

4 PART FOUR

Tapescripts

1.1. The future of the world economy

Q: It's not very easy to make predictions for the future, but some experts have tried to do that. We asked Mr Thomas Mitchell to share his opinion with us. So Mr Mitchell, if speaking about future trends is so difficult, why do you think it's important?

A: For several reasons. One, maybe is that a lot of other economists have made predictions and I can make mine as well. But the second is that I'm an old man and will not be there when these things happen, so I'm safe from being laughed at.

Q: Does that mean that the future of the economy is dark?

A: Not exactly. However one thing seems to be fairly sure, there will be several financial and economic crises during the next century. Each will come after a boom when almost everybody believes that they have finally learned how to manage the situation. So when the next crisis hits people will be shocked and unprepared again and again.

Q: That doesn't sound too promising.

A: No, but the environmental problems will get even worse. Most countries will be unable to deal with these issues because of political difficulties, and mainly because they cannot make agreements, or if they can they will be unable to implement them. However, global warming will have some side benefits. The ice-free passages would reduce the transportation costs from Asia to Europe and the US.

Q: That's good news. The main center of economy will benefit.

A: The problem is that the world will have different economic giants than it has now. The US and Europe will lose their leading place because of bad politics and a decreasing population. The new dynamic economies of Asia, and parts of South America and Africa grow faster. But regional and ethnic problems in these countries will explode into repeated civil conflicts, I'm afraid.

Q: So we seem to be doomed. Still, do you have some positive pictures?

A: The prospects may seem frightening, but I would like people to do something to avoid such a nightmare. In my dream, policymakers will have learned that crises are sure to come and that preparing for them is necessary. In my dream, countries will recognise that education is an investment, and people will have the necessary skills to exercise initiatives. In my dream world opportunity will be equally available to all, in every social group. Governments will thoughtfully balance short-term and long-term needs. Wealth and income at the top will not get so distant



from the middle as to threaten the cohesion of society. People will realize that other people are not enemies just because they are different, or have different opinions. Political opposition will play an important role to keep power balanced.

Q: This really sounds like a dream society. How can it be implemented?

A: The ideal way would be one where everyone wakes up tomorrow realizing what needs to be done, but I'm afraid, the most likely path is through a deep crisis. That's what history has taught us, at least.

1.2. Why study economics?

Q: My daughter has just completed 11th grade and would like to study economics after finishing school, but do you think it's a good choice? Why should people study economics?

A: Great question! But I can only give you the reasons why I chose to study economics when I first entered university.

Q: So, what were your reasons?

A: First and foremost I enjoy the topic. That's an absolute must to study economics. Don't choose this field because you think it's the route to a high-paying job. Of course, there are topics I like more than others, microeconomics, industrial organisation and game theory, to name a few, but these helped me get through the ones I found difficult.

Q: But there are really good job opportunities for economics graduates.

A: Yes, that's true. Although you are not guaranteed a good-paying job with an economics degree, your chances are higher than in other programmes. With an economics degree you can work in finance and banking, public policy, sales and marketing, civil service and insurance. If you're certain your interest is in the business world, a business degree may be a better fit, but an economics degree opens a lot of doors.

Q: Can you use the knowledge you learnt in your everyday life?

A: Yes, sure. And that is an important issue, too. Learning about interest rates, exchange rates, economic indicators and markets can help you make better decisions about investing and obtaining mortgages.

But the most important thing is that you learn a lot about how the world works. About the impact decisions have on the firm, industry and national level. You'll discover the effect government policies have on the economy and on employment, both good and bad.

Economics will help you make more informed decisions as both a consumer and as a voter. Economics, when done properly, should give people tools about how to think of things more clearly.

Q: All in all, economics seems to be a good decision.

A: Yes, absolutely, if your daughter is interested in it.



2.1. Unemployment

Q: What type of information about employment do you provide in your blog?

A: It's about my personal experiences with unemployment.

Q: How hard does life get when you are unemployed, aside from the lack of money?

A: Unemployment has had a deep effect on me. I've never been bored, and I always have something to do. But sometimes I wonder if any of it matters. It affects my confidence in my own abilities. It affects my moods from day to day or even hour to hour. I often notice this in the morning. Sometimes it's really hard to get out of bed and face another day of the same thing.

Q: What advice can you give our readers on successfully filling in the forms to get unemployment benefits?

A: The best advice I can give is to stay on top of it. If you have a question, call the unemployment office right away. If you receive something from them in the mail, respond to it immediately. They're there to help you, but you have to ask.

