

Test 1

READING 1 hour

PART ONE

Questions 1–8

- Look at the statements below and at the five summaries of articles about strategic change from a journal on the opposite page.
- Which article (**A, B, C, D** or **E**) does each statement (**1–8**) refer to?
- For each statement (**1–8**), mark one letter (**A, B, C, D** or **E**) on your Answer Sheet.
- You will need to use some of these letters more than once.
- There is an example at the beginning (**0**).

Example:

0 It advises against the use of technology for communication within a company.

0	A	B	C	D	E
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- 1** It proposes some views on management that the editors feel might be considered controversial by readers.
- 2** It explains who the communicators of initiatives within a company should be.
- 3** It makes reference to the fact that some people may try to hinder innovations.
- 4** It considers the need to streamline commercial activities in order to have a clearer focus.
- 5** It criticises the control of policy-making by certain key personnel.
- 6** It questions the validity of certain accepted management-training approaches.
- 7** It includes practical, real-world examples of the ideas being put forward.
- 8** It stresses that it is vital to exclude obsolete views when drawing up company policy.

Reading

A

Those serving in industry today have two options: they can surrender the future to revolutionary companies or they can revolutionise the way their companies create strategy. In *Revolution and Strategy*, Gary Heath argues that any approach that does not challenge the status quo is not a strategy at all. In too many companies, the strategy-planning process is monopolised by senior managers, and what passes for strategy is sterile and uninspiring. To create truly revolutionary strategies, a strategy-making process must be demanding and inclusive; it must rid itself of tired, outdated perspectives and uncover the revolutionary ideas that are lying deep in an organisation.

B

Companies often attempt to implement a major change in strategy. Determined managers go forth with the plans, and they expect enthusiasm and commitment from their subordinates. But instead, employees drag their feet and figure out ways to undermine the process. The change effort gets bogged down, and results fall short. In *Why Resist Change?* Paul Strong explains how corporate leaders can overcome employees' concerns about change by revising the mutual obligations and commitments, both stated and implied, that exist between them. The author presents two case studies of his ideas in action.

C

Business units often take charge of formulating strategy in today's environment, but they can easily get lost in a thicket of weeds – too many customers, products and services. In *Strategic Business Unit Renewal*, John White provides a method for business units to prune their gardens and regain perspective. His strategy-renewal process leads managers through the undergrowth of a business unit's complexity and compels them to ask whether all of the unit's customers, products and services are truly strategically important, significant and profitable. Units that do not meet these criteria must cut back to allow a greater concentration on cultivating their most worthy projects.

D

Which came first, Harry J. Mindenberg wonders in *Musings on Management Strategy*: our misguided ideas of what makes a good manager and a good organisation, or the programmes that claim to create them? A professor of management himself at McGill University in Canada and at INSEAD in France, Mindenberg takes on management fads, management education and the worship of management gurus – and offers some provocative alternatives.

E

The next time you are planning a major change effort, forget the huge meeting, the speeches relayed by satellite, the videos and special publications. J.K. and Sandra Parkin argue that *Changing Frontline Employees* requires giving up the image of the charismatic executive rousing the troops. Frontline employees may accept change, but they won't accept empty words delivered impersonally. If you need to convey a major strategic change, remember that frontline supervisors – not senior managers – are the people whom employees trust the most.

Test 1

PART TWO

Questions 9–14

- Read this text taken from an article about future developments in advertising.
- Choose the best sentence from the opposite page to fill each of the gaps.
- For each gap (9–14), mark **one** letter (A–H) on your Answer Sheet.
- Do not mark any letter more than once.
- There is an example at the beginning (0).

Future Developments in Advertising

The explosion of new media, ranging from the internet to digital television, means that people working in advertising will have to devise more cunning ways to catch the public’s attention in the future. The traditional TV advertising campaign will not reach the whole family any more. (0)^H The advertising industry will have to work ‘harder and smarter’ to cut through the ‘clutter and noise’ of the future with this vast array of new media, all competing to catch the consumer’s eye.

People have become more individual in their consumption of advertising. (9) New technology has made experimenting with new forms of advertising a possibility. The monologue where the advert tells housewives that this is the washing powder they should buy is just a cliché now. The internet, for example, has made such ads look old-fashioned. (10) A much closer relationship with the consumer is gradually being forged.

The definition of what constitutes advertising will expand well beyond the conventional mass

media. Shopping environments will themselves become a part of the advertising process. (11) The aim will be to ‘warm’ people towards these places so that they will return to purchase goods there again.

In spite of these and other changes, it is highly unlikely that TV, print and radio will disappear altogether as advertising media. (12) But other marketing disciplines, such as public relations and direct marketing, will become as important as advertising. Advertising agencies will have to reinvent themselves. They will no longer be able simply to produce advertisements and then support these through PR, direct marketing or the internet. (13)

Thus, creativity will be the most valuable commodity in the future. (14) It will continue to be so in the future. But there will be an increasing premium on the advertiser’s ability to be imaginative, and to think laterally about engaging the consumer in a broader variety of media.

