



НАРОДНА УКРАЇНСЬКА АКАДЕМІЯ

## **START-UP STORIES**

**навчальний посібник для студентів IV–V курсів,  
які навчаються за спеціальністю «Економіка»**

Видавництво НУА

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Видавництво НУА  
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в якості навчального посібника для студентів IV–V курсів, які вивчають  
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Навчальний посібник Start-up Stories містить англomовні автентичні статі економічного напрямку за період 2014–2016 рр., які присвячені успішним стартапам в різних країнах. Кожен окремий текст забезпечено завданнями для самостійної роботи студентів. У посібнику також представлено 40 одиниць новітньої лексики у дискурсивних фрагментах з перекладом, які відображають нові тенденції у підприємницької діяльності та сучасні практики зарубіжних стартапів за період 2000–2017 рр.

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## Передмова

В основу даного навчального посібника Start-up Stories покладено англomовні статі економічного напрямку за період 2014-2016 рр., які аналізують фактори успіху стартапів в різних країнах. Кожен окремий текст забезпечено завданнями для самостійної роботи, а також завданнями творчого характеру, метою яких є активізація навичок мовленнєвої діяльності.

У посібнику також представлено 40 одиниць новітньої лексики у дискурсивних фрагментах з перекладом, які відображають нові тенденції у підприємницької діяльності та сучасні практики зарубіжних стартапів за період 2000 – 2017 рр. Серед завдань для роботи з новою економічною лексикою пропонується провести наступну роботу: згрупувати слова за темами («компенсація, оплата», «технології», «захист навколишнього середовища», «бізнес етика», «лідерство» та ін.; підібрати і проаналізувати відповідну лексику, релевантну окремій статті.

Ціль посібника – формування у студентів комунікативних та міжкультурних компетенцій на базі запропонованих текстів і самостійно виконаних проєктів, а також сприяння творчій, інноваційної підприємницької діяльності студентів.

Навчальний посібник призначений для студентів IV-V курсів за спеціальністю «Економіка».

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## Unit 1

### Pre-reading discussions:

How to advertise toys?

What should we know to do business in China?

## Can Barbie conquer China?

§1. At 36,000 sq ft it must have been the biggest Barbie house ever created. In 2009 the world's largest toy maker, US firm Mattel, set its sights firmly on the Chinese market, opening a flagship store in Shanghai. It was using a toy that in her 50 years had conquered all before her. Created in 1959, Barbie is today sold in 150 countries and has won the hearts and minds of little girls as far afield as Mumbai and Buenos Aires. She has thrived almost everywhere, despite regular criticism from feminist groups who have decried her influence on young girls' body image and ambitions.

Even in markets where she is triumphant Barbie continues to court controversy. But it is in China, arguably the most



important consumer market in the world, where the all-conquering doll has stumbled on her kitten heels. The Shanghai Barbie store closed in 2011, just two years after its grand opening. Now, as Barbie attempts to crack China once again, has Mattel learnt from its earlier failure?

## § 2. Barbie's CV

- On 9 March 1959 Barbie was unveiled at the New York Toy Fair; the date is her official birthday;
- Barbie's full name is Barbara Millicent Roberts
- Mattel claims she has had more than 150 careers
- She became a business executive for the first time in 1985 and an astronaut in 1965
- More than one billion Barbie dolls have been sold around the world

## § 3. Trouble in store

The 2009 opening of the Shanghai store was not done by half measures.

It was not so much a shop as a lifestyle concept.

A grand spiral staircase surrounded by more than 800 different Barbies climbed the building.

And it was not just aimed at children. The entrance to the spa at the now closed Shanghai Barbie store



Mattel was marketing the Barbie lifestyle to

women in their 20s. Clothing lines for women as well as young girls were part of the key products. Real life brides-to-be were invited to coo over a Vera Wang Barbie wedding dress. "It was confusing," says Benjamin Cavender of China Market Research Group. "No-one knew what the brand stood for and so instead of going for cute they went towards sexy."

As well as clothes and design-your-own dolls, shoppers could eat in the Barbie restaurant, relax in the Barbie Spa and drink in the Barbie cocktail lounge. But the problem was not enough people knew who Barbie was. "It wasn't like in other countries where generations of women had grown up with Barbie," Mr Cavendar says. "They created this massive experience but not enough people came to find out about it as the concept of Barbie wasn't a pre-existing draw in China."

#### § 4. Don't think pink

The massive store was located on Huaihai Road, one of the most prestigious shopping streets in Shanghai. But on the ground floor it was not clear to anyone passing exactly what was inside - you had to enter the store and climb an escalator to feel the impact of the design.

Breaking into a new market is never easy but many have achieved massive success far from home.

The BBC's global business team meet those who have managed to break into the fast growing global markets and find out what secrets they have learnt about how to succeed in them.

Plus a pink light shone outside. In China, a pink light district is associated with a much more adult style of trade than selling toys and clothes.

And despite the location being sought after, it wasn't easily accessible for shoppers.

"There was nowhere to park your car and it was not near a subway station," says Mr Cavender.

"If you can't get to it and you don't already know about Barbie, you're just not going to go."

#### § 5. Too frivolous?

"Joy and learning are like oil and water in China," a Mattel executive recently told the Wall Street Journal. His point was that the first time round Barbie may have been too frivolous for the Chinese market. The toy market in China, however, is big - and growing. Between 2009 and 2013, it nearly doubled in size to be worth about £5.5bn (53.8bn yuan; \$8.7bn), according to Euromonitor. Video games are far and away the biggest category in the market. But Mattel has done well - as a company it is the fifth biggest toy maker in China with 1.4% of the overall market. Its most successful offering is the more





learning-oriented Fisher Price brand, the 14th biggest toy brand in China, according to Euromonitor. And Barbie could be going the same way.

## **§ 6. Barbie's back**

In 2013 Mattel brought Barbie back to the Chinese market. Only this time instead of clothes by Oscar De La Renta she had a violin and you could buy Barbie for the much more affordable price of \$13 (£8.20).

This year there was another launch - a "specialty" Barbie doll in the likeness of Chinese actress Fan Bingbing. Heralding the launch of the doll Mattel declared: "[Fan Bingbing's] collaboration with Barbie will give purpose and meaning to play and help ignite the spark inside girls across China to 'Shine Your Way'." So it's clear that Barbie has learnt that to succeed in China today you have to have a sense of purpose, but then she didn't get the keys to the super-deluxe dreamhouse and the perfect boyfriend Ken by being just a pretty face. (Source: BBC, contributed by Ian RoseBusiness reporter 26 November 2014)

### **Task 1. Expanding the lexicon.**

Explain the meaning of the following words: decry, flagship, triumphant, crack, unveil, ignite, affordable. Provide synonyms, antonyms to the given words, and word combinations containing them.

### **Task 2. Improving speaking competences.**

Make up a presentation based on the article.

Make up a presentation using Internet resources on Advertising toys; Marketing to children; Marketing in China.

### **Task 3. Improving writing skills.**

As President of your company, compose a letter to your managers who are launching a business in China. Give them instructions.

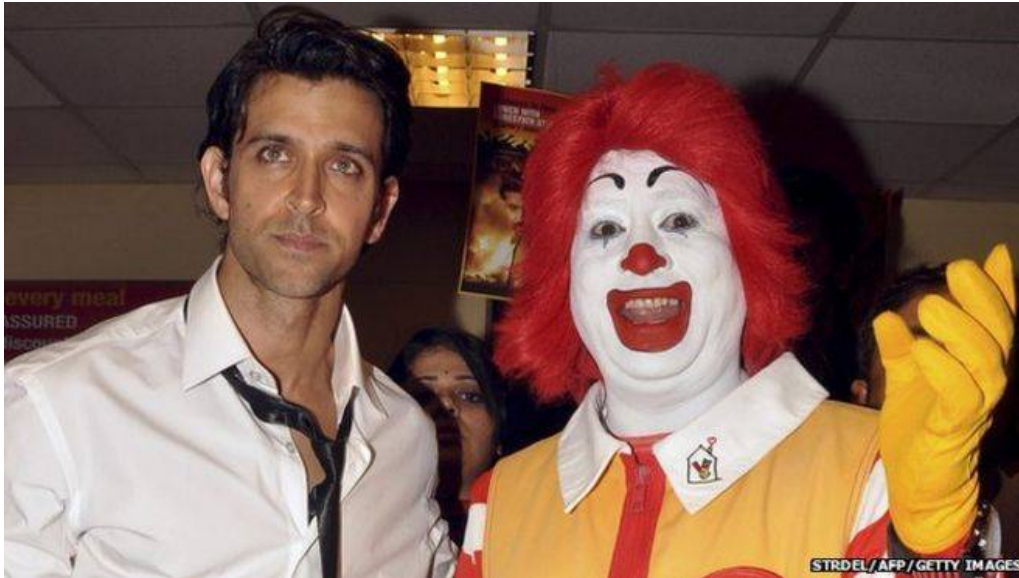
### **Task 4. Write a summary of the article.**

## Unit 2

### Pre-reading discussions:

What are the principles of advertising food items? What are the marketing strategies of McDonald's? How to do marketing in India?