Q: Which sources would you recommend to get information about unemployment benefits?

A: Call your state's unemployment office. They're the experts. But pick an off-time - first thing in the morning for example - or you might be on hold for a long time.

Q: What tips can you give our readers on claiming unemployment benefits quickly?

A: Get the process started right away. Fill out the forms right away. Be proactive.

Q: What advice can you give on facing interviews? What should an unemployed person do differently?

A: Depending on how long you've been unemployed, you may have to organize your experiences differently. Show how you've been using your "free time" to make yourself a better job candidate and a better person. Don't give the impression that you've only been looking for work. They'll question your value as an employee, simply because no one else has hired you.

Q: What do you think about the government's efforts to solve the unemployment issue?

A: I think the government has done a reasonably good job. They can't just push a button and make unemployment go away. It's a systemic issue that takes time to work itself out. By extending unemployment benefits, it gave people time to wait it out.

I only wish they had done more in the way of government works programs. This would have been a great opportunity to improve the nation's infrastructure – transportation, schools, post offices, even community systems. But I feel like there hasn't been much of that.



2.2. Working in Britain

Q: What made you decide to work in England rather than in Italy?

A: First I thought about studying in England, but it seemed impossible to find the right place, so I started looking for more practical options. I'd visited London once and decided that I'd love to work there one day. I also wanted to get a job in an English-speaking country where my Italian might mean an advantage. Then a friend mentioned a programme, Work in Britain, and that was what I was looking for.

Q: Was it difficult to get a job in London?

A: Most Work in Britain participants find jobs within a week of arrival. I found a job at a café in the city on my second day. Working there, I learned a lot about life in London and its people.

Q: What surprised you most about London?

A: I hadn't expected it to be so cosmopolitan. My co-workers came from all over the world and represented London's diversity. I sometimes felt that customers distanced themselves from us servers, and behaved as if they were our superiors. Sometimes they made bad remarks about my foreign co-workers who couldn't speak English well.

Q: Did you notice any special things about how the British do business?

A: Customer service doesn't seem so important as in other countries. It is not very common for British customers to tip. It's just understood that a customer pays for an item and they get what they pay for. Nobody will expect you to smile and say "Have a nice day."
I also noticed that fellow workers are friendly towards each other and go to the pub after work together. The managers would join the staff, too.

Q: So, do you think it was worth experiencing London as a worker rather than a student?

A: Yes, definitely. It gave me the opportunity to interact with various people. I also really appreciated being on my own and not with a group of fellow students. It was nice to be independent and free in London.

Q: Would you consider living in London on a more long-term basis?

A: Yes, although the weather wasn't the greatest. The city was easy to navigate and the parks were fantastic. My only problem was the public transportation. It really could be cheaper. I would definitely return to live there if I could.

3.1. Dictation: Advice for small businesses

First you will hear the **whole** text, then it will be dictated in **chunks**.

Small business owners get advice from a lot of places, but here is some they shouldn't take. First of all, ignore anything that you cannot immediately see how to use for your business. There's a lot of advice that doesn't work for businesses that have no employees or fewer than ten employees.



Also, ignore anything that sounds expensive. Serious entrepreneurs with serious businesses seem to make serious investments in all sorts of things that could leave you with no money. Most micro business owners risk their own money, but they don't want to share their business with outside investors.

And finally, ignore anything where the speaker is not telling you how to do something but rather is advising you to pay someone, just like them, to give you some good advice. It seems that some of the entrepreneurs speaking at conferences actually make their money from advising businesses.

3.2. Productivity Issues and the Financial Crisis: Move Carefully

The financial crisis is having an incalculable impact on business and personal life. This is not the first time that a society has gone through an economic downturn, but this is the first time ever that the downturn has been this severe after such a strong period of growth.

And it's the first time the entire globe has been affected to this extent. In each case from the past though, people and companies learned how to get through the crisis. No one knows how, but the situation will be different on the other side.

The financial crisis is definitely changing the world, from the largest of multi-national powerhouses all the way down to small businesses and one-man bands. Companies' managers need to think deeply about their position and situation before taking any action. Their acts will affect their productivity in the future for better or worse.

Consider all your options, the good and the bad. Weigh all carefully before acting. What are the consequences of each action? Then think some more. Only after following these steps can you be sure to be taking the right actions.

Increasing revenue is the most effective way of surviving the current economic situation, but it's also one of the toughest. It is important for managers to know how to control resources and reduce costs. Decreasing costs is a key issue for all companies whether there is a financial crisis or not.