Example:

0	A	B	C	D	E	F	G	H
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- A** On the contrary, there is almost certain to be an increase in every form of advertising in future years.

B Increasingly, they will exist not simply to sell goods, but also to entertain people and to make sure that they enjoy their time there.

C Originality of thinking has always been in short supply.

D There is, consequently, little hope of them surviving for more than another 20 years.
- E** This fragmentation has already shown the need for a more sophisticated understanding of where and how to reach people in the most effective way.

F Instead, they will have to change the whole way they look at communication and start thinking about ideas which are not specific to one discipline.

G It has made possible a situation in which customers can tell advertisers what they think, and the advertisers can supply information.

H No longer will all members be watching the same programme: some will be watching different channels on their own TVs, surfing the net or doing both at the same time.

Test 1

PART THREE

Questions 15–20

- Read the following article about Grasmere, a small British company that manufactures steel components, and the questions on the opposite page.
- For each question (15–20), mark one letter (A, B, C or D) on your Answer Sheet.

<p>In a tough climate for UK manufacturers, Malcolm Drake thinks he has hit on a way for his company, Grasmere, to succeed: by becoming a bespoke manufacturer. This involves working very closely with customers to produce precisely what they want. As a result, Grasmere has become indispensable to its big customers, which are based around Europe. Grasmere makes a range of small metal items that are tailored to fit into much larger products, and its customers include big electronics and electrical goods manufacturers. 'When we start talking to customers about an order, they often have only a rough idea what they want,' says Drake. 'We assist them in identifying and specifying their needs, and we advise them on the best way to manufacture the product. Then we fulfil the order, which could involve making anything between 40 and one billion parts in a year.'</p> <p>Grasmere's main tools are press machines that stamp out metal items in its Birmingham premises. The company was started by Drake's great-grandfather in 1903, when its best-selling products were pen nibs, and the company prides itself on never having fallen below the exacting standards which it set then. While today's range has moved a</p>	<p>long way from those pen nibs, some of the original machinery stands in the reception area, as a memento of the company's roots. Only in the last year has the company relocated from the cramped and grimy workshop it moved to in 1910, to a more modern and open-plan building on the outskirts of Birmingham, an operation that involved a major logistical exercise to move the machinery. The new site has allowed Grasmere to make itself more efficient. The company has cut staff from 150 to 125 by shedding low-skilled employees without reducing turnover.</p> <p>Malcolm Drake says that 18 of Grasmere's customers each contribute revenues of more than £100,000 a year, with half of all turnover coming from three of them. 'It isn't the usual supplier–customer relationship,' he explains. 'We are very open with them and provide them with a lot of internal information about costs. But we select them as much as they select us. If we are asked to do something that is too difficult or expensive, we say "no". We educate the customer as to what is possible. If you allow yourself to be dictated to, that's not a partnership – it's grovelling.'</p>	<p>Grasmere's business has spread more widely to other parts of Europe in the past few years, though not because of any deliberate strategy to push up exports. As Drake points out, if a company such as his is keen to yoke itself to successful companies that think strategically, inevitably this will mean more overseas sales to relatively far-flung divisions of these businesses, to meet their own demand for the components Grasmere can produce.</p> <p>The company depends on having technically literate people who can talk intelligently to customers. Hence 90 of Grasmere's employees are engineers employed in a range of jobs including making products, sales, marketing and purchasing. While about 100 of the staff are directly involved in shop-floor production work, they frequently also have an outward-facing role, such as talking to customers about design or manufacturing.</p> <p>Malcolm Drake sums up his company's strengths as offering five attributes that customers want: quality, speed, dependability, flexibility and low costs. As a result, the company is flourishing.</p>
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Reading

- 15** What do we learn about Grasmere in the first paragraph?
- A** It concentrates on working in a particular sector.
 - B** It helps customers to formulate their own requirements.
 - C** It makes a range of products for a small number of applications.
 - D** It designs products then looks for suitable customers for them.
- 16** What links Grasmere now with when it was founded?
- A** The company has always operated in the same premises.
 - B** Some of the original machines are still used for manufacturing.
 - C** The present range of products includes the original lines.
 - D** The company has always had the same attitude to quality.
- 17** Grasmere's workforce has fallen because
- A** productivity has improved.
 - B** it is difficult to recruit skilled staff.
 - C** new machinery has been introduced.
 - D** some staff chose to leave the company.
- 18** What does Malcolm Drake say about the company's relationship with its customers?
- A** Grasmere works on equal terms with its customers.
 - B** Grasmere has a better relationship with some customers than others.
 - C** Grasmere can learn a great deal from its customers.
 - D** Grasmere is expected by some customers to provide too much information.
- 19** The company's exports are rising because
- A** it is following a strategy of promoting its products abroad.
 - B** there is a growing demand abroad for the types of products it makes.
 - C** overseas sections of its client companies are buying from Grasmere.
 - D** it is gaining access to the overseas clients of its own customers.
- 20** It is part of Grasmere's policy to ensure that
- A** every customer is allocated to a specific salesperson.
 - B** many of its engineers deal directly with customers.
 - C** each activity is carried out by dedicated staff.
 - D** it has a department which designs new products.

