

Lecture Two (continuation)

Purpose or mission

This is, in effect, a statement of why the company exists. Company statements of purpose tend to fall into three groups:

- _ The purpose is to create shareholder value.
- _ The purpose is to meet the needs and expectations of all the stakeholders – employees, customers, suppliers and the community as well as investors.
- _ The purpose is of a higher order in that it is aspirational and idealistic, or challenging and inspiring.

Each of these three approaches will be discussed further in the next lessons.

Policies

In the context of company strategy, policies are guiding rules or principles that are regarded as an integral part of the company's 'success model'; that is to say, they are practices or ways of doing things, often long established, that are seen as indispensable parts of the company's formula for achieving a sustainable competitive advantage. A simple example will make this clear. Marks and Spencer has long practised the policy of unquestioningly accepting returned goods and refunding customers' money. This practice is one among a number that the company believes have been important factors in its long-term success. It is also the case that until relatively recently the company refused to accept credit cards. This policy was believed by many outsiders to be seriously mistaken and a contributory factor in the company's loss of market share in recent years.

Defining what business, the company is in and defining what kind of company it is

Decisions about corporate purpose and company policies are closely linked to two key sets of strategic decisions – what business the company is in or is to be in and what kind of company it is or is to be.

Decisions of the first kind are to do with choice of industry or industries in which to operate and which sectors or niches within broad industry groups to focus on. Decisions of the second kind are to do with the difficult and intangible area of corporate culture. Both sets of decisions are complex and will be treated at some length in later lessons.

Lesson three :Text exploration

Statement *noun*

BrE /'steɪtmənt/ ; NAmE /'steɪtmənt/

1 [countable] something that you say or write that gives information or an opinion *Are the following statements true or false?*

Your statement is misleading.

Is that a statement or a question?

The play makes a strong political statement.

SEE ALSO **fashion statement**

2 [countable] **statement (on/about something)** a formal or official account of facts or opinions

SYNONYM **declaration**

a formal/a public/a written/an official statement

*A government spokesperson **made a statement** to the press.*

*The prime minister is expected to **issue a statement** on the policy change this afternoon.*

The police asked me to

purpose *noun*

BrE /'pɜːpəs/ ; NAmE /'pɜːr.pəs/

1 [countable] the intention, aim or function of something; the thing that something is supposed to achieve *Our campaign's main purpose is to raise money.*

The purpose of the book is to provide a complete guide to the university.

*A meeting was called **for the purpose of** appointing a new treasurer.*

*The experiments **serve no useful purpose** (= are not useful).*

The building is used for religious purposes.

+ **SYNONYMS**

2 **purposes** [plural] what is needed in a particular situation *These gifts count as income for tax purposes.*

***For the purposes of** this study, the three groups have been combined.*

3 [countable, uncountable] meaning that is important and valuable to you *Volunteer work gives her life (a sense of) purpose.*

4 [uncountable] the ability to plan something and work successfully to achieve it

SYNONYM determination

*He has enormous confidence and **strength of purpose**.*

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share·hold·er *noun*

BrE /'ʃeəhəʊldə(r)/ ; NAmE /'ʃerhəʊldər/

an owner of shares in a company or business

companies

There are several types of business company in Britain. A **statutory company** is set up by an Act of Parliament. Many former statutory companies that were managed by the government, such as those responsible for Britain's railway system and coal industry, have now been privatized (= sold and made into privately run companies operating for profit). Most commercial businesses in Britain are **registered companies**. Lists of these are kept by the Registrar of Companies, and company information and accounts are kept at Companies House. Registered companies may be either **private companies** or **public companies**. Private companies have a limited number of **shareholders** (or **members**), and their shares are not available to the general public. Shares in public companies can be bought and sold by the public on the stock exchange. A **limited company**, sometimes called a **limited liability company**, can

be either private or public. The liability (= responsibility) of shareholders for any losses is limited to the value of their shares. Private limited companies have the letters **Ltd** after their name. A **public limited company (plc)** must offer its shares for sale to the public. Most large companies in Britain, such as BP, for example, are public limited companies. A special type of limited company, the **company limited by guarantee**, is used especially for charities. Rather than buy shares, its members promise to pay for a share of debts if it fails. Most businesses in the US are **corporations**, which are similar to British limited companies. People who invest money in them are liable for (= risk losing) only the amount they have invested. Some corporations sell their shares on the stock exchange, but others do not. Small corporations, e.g. family businesses, may be called **close corporations**. Corporations often have the letters **Inc.** (short for 'incorporated') after their name. The laws about how corporations are formed and should operate vary from state to state. In both Britain and the US, professional businesses like law firms are often **partnerships**, which consist of two or more people who own a business and are together responsible for its debts. In a **limited partnership** 'general partners' run the business and take responsibility for debts while 'limited partners' only invest money. A **sole proprietorship** is run by one person only. Many small businesses in the US operate in this way because the rules are much simpler than those for corporations. Sole proprietorships do not have limited liability. If the name of the business is not the same as the name of the person who runs it, the letters **d.b.a.** are used, short for **doing business as**, e.g. Ted Smith, d.b.a. Ted's Book Store.

Lesson four(continuation)

need1 /ni:d ; US / *verb*

[T] (not usually used in the continuous forms)

1 to require sth; to think that sth is necessary

All living things need water.

I need a new film for my camera.

Does Bob need any help?

We've got enough coffee. We don't need any more.

Can I borrow your dictionary or do you need it?

She needs three volunteers to bring the food.

This jumper needs washing/to be washed.

He needed his eyes tested/testing.

يتطلب ، يحتاج إلى

2 to have to; to be obliged to

Do we need to buy the tickets in advance?

I need to ask some advice.

You didn't need to bring any food but it was very kind of you.

يلزم، يضطر إلى

Note that the question form of the main verb **need** is **do I need?**, etc. and the past tense is **needed** (question form **did you need?**, etc.; negative **didn't need**).

expectation /,ekspek'teɪʃn ; US / **noun** (formal)

1 [U] the belief that sth will happen

There's no expectation of the weather getting better for some days yet.

توقع

2 [C, usually pl.] hope for the future

They had great expectations for their daughter, but she didn't really live up to them.

أمل

against/contrary to (all) expectation(s) quite different to what was expected

Contrary to all expectations, Val won first prize.

توقع

not come up to (sb's) expectations to be less good than expected

I'm afraid the hotel did not come up to our expectations.

رجاء، توقع

Stakeholder noun

stake·hold·er | \ 'stāk-,hōl-dər \

Definition of stakeholder

1 : a person entrusted with the stakes of bettors

2 : one that has a stake in an enterprise

3 : one who is involved in or affected by a course of action