What managers need to do is to detect what expenses and investments are really needed in their companies and which ones can be sacrificed during the financial crisis.

At the same time, companies need to find out about the productivity of each employee. It's not an enjoyable process, but companies all need to evaluate each employee. Companies can use employee monitoring software to find those employees who really are the best, and keep only them.

By using this software, employees will become more responsible and will make their best efforts for the company's welfare. In this way, the entire company will be able to pass through the financial crisis with fewer losses. In most cases, the company will emerge on the other side even stronger.

4.1. Advice on investing for beginners

Q: So, Robert, could you give young investors some advice about the stock exchange?

R: Yes, certainly. The most important thing is to keep it simple. Somebody once said that all problems people have come from not being able to sit quietly in a room alone. This describes the investing process well. If you trade too often, you are likely to have some unpleasant surprises. By keeping it simple you can be much more successful.



Q: This may not sound attractive to young people. Most of them want to get rich overnight.

R: That's not that easy. Unless you are extremely lucky, you will not double your money in the next year investing in stocks. Such returns generally cannot be achieved unless you take on great risks. But that's speculating not investing.

Q: I see. So what do you suggest doing?

R: You should be prepared to hold for a long time. In the short term there are a lot of changes. Trying to predict the market's short-term movement is impossible. It's all about popularity. Even young investors should be patient and keep their focus on a company's fundamental performance. In time, the market will recognize and properly value the cash flows that your businesses produce.

Q: That's not at all what you can hear in the media today.

R: That's true. News agencies today are competing for investors' attention and center on presenting daily price movements. Unfortunately, the price changes rarely represent any real change in value. Not listening to them may help you focus on what's important to your investing success, the performance of the companies you own.

Q: Companies you own? Aren't we talking about stocks only?

R: No. The most important thing is that you should behave like an owner. Stocks are not only things to be traded. They mean ownership interests in companies. If you are buying businesses, you should act like a business owner. This means reading and analyzing financial statements on a regular basis, weighing the competitive strengths of businesses, making predictions about future trends, as well as having strong ideas and not acting without thinking.

Q: That sounds like very good advice. Thank you for answering my questions.

4.2. How to open a student bank account in the UK

Firstly you need to be aware of your financial needs. Do you want an overdraft? Do you want a credit card? If so, which account offers the best interest rate? How big of an overdraft will they allow?

You should go to all the banks in the high street asking these questions. Sometimes it is best to just pick up the leaflets and read the information at home, because the account managers might persuade you to do something less than perfect.

Then make a decision of which bank is for you, and ask them what they will need to open an account. Banks in the UK require basically the same information to open an account, though some do differ slightly. You will definitely need your passport, proof of UK residence, proof of address in your own country and a confirmation letter from your educational establishment.

Remember, you have to be in the UK to open a UK account.

Be careful, banks offer many superficial benefits when you open a student account, for example a free travel card. It is best to look beyond that and open an account that will benefit you in the long term.



5.1. Grassroots marketing

Grassroots marketing is the best way for your startup business to reach potential customers and to establish a brand in whatever markets you're targeting – local, regional or even national.

There's nothing special about grassroots marketing techniques. All "grassroots" really means in this context is something unconventional that allows your business to meet your customers where they live and work - as contrasted with advertising, which depends on mass media to reach them.

Here are some techniques and examples some start-up companies use.

1. Attach your signs to telephone poles

John Miller attached his signs to telephone poles as he had problems with signs that he put into lawns and on street corners. People didn't like them, because they were in the way. So he put them onto telephone poles. As the signs were high up, nobody bothered them and everyone driving by noticed them, so there was a dramatic increase in call volumes. The signs stick in people's minds because they stare at them while they sit in traffic.

2. Show off your product everywhere

The best thing for your product might be to actually demonstrate how it works. Mary Hilton and her husband Ron, for example, take every opportunity they can to demonstrate the amazing effectiveness of their cleaning products. They hired demonstrators to clean dirty marks out of tile, carpet, whiteboard – you name it. As the products are really good, the company has increased sales.

3. Pass out logo merchandise

Put your company's name, and a logo if you have one, on every little thing and piece of cloth you can think of and hand them out like mad. Meg Smith gives out sports bags with her company's name on them. People carry them around to the gym, to the town and the shops, and others ask them about the name. The bags are handy to use, and she gets free branding.

4. Start a blog

Anna Jones, a takeaway restaurant owner, launched a blog on her website to educate and persuade online shoppers to give her cuisine a try. She writes about topics that will interest her visitors and get them to order something. At Easter, for example, she blogged about crown roast lamb and the tradition of Easter meals.

