

NAME _____ DATE _____ SCORE _____

VOCABULARY · WARM-UP

Practise Saying These Words

Work in pairs. How many of these business words do you know? Try to use each one in a sentence.

turnover	to undercut	profit margin
a (retail) outlet	a supplier	a competitor
competition	to withdraw	to offset
to outsell	an outlay	

LISTENING · TASK 1

Listen and Complete the Graph

Happy Valley Poulterers is a company which produces poultry products for the British domestic market. Its range includes chickens — both frozen (battery-farmed) and fresh (corn-fed) — sold primarily through supermarkets.

You are going to hear three managers describing the events which led to a crisis in chicken sales. Listen and fill in the **five missing figures** on the graph (marked with ?).

Month	Frozen (£10k)	Fresh Corn-fed (£10k)	Month	Frozen (£10k)	Fresh Corn-fed (£10k)
Aug	50	0	Feb	26	9
Sep	45	0	Mar	26	15
Oct	? _____	0	Apr	24	? _____
Nov	? _____	0	May	30	? _____
Dec	28	0	Jun	30	5
Jan	? _____	0	Jul	34	4

Missing values: Oct frozen · Nov frozen · Jan frozen · Apr corn-fed · May corn-fed

LISTENING · COMPREHENSION

Answer the Questions

Listen again and answer these questions in full sentences.

- 1 What event led to this emergency meeting being called?

- 2 What caused the initial decline in sales of frozen chicken?

3 Why wasn't December as bad a month as it might have been?

4 What did Happy Valley's competitors do in January?

5 Why were they surprised by the good performance in February?

6 To what does he attribute the incidence of salmonella poisoning at the old people's home?

7 What is ironic about the performance of frozen chicken in the last three months?

VOCABULARY · GLOSSARY

Key Business Vocabulary

TERM	PART OF SPEECH	DEFINITION	EXAMPLE
turnover	<i>n</i>	the total amount of money a business earns in a given period	Our annual turnover dropped after the scare.
outlay	<i>n</i>	an amount of money spent, especially as an initial investment	The minimal outlay on advertising was impressive.
undercut	<i>v</i>	to sell goods at a lower price than a competitor	Van Lyken undercut Happy Valley by pricing below cost.
offset	<i>v</i>	to counterbalance or compensate for something	Poor chicken sales were offset by strong turkey sales.
outsell	<i>v</i>	to sell more of a product than a competitor	Corn-fed chickens were set to outsell frozen ones.
withdraw	<i>v</i>	to remove a product from sale or availability	St Cotes were thinking of withdrawing our chickens.
loss leader	<i>n</i>	a product sold at a loss to attract customers	Chicken was their loss leader in a range of meat products.
profit margin	<i>n</i>	the difference between selling price and cost, as a percentage	The price war was squeezing their profit margins.
plummet	<i>v</i>	to drop very suddenly and dramatically	Sales plummeted to £40,000 in May after the broadcast.
compound	<i>v</i>	to make a problem or difficulty worse	The salmonella scare compounded an already difficult period.
out of the blue	<i>idiom</i>	unexpectedly; without any warning	The call from St Cotes wasn't totally out of the blue.
put sth down to	<i>phr v</i>	to attribute something to a particular cause	They put the decline down to competition from Van Lyken.
never materialized	<i>phr</i>	something expected or hoped for did not happen	The major recovery we expected never materialized.
consolation	<i>n</i>	something that provides comfort in a bad situation	The only consolation was that frozen sales held steady.
recall	<i>v</i>	to officially ask for a product to be returned due to safety	They were under pressure to recall the entire range.
deal a blow to	<i>idiom</i>	to cause serious harm or damage to something	Losing St Cotes would deal a devastating blow to us.

VOCABULARY · ABCD TEST

Choose the Correct Word

Circle the correct answer (A, B, C or D) for each question.

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1. The Dutch company used chicken as a ___ in order to attract customers to their wider range of meat products.

 (A) profit driver

 (B) loss leader

 (C) retail outlet

 (D) revenue stream

2. The poor December sales figures were ___ by strong turkey sales over the Christmas period.

 (A) compounded

 (B) undercut

 (C) offset

 (D) recalled

3. Amanda called the meeting to ___ everyone on the latest developments with St Cotes Supermarkets.

 (A) give an update on

 (B) put down to

 (C) deal a blow to

 (D) pose a problem to

4. Sales of fresh corn-fed chickens ___ to just £40,000 in May following the Newsnight broadcast.

 (A) materialized

 (B) outsold

 (C) plummeted

 (D) withdrew

5. The situation was ___ when Van Lyken took the Safefare contract in January.

 (A) offset

 (B) compounded

 (C) recalled

 (D) outsold

6. The call from St Cotes was not totally ___ — the company had been aware of the declining sales figures.

 (A) out of the blue

 (B) a loss leader

 (C) in the latter half

 (D) a consolation

7. Considering the minimal ___ on advertising, the February sales figures were remarkably strong.

 (A) revenue

 (B) turnover

 (C) outlay

 (D) profit margin

8. By April, fresh corn-fed chickens were matching frozen sales and were set to ___ them.

 (A) undercut

 (B) outsell

 (C) withdraw

 (D) recall

ANSWER KEY — ABCD TEST

1. B — loss leader

2. C — offset

3. A — give an update on

4. C — plummeted

5. B — compounded

6. A — out of the blue

7. C — outlay

8. B — outsell

SPEAKING • VOCABULARY REVISION

Use These Words in Conversation

Tick each word once you have used it in conversation. Click the card on the website to hear the British pronunciation.