## How McDonald's conquered India



§ 1. A staunch vegetarian, Amit Jatia was 14 when he walked into a McDonald's for the first time. It was in Japan and all he could have was a milkshake. He loved it. He is now the man behind McDonald's in India, responsible for the phenomenal growth the company has had in the country.

### § 2. Vegetarian family values

When the American fast-food giant first contacted him in 1994 Amit's first challenge was close to home, convincing his vegetarian family to invest in the business. "From my family's point of view we thought through this carefully," he tells the BBC. "What convinced us was that McDonald's was willing to localise. They promised that there would be no beef or pork on the menu. "Nearly half of Indians are vegetarian so choosing a vegetarian to run their outlets here makes sense." Across the world the Big Mac beefburger is the company's signature product. Amit and his partners had to

come up with their own signature product for India, so the Chicken Maharajah Mac was born. Originally Amit was the local partner in the south and west of India, running the chain as a joint venture with the global McDonald's company. Later he bought out the McDonald's stake and now solely runs the chain in the south and west of the country.

### § 3. Culture change

It hasn't been an easy journey. "From a consumer point of view I had to start with the message that a burger is a meal," he says. His research shows that in 2003, of 100 meals that people ate in a month, only three were eaten out. They introduced a 20 rupees (20p) burger called Aloo Tikki Burger, a burger with a cutlet made of mashed potatoes, peas and flavoured with Indian spices. "It's something you would find on Indian streets, it was essentially the McDonald's version of street food. The price and

the taste together, the value we introduced, was a hit. It revolutionised the industry in India," he says. Now eating out has gone up to 9-10 times per



100 meals and McDonald's in India has more than 320 million customers a year. "Whether you love or hate McDonald's, they deliver a formula very well," says Edward Dixon, chief operating officer of Sannam S4, which provides market entry advice and support for multinationals in India, Brazil and China. "Localised menu, delivered with precision quality at a price that works. One other trick they have used very effectively [is] an entry level ice cream which fuels the ability for consumers who might not ordinarily be able to afford to become a customer."

### § 4. New markets, new customers

The kind of customers McDonald's attracts in India is very different from other countries. There are still families with young children who frequent it. But diners also include many young people, aged between 19 and 30, with no kids. During the week, Amit says, this crowd dominates the restaurants. I wanted to see how true this was so

I decided to have lunch in the McDonald's in Delhi's crowded Lajpat Nagar market area. Sitting to my right, a young IT worker munches on a McSpicy Paneer while conducting a Skype meeting on his laptop. Breaking into a new market is never easy but many have achieved massive success far from home. The BBC's global business team meet those who have managed to break into the fast growing global markets and find out what secrets they have learnt about how to succeed in them. On my left, a group of college students share a meal. But what's most interesting are the two tables behind me. One table has two elderly couples in serious discussion; the other has a coy-looking woman and man trying to have a conversation amidst the din. With a bit of eavesdropping I find out that this is traditional matchmaking but in the modern Indian way. The parents have introduced the potential bride and groom who are having their first official date under the watchful eyes of their mothers and fathers. The parents meanwhile are sorting out the details of the proposed marriage, all over a Maharaja Mac Meal. So Amit's research seems to be right: unlike McDonald's around the world, there are hardly any parents with young children here.

### **§ 5. Fast competition**

- McDonald's doesn't have the Indian fast-food market to itself:
- Domino's Pizza has more than 500 restaurants across India
- KFC has more than 300 restaurants
- Dunkin Donuts has more than 30 outlets in India
- Burger King has just opened its first restaurant in Delhi and other outlets are reported to be opening shortly - it too has dropped pork and beef from its menu

### **§ 6. McLocalising**

Adapting McDonald's for the uniquely Indian market was a big expense when he started but Amit believes it has paid off in the long term. When they started there was no lettuce supply chain in India. Most people used cabbage on burgers. So they had to set it up from scratch. The infrastructure is also now becoming a local venture. "In 2001 we began to localise all the equipment that goes into the kitchen to build a burger," he says. "For example, we took a burger and took it apart; now piece by piece every component is made locally. " All the kitchen fabrication is done locally.

All the refrigeration, chillers and freezers and furniture are made locally." In most cases their global suppliers have worked with local businesses to make that happen. He wants to take it further. His current challenge is to make fryers locally. While recent weakening of consumer spending has seen a slowdown in sales, overall Amit has managed to grow same-store sales by 200% and he says he's not done yet. The plans are to open another 1,000 restaurants in the next decade. Amit Jatia (left) with Vikram Bashi and Sanjiv Guptam, the pioneers of McDonald's across India in 2004.



§ 7. "Think about it," he says, "India has 1.2 billion people and

we have just 350 McDonald's [restaurants] to service them." But India is not an easy market to work in, especially for multinational companies. McDonald's in India has another partner in the north with whom they are still in the process of addressing the issue of ownership amid an ongoing legal battle. So how did Amit Jhatia get around it? "There are a lot of regulatory approvals needed to get something done," he says. "But that is known. Once you know it, you factor it into your business plan." (By Shilpa KannanBBC News, Delhi 19 November 2014).

### **Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to the given words.

### **Task 2. Improving speaking competences.**

Make up a presentation based on the article.

Make up a presentation Doing business in India.

### **Task 3. Improving writing skills.**

Compose a report on Fastfood market in India, based on the article.

### **Task 4. Write a summary of the article.**

## **Unit 3**

## **Pre-reading discussions:**

How to get new ideas? What is innovation?

How to develop creativity?

## **The Mexican immigrant who set up a global drone firm**

§ 1. Mexican immigrant Jordi Munoz says that waiting for his green card after he first moved to the United States made him feel as if he was living "in a big jail". At the time he was 20 years old, and he and his girlfriend had set up home near Los Angeles. Yet he could not legally work, or even enrol at a college, until he got the identity card that proved his right to live and seek employment in the country. But instead of just sitting around during his frustrating seven-month wait back in 2007, Mr Munoz, a keen model plane enthusiast and computer programmer, started to build his own drone in his garage.

1.1. A drone, technically an unmanned aerial vehicle, is essentially a very high tech and stable version of a remote-controlled plane with a camera attached to take aerial photographs or record videos.



Using what parts he had to hand, Mr

Munoz made the drone's autopilot system by taking the motion sensors from a games console remote control. To attach the microchips to circuit boards he heated them up in a domestic oven.

1.2. Fast forward to today, and Mr Munoz, now 28, is the co-founder of the largest US-owned manufacturer of commercial drones. The business, 3D Robotics, is expected to enjoy sales of \$50m (£33m) this year.

## **§ 2. Key investment**

**2.1.** Back when Mr Munoz was working on his first prototype, he started to put up posts about his progress on a website for other DIY drone enthusiasts. In addition to the advice and encouragement he got from fellow hobbyists, one man was so impressed that he sent Mr Munoz \$500 (£325) to help carry on his work.

**2.2.** The person who provided the money was influential journalist and author Chris Anderson, who at the time was editor in chief of technology magazine Wired, which is based in San Francisco. The two men started a regular email and telephone correspondence, and Mr Munoz eventually built and sold several dozen prototype drones. Then in 2009, Mr Munoz and Mr Anderson decided to go into business together, and co-founded their own drone-making company.

**2.3.** So despite not actually having met in person at that point, they started 3D Robotics. Mr Munoz, as chief technology officer, would be the engineering brains while Mr Anderson, as chief executive, would focus on the business and



investment side of things. The co-founders eventually met, their partnership worked, and the company started to quickly grow rather quickly - as global demand for drones has risen strongly over the past five or so years.

### **§ 3. 'Google PhDs'**

**3.1.** Being the joint boss of a fast-growing corporation was however a cultural shock for Mr Munoz, who had no prior business training nor leadership experience, and had not been to university. He had instead been used to working on his own, and learning from the internet. "I come from a generation where we have Google PhDs, we can virtually figure out everything by just Googling around and doing some reading online," says Mr Munoz. "But in my case, the company started growing so fast I couldn't keep up... It was just 'boom' and finally I have a big corporation." Thankfully, says Mr Munoz, he realised that he needed to bring in "super-experienced people" to do the work that he couldn't.

**3.2.** The company now employs 357 people across four main sites. Mr Munoz is based in San Diego, southern California, at the company's engineering centre. Production takes place just across the Mexican border in Tijuana, Mr Munoz' home city, while the company's sales team is based in Austin, Texas. Mr Anderson, 53, leads 3D Robotics' business operations centre, which is located in Berkeley, near San Francisco. He stayed in the San Francisco Bay Area to be both close to his home, and the all important investment community of Silicon Valley, which has helped fuel the company's growth.

**3.3.** 3D Robotics now makes five different types of drones, with prices ranging from \$740 to \$5,400. Mr Munoz says that sales first reached the \$1m mark in 2011, before hitting \$10m in 2013, and being on target for \$40m this year. To meet increasing demand, additional production is now being done in China.

