

- 5 Do you prefer
- not to socialise with colleagues?
 - to socialise often with colleagues?
 - to socialise with colleagues only if you have to?

- 6 Do you like to have conversations
- with people who share your interests?
 - with almost anyone?
 - with people who are your social equals?

Vocabulary

Describing relations

- A The verbs below are often used with the word *relations*. Use them to complete the table.

break-off build-up cement foster cut off develop disrupt
encourage establish endanger improve jeopardise maintain
strengthen promote restore resume damage sour undermine

Positive meaning	Negative meaning
<i>build up relations</i>	<i>break off relations</i>

- B Choose the correct verb in each sentence.

- Sales staff who are impolite to customers *disrupt* / *damage* the reputation of a company.
- We are planning to *promote* / *establish* branch offices in Singapore.
- By merging with a US company, we greatly *strengthened* / *maintained* our sales force.
- Our image has been *fostered* / *undermined* by poor after-sales service.
- Thanks to a new communications system, we are *souring* / *improving* relations with suppliers.
- A strike at our factory *resumed* / *disrupted* production for several weeks.
- We could not agree on several points so we *broke off* / *cut off* talks regarding a joint venture.
- The success of our new product launch was *resumed* / *jeopardised* by an unimaginative advertising campaign.
- In order to gain market share in China, we are *building up* / *cutting off* a sales network there.
- Relations between the two countries have been *endangered* / *fostered* by official visits and trade delegations.

- C Match the following sentence halves. Then make five more sentences with the verbs in Exercise A and B.

- Widespread rumours of a hostile take-over bid are certain
- The Accounts Department's very slow payment of invoices
- The long-term contracts, which will run for the next five years,
- The excellent relations the company enjoys with the local community
- As a result of the government's imposition of currency controls,
- are a credit to its highly effective PR Department.
- have cemented relations between the two companies.
- its close relations with several major foreign investors have been jeopardised.
- is causing stormy relations with some of the company's suppliers.
- to strain relations between the two leading French software companies.

Listening

Relationships in a global market



▲ Agnes Chen

Reading

AIG knows everyone

- A** 3.2 Listen to the first part of the interview with Agnes Chen, a Chinese business executive, who travels frequently on overseas trips. Make notes on the following points.
- 1 Doing business in South America
 - 2 Doing business in China
 - 3 The best way to build a business relationship
- B** 3.3 Listen to the second part of the interview and give an oral summary of it using the following words and phrases.

clear objectives	beginning	achieve and deliver	trust
time to time	promise	deliver	face-to-face contact
review	open and sharing relationship		

- A** What area of business do you think the company American International Group (AIG) is involved in? Is it a) tobacco? b) insurance? c) oil? d) packaging? Skim the article quickly to find the answer.
- B** What do the following numbers in the article refer to?
166 1992 1919 80,000 130
- C** Who are the following people mentioned in the article: *Maurice Greenberg, Cornelius Vander Starr, Edmund Tse*?
- D** According to the article what are the main factors responsible for AIG's success in Asia?
- E** Read the article and answer these questions.
- 1 What objective does AIG have in China?
 - 2 What does Mr Greenberg see as his role in the company?
 - 3 Why is Asia important to AIG?
- F** Find three verbs in the article which combine with the noun *relationships* to mean *develop*.
- G** Find phrases (adjective and noun) in the article which mean the following.
- 1 unused possibilities (paragraph 3)
 - 2 continuing in the same place for a great length of time (paragraph 5)
 - 3 unlimited entry (paragraph 8)
 - 4 representatives connected to a company (paragraph 10)
 - 5 developing sales areas (paragraph 12)
 - 6 important talks (paragraph 13)
 - 7 most important countries (paragraph 13)
- H** Discuss these questions.
- 1 What can spoil relations between companies?
 - 2 A foreign company is opening a branch in your country. What factors should it consider?
 - 3 In your experience are certain nationalities better at building relationships than others? If so, which ones?
 - 4 How can you build good business relationships?

AIG knows everyone in Asia

By Shawn Donnan et al

AIG, American International Group, has grown from a small Shanghai-based underwriting agency into the world's largest insurer by market value. It has a capitalisation of \$166bn, and is firmly embedded in Asia's corporate culture. Indeed, with roots dating back more than half a century, and the constant focus on the region by Maurice Greenberg, its Chairman, AIG has an unrivalled scale of operations and a wealth of political and business connections.

For other US and European insurers, the company is both a benchmark and a powerful competitor. 'They know anyone who is anyone in Asia.'

However, in order to continue to prosper, AIG will have to succeed in China – probably the insurance market with the biggest untapped potential in the world.

