placement. You are speaking to Mrs Sharpe's secretary. Mrs Sharpe can telephone you at any time between 9.30 and 12.00.
- 2 You are Danny Roper's brother or sister. Take a call from Andy Green, one of Danny's college friends. Tell Andy that Danny isn't there, but promise that he will phone later.

9 Unit 6

page 61

The quality control team at Harper's Cameras have noticed a 10% increase in costs incurred through breakages. Members of the team are now meeting to discuss the problem.

Read your information and prepare to participate in the meeting.

Ideas person

Your role is to come up with new ideas and creative solutions to problems.

You have the following ideas:

Use computer tracking through bar codes on all invoices and envelopes. There have been important developments in satellite tracking.

Make customers responsible for collecting their own consignments. Offer a discount for this.

Include a certificate which has to be signed by the person responsible for the packing.

10 Unit 5

page 55

You are going to discuss staff confidence and morale at Frost's. Consider these questions:

- 1 Can you identify any problem sales people?
- 2 Are any other members of staff contributing to lack of morale?
- 3 What can be done to make Frost's seem more like a team again? Consider the following suggestions.
 - Organize team-building weekends with outdoor activities such as climbing.
 - Organize sales seminars from a famous sales 'guru' to inspire and re-energize people.
 - Organize social activities such as parties and barbecues, where the staff and their families can get to know each other better.
- 4 What other types of training might work?
- 5 What would be most suitable for Sally's sales force?

11 Unit 4

page 43

Read the criticisms of Quayside Furniture that were made in the TV documentary. Then follow the instructions on page 43.

- 1 There is no established system for promotion.
- 2 Skilled employees are only paid the minimum legal wage.
- 3 Quayside has failed to issue its employees with proper contracts.
- 4 There is no proper salary structure.
- 5 There is no entitlement to holiday or sickness benefit.