#### **§ 4. Open-sourced software**

**4.1.** For all 3D Robotics' success, there is one part of its business model which might unnerve bosses in other industries - the operating software of its drones is freely available to any other company that would like to have a go at making its own. The software is publicly available or "open sourced" because ever since his earliest efforts in his old garage, Mr Munoz has published his work online, and asked for help and feedback from other drone enthusiasts. While this means that any competitor can use the software, such as a number of Chinese copycats, Mr Munoz says that the operating system is better as a result of all the input of others in its development. "I wouldn't be able to sell as much if I had prototyped it alone," he says.

**4.2.** As 3D Robotics continues to grow, Mr Munoz says that despite a tough start dealing with immigration authorities, the US has been good to him. "It really is a land of opportunities," he says. "So it doesn't matter what is your background. If you work hard and do the right thing, and you're honest, you can always do what you want in the US. "You get a lot of support - 'hey, this is awesome! Keep doing it!' - that is a different mentality compared to my [home] country, which is the opposite way around." (23 February 2015 By Regan MorrisBBC reporter, San Diego).



**Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to the given words.

**Task 2. Improving speaking competences.**

Make up a presentation based on the article.

Prepare arguments to defend each of the following sides of the debate:

Google PhD vs University PhD.

**Task 3. Improving writing skills.**

Based on the article compose a biographical essay of Jordi Munoz (background, education, work experience, competences).

**Task 4. Write a summary of the article.**

## Unit 4

### Pre-reading discussions:

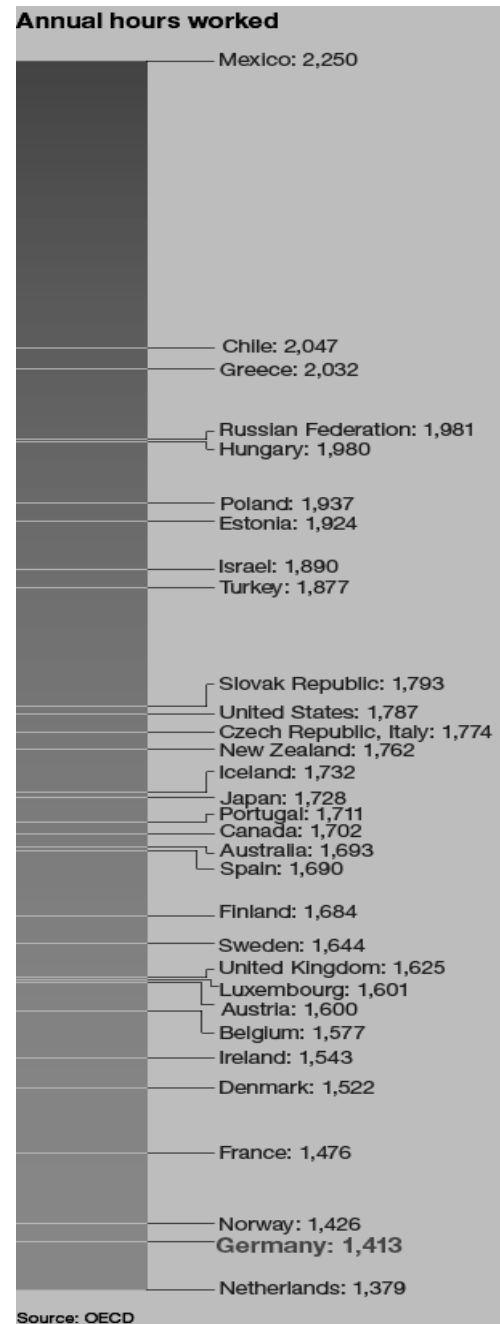
What are the key factors making a country successful?

## German economic strength: The secrets of success

§ 1. Imagine a country whose inhabitants work fewer hours than almost any others, whose workforce is not particularly productive and whose children spend less time at school than demost of its neighbours.

1.1. Hardly a recipe for economic success, you might think. But the country described above is none other than Germany, Europe's industrial powerhouse and the world's second largest exporter; a country whose economy has single-handedly stopped the eurozone falling back into recession and the only nation rich enough to save the euro.

1.2. When you consider that only the Dutch work fewer hours among the 34 members of the OECD, that German children spend 25% less time in the classroom than their Italian counterparts, and that there are six more productive economies in Europe alone, these facts appear all the more remarkable.



So why is the German economy so powerful, and what lessons can the rest of us learn from it?

## **§ 2. Euro bliss**

**2.1.** There is no doubt that Germany has benefited greatly from the euro. By getting into bed with more sluggish economies in southern Europe, Germany adopted a much weaker currency than would otherwise have been the case - as one of the very few countries in the world running a balance of payments surplus, the deutschmark would have been a great deal stronger than the euro. This has provided a terrific boost to German exports, which are cheaper to overseas consumers as a result. But this goes only some way to explaining Germany's current economic might.

**2.2.** Just as important are the relatively low levels of private debt. While the rest of Europe gorged on cheap credit throughout the 1990s and 2000s, German companies and individuals refused to spend beyond their means. One reason for this, says David Kohl, deputy chief economist at Frankfurt-based Julius Baer bank, is that real interest rates in Germany remained stable, unlike those in other European economies. "In the UK, Italy, Spain and Portugal, for example, higher inflation meant real rates moved down, so there was a huge incentive to borrow money," he says.

**2.3.** But cultural differences are just as significant - quite simply, Germans are uncomfortable with the concept of borrowing money and prefer to live within their own means. "In German, borrowing is 'schulden', [the same word for] guilt. There is an attitude that if you have to borrow, there is something wrong with you," says Mr Kohl. This has been particularly beneficial to Germany in recent years - unlike its European counterparts, consumers and businesses did not need to slash spending to cut their debt levels when banks stopped lending during the recession.

## **§ 3. Labour reforms**

**3.1.** But there are other, deep-rooted reasons behind Germany's current economic pre-eminence in Europe, not least in fact the relatively low number of hours spent at work

and in the classroom. Germany embarked upon a programme of fundamental labour market reform in 2003, sparked by the excesses of post-unification wage increases. Strong employment protection legislation and a degree of trust on behalf of the workforce in well-capitalised companies that had not over-borrowed, meant the Social Democratic government was able to use its close ties with labour unions to push for moderation in wage inflation. The reforms laid the foundation for a stable and flexible labour market. While unemployment across Europe and the US soared during the global downturn, remarkably the jobless number in Germany barely flickered.

**3.2.** German workers were simply willing to work fewer hours, knowing that they would keep their jobs because of it. They were all the more willing to do so due to the stronger bond that exists between workers and employers compared with many other countries. "There is a culture of business owners acknowledging and rewarding the efforts of the workforce," says Andreas Woergoetter, head of country studies at the OECD's economics department. No wonder, then, that Germans work fewer hours than most.

#### **§ 4. Job skills**

More important still to Germany's industrial strength is the country's education system. School finishes at lunchtime across much of Germany due to what Mr Woergoetter calls a "societal preference", designed to allow children to spend more time with their families. But it's in the later years of schooling that the German model really stands apart. "Half of all youngsters in upper secondary school are in vocational training, and half of these are in apprenticeships," says Mr Woergoetter. Apprentices aged 15 to 16 spend more time in the workplace receiving on-the-job training than they do in school, and after three to four years are almost guaranteed a full-time job. And in Germany, there is less stigma attached to vocational training and technical colleges than in many countries. "They are not considered a dead end," says Mr Woergoetter. "In some countries, company management come from those who attended business school, but in Germany, if you're ambitious and talented, you can

make it to the top of even the very biggest companies." The German education system, therefore, provides a conveyor belt of highly skilled workers to meet the specific needs of the country's long-established and powerful manufacturing base, which is rooted in the stable, small-scale family businesses that have long provided the backbone of the economy.

## § 5. Lessons learned



There is clearly much to learn from the German model, but blind replication may not be the answer. Many economies jealously covet Germany's manufacturing prowess, particularly while demand for its industrial products in emerging markets

such as China continues to boom. And yet, not so long ago, the roles were reversed. "Ten years ago, we in Germany were looking at the much higher value-added potential of the UK service sector," says Mr Kohl. "There are limits to adding value in manufacturing. If you want to be rich and move up the value chain, you need to be in services." As unlikely as it seems, perhaps one day Germany will once again look to others for inspiration. (By Richard Anderson Business reporter, BBC News).

### **Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to them.

### **Task 2. Improving speaking competences.**

Make up a presentation based on the article "German economic strength: The secrets of success". Make up a monologue on Success of Ukraine: how to achieve it.

### **Task 3. Improving writing skills.**

Design a program to make Ukraine great.

### **Task 4. Write a summary of the article.**

## Unit 5

### Pre-reading discussions:

What is a green company?

Is an environmentally friendly business profitable?

## Turning rubbish into gold



Hen got

**§ 1. Mostafa Hemdan is making a good living turning rubbish into gold, but success has not come without hurdles.** The 25-year-old is founder of Egyptian company Recyclobekia, one of the first businesses in the Middle East to recycle electronic waste. He set up the firm five years ago in the garage of his parents' house in Tanta, a city 90km (56 miles) north of capital Cairo. At the time, Mr Hemdan was an engineering student, and together with 19 other people from his university he had entered an entrepreneurship competition called Injaz Egypt. Up for grabs for the winner was \$10,000 (£7,000) to help develop their start-up idea. Mr Hemdan just had to think up his own business proposal, and inspiration came from something he saw on TV.