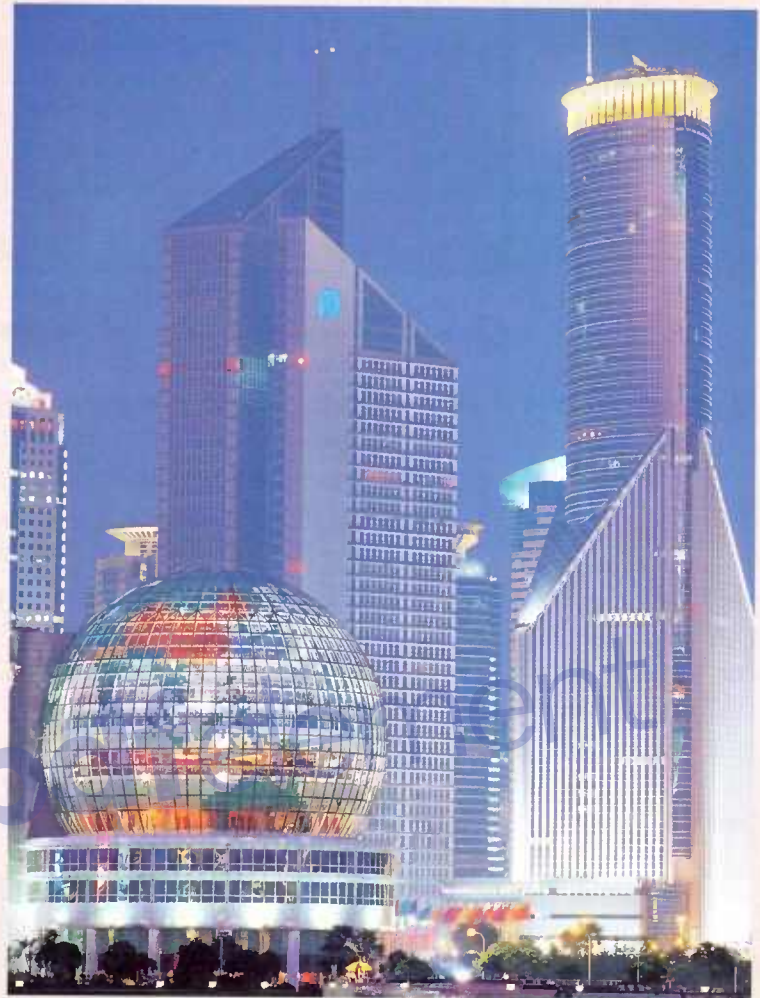
After 17 years of lobbying by Mr Greenberg, AIG was the first foreign insurer to be allowed into China, in 1992. It now operates in eight cities but admits making only 'a small profit' in the country. Today, turning its pioneering presence into a commercial success is AIG's biggest challenge.

In China as with the rest of Asia, AIG's main advantage over its competitors is its long-standing presence. The group was founded in Shanghai in 1919 by Cornelius Vander Starr, a 27-year-old American entrepreneur.

That historical accident, and Mr Starr's quest to expand to the rest of Asia in the ensuing 10 years, are still benefiting the company. Over the past nine decades, AIG built on those foundations through endlessly pursuing close relationships with Asia's governments, regulators and powerful businessmen.

Edmund Tse, who runs the Asian operations and life assurance worldwide, says AIG's policy is to build relationships with as many influential people as possible. 'If you want to do business, you have to be friends with senior leaders,' he says. 'You need to be friends with the head of state, the minister of finance, the minister of trade, the [central] bank governor and the insurance regulator.'

AIG believes its three decades spent courting China will be



rewarded with unrestricted access to its vast insurance market. 'The Chinese always remember good friends,' says Mr Tse.

But if its 'friendship' with China is not enough to tap the country's potential, AIG may lose its main growth engine. And without a strong Asia, AIG would be a much weaker company.

AIG may be a company of 80,000 employees and 350,000 affiliated agents in 130 countries but much of its success is down to individual relationships.

Many of those relationships have been forged by Maurice Greenberg, the company's chairman and chief executive.

Mr Greenberg says that playing the long game has given AIG an edge, particularly in terms of investing in emerging markets. He courted the Chinese for 17 years before being granted a

licence in 1992.

Mr Greenberg knows quite a few people. His style has always been to discuss big issues – corporate, political and economic – with anyone he meets. One analyst refers to AIG as a 'sovereign corporate nation' as Mr Greenberg insists on representing the company in high-level discussions. 'If you're dealing with the premier or president of a country, he is not thrilled to have a deputy come and see him. Even if a country is not one of the leading nations in the world, that country is important. It's important to him and it's important to us.'

From the *Financial Times*

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