5.2. Marketing Methods and Trends: What's New for 2015?

Q: What do you think will work for the 21st century consumer?

A: It largely depends on your demographic, but there are five marketing methods and trends that are worth watching. We have seen many changes over the last few years and this year will be no different.



Q: I'm sure they are in connection with the new communication channels.

A: You are absolutely right. Today more than 80% of the population carry mobile phones. Mobile applications will develop, we will see new devices, faster speeds and new technologies as one. If you are a marketer and don't use mobile marketing, you will be left behind.

Q: And what do you think about social media?

A: It was only last year that companies started to take social media seriously. This year we will begin to see companies integrate social media in their marketing plan. It's a bit too late, but better late, than never. Social media will become the tool for collecting customer data and for better target marketing of products and services that those customers are interested in.

Q: Will marketers still use the traditional methods?

A: This is always a sensitive subject because there are so many that don't want to say goodbye to traditional marketing. And of course, there are still a lot of customers that can be reached by traditional methods, but the overall marketing budgets will continue to shift to a higher expenditure online and traditional marketing spending will continue to decline.

Q: Today people are counting their pennies. How can you market products and services in such times?

A: Consumers are careful with their money and because of this they will only buy what they think to be a value. They no longer buy anything just because it's on sale. This means you must market the value of the product or service to get consumers to open their wallets. If there's no value, they simply won't buy.

6.1. Shipping by sea

Are you looking for a way to transport goods across continents but can't decide between shipping by air or sea?

You may be surprised to learn that although it seems like the less technologically advanced option, choosing sea cargo can be more economically reasonable, more reliable and easier than transporting your goods by other means.

You need to find a professional, well established company who can more than adequately meet your demands. When shipping goods by sea, many things need to be taken into account such as the size, shape, weight and quantity of the goods being transferred.

In addition, elements such as the temperature that goods need to be transported at as well as things such as humidity and moisture levels.

All of these elements can be controlled efficiently when shipping by sea. Although sea freight may be a slower option than air or road freight, there is an added advantage in the amount of goods that can be shipped, as large ships are able to accommodate a much larger percentage of goods than other means of transport.

In addition, shipping by sea can be a continuous journey, whereas other means of transport may need to stop. With road and air cargo there is also the added inconvenience of stopping at each border, which can be a long and slow process. By sea the journey can be smooth and continuous.

When travelling to countries which may be dangerous, ocean journeys can often be the best option.



Most good companies will have a detailed website which will explain what regulations need to be followed to transport goods by sea.

The company you choose will be able to advise you about the best way to transport your goods and the best companies will also offer you the option to track your goods as they travel across the world. So if you need to transport goods to faraway shores, you should seriously consider shipping by sea.

6.2. How to organize business travel

Many employees have the urge to go wild when it comes to business travel expenses. They rack up charges on their expense account and act as if they have never flown or eaten before. If you want to run a clever business, you have to limit travel expenses.

When it comes to business travel, here are some tips to curb business travel expenses:

Firstly, you should make sure your employees know and understand how to book flights for your company. If there is someone in house who does this, make sure that they watch their spending. If you use a travel agency, either online or off, make sure that your employees get the best deals. Ask yourself whether the work can be done by video or telephone. There should be a good reason for travelling. If you have conferences, have them close to home to cut out unnecessary travel. You should also make sure your employees know the deadline for claiming expenses for a trip. There should be a monthly deadline with regard to expense accounts used when traveling.

In your company manual, be sure to state how you wish employees to book airlines. Encourage them to book tickets in advance, as you can get a better deal when you are booking a trip well in advance.

There are some hotel chains that are ideal for business travel and offer clean, comfortable rooms, internet access in the room and even free breakfasts. You should make a list of the chains so that your employees know where they can stay when they go on a business trip.

Have a cap on all meals and drinks, and don't let employees drink alcohol. This will save you quite a bit of money as many employees, in addition to acting as if they've never traveled or eaten, also tend to act as if they have never had a drink before when traveling on business.

Encourage the use of public transportation when possible; discourage the use of limousines to the airport and back. Give incentives to employees who have someone pick them up from the airport.

And the most important thing. Make sure that you list every type of expense in the business policy book and leave nothing to chance. Explain to your employees what you expect of them when it comes to business travel and enforce these policies strictly. This way you can save quite a bit of money in business travel.