**1.1.** "I was watching a documentary about electronic recycling, and I realised there was a lot of potential in extracting metals from mother boards - gold, silver, copper,

and platinum," he says. "It was a booming industry in Europe and the US, but no one in the Middle East was doing it." It was at that moment that the idea for Recyclobekia was born, and Mr Hemdan went on to win the competition.

**1.2.** The company's name comes from the Egyptian Arabic words "roba bekya", which means "old stuff", and is commonly heard on the streets of Cairo as rag-and-bone men call out for unwanted household items. Today, the Egyptian businessman employs 20 people across four warehouses, and sells \$2.4m of electronic waste per year. Along the way Mr Hemdan has overcome challenges including not being able to fulfil orders, overextending himself, and the backdrop of political upheaval and social unrest in Egypt since the Arab Spring.

## **§ 2. First order**

**2.1** Starting the business back in 2011, around the time the Arab Spring began, Mr Hemdan first touted for trade by putting an advert in a business-to-business section of



global ecommerce website Alibaba. Recyclobekia's first order soon followed when a buyer in Hong Kong ordered 10 tonnes of hard disks. "At that moment, I didn't even know where I would collect such an amount, but I accepted," says Mr Hemdan. Seeking recyclable material, he moved to Cairo, whose 17 million inhabitants produce 15,000 tonnes of garbage per day.

**2.2.** Most of the city's waste management is run through an informal system that relies on the Zabbaleen, a Christian community of rag pickers who collect rubbish door-to-door, and meticulously hand sort its components to resell plastic, paper and metal. However, the Zabbaleen do not collect electronic waste, such as old computers or printers. So instead, Recyclobekia collects such products from companies.

**2.3.** To fulfil the first order from Hong Kong, Mr Hemdan realised that he need to raise \$15,000, but this was before he won the Injaz Egypt competition. Instead, to

secure the money he needed Mr Hemdan managed to persuade a university professor to give him a loan, in exchange for 40% of the profit from the first sale. Four months later the first shipment was completed.

### § 3. Problems

**3.1.** Winning the entrepreneurship competition helped Recyclobekia to secure investment to expand the business, including \$120,000 from two well-known Egyptian private investors, Khaled Ismail and Hussein el Sheikh, who both now sit on the company's board. However, the investment was initially unsettling. "Here's where the problems began," says Mr Hemdan looking back. He stresses that "working with a huge capital while you don't know how to run a company" can lead to mistakes.

**3.2.** Mr Hemdan's error was to quickly expand the business, and overestimate how much waste he could collect. Despite partnering with companies to buy their waste, the amount they discarded was much lower than Recyclobekia expected, and in six months it had only managed to gather six tonnes, a lot less than expected. In order to rectify the situation, Mr Hemdan realised he need to quickly improve his knowledge of an industry that was still very much in its infancy in Egypt. So he flew to Hong Kong to study the work of recycling firms in the Chinese region. The trip made Mr Hemdan realise that he had to change Recyclobekia's business model.



**3.3.** At the time it was simply collecting the old electronic items and sending them off to its buyer in Hong Kong. The Chinese firm would then break them apart, separate



the materials, and sell them on to other companies which melted down and extracted the individual metals. Mr Hemdan realised Recyclobekia could be more profitable if it cut out the middle man, and instead did all the dismantling work itself - it could get a better price for waste that had already been broken up and sorted. So he ended the Hong Kong deal, and instead signed up with a German extraction company. This also reduced Recyclobekia's shipping costs.

#### **§ 4. Social unrest**

**4.1.** But as Mr Hemdan attempted to schedule his first flight to Europe, he hit another hurdle. "Having to do the military service is the greatest barrier to building my business," he says. In Egypt, all males between the age of 18 and 30 are required by law to join the military for between one and three years. While students, like Mr Hemdan, can postpone it until they finish their studies, they can't travel abroad without special permission from the Ministry of Defence.

"Regulations only allow me to do it on the first semester of each academic year, which means I have to keep postponing trips, and limit them to those months," says Mr Hemdan. By June 2013, Recyclobekia had come close to a deal with a German firm for investment, but a month later this was called off after the Egyptian military overthrew former Egyptian President Mohamed Morsi. Mr Hemdan says: "Media reports said that roads were closed by the army and terrorists were out in the streets... it was a disaster for us.

**4.2.** "By the end of 2013, we had lost most of the investment we had received." This political turmoil, together with the fluctuations in the gold price had brought the company to the brink of collapse, but the entrepreneur weathered the storm by seeking alternative partners across the Atlantic, where Wisconsin-based Dynamic Recycling offered better payment terms.

Mr Hemdan is now planning to expand this business across the Middle East. The entrepreneur has also joined forces with African online retailer Jumia to allow individuals to trade their electronic waste for vouchers to buy products. Con O'Donnell, an angel investor, and co-founder of Egypt's leading entrepreneurial

event, RiseUp Summit, says: "Mr Hemdan made the mistake a lot of younger entrepreneurs make and over-extended. However, he didn't fail. He learned."(By Valentina PrimoCairo, Egypt 18 January 2016)

**Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to them.

**Task 2. Improving speaking competences.**

Make up a presentation based on the article Recycling Business.

Make up a monologue on ECO system in Ukraine: solutions to problems.

**Task 3. Improving writing skills.**

Design a program to make Kharkov / your home town eco friendly.

**Task 4. Compose a summary of the article.**

## Unit 6

### Pre-reading discussions:

What makes innovations?

What makes Japan successful?

## Rebooting innovation in Japan

§ 1. Guarded by heavy metal gates, it feels like a secret base in the heart of Tokyo. Inside a typical office building in the Akihabara district is a high-tech factory that is created for use by anyone with innovative ideas. It is a makerspace with equipment worth 1bn yen (\$8.5m; £5.5m). Whatever you need to turn your idea into a product is

here, including the latest 3D printer. DMM.make Akiba occupies three floors of the building with total space of 2,000 sq m (21,500 sq ft). It is open 24/7 to members



who pay a monthly fee of 30,000 yen. "I don't know how any of the machines work and we are losing money for now," laughs Keishi Kameyama, chairman of internet company DMM.com, which is behind the investment. "But I wanted to provide this space to young engineers so that they can focus on creating products that they want," he adds. To the uninitiated, a makerspace is a physical housing area (it could be a library or a community centre, for instance) that provides technology, manufacturing equipment and/or educational opportunities to the public.

### § 2. Famous Japanese inventions

- Bullet train (1964)
- Instant noodles (1958)

- Karaoke machine (1971)
- Walkman (1979)
- PlayStation console (1994)

### **§ 3. Dwindling ideas?**

**3.1.** Japan is a country known for its innovations. My favourite has always been the Toto electric toilet seat with water spray feature, which I was surprised to find even at a temporary shelter in Kesenuma in Miyagi, not long after the region was struck by the huge earthquake and tsunami in 2011. But when I started to look into what happened to Japan's once famous innovative minds, I really struggled.

**3.2.** After all Sony's Walkman, which revolutionised how people listened to music, was introduced back in 1979. The bullet train entered service in 1964, which was around the same time that Toto introduced its first high-tech toilet. Since then, though, "game-changing" products have been difficult to come by. So is Japan's innovation dead? "We have been innovating great products but we are not good at marketing them abroad," says Mr Kameyama.

### **§ 4. Targeting customers**

**4.1.** I grew up in Tokyo using NTT DoCoMo's mobile phones, which allowed me to send emails on the go years before the Blackberry smartphone or Apple's iPhone was released. And yet, when I moved to Singapore to join the BBC, it took me two years to find out that the exact service that I was familiar with back home - called imode - was also available in Singapore. "The bigger companies get, the harder it becomes to take a risk", – Takuma Iwasa, Founder, Cerevo

**4.2.** I remember thinking, "If you cannot market the product to someone who knows about it, how are you supposed to woo users abroad who aren't?" The problem still exists today. When I approached a company that offered an innovative idea to Sony (so that engineers from the electronics giant can turn it into an actual product), my

request was declined because they were too busy. The company told me that, from their point of view, "there was no point in being featured by the BBC" because their target customers are in Japan, not abroad.

### § 5. 'Serial innovation'

But marketing strategies aside, can Japan still come up with the next Walkman, or the next big thing, that will woo customers worldwide, in the way Apple and Samsung have done with their arsenal of mobile phones, tablets and even phablets? "Any organisations have abilities to produce something innovative," says Takuma Iwasa, founder of start-up consumer electronics firm Cerevo, which is one of the main tenants of the makerspace in Akihabara. "But it's the matter of whether the company's management would allow you to create it and release it to society. "Sony came up with Walkman when the company was much smaller. Exactly the same with Toto and its high-tech toilets. I don't think it's only in Japan but the bigger the companies get, the harder it becomes to take a risk," says Mr Iwasa, who used to work for Panasonic. "Big companies, Japanese or not, are good at what I call serial innovation - making a better version of the current product - because that will sell. But they are not good at creating something that never existed in the market."