Test 1

PART FOUR

Questions 21–30

- Read the article below offering advice to job-seekers.
- Choose the correct word to fill each gap from **A, B, C** or **D** on the opposite page.
- For each question (**21–30**), mark one letter (**A, B, C** or **D**) on your Answer Sheet.
- There is an example at the beginning (**0**).

Being the Best

Each time you try for a more **(0)** position, the selection process gets **(21)** Your abilities, personality traits, your lifestyle, values and aspirations will all be vigorously **(22)** by your prospective colleagues and also your bosses. Do you know how to **(23)** yourself when you are under the microscope? If you are to **(24)** your ambitions, now is the time to learn how to do **(25)** to yourself and prepare for formal selection processes.

Learn about the various methods you can employ to find your way into a different institution, gain a more sophisticated **(26)** of how headhunters work and learn to position yourself so that you can be found easily. Taking **(27)** of any situation to maximise your visibility is very useful. Even when you are not offered a particular job for which you have been considered, do leave an impression which will remain in the mind of the headhunter should other possibilities **(28)**

You **(29)** it to yourself to do the best you can. Make sure you perform in such a way that you can be satisfied that the decision about you has been made with the **(30)** amount of up-to-date and accurate information about your capabilities. Do you know what they are and do you have some stories prepared which will illustrate them well?

Reading

Example:

A responsible B authoritative C liable D commanding

0	A	B	C	D
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 21 A stronger B tougher C sharper D firmer
- 22 A contemplated B reflected C regarded D scrutinised
- 23 A treat B deal C cope D handle
- 24 A realise B succeed C obtain D capture
- 25 A right B virtue C justice D fairness
- 26 A intelligence B information C understanding D comprehension
- 27 A benefit B advantage C profit D gain
- 28 A arise B open C enter D arrive
- 29 A deserve B require C merit D owe
- 30 A biggest B fullest C greatest D widest

Test 1

PART FIVE

Questions 31–40

- Read the article below about computer printers.
- For each question (31–40), write one word in CAPITAL LETTERS on your Answer Sheet.
- There is an example at the beginning (0).

Example:

0

B

£

Printing at a Price

Most companies now realise that the so-called ‘paperless office’ is clearly an illusion – and probably always will (0) Digital technology has revolutionised working practices and methods of communication, but it has created additional media rather (31) replacing existing ones. Therefore, paper is here to stay, and the printer can be sure of keeping (32) place alongside the computer, fax and telephone as a basic item of office equipment, fundamental to the life of most companies.

However, like many other basic items, the printer is often seen (33) peripheral, and insufficient attention is given to its selection. It is worth remembering that the equipment that you attach to your computer is just as important as the computer’s technical specification. You will soon find that (34) you are using a printer that jams and smudges your work, or makes getting names and addresses onto envelopes seem an impossible task, then (35) supersonic speed of your microprocessor will be no great advantage.

Printing technology has developed rapidly over the (36) few years, and it seems set to continue to (37) so. Finding the best printer for your particular needs depends on many factors, not least (38) which is cost. Yet even before cost comparisons come (39) consideration, the questions of brand, colour, volume, speed and quality of output all need careful thought. The best motto is ‘try before you buy’. That way, you will get the best printer for your company, and it will be (40) the best possible price.

PART SIX

Questions 41–52

- Read the text below about a small business which makes and sells clothes and other items for weddings.
- In most of the lines (41–52) there is one extra word. It either is grammatically incorrect or does not fit in with the sense of the text. Some lines, however, are correct.
- If a line is correct, write **CORRECT** on your Answer Sheet.
- If there is an extra word in the line, write **the extra word** in CAPITAL LETTERS on your Answer Sheet.
- The exercise begins with two examples (0 and 00).

Examples:

0	T	H	R	O	U	G	H
00	C	O	R	R	E	C	T

The wedding business

0 Last year, Jenny Selwyn spent several months through pondering how to expand her six-year-
00 old business, JS Couture. More than half of her annual turnover was tied up in stock to
41 show to prospective brides, her retail outlet-cum-workshop was situated down a back street
42 in a tiny town, and advertising was not boosting sales up. One way to expand would have
43 been to do more wholesaling, but this seemed inappropriate for her customised design service.
44 The margins from wholesalers, and who might also be slow payers, were not attractive. Far
45 better would it be to open a second retail shop with much higher margins and better
46 cashflow, thanks in part to payment by customers of a 30% deposit. Unless there were
47 worries about the signing a five-year lease on another retail shop, and leasing and then
48 managing a second site, as well done as coping with the extra workload. However, with the
49 support of her loyal four-strong workforce, Jenny took on a chance, and business growth
50 proved not to be too much stressful. Within a year, turnover has more than doubled, and net
51 profit improved dramatically. There is little if anything to suggest that this success
52 is not set to continue, and the message comes from JS Couture is clear: small businesses should
think big.