undercut

/ˌʌn.dəˈkʌt/ • verb

to sell goods at a lower price than a competitor

"Van Lyken undercut Happy Valley by pricing chicken below cost."

 used in conversation
outsells

/ˌaʊtˈselz/ • verb

sells more than another product or competitor

"If fresh corn-fed outsells frozen, we'll need to scale up."

 used in conversation
compound

/ˈkɒm.paʊnd/ • verb

to make a problem or difficulty worse

"The salmonella scare compounded an already difficult period."

 used in conversation
offset

/ˈɒf.set/ • verb

to counterbalance or compensate for something negative

"Christmas turkey sales offset the losses from the chicken crisis."

 used in conversation
withdraw

/wɪðˈdrɔː/ • verb

to remove a product from sale or availability

"The supermarket threatened to withdraw our products."

 used in conversation
deal a blow to

/di:l ə bləʊ tuː/ • idiom

to cause serious harm or damage to something

"Losing St Cotes would deal a devastating blow to the company."

 used in conversation
put sth down to

/pʊtˈdaʊn tuː/ • phr v

to attribute something to a particular cause

"They put the sales decline down to unfair competition."

 used in conversation
the former / the latter

/ˈfɔː.mər/ /ˈlæt.ər/ • det

the former = first mentioned; the latter = second mentioned

"We sell frozen and fresh — the former is cheaper, the latter more premium."

 used in conversation
outlay

/ˈaʊt.leɪ/ • noun

an amount of money spent, especially as an initial investment

"The minimal outlay on advertising made the results impressive."

 used in conversation
out of the blue

/aʊt əv ðə bluː/ • idiom

unexpectedly; without any prior warning

"The call from the supermarket came out of the blue."

 used in conversation
pose a problem

/pəʊz əˈprɒb.ləm/ • v phr

to present or create a difficulty or challenge

"The new competitor didn't seem to pose a problem at first."

 used in conversation
plummet

/ˈplʌm.ɪt/ • verb

to drop very suddenly and dramatically

"Sales plummeted after the negative media coverage."

 used in conversation
consolation

/ˌkɒn.səˈleɪ.ʃən/ • noun

something that provides comfort in a time of disappointment

"The only consolation was that frozen sales remained stable."

 used in conversation
loss leader

/ˈlɒsˌliː.dər/ • noun

a product sold at a loss to attract customers for other items

"Supermarkets often use milk or bread as a loss leader."

 used in conversation
turnover

/ˈtɜːn.əʊ.vər/ • noun

the total value of sales made by a business in a period

"Despite the crisis, overall turnover for the year was positive."

 used in conversation
profit margin

/ˈprɒf.ɪtˌmɑː.dʒɪn/ • noun

the percentage of revenue remaining as profit after costs

"The price war was eroding their profit margins on every unit."

 used in conversation
recall

/rɪˈkɔːl/ • verb

to officially ask for a product to be returned due to safety

"They were under pressure to recall the entire fresh range."

 used in conversation
revenue

/ˈrev.ɪ.njuː/ • noun

income generated from normal business operations

"Revenue from the fresh range had been growing until the report."

 used in conversation

SPEAKING • PAIR WORK

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Discussion Questions

Work in pairs. Discuss the questions below. Try to use the suggested vocabulary (shown in green) in your answers.

- 1 Think of a company that has faced a public relations crisis (e.g. a food scare, a product recall, or a scandal). What caused the crisis? How did the company respond? Did sales plummet or recover?
 plummet recall withdraw out of the blue deal a blow to
- 2 Some companies use aggressive pricing strategies — selling products below cost to undercut competitors. Is this a fair business practice? What are the long-term risks for both the company and the market?
 undercut loss leader profit margin competitor offset
- 3 How important is media coverage in shaping consumer behaviour? Can you think of a case where a news report caused sales to plummet — even if the product was not actually dangerous?
 plummet put sth down to consolation pose a problem revenue
- 4 Imagine you are a manager at Happy Valley Poulterers. What three actions would you recommend to the board to recover from this crisis? Use as much of the lesson vocabulary as possible.
 compound turnover outlay outsell commission offset
- 5 Is it ethical for a company to continue selling a product when its safety has not yet been proved or disproved? What responsibilities do companies, supermarkets, and the media each have in such a situation?
 withdraw recall deal a blow to out of the blue the former / the latter
- 6 How has the rise of social media changed the way companies handle crises? Do companies now need to act faster? What are the risks of acting too quickly versus too slowly?
 compound pose a problem put sth down to consolation turnover

ANSWER KEY – GRAPH (MISSING VALUES IN £10,000S)

Oct frozen: 39

Nov frozen: 39

Jan frozen: 32

Apr corn-fed: 24

May corn-fed: 4