### § 6. Government support?

The makerspace in Akihabara, he says, is full of start-up companies that are now at the phase Sony was at when it invented the Walkman and there are investors who are keen to fund their



dreams. So can the government help? The third arrow of Abenomics, the economic

policy of Prime Minister Shinzo Abe, is to encourage more innovation. "It may be a very Japanese thing but when I started Cerevo, there wasn't much support for start-up companies," says Mr Iwasa. "Just the fact that they are promoting entrepreneurship has been helpful." But DMM.com's Mr Kameyama thinks that the government is only investing in the old system. "I am not a creator myself so I get it but the government doesn't know how to encourage innovation," he says. "So they're talking to big electronics companies and giving them money. "But I want the government to help young inventors who are gathering here because they are the future of Japan's innovation."(By Mariko Oi Business reporter, Japan 2 March 2015).

**Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to them.

**Task 2. Improving speaking competences.**

Make up a presentation "Many colors of Japan" using different resources.

Make up a monologue on Challenges of Innovations.

**Task 3. Improving writing skills.**

Compose a brochure "Doing business in Japan".

**Task 4. Write a summary of the article.**

## Unit 7

### Pre-reading discussions:

What are the peculiarities of doing business in the Middle East?

## Silicon Desert: Can Kuwait move from oil to entrepreneurs?

§ 1. It is a Tuesday evening in a basement room in Kuwait City's Dasman Complex, a cluster of art supply shops and offices. More than a dozen women - Kuwaitis and expats - are listening intently to 28-year-old finance graduate Arwa Al-Jaser. Ms Al-Jaser used to work in a government job. But since September she has been a member of the team behind Mukankom, a website for renting workspace, offices and meeting rooms by the hour.

1.1. Beaming with pride, Ms Al-Jaser talks about how she is now a web programmer who feels passionate about what she does, often working long hours on little sleep. And she's quick to encourage a member of the audience who says that she's considering a similar career change but is hesitant. "Just do it, just try," she says. Ms Al-Jaser says that when she left her job, she had been unsure if she had made the right decision. (left) gives talks about her experience in business



1.2. "I needed someone to take me by the hand and show me the way, and I will definitely be that person [to others in a similar situation] in the future," she says. "This is the first time that I really realise what it means to love what you do." The audience that Ms Al-Jaser is speaking to has gathered for an event which part of the global non-profit Girls in Tech programme. The hope is that success stories like hers will inspire other women to make the leap into the world of tech start-ups.

## § 2. Entrepreneurial ambition

2.1. This gathering is one of many taking place in Kuwait as the country seeks to create a new generation of entrepreneurs, as part of its ambition to diversify its oil-dependent economy and become a regional finance and trade hub.



2.2. Oil accounts for around 60% of Kuwait's economy and some 95% of its export revenues. Bahbahani and Ahmad Marafi learned computer coding. But with global oil prices having remained stubbornly low over the past 12 months, the country's ruler, Sabah Al-Ahmad Al-Jaber Al-Sabah, the Emir of Kuwait, has called for economic reforms and a reduction in public expenditure. Speaking last month, the emir said that state revenues were down 60% due to the slump.

2.3. A key element of the reform plan is the government's 2bn Kuwaiti dinar (\$6.6bn; £4.3bn) National Fund for Small and Medium Enterprise Development. Previous, albeit smaller, funds have sought to achieve similar goals but failed to make any significant impact, leaving many wondering if the national fund will be any different. But the large scale of the latest scheme at least reflects a strong resolution to try.

2.4. The plan is to focus on Kuwait's entrepreneurial ecosystem in its entirety, by creating "hubs" in various fields, where entrepreneurs can access services such as mentorship and financing. However, the scheme is only open to the 1.3 million Kuwaiti nationals, and not the 2.9 million expats who live in the country.

## § 3. Burgeoning tech scene

3.1. Ms Al-Jaser was lucky enough to benefit from a pilot course at the country's first coding bootcamp run by a Kuwaiti business called Coded. Hashim Bahbahani and Ahmad Marafi founded Coded when their previous start-up venture, an e-commerce



platform for small local businesses, failed. "I told Ahmad that one of the main reasons it failed was that we weren't coders ourselves," says Mr Bahbahani. "We really struggled to find talented coders."

**3.2.** So they decided to learn, and having expected a Google search to bring up numerous options, they were shocked to find that the only suitable coding bootcamp in the Arab-speaking Middle East was in Lebanon. Coded's first course took place back in the summer. Mr Bahbahani and Mr Marafi hope that their graduates will contribute towards creating the backbone of the country's tech start-up scene. "Young people in Kuwait are naturally entrepreneurial," says Mr Bahbahani. "You'll find a lot of people here who are full-time employees, but who have a business on the side."

**3.3.** He concedes that in Kuwait they are drawing from quite a limited pool of Kuwaiti nationals in the small state. But Bahbahani says he is convinced that Kuwaitis have great potential in tech and entrepreneurship, and that with the added presence of expats, the country has the makings of a vibrant entrepreneurial scene.

#### **§ 4. Unconventional route**

Athbi al-Mutairi's route into entrepreneurship was rather more isolated. The 36-year-old spent five years in the army having dropped out of high school. and when his plans to study in the UK fell through, he took up a position in IT support at a local newspaper. During his five years there, Mr Al-Mutairi taught himself to code from the internet. He went on to create KuwaitReader, an app which aggregates local Twitter content. The app was a success, and he went on to sell KuwaitReader along with versions for the UAE, Saudi Arabia and Egypt. His latest app, which launched in its current version in August, archives social media videos from the region's top online influencers, with their permission. The Mojaz app currently has 200,000 active users, who download an average of 1.5 million videos on the app daily. "I never thought it would reach these numbers in this time frame. I'm very proud of it," says Mr Al-Mutairi. While he's achieved success without much outside help, he does think

he would have benefited from the kind of support now being developed for budding entrepreneurs.

## § 5. Flawed approach?



For the national fund to achieve its ambition it will have to be well designed, according to Nabil AlNoor, an entrepreneur who was born and raised in Saudi Arabia, and is now based in Silicon Valley as the president of his own

venture capital firm Graphene Ventures. He says first and foremost the correct governance has to be in place in Kuwait. Image captionA business workshop in Kuwait organised by entrepreneurship support group Wamda. "When funds are released, they have to be released according to a very clear process that can be tracked even backwards later on, to see who was given the money and how serious they are," says Mr AlNoor. He also wishes that the fund could be offered to the expats living in Kuwait. "If I was in the government's shoes, I would say that it was limited to anyone who wanted to do business in Kuwait," he says (By Sumaya BakhshBBC reporter, Kuwait)

### **Task 1. Expanding the lexicon.**

Explain the meaning of the unknown words.

Provide synonyms, antonyms and word combinations to them.

### **Task 2. Improving speaking competences.**

Make up a presentation Doing Business in the Arab World.

### **Task 3. Improving writing skills.**

Make a report on IT sector in Saudi Arabia based on the article.

### **Task 4. Summarise every paragraph of the article.**

## Unit 8

### Pre-reading discussions:

Advantages of the Ukrainian economy?

## Could Ukraine Be The Next Silicon Valley?

§ 1. Even among the sordid histories of Eastern Europe, Ukraine is particularly tragic.

In just the 20th century, it was starved by Stalin, decimated by Hitler, subjected to seventy years of incompetent Soviet rule, looted by its own government and, most recently, invaded by Putin. Ukraine's situation today remains desperate. The country is in dire financial straits, dependent on financial assistance from



the IMF, US and EU. Crimea has been annexed, the eastern provinces of Donetsk and Luhansk are caught in a frozen conflict and its chief antagonist, Russia, controls its gas supply. Yet still, Ukraine is not without promise. While much of its Soviet era industry lies dormant within the conflict zone, its tech industry is booming. I recently talked with Yevgen Sysoyev of AVentures, a venture capital firm in Kyiv, and he thinks that we may be seeing the birth of a new Ukrainian renaissance. While that may sound crazy, he might very well be right.

### § 2. What Makes A Tech Mecca?

Ever since Silicon Valley emerged as the center of the technology world in the seventies and eighties, others have tried to followed its lead. Most have failed, but a few, such as New York, Tel Aviv, and Austin have succeeded brilliantly. No one has unseated the Bay Area yet, but these places have built thriving technology startup scenes.

2.1. If you examine today's startup hubs further, it becomes clear that they all have some things in common. Each, for instance, has strong universities turning out capable technology talent. They also have what Richard Florida calls the Creative

Class – a tolerant environment that promotes an active subculture of art galleries, music scenes and avant garde cafes.

**2.2.** Anybody familiar with the technology industry in Ukraine knows that Kyiv has these things in spades. It is already a thriving outsourcing center. Elance, the leading online freelance site, ranks Ukraine as the third best place in the world to find people with advanced skills. Kyiv is a fun place, with a thriving culture and, above all, is tolerant and inviting.

**2.3.** Yet there is a final element that Ukraine has been missing. Every great startup culture requires a catalyst, one breakout company that spawns the local financial and professional networks new firms need to thrive. Silicon Valley had Hewlett Packard, Tel-Aviv had ICQ, and New York had Doubleclick. In Ukraine, there's no one, but that may soon change.

