



Date : _____

U.V. : **LE05**

Semestre : AUTOMNE PRINTEMPS

Examen : partiel final (cocher la case utile)

Nom : _____ Prénom : _____ Né(e) le : _____

DEPARTEMENT :

NIVEAU : _____ FILIERE : _____

Exercise 1. Oral comprehension (13 marks).

First, listen to this interview in which Josep Valor-Sabatier, professor and Head of Information Systems, IES Business School in Spain speaks about the strategy of Zara¹ and about companies in general. Then answer the questions. Make full sentences.

Question 1

What is Zara's strategy?

In what way does it differ from its competitors' strategies?

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¹ Zara is a chain store selling clothes. It is owned by Galician company tycoon Amancio Ortega. The group is headquartered in A Coruña, Galicia, Spain. Zara was described by Louis Vuitton fashion director Daniel Piette as "possibly the most innovative and devastating retailer in the world." Zara has also been described as a "Spanish success"

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Exercise 2. Vocabulary (12 marks)

Words or compound words have been omitted from the following sentences. Fill in the blanks by writing these words in full. Each time the first two letters of the words are given. No spelling mistake or grammar mistake allowed.

1. Firms have to find out the customers' real needs and offer them **ta**_____ products.
2. In order to collect information about the market you should **co**_____ market research.
3. It is important to find out what markets your competitors are currently **se**_____.
4. **Ps**_____ information includes lifestyle data, such as hobbies, interests, opinions.
5. **Be**_____ information includes information about how the subject uses products or services.
6. Benefit information includes information about the **pe**_____ benefits the subject receives from products or services.
7. The **cu**_____ **-ed**_____ of a product or service is the newest, most advanced stage in the development of this product.
8. **Di**_____ is the process of making your product or service seem different from other similar products or services that it is competing with.
9. Distribution **le**_____ is the ability to influence the market through distribution.
10. Competitive **in**_____ is the practice of gathering, analyzing and disseminating information that gives you the knowledge you need for foresight.
11. If you describe a product or service as **do**_____, you think that they are cheap and are not very good in quality.
12. The **as**_____ of a company or a person are all the things that they own.

13. A **bra** _____ of a product is the version of it that is made by one particular manufacturer.
14. The **pu** _____ power of a person or group of people is the amount of goods or services that they can afford to buy
15. A **lo** _____ is a sum of money that you borrow.

Exercise 3. Case study (15 marks)

Use the following documents to carry out your task.

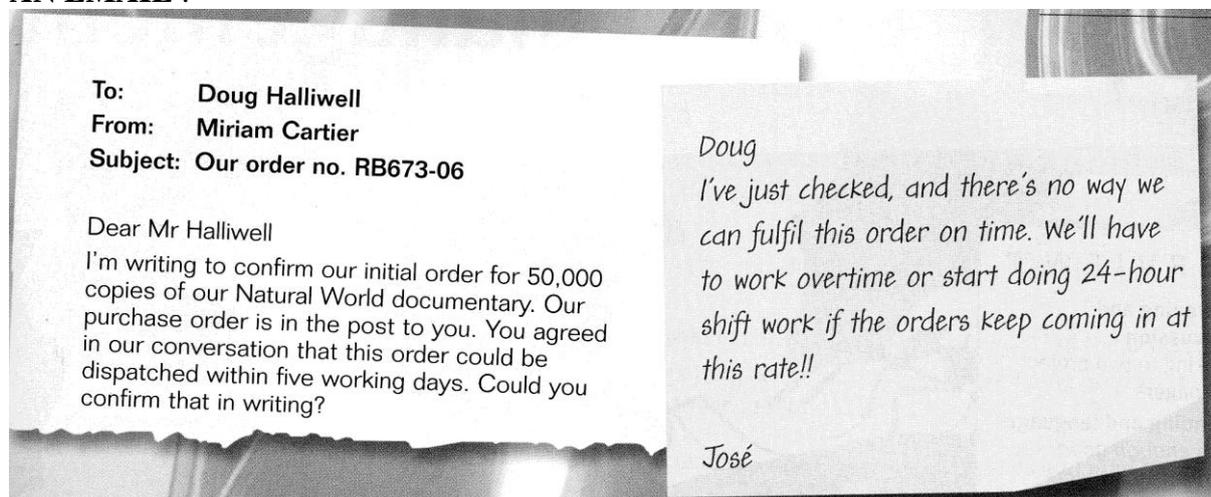
BACKGROUND INFORMATION

Copisistem, a DVD copying and printing company based in Valencia, Spain, was set up ten years ago. At that time, VHS was the main format, but the company's founders, Doug Halliwell and Jose Ramon Garcia, coming from an electronics multinational, could see the future would be digital.

The start-up costs were high, as they invested heavily in the latest data-duplication equipment and leased² some light industrial space in a business park. Among their first clients was a major publisher which launched a DVD collection of wildlife documentaries. Copisistem also worked for a national newspaper which sold DVDs with its Sunday edition.

Despite this, the turnover was low in the first couple of years, as relatively few people had DVD players. But they were working with good margins and, more importantly, had managed to capture some of the biggest potential clients in the country.

AN EMAIL :



AN INTERVIEW

A local radio station transmits a short programme in English every morning, which is very popular with commuters. The show interviews Doug and José Ramon about their company.