7.1. Dictation: Modern communication isn't working

Why won't people phone when the situation requires it? It's always easier to email if you have a question or if your message is sent at night. But if someone wants to arrange a meeting that suits both people, email is too slow. A short phone call would replace a lot of typing. So why don't people just pick up the phone?

Email, Facebook, Twitter, IM, text messages, etc. have effectively replaced people actually talking to each other. Although I have a Skype account, people prefer the occasional personal Facebook



message or email. The same with Twitter, although even e-friends don't use it yet. An e-friend is someone you know more online than offline.

There is only one living person who wrote letters to me. Then emails. Then she got Skype installed and called me. And now she updates her 'status line' on Facebook. A sign of the times.

7.2. On corporate blogging

Do you still blog on behalf of your company? If you do, you're a bit old-fashioned. According to a University of Massachusetts Dartmouth report, corporate blogging is declining.

Of the companies they surveyed, only 37% were blogging in 2011. That's down from 50% in 2010. If you look only at the biggest companies, the percentage drops to 23%.

Why are corporate blogs losing their popularity? USA Today says, mostly because Facebook and Twitter are so much easier to manage.

Keeping up a blog is a lot harder than people think. I've dealt with dozens of clients who jump in with plans of updating every day! They soon learn that updating even once a week is hard work. It's amazing how quickly seven days pass when you need to come up with a fresh blog post.

Facebook and Twitter, on the other hand, are perfect for posting with a little effort. A single line of text, a photo, a question and that's all you need to keep the lights on. Just remember that if you want your social media to benefit you, you have to do more than just keep the lights on. You have to provide a meaningful content that engages your audience. In that respect, it's just as hard as blogging, but most people don't see it that way.

What blogs give you that you don't get with social media is a chance to communicate without all the noise. On Facebook, you're one of a dozen posts competing for instant attention. An hour later, you're off the front page and forgotten.

A blog post is evergreen. There's no rush here. If you're doing it right, your posts will show up when someone searches the proper terms on Google. They'll find your information when they need your information, and that's more powerful than a drive-by.

Common sense states that a company blog shouldn't be all about the company but if you look at the blogs on Google, Twitter, and Dell, you'll see that's not true. People visit your blog to learn about your new products, how to use them and what's coming. Don't disappoint.

Blogging can be an important piece in the marketing puzzle. It does take time and thought but then again, so should everything you put out there on behalf of your company.

8.1. Marriage and Money: Planning Your New Financial Life Together

Q: You know, I'm getting married in the summer. I'm really looking forward to life together, but I'm a bit worried about money matters. I would like to have a strong financial foundation for our relationship but I think I need some advice.

A: Yes, money can bring challenges to a relationship, and it is best to avoid them with careful planning. The first thing to decide is dealing with bank accounts. It is generally a good idea to consider a combination of joint and individual accounts. A joint account should be used for family expenses, like mortgage or rent, utilities, bills, food and so on. In addition, each person should have an individual account for personal spending, or fun money. This can really help to simplify things.



Q: That's a very helpful piece of advice, but how can we create a budget?

A: Now is the time to get serious about that. You and your partner should sit down and look at your combined cash flow. What debt payments will you both have? How much can you save? Can you find ways to combine expenses? Answering these questions together will help you develop a realistic budget for your married life.

Q: We have already started to talk about that, but you know, there are so many important decisions to make.

A: Yes, this is the time when you need to make these important decisions. You should add planning for the unexpected to your list, too. Health insurance is one of the most important things. You should choose one carefully. And it's a good time to discuss life insurance. When you are single and without children, there's little need for that, because nobody is depending on your income but you. When you get married, you should discuss what would happen if your spouse was left to support your household alone, and consider whether or not life insurance would be appropriate.

Q: Yes, but these things seem so far away. It's not very easy to talk about them.

A: But you should talk about them, no matter how hard it may seem. If you don't talk about money matters, that can lead to problems later. Money can cause stress even when you are single, and it could be even more stressful when you are married. Don't let small problems grow into large ones. From the very beginning, be open with each other and talk about your money concerns. Open communication will help identify what is important for each of you. Then you can make the best decisions about your money as a couple.

Q: Thank you for your advice.

8.2. Dictation: What Does Financial Planning Mean?

Financial planning is key to a brighter future. The primary goal is to achieve personal economic success. You truly want to manage your money so that your money takes care of you, not just now but in the future.

As with anything in life, planning is the key. The most important tool to use is a budget. Budgeting allows you time to figure out how to use your money now and in the future.

Financial planning is used to determine your current financial situation, set goals, and identify alternatives to your plan, which means taking into account different life situations, personal values and other economic factors. Then you want to implement your plan, review it and revise when needed.