### **§ 3. Ukraine's Emerging Technology Ecosystem**

**3.1.** AVenture's Sysoyev estimates that the Ukrainian tech industry is worth about \$5 billion and splits the market into four distinct sectors. The first, outsourcing, is the most developed and employs roughly 50,000 engineers across 500 firms. A small but growing contingent of global R&D centers set up by Samsung and other tech giants makes up the second sector. The third major area is e-commerce, which benefits from Ukraine's relatively undeveloped traditional retail industry. Online shopping has really gained traction in recent years and Sysoyev estimates that the market is now worth about \$2 billion, roughly equal to the outsourcing business in Ukraine.

**3.2.** Yet where Sysoyev sees the most potential is in a fourth sector that is starting to emerge –homegrown software firms who design, build and market their own products for the global market. He mentions six that have the potential to become billion dollar businesses in the next five years:

Paymentwall, Grammarly, bpm online, InvisibleCRM, Depositphotos and Jooble.

He also notes that there is a slew of exciting new startups. Some, like Petcube and iblazr received initial funding from crowdfunding sites like Kickstarter, but most make do by bootstrapping themselves to profitability. Clearly, if

the capital infrastructure in Ukraine was to improve, we'd see a lot more startup activity.

**3.3.** If Sysoyev is right about the possibility of Ukrainian tech companies achieving major valuations in the near future, then Ukraine really does have a chance to break out and become a true technology hub. Even one billion dollar Ukrainian company could attract enough capital to catalyze the entire tech sector (ICQ, which seeded Tel Aviv's tech sector, was initially acquired for about \$400 million).

#### **§ 4. A Distinctly Ukrainian Model**

**4.1.** American startups have a distinct advantage. With a gargantuan domestic market and the world's most extensive venture capital ecosystem, they can incubate in their home country, access financing and, when they reach critical mass, embark onto the global stage.

**4.2.** Ukrainian firms, however, aren't so lucky. So Ukrainian startups have come up with a new model. The companies that Sysoyev cited all focus on the international, rather than local business. Grammarly, for example, produces proofreading software for English speaking markets. Jooble, a job search engine, operates in 59 countries. Most, although they maintain operations in Ukraine, are legally based somewhere else.

**4.3.** Another important difference is that, due to the lack of venture financing, Ukrainian firms have to become profitable very quickly in order to survive. In a sense, that's limiting, but it also gives Ukrainian startups an edge that many early stage tech companies lack. They develop an acute business sense very quickly and learn how to compete.

**4.4.** And while their revenues are generated abroad, these companies remain very much rooted in Ukraine. Top executives continue to reside in their home country and all of their product development and R&D are based there. That gives them a real cost advantage over many of their international competitors.

#### **§ 5. Opportunities and Challenges**

Despite the poor political situation in Ukraine, there are good reasons for optimism. It's got a high quality, low cost workforce. The conflict zones of Donetsk and Luhansk remain a safe distance from the technology centers of Kyiv, Kharkiv and Zaporizhia. European parties won massive majorities in the recent parliamentary elections and the culture is progressive. Yet still, serious challenges remain. Ukraine is a deeply corrupt country and devilishly hard to do business in. It must undertake rapid reform – and endure no small amount of economic pain – to satisfy the stringent EU and IMF requirements required to maintain international support. Putin, in the meantime, seems determined to undermine the country's upward rise.

However, I've noticed an important change in Ukraine since I started doing business there over a decade ago. In 2004, its people took to the streets in the Orange Revolution to demand democratic ideals. Now they protest for real reforms—insisting that corruption be rooted out, tainted officials be fired and laws be changed to reflect international norms.

No doubt, it will be a tough road ahead. But it's also important to remember that Ukraine is one of the largest and best educated countries in Europe, with an excellent base of talent and technology infrastructure. So while it may seem unlikely for Ukraine to become the next tech mecca, I wouldn't bet against it. (*Greg Satell is a US based business consultant and popular speaker. www.kyivpost.com, December 9, 2016, Business Focus 7*)

**Task 1. Expanding the lexicon.**

Explain the meanings of the unknown words:

Provide synonyms, antonyms and word combinations to them.

**Task 2. Improving speaking competences.**

Make up a presentation on Successful business sectors in Ukraine.

**Task 3. Improving writing skills.**

Prepare a report on IT sector in Ukraine based on the article.

**Task 4. Summarise every paragraph of the article.**

## Unit 9

### Pre-reading discussions:

Are foreign companies doing good in Ukraine?

## French winemaker in Odesa Oblast says business is under attack again

§ 1. When Christophe Lacarin moved to Ukraine more than a decade ago to make wine, he was beset by problems practically from day one. Now Lacarin, a French citizen who owns the “Marquis de Lacarin” wine label and a 150-hectare vineyard in the village of Shabo in Odesa Oblast, some 500 kilometers south of Kyiv, has appealed to Ukrainian Prime Minister Volodymyr Groysman to protect his business. “During your latest visit to France, you (Groysman)



promised to protect French investments in Ukraine from illegal takeover attempts. I ask you to ensure there is justice, and to protect the cultural heritage of the (wine-making) region,” Lacarin wrote on Facebook on Nov. 25.

1.1. The wine maker appealed to Groysman after intruders destroyed grape vines in three different parts of his vineyard with a bulldozer on Nov.25. In total, Lacarin said, more than 10 hectares of 40-year-old grape vines were destroyed by “local landholders.” “Some locals don’t want me to do business here. The courts don’t work, neither do law enforcers protect businesses from the bandits who destroyed my best grape vines with no court decision that would let them do this,” Lacarin told the Kyiv Post on Dec. 5. “Such barbarism makes me believe that it is the bad time for foreign investment in Ukraine,” he added.

### § 2. Wine wars

**2.1.** Lacarin told the dumskaya.net news website that he was on his way to Odesa Oblast's Fiscal Service for yet another inspection on Nov. 25 when his wife Marianna called him and said a bulldozer had driven onto his private property and started uprooting grape vines. "My wife called the police; they came and took a statement. I was in shock!" the businessman said. The Frenchman has long been in conflict with four local landholders and regulatory organs.

**2.2.** Lacarin moved to Ukraine and started making wine according to his family method more than 10 years ago. He applied unsuccessfully several times for a wine business license, and only obtained the right to make wine in Ukraine in April 2016, after the Verkhovna Rada, Ukraine's parliament, adopted a bill on simplifying the process of legalizing small wine businesses. Lacarin managed to obtain the license with the help of then Odesa Governor Mikheil Saakashvili. But after Saakashvili resigned from his post in November, the pressure on Lacarin resumed, the Frenchman says. "Now I'm fighting in the courts for the right to work in Ukraine. And they (the landholders) are doing everything to stop me from making wine," Lacarin said.

**2.3.** In 2005, Lacarin and his wife Marianna signed a 25-year rent agreement for 150 hectares of vineyards with 15 local landlords in the village of Shabo, and founded a private winery there. But they have been fighting with local businessmen and officials for the right to be a private winemaker in the area ever since. Then in March 2015, Lacarin complained that intruders had set several of his grape vines on fire. Then in February 2016, the fiscal service raised taxes for winemakers to Hr 500,000 a year and Lacarin refused to pay such a high price.

### **§ 3. Land dispute**

**3.1.** But after the winemaker obtained a wine-making license for Hr 780 in April 2016, he thought he might finally get down to the serious business of winemaking in Ukraine. However, a long-running dispute over the right to use the land Lacarin rents has erupted again, threatening to put a stopper in his plans once more. Lacarin is suing four out of 15 landowners he rents from.



**3.2.** Local businessman Olexandr Muntyan, the son of Grigori Muntyan, one of the 15 owners of the land Lacarin rents for his business, appealed to the local tax office and is now fighting with Lacarin for control of the land and vineyard. Muntyan inherited his father's lands. Although Lacarin has all the required rental documents, Muntyan told the Kyiv Post that French winemaker had seized his father's vineyard illegally and has no right to do business there. Muntyan says he doesn't know who uprooted the grape vines with the bulldozer, but claimed that Lacarin himself had set his grape vines on fire in 2015 to get insurance money. Muntyan also said Lacarin had not shown up for court hearings over the rent dispute, and instead had filed an appeal, and is now paying neither rent nor taxes. "He refused to pay, saying the price is high. But he lives in Ukraine, his kids go to our school, he uses our roads. We also pay these high taxes, so why shouldn't he?" said Muntyan.

**3.3.** Lacarin told the Kyiv Post that to be a licensed winemaker in Ukraine; businessmen now have to have not only a license for winemaking, but also a license for bottling and for handling wine-making materials. "I had to pay a Hr 75,000 penalty because my license was incomplete," said Lacarin. "But that was not all. In



the rest of the world, wine is an alcoholic beverage made from fermented grapes. But in Ukraine it is firstly a bottle, an excise label, and a cork. I used a traditional sealing wax to seal the bottle, instead of gluing on the tax label (as part of the seal). For that, I've got to pay a Hr 17,000 penalty."