(D = Doug, J = Jose Ramon, K = Karen)

² If you lease property or something such as a car from someone or if they lease it to you, they allow you to use it in return for regular payments of money.

K: Good morning. I'm Karen Fernandez and in this morning's show, I'm talking to Doug Halliwell and Jose Ramon Garcia about Copisistem, a Valencia-based company that duplicates and prints DVDs. Good morning to you both.

J+D: Good morning. / Morning.

K: So, what made you decide to set up your own company?

D: Well, Jose and I worked for the same multinational and we often shared ideas over breakfast, and I guess we both knew we wanted to, you know, to be our own boss.

J: Yes, when we started, we did nearly everything. At the time, we employed just three people on the production side, two in dispatch, two in admin, and my cousin, Filar, did the bookkeeping for us one morning a week.

K: And how many people does the company employ now?

J: Ah, you see there has been an enormous boom in the sector, and we now have another eight operators, as well as a chief technician and a couple of people working on the sales side with us. Uh, Pilar works for us full-time now as company accountant, and we have three more people working on the admin and customer-service side.

K: Does that mean you have more free time?

D: Huh! Far from it. More orders, more staff- it's ... it's good news, but it all means more work. We're still very much involved in the day-to-day running of the company.

K So, what is the volume of sales now?

J: Well, to give you an idea, three years ago we had a turnover of around 6 million euros, and the company's grown organically ever since. Last year, it was almost 16 million.

K: And what are some of your biggest headaches as business owners?

D: Well, um, obviously, keeping, uh, our customers satisfied is a major priority. That means meeting production and delivery schedules, um, making sure the quality is maintained, goods are delivered on time and intact. We're now one of the leading companies in this sector, but there's heavy competition from start-ups and companies that have switched from VHS duplication. You gotta work hard at being the best.

K: So, what are your plans for the future?

J: We're looking to expand, particularly into other European markets.

D: Um, yeah, we always have an eye to the future. I mean, something will come along soon and replace DVD, and we need to be ready for when that happens.

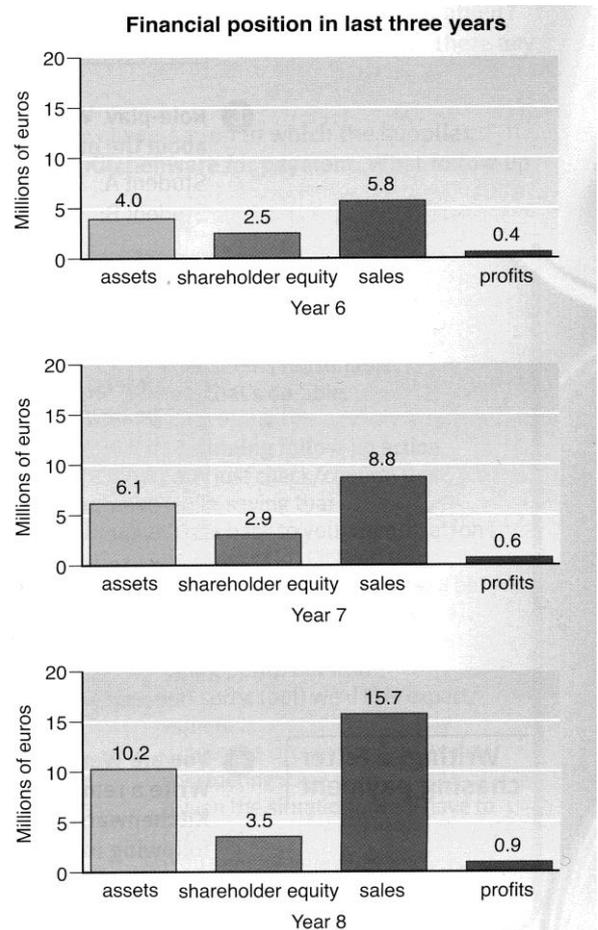
K: Thank you. Jose and Doug, for talking to us today and all the best for the future.

J+D: Thank you. / Thanks very much.

PROBLEMS

Copisistem’s growth has also led to a number of constraints:

- Order books for this year are very full, but customers generally pay up to four months after delivery. To meet the demand, the owners need to decide if the company should stop taking orders or find a way of meeting the demand, which means raising finance. It could potentially damage the company’s reputation and cost them clients if the goods aren’t delivered on time. Even if the company does manage to raise some capital to buy new equipment, it wouldn’t be in time to meet all this year’s orders.
- The level of borrowing from banks has reached a stage where they aren’t prepared to extend much more credit. The logical step is to raise finance from elsewhere, e.g. factoring³, a venture capital firm or even try to negotiate faster payments from clients.
- Another major concern is that DVD technology will almost certainly soon be replaced, and they’ll be left with a lot of expensive equipment.



YOUR TASK

Answer the following questions.

Try to find a solution to Copisistem’s problems.

- What options are available for dealing with the order book for this year? Which one(s) would you opt for? What plan would you devise?
- Which options for raising finance do you want to pursue and what are you prepared to negotiate on?
- Decide what your strategy should be for getting the most of your expensive equipment before its value depreciates
- Decide who you need to recruit to your management team to help with the expansion of your business and a possible move into other European markets

³ Factoring : a financial arrangement in which a bank or other business (a factor) buys the right to collect payments that are owed to a manufacturer. The factor pays the debts and then collects the money, receiving a percentage of the money owed for doing this.