Personal budgets can be difficult for some because it is difficult enough trying to make ends meet when you are unemployed.

Planning of any kind helps you put things in order.

Consider financial planning as something needed in life like sleep and before long it will become natural.



9.1. Humanistic Management

Q: These days the economy isn't doing very well. Everybody says it's because of the financial crisis, but Peter Johnson, the best manager of the year thinks it's because of bad management. Why do you think it so, Peter?

A: Well, people come to work with high expectations. Then in many places they are treated like children and face punishment, rewards and silly contests. Add to this an old outdated style of management, and people stop being creative, they don't take risks and productivity drops.

Q: Do you think this attitude will change in the near future?

A: It should, because younger workers today expect work to provide balance, joy and positive relationships. Unfortunately today's performance management models with too many rules are still very strong, so change will come in about ten years. Future managers will use a system of two-way instant communications based on openness, trust and respect. Goals will be set and monitored like today but in a more democratic way.

Q: That's a nice picture, but how can we make positive changes now?

A: Managers today need to reexamine their behaviour and assumptions about what drives people at work. They have to ask, "Is it possible to feel joy at work or just fear which is limiting growth and creativity?" It's time to try new approaches.

Q: But are there any new ways for them to use?

A: Yes, and I'm calling it Humanistic Management. It is built around trust and collaboration between management and employees. This new wave will focus on people over profit with a clear understanding that this is the route to business.

Q But why isn't the present system good?

A: Because when organisations manage by creating winners and losers with their employees, everyone loses. Just look at the financial crisis of today. Behaviour hasn't changed, and that means another crisis in less than two years.

Q: And how should managers change?

A: First they should understand that people want to work when they are interested in what they are doing. Managers should treat them as partners. There should be more flexibility, more balance and more creative ways to work. And this isn't a wish list. The young generation is growing up, and they will implement this over the next ten years. It will be implemented just because the current system isn't working. The new wave, Humanistic Management, is coming and you would be wise now to get on board!

9.2. People: Management styles

There are many qualities that are needed to be a good leader or manager. They should be creative, they should have a vision for the company, and they should be able to solve problems.



Another important thing is that they should stay calm under pressure and make clear decisions. Communication skills are also vital, just like knowing the ways of business. And finally, managers should want to achieve great things.

Do you have to be born with the right qualities or can you be taught to be a good leader? It is most likely that well-known leaders or managers are successful due to a combination of personal characteristics and good training.

Managers deal with their employees in different ways. Some are strict with their staff and like to be in complete control, while others are more relaxed and allow workers the freedom to run their own working lives (just like the different approaches you may see in teachers!). Whatever style is used most, it will be vital to the success of the business. “An organisation is only as good as the person running it.”

There are three main categories of leadership styles: **autocratic, paternalistic and democratic.**

Autocratic managers like to make all the important decisions and closely supervise and control workers. Managers do not trust workers and simply give orders that they expect to be obeyed. This approach has limitations but it can be effective when quick decisions are needed in a company or when controlling large numbers of low-skilled workers.

Paternalistic managers give more attention to the social needs and views of their workers. Managers are interested in how happy workers feel and in many ways they act as a father figure. They consult employees over issues and listen to their feedback or opinions. The manager will, however, make the actual decisions as they believe the staff still need direction and in this way it is still somewhat of an autocratic approach.

A **democratic** style of management will put trust in employees and encourage them to make decisions. They will delegate to them the authority to do this and listen to their advice. This requires good two-way communication and often involves democratic discussion groups, which can offer useful suggestions and ideas. Managers must be willing to encourage leadership skills in subordinates.

10.1. What to consider when attending a trade show (note taking)

Regardless of your industry, there is probably at least one major trade show or convention each year.

Large companies can easily send a representative to a show without any problems, but for a small business owner, choosing which events to attend can be a difficult task. Going to a trade show not only costs money, it can also result in lost sales opportunities — a risk that some small business owners may be hesitant to take.

If you plan carefully, however, the opportunities to learn, grow, and connect with other businesses can outweigh the lost time and expense. To determine whether or not you should attend a show, first review the event's schedule. Consider everything from the location of the show to the after-hours parties.

- **Location.** If any of your clients are located in the same city as the trade show, maximize your travel dollars and visit the client's office before or after the show.