#### **§ 4. Call for talks**

**4.1.** In a message published by the press service of Odesa Oblast National Police department on Dec. 3, Yevgen Orlov, the head Belgorod-Dnistrovskiy district of Odesa Oblast police department, called for a meeting and negotiations between the parties to the conflict, Muntyan and Lacarin, and their lawyers. Orlov said that after

Lacarin's wife submitted her statement on the bulldozer vandalism incident on Nov. 25, the police opened a pre-trial investigation on theft, but then discovered there was a land dispute as well. "We will identify the intruders who destroyed the property. But the landlords and tenant must solve their conflict in court," Orlov said in the press release.

**4.2.** Lacarin thinks Muntyan wants his land and vineyard back for a construction project, but Muntyan disputed this, saying it is still forbidden to carry out construction on agricultural land. The Odesa Oblast Fiscal service didn't respond to questions from the Kyiv Post request about the alleged pressure being put on business in the region.

**4.3.** Meanwhile, in their "Wine scandal" investigation in 2015, journalists of from the local 7th TV channel traveled across Odessa Oblast's Shabo wine-making region and discovered that the one can buy homemade wine in every other yard for Hr 15 a bottle. And the locals haven't even heard they need a license to sell wine. (By Veronika Melkozerova MELKOZEROVA@KYIVPOST.COM)

**Task 1. Expanding the lexicon.**

1. Explain the meaning of the unknown words. Provide synonyms, antonyms and word combinations to them.
2. Design a mind map of the words Law-connected.

**Task 2. Improving speaking competences.**

Make up a presentation on 5 Successful foreign companies in Ukraine.

**Task 3. Improving writing skills.**

Prepare a report on Wine industry in Ukraine based on the article.

**Task 4. Summarise every paragraph of the article.**

## Unit 10

### Pre-reading discussions:

Which companies flew high and failed down? What went wrong?

## Nokia: Life after the fall of a mobile phone giant



Nokia, the name of a Finnish town that became synonymous with a global technology giant

§ 1. On the face of it the small Finnish town of Nokia looks wholly unremarkable. A few squat blocks of flats are nestled in the winter snow, and along the heavily gritted main road is a small strip of shops, restaurants and a discount supermarket. There's little sign that this quiet backwater once gave its name to the company that revolutionised the mobile phone industry in the late 1990s and helped turn Finland's economy into one of the most prosperous in the world. At its peak in the early 2000s Nokia supplied 40% of the world's mobile phones, creating Finland's first globally recognised consumer brand.

At home its impact was even greater. According to the Research Institute of the Finnish Economy it contributed a quarter of Finland's growth between 1998 and 2007 - a period Finnish finance minister Alexander Stubb calls an "economic miracle".

But as quickly as it emerged, Nokia's dominance of the mobile phone market came crashing down, hitting Finland's economy hard and coinciding with the longest recession in the country's history. "Nokia was huge in Finland by all indicators, and when that was scaled down we were horrified about the possible consequences," says Kari Kankaala, director of economic and urban development for the city of Tampere.

## **§ 2. 'Backbone of everything'**

Tampere is about 15 minutes down the road from the town of Nokia, and the site of the company's biggest research and development site, at its peak employing 4,000 high-tech, skilled workers. The city's old redbrick smokestacks tell the story of its 19th Century industrial past, but the rise and fall of Nokia's mobile phone business has dominated its more recent history.

"It was the backbone of everything here," says Mr Kankaala. "The universities relied on collaboration with Nokia, the subcontractors depended on Nokia, the kids relied on being employed by Nokia." "Now we have an horrendous unemployment situation of the order of 14-15%."

Other high-tech firms have since moved in to fill the void. And Nokia's separate networks business, focusing on telecoms infrastructure, remains a successful Finnish enterprise. But a wider economic malaise in Finland means fewer people are hiring now.

## **§ 3. Finland: The sick man of Europe?**

In Tampere former Nokia employees still ponder how the company went from world leader in mobile phones as recently as 2007 to the struggling takeover target for Microsoft in 2014. "I think one of the high points was when we'd shrunk the mobile phones smaller than Motorola," says Mika Grundstrom, a former senior manager at Nokia's R&D site in Tampere. "That was around 1997-1998. It was kind of an engineering dream."

## **§ 4. The iPhone effect**

For Mika the brief in the early days was simple - make the phone with the best battery life in the smallest case possible. But then all that changed with the rise of the

smartphone, and in particular the launch of Apple's iPhone in 2007."Things became much more complex. We were not so sure anymore what we should actually target. Is it ease of use, is it battery life, is it size?" he says.

"If you think about the battery life - we had devices that could last for a week. Then you have this new device, it's excellent but you need to charge it every day. Ok so how do you actually sell that to the customer?"

Nokia played catch-up in the smartphone market until 2014, when its mobile phone business was sold to Microsoft and the Nokia name was removed from its devices altogether.

But despite its effective demise, many Finns say there is a positive legacy to appreciate."Giving Nokia shares to workers made it accepted that your next door neighbour could be a millionaire," says Kari Kankaala. He says Nokia's biggest impact was to revolutionise Finland's business culture."That acceptance that someone can actually make money, combined with the new approach to entrepreneurship - that was a major change."

## § 5. Start-up legacy

Finland is "buzzing with high-tech skills and start-up," says former Nokia software engineer Tuomas Kytömaa. Two hours to the south in Helsinki there are already signs of that new business culture taking hold in the post-Nokia

world. Tuomas Kytömaa is a software engineer who spent most of his career working for Nokia, including stints in the US and Germany.



Last year he returned to Finland to work for the online retailer Zalando and set up a tech hub on the site of an old cable factory in the Finnish capital, now converted into trendy office space.

For him Nokia's legacy is a wealth of talent and expertise waiting to be tapped."The talent hasn't really gone anywhere," he says. "The sheer magnitude of Nokia in Finland means that there's a pool of tech talent that has deep specialised knowledge." "Finland's buzzing with high-tech skills and start-ups." Whatever the future of Finland's tech industry, few believe that a company of Nokia's size and influence will appear again.

"When Nokia was a dominant player in this business, there were a lot of good things that happened in Finland," says Seppo Haataja, another former manager at Nokia's research and development site. "Now the situation is changing. the innovations are not coming through the big companies - it's small companies, the start ups." (By Edwin Lane Business reporter, BBC World Service, Finland 18 March 2016).

### **Task 1. Expanding the lexicon**

1. Explain the meaning of the unknown words. Provide synonyms, antonyms and word combinations to them.
2. Design a mind map of the words connected to the Law.

### **Task 2. Improving speaking competences**

Make up a presentation on Economy of Finland.

### **Task 3. Improving writing skills**

Compose an article for the business online newspaper on *Lessons learnt from Nokia* based on the article.

### **Task 4. Summarise every paragraph of the article**

## NEW VOCABULARY OF BUSINESS AND THE CORPORATE WORLD

### A

**Amazonned** / Amazoned (Amazonized) – витіснений з бізнесу або такий, що втратив свої позиції через нашествя віртуальних конкурентів: “They don’t feel that they’re going to be Amazoned anymore,” said Bligh, referring to companies’ fears of being overwhelmed by the online retailer (The Chicago Tribune, September 2, 2000)

**aroma marketing** – напрям маркетингу, який передбачає використання різних запахів і ароматів з метою стимулювання продажів і просування товарів на ринок: Aroma marketing has the potential to become the most intrusive, psychologically manipulative promotional tool we have ever known... (The Sunday Herald, February 9, 2003)

**administrivia** – He had so much staffing paperwork – what he calls “administrivia” – that he felt he was getting little accomplished (The Deseret News (Salt Lake City), August 7, 2005) – одноманітна й виснажлива адміністративна робота

### B

**banana problem** – проблема, пов’язана з незнанням, як призупинити нерентабельний проект чи виробництво: Banana problem – a program that is unable to come to a proper close. Comes from the story of the little girl who said, “I know how to spell ‘banana’, but I don’t know when to stop” (The Pittsburgh Post-Gazette, February 27, 2011)

**bankster** (banker + gangster) – представник фінансової індустрії, який бере участь у ризикованих банківських операціях: Exactly when is something perceived as “not fair”? As the bankster phenomenon has so eloquently illustrated, Homo sapiens is exquisitely sensitive to injustice (The Economist, July 21, 2012)

**black-collar** – 1) пов’язаний з працею шахтарів, працівників нафтової платформи; 2) стосовно класу креативних працівників (дизайнерів, художників, фотографів): Professor Zhao said creative jobs had been on the rise since the 1970s, as manufacturing and other traditional roles were replaced by machines and technology. “Black collar” workers – a term named after Jobs’ turtleneck – were now needed (The New Zealand Herald, September 25, 2013)

**body shopper** – Less-experienced code-writers may have been exploited by so-called body-shoppers who illegally underpay workers or intimidate them, for instance, by holding passports (The San Jose Mercury News, February 3, 2002) – агент, зайнятий пошуком програмістів у країнах третього світу

**body shopping** – практика вербування спеціалістів з інформаційних технологій у країнах третього світу для працевлаштування в американських дослідницьких

центрах: First came the simple “body-shopping” of the early 1990s, when Indian engineers were hired out to help develop software (The Economist, June 3, 2006)

**boomerang** – співробітник, який йде на іншу роботу, а згодом повертається в компанію: Although boomerangs may have gained valuable experience during their time away, this experience may come at a considerable price. (<https://hirehive.com/boomerang-employees-answer-hiring-conundrums/> by Rachel Hill Aug. 27 2017)