- **List of exhibitors.** Run through the exhibitor list for both potential business partners and for competing firms. A trade show is a great opportunity to connect with new companies and review your competitions' products and services.
- **Classes and seminars.** Most shows offer a variety of workshops, forums, and seminars. Look for learning opportunities to help you acquire new skills or to run your business more effectively.
- **Keynote addresses.** Guest speakers and other general lectures can provide insights into the trends and market forces that will shape your industry and the future of your business.
- **Size.** At huge shows, it is more difficult to meet with other business people; at a small show, you may not have as many opportunities to learn and network. Review the list of exhibitors before you decide whether or not to attend. Going to any show — big or small — will give you a chance to meet and talk face-to-face with key companies.
- **Parties and socials.** Networking is a main reason to attend a show. Look for dinners, cocktail hours, and other opportunities to connect with your peers and potential business partners.

Before you register for a trade show or convention, weigh the potential gain against the travel expenses and registration fees. Then develop a list of goals for the show that includes everything you hope to reach such as making new contacts, signing a deal with a partner, or learning about new products to use in your business. Once you have decided to take part in a show, it's up to you to maximize the return on your investment.

10.2. A Trade Show Expert

Q: This week we are talking with Daniel Phillips, a professional magician from Chicago, who has been performing at trade shows for 20 years. His goal is to draw more attention to exhibitors' booths, and he is very successful at it. Daniel, can you tell us a little bit about how you became a magician?

A: When I was 6 years old, my grandfather asked me what I wanted to be when I grew up and I answered "A magician." So he bought me a toy magic kit and soon I found myself performing at birthday parties. After college, I created a magic show based on the curriculum, and I performed it in elementary schools nationwide.

Q: How did you make the transition from parties and schools to international trade shows?

A: I have always been attracted by business life, perhaps that's why a trade floor show is a better fit for me, than a Vegas showroom. My first client ever was the world's second largest printing company. The marketing manager was so satisfied with the fact that three times as many visitors visited the booth of her company that she booked me for seven more trade shows. So I worked with them for 8 years.

Q: Can you tell us about the types of clients you work with? Sizes? Industries?

A: By the time the year is over, I'll have performed more than 1,000 ten-minute presentations at 25 trade shows. My clients are start-ups as well as the world's biggest companies. It's very exciting to work with such varied clientele.



Q: What is your process when you begin working with a new client?

A: I always include my client's story in my presentation, so I need to know some information about their position, the challenges, the names of their products, and so on. Then I integrate all this into a script which has interactivity, humour and audience participation. Then we discuss it and make the necessary changes. It takes two or three weeks, though I have done it in a couple of days, if a client has a last-minute request for me.

Q: In what ways are you more efficient than other services?

A: I ask my clients to track the lead counts when I'm performing in their booths. Usually I will double the number of visitors from a previous year. But there are some other benefits. My clients are more likely to be photographed for the organizations' website or magazine. I elevate my client's presence at the show, and that is the most important thing.

11.1. Ecological Footprint

Q: There are more and more people in the world every year, the demand for resources is increasing fast. In the current situation, a tool called the Ecological Footprint is one way to measure how much land and water humans need. But how much is that?

A: On average, each person needs 4.5 acres to meet their needs. But in the US, the average footprint is 24 acres. So, if everyone consumed as much as the Americans, we would need five Earths to meet our needs.

Q: But how does this effect the current situation?

A: The footprints have been getting larger and larger every year, so now people are consuming almost 25 percent more resources each year than can be regenerated in a year.

Q: Is it as bad as that?

A: The footprint is not about how bad things are, or how bad you are. It's just a statement of where we are, and what we can do about things. But obviously, it's not just about you, but also about the systems you have built around you. Let's take Italy as an example. The footprint there per person is 2.5 times smaller than in the US, because they have efficient and relatively small cities. People walk around, they eat more local food, they have markets and so on. So all these things allow people to have a high quality of life at a much lower resource consumption or footprint, as we say.

Q: So what can we do to reduce our ecological footprint?

A: People often ask me this question, and I think they expect me to say: 'Drive less, eat less meat, don't eat chocolate' or something the like. But I tend to say that you should just maximize your quality of life. We don't live forever. Time might be the limiting factor, not money. If you are chasing money or happiness, you might not have time to enjoy either. If people really think about the quality and the purpose of their lives, they surely will reduce consumption.



11.2. Moving to a sustainable economy requires lifestyle change

Q: Professor Jackson says that creating a sustainable society takes more than technological progress. It also requires a change in how we live. Professor, how important is this lifestyle change in creating a sustainable society?

A: I think that technology on its own can't solve our problems. People today want to consume and it has a lot of negative effects both on the environment and society. You can't change that without changing people's lives.