**booth babe** – дівчина-модель, яку наймають, аби привернути увагу до стенду компанії під час торгового ярмарку: The show – particularly the car section – is filled with scantily clad young ladies who have been dubbed “booth babes” by some exhibitors (The Financial Times January 10, 2007)

**brain circulation** – міграція інтелектуальних кадрів: The 20th century “brain drain” to North America and Europe will give way to “brain circulation” in which the best people move from one country to the next, competing in a global market (The Belfast Telegraph, December 23, 2006)

**brain gain** – великомасштабна імміграція висококваліфікованих спеціалістів : Britain is experiencing a “brain gain” as the number of highly skilled immigrants outweighs those leaving the country, an international study showed yesterday (The Times, February 21, 2008)

## C

**CEOcrat** представник впливової економічної еліти: The CEOcrats remain astoundingly rich despite a 65 per cent fall in Nasdaq since March 2000, and they are gaining anew with vast allotments of new options issued at distressed price levels (Maclean's, October 13, 2003)

### CEO-level

(C-level) CEO (Chief Executive Officer), CFO (Chief Financial Officer), COO (Chief Operations Officer) і т. ін.)– найвище керівництво компанії, зазвичай посади керівників позначаються аббревіатурами: Typically, C-level executives continue to scream for more and more data, believing it to be the panacea for all business ills (The Financial Times, November 26, 2012)

**CEO-speak** – мова керівництва корпорацій, для якої типовим є використання натяків і непрямих висловлювань: Lapsing into CEO-speak, he explained, “until the market stabilizes, we will be conservative in our growth goals” (The Chicago Tribune, December 3, 2006)

**Chief Content Officer** топ-менеджер, відповідальний за зміст та ефективність інформації (текстової, відео, аудіо тощо), пов'язаної з діяльністю корпорації :Ann Handley, chief content officer of MarketingProfs.com, an online resource for marketers, and author of Content Rules, recently published research showing that 91 per cent of business-to-business companies are incorporating content into their marketing (The Financial Times, November 19, 2012)



**Chief Hacking Officer** – топ-менеджер, відповідальний за системи та програми захисту корпорації від нападів хакерів : For his part, eEye’s chief hacking officer Marc Maiffret says Microsoft has moved quickly to repair the bugs (The Boston Globe, December 21, 2001)

## D

**Denglish** (Deutsch + English) – гібрид англійської та німецької мов: For years German linguists have despaired at the flood of incoming English words and the mixing of the two languages which has become known as “Denglish”; ‘shoppen’, ‘chatten’ and ‘babysitten’ have become the norm (The Financial Times, November 23, 2009)

**dot-commer** – надмірно активний учасник соціальних мереж: One who gains popularity or influence via internet networking sites, but nowhere else. The dot-commer kept bragging about his impressive stock options (urbandictionary.com)

**dot-community** – район зосередження компаній, котрі здійснюють свою діяльність через Інтернет If 1999 was the year of the dot.com, 2000 will be the year of the dot-community (The Guardian, July 17, 2000)

## E

**eco-efficiency** – екологічна ефективність : At the heart of many these strategies is the idea of eco-efficiency, from cutting back on the miles travelled – and fuel consumed – by vehicles to energy reduction programmes in offices and factories (The Financial Times, July 8, 2008)

**e-lancer** – спеціаліст, котрий виконує роботу через Інтернет, самостійно шукає собі проекти і може працювати одночасно на декілька фірм : The e-lancer tide is turning, and people are feeling a distinct sense of slavery in what they once saw as freedom (The Christian Science Monitor, January 2, 2001)

**e-meeting**– зустріч, що проводиться через Інтернет в режимі реального часу: The company began rolling out Cisco telepresence suites in May 2008, supplemented by PC-based e-meeting technology from Microsoft (The Financial Times, May 18, 2010)

**ethics officer** – працівник компанії, який стежить за дотриманням етичних принципів в корпорації: Ms Dunn, the senior lawyer and the ethics officer left HP (The Financial Times, August 17, 2009)

## H

**homepreneur** – підприємець, котрий започатковує і надомний бізнес: While quality-of-life reasons may help explain why roughly half of U.S. businesses are home-based, there are plenty of financial reasons to go the “homepreneur” route (The Washington Post, July 9, 2011)

**hot-desk** – використовувати робоче місце, яке не закріплене за певним працівником і у разі потреби може використовуватися будь-яким

співробітником: As more employees work from home and hot-desk at in the office, high-tech chairs may grow less popular (The Economist, May 4, 2013)

**monotasking** – виконання одного завдання у певний відрізок часу: Wood advocates “monotasking” as a way to reduce your stress and increase your self-fulfillment (The Chicago Tribune, October 26, 2010)

**mouse race** – перехід на менш відповідальну роботу: The mouse race clearly takes the rat race as its inspiration, a colloquialism coined in the 1950s and defined by the Chambers Dictionary as “the fierce, unending competition for success, wealth, etc. in business, society, etc” (The Herald, September 13, 2003)

## O

**omnichannel** – такий, що інтегрує традиційні й електронні канали продажу товарів / послуг: Macy's is embracing “omnichannel” integration, that is, selling stuff on television, through mail-order catalogues and online, as well as keeping its department stores (The Economist, February 25, 2012)

**orange-collar** – стосовно працівників, котрі одягають помаранчеві жилети безпеки під час роботи: Demand for staff driven by mining and mining-related construction requires a new tranche of ‘orange collar’ workers to emerge (<http://www.recruiter.co.uk/>)

**ostrich** – інвестор, який не реагує на критичні ситуації або події на фондовому ринку в надії дочекатися кращих часів: In a stock market that never seems to run out of reasons to go down, you no longer feel like a bull. But that does not necessarily make you a bear. You may, in fact, have become an ostrich (The Wall Street Journal, September 13, 2008)

## R

**recession chic** – елегантність при мінімальному бюджеті у період рецесії: The current market turbulence is sure to have had an effect. Get ready for recession chic (The Financial Times, February 2, 2008)

**recessionista** – особа, яка витрачає мало, але виглядає стильно: The global downturn has sparked some surprising consumer trends, from recessionista chic to discounts at brothels (The Financial Times, October 3, 2009)

**Richistan** – заможна еліта (назва пов'язана з однойменною книгою Р. Френка): Last year the 25 top earning hedge fund bankers in the US earned an average of \$570m each... It is such men – and they are usually men – who feed the outlandish luxury goods economy of Richistan (The Guardian, July 22, 2007)

**Richistani** – представник заможної еліти: Louis Vuitton's most exclusive handbag sells for \$42,000. Only 24 were ever made and none ever touched a shelf as all were pre-sold to Richistani clients (The Observer, July 22, 2007)

## S

**silver ceiling** – форма упередження, яка виявляється в тому, що людям похилого віку не дають можливості підніматися кар’єрними сходами: The reality is that many men and women bump up against a Silver Ceiling in the workplace (The Washington Post, September 28, 2004)

**silver industry** – галузь економіки, в якій зайняті люди старшого віку: On Tuesday at an economic conference in Seoul, Bahk Jae Wan, the finance minister, said the decline in the working population could “lead to a very difficult situation for the Korean economy” but it could also lead improvements in the quality of life and the creation of new industries, including “a silver industry” for older worker (The Financial Times, June 13, 2012)

**silver shopper** – людина похилого віку як цільовий споживач: Many firms tailor their services to silver shoppers without letting on, explains a marketing specialist (The Economist, July 30, 2011)

## Y

**Yestertech** – застаріла технологія: If you equate South East Asian cars with cheap yestertech, it may well be you who needs updating (The Coventry Evening Telegraph, February 13, 2009)

**yettie** (від young, entrepreneurial, tech-based twenty-something) – молода особа, яка володіє й управляє високотехнологічною компанією: Everyone has met him: he is a yettie, a Young, Entrepreneurial, Tech-based Twenty-something, and can be found tapping into his Psion while sipping a vodka and cranberry in a bar near you (The Sunday Times, February 13, 2000)

**YOLO day** – йоло-день, 2 вихідних поспіль : spontaneous (paid) days off per year for people to enjoy themselves: Staff also get two additional paid days off each year called "Yolo Days". Yolo is short for "you only live once", and workers are encouraged to take them spontaneously. (<http://www.bbc.com>)

## Z z

**zero-drag** – про категорію працівників, котрі не мають сімейних обов’язків і можуть багато та часто подорожувати: Over the last four years, zero-drag has become a code word for the employee who is available at a moment’s notice. The ideal zero-drag employee is young, unmarried and childless with no responsibilities and an eagerness to do well (The Boston Globe, March 11, 2001)

**zero hours contract**– угода, згідно з якою особа працює не на регулярній основі з фіксованою кількістю робочих годин, а лише тоді, коли цього потребує роботодавець : Even for those who would prefer a full-time job, a zero-hours contract may be better than unemployment (The Financial Times, August 1, 2013)

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*Навчальний посібник*

## **Start-up stories**

**навчальний посібник для студентів IV-V курсів  
за спеціальністю «Економіка»**

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