Q: What's the role of policymakers in achieving such a big change?

A: The answer to that starts from another question: what is the role of policymakers in creating a culture of consumption? They are continually creating the consumer society through the institutions, financing and sometimes through messages. For example, politicians everywhere asked people to start shopping and spending money again after the crisis. The government needs consumers to keep the economy going. The crisis showed very clearly that the government can't afford to do anything else. But it makes the job of changing lifestyles extremely difficult.

Q: What can politicians do to change things?

A: There are very many things, from encouraging more sustainable behaviour, to regulating advertising, particularly for children. Politicians can encourage people to save rather than spend. They also should encourage small-scale local enterprises that work for the local communities. And finally, governments have to create and maintain public spaces, like public libraries, parks, museums and village halls. Public space is important, if you want people to be happy without material consumption.

Q: Do you see much appetite for the ideas of green GDP and green growth?

A: Green growth is a very powerful idea that makes a lot of sense in some ways, for example, that you should base your economy on investments in green technologies. But I'm afraid it's rather wishful thinking, than anything else.

Q: So how should we define progress in the future?

A: There are a lot of indicators that show how prosperous a society is, for example life expectancy, infant mortality, or participation in education and in voluntary activities. These can measure the strength of society much better than GDP.

12.1. Young Entrepreneurs: take advantage of Erasmus opportunities!

Q: Your newest project is "Erasmus for Young Entrepreneurs". Could you please explain what the objectives of the project are, and how it works?

A: Europe needs more entrepreneurs and although 51% of young Europeans are interested, few of them actually start a business. Those few, who do, rather operate in their national market than take the opportunities elsewhere in the EU or beyond. Only 8% of small and medium enterprises



export their goods and services within the EU. So “Erasmus for Young Entrepreneurs” hopes to help internationalisation and growth of start-ups.

Q: What does the programme provide?

A: Participants travel to another EU country, to spend 1-6 months with an experienced entrepreneur. The programme provides financial and practical assistance to that.

Q: And what will participants do during their stay abroad?

A: The first thing is that the parties involved in the programme have to establish an arrangement for the stay abroad. They can include, for example, market research and developing new business opportunities, understanding small business finance, or working on concrete projects.

Q: But in such a disturbed economy, how can this programme help young entrepreneurs?

A: The programme is about breaking barriers and crossing borders. It helps the development of more internationalized small businesses and the creation of more new businesses in Europe. I think both points are important, if Europe wants to get out of the crisis quickly. But advantages for the young people... Well, they will gain relevant management knowledge, new skills and new relationships.

Q: How can people apply?

A: Any young entrepreneur who has started or plans to start their own business can apply for the programme. They should be interested in helping the host entrepreneurs, as well as learning from them. They should have a good educational and vocational background, and a strong business idea.

Q: And what about the experienced host entrepreneurs?

A: Any experienced entrepreneur can apply, who owns a micro, small, or medium-sized business and wants to share their experience. They must be committed to work with the new entrepreneur. All applications should be made via the webpage www.erasmus-entrepreneurs.eu.

Q: Thank you for the information.

12.2. The European Union and the World Trade Organisation

Q: Why does the EU participate in the WTO?

A: The EU is the world's largest trading block, which makes it one of the key players in the World Trade Organisation. In the WTO, the European Commission negotiates on behalf of the 28 countries of the EU.

The EU supports the work of the WTO on rule making, trade liberalisation and sustainable development.

Through the WTO, it is possible for the EU to find new markets for European companies, keep the rules, and make sure others also play by the rules, and also promote sustainable development in trade.



An example of this is the 'Everything But Arms' initiative, where all imports to the EU from the world's poorest countries are duty- and quota-free, with the exception of weapons, of course.

Q: What does the WTO do?

A: The WTO is a member-driven organisation that sets the framework for trade between its members. Its most important activities are conducting negotiations at all levels, helping to solve problems between countries, setting the legal background for trade and monitoring members' trade policies.

Q: Why is the Doha Round of world trade negotiations so important?

A: Because this round of negotiations is much broader than past global trade negotiations and is specially targeted at the needs of developing countries.

Q: What are the EU's priorities for Doha?

A: Firstly, the goal is to create new trade between developed countries, but also between developing countries. This means lowering tariffs and making trade easier.

The EU also wants to regulate subsidies both in industries and in agriculture, so that the world's poorest countries could enter the market. A new global package of 'aid for trade' is needed to help the poorest build the capacity to trade without harm to their economies. The EU wants open and fair trade.