

# Business Advantage

## Upper-intermediate DVD video scripts

### DVD Worksheet 1: Business environment Orbis Energy and business incubation

#### The role of Orbis Energy (0.06)

**Johnathan Reynolds:** Orbis Energy is here to provide an innovation and incubation hub for businesses across the supply chain. We work with very small micro-businesses that are getting into the sector – building new business – right the way  
5 through to engineering companies, manufacturing businesses, and operating developers who are at the top of the tier – top of the supply chain – developing offshore wind farms as well.

10 Business incubator for Orbis means the sort of support we're able to offer to our tenants and wider companies outside of the building. We work very closely with them looking at business strategy, looking at how we might secure funding, giving them all the support, direction and mentoring and advice that they need to make it in the world of business.

15 Our role as an innovation centre really looks at what the sector needs. And we look at technology innovation as well as business innovation. So we're looking at what are the technology drivers, working with the companies that are developing the next generation of new technologies for offshore wind, wave and tidal generation. We are also looking at innovation in doing business, so commercial innovation. So how can  
20 ... we look at, you know, different business models, how can companies access different markets, look at access to finance, access to skills. Again, the whole package of doing business.

25 We are quite selective about the tenants that come into the building. They do need to demonstrate either that they are working, or have a desire to work in the offshore renewable sector. Um, we are not a general office building, we are very, very sector specific. So that helps the innovation, that helps drive the networking, helps business within the building network and see the opportunities.

#### 30 The attraction of Orbis for companies (2.01)

**Johnathan Reynolds:** I think apart from, you know, a fantastic working environment, proximity to the market where wind farms are actually going to be built, but the overall support infrastructure, the mix of conference facilities, meeting facilities –  
35 you know broadband is a big issue – the high-speed access we have here, all adds to the overall offer.

40 Networking is encouraged between the tenants, and we see that quite a lot, tenants getting together. We have sort of communal areas for kitchen space, break-out space, so we see a lot of sort of sharing of ideas, sharing of best practice over a coffee, fairly casually. But we also have a bit more structured networking, structured interaction between tenants and companies outside the building through our

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conference facilities, through other meetings and other opportunities that we, we facilitate.

### 45 **Companies and their development at Orbis (2.55)**

**Johnathan Reynolds:** We attract a lot of interest from companies that want to break into the sector, at all levels, whether it's large business who want to work in offshore wind that don't already, from small companies and one-man bands that are looking to develop a brand-new business, and we'll work with them to look at the overall strategy, look at what they need, and look at how to best position themselves for the market. So we work with a number of small businesses, almost pre-incorporation, and we offer a virtual service. The companies that are perhaps not ready to take full office space we offer a virtual incubation programme, where, if you are working from your back bedroom, working from your home office, then you can have an address here, access to our meeting facilities, and all the support you need without taking your full office space. And, as companies grow, they move from virtual, to full office, to a bigger office, and hopefully large enough where we can't accommodate them any more, and they move into their own purpose-built offices outside of the building.

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We encourage our tenants to move on. We work with them to grow and move on out into the supply chain, out into the wider area, and that helps broader economic development objectives across the town of Lowestoft and East Anglia as well. We encourage that sort of churn within the building though, and that's very important for an innovation centre, where you get that fresh injection of new ideas, new technology, new ways of thinking, and it helps the overall innovation and creativity and entrepreneurship, so that the culture within Orbis.

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### **Future developments (4.28)**

**Johnathan Reynolds:** The East of England is a very important region for UK's energy supplies. For 45-plus years it's been servicing the offshore oil and gas industry, and we are right on the coast where some of the largest wind farms will be built over the next two decades. And where we are on the East Anglian coast, we are at the heart of the world's largest market for offshore wind.

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I think where the energy sector is at the moment we are at a very exciting time. Over the next 20 years we're going to see so much activity generated from energy, and not just energy production, but throughout the supply chain we're seeing such rapid technology developments that, you know new technology in 20 years' time we can't forecast now. The catalytic role that Orbis can play is hugely important for supply-chain development, skills development. And we're already seeing a number of new ideas come through for new office space, new buildings, new campuses. And the area which Orbis sits in now, here in Lowestoft, is actually part of a much bigger area called Power Park, which is effectively an offshore technology park that will be

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85 developed over the next few years, which will support the grow-on space for  
companies growing and outgrowing all this energy.

### Comments from students of Cambridge Judge Business School (5.50)

#### What are the advantages of the services Orbis provide their tenants?

90 **Niyazi:** I think there were two things that this company was offering: one was the  
sharing ... sort of an innovation hub with other companies, in terms of the sharing  
that you mentioned, and that actually provides knowledge spill-overs and, sort of  
synergies and know-how, and so forth, which are not available to you if you have a  
stand-alone office space. And the other thing was the virtual office, that, if you are a  
95 small start-up company that's cash strapped at the early stages of its life, is not going  
to have even the money to get even the small office space within that building, and  
... just sort of ... just to be able to jump start your company by having an address at  
this location I think is a great added value to any business.

100 **Oremeyi:** Fantastic. And he also mentioned the fact that a company has been there  
for a while. I mean when they do move it brings in fresh people, fresh ideas, and that  
enhances the network effects, which they also provide, which is one of the values  
that the shared office gives, you know? So new, new companies come in and that  
brings fresh perspective when with respect to networking and resources. So that's  
105 also, I mean, a good thing.

### DVD Worksheet 2: Managing people Employee well-being with energiseYou

#### Health and energy issues in the workplace (0.06)

**Oliver Gray:** Well, I think there's definitely an increase in workplace pressure – that's  
definitely been on the increase. Um, people are working longer hours, more intense  
hours. There's, er ... more stress in the workplace. I think so many people are  
5 spending pretty much 90% of their time at their computers, so a lot of er ... problems  
related to computers. And then there are just general health problems that people  
are suffering from. So through all the mental stimulation there is a lot of sleep  
problems, which has affected people's energy and performance. Nutrition problems,  
which very common is people are getting the afternoon dip sort of around three or  
10 four o'clock. And also just a lack of physical activity, so people have a very sedentary  
lifestyle. And generally all of those factors are sort of combining that people's energy  
is low and a lot of people are getting very burnt out in the workplace.

#### The services energiseYou provide (1.02)

15 **Oliver Gray:** We have, sort of, two key focuses, one is all around computer use,  
because of the amount of time people spend at their computers, so we have two  
services in particular. One is the workstation assessment service which is a legal  
requirement for companies, and the other is the energising neck, back and shoulder

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20 massage service. And those two services are very much a proactive approach to  
keeping staff healthy at their computer. Everything else we do is around workshops  
and well-being events, all around the subject of health and energy. And, er, the  
workshops that we run are on all different subjects, are all about getting people  
healthy and energised in the workplace. Our smallest client has, sort of, 20  
25 employees; our biggest client has 18,000 employees. Some of our clients are just UK,  
some are global. So the global clients, we run web-based workshops for our global  
clients. And, in terms of industry, it's all different types of industries. But generally  
it's office-based companies as opposed to warehouses, or anything other than office.

### **Solving workplace health and energy issues (2.05)**

30 **Oliver Gray:** Firstly, it's about creating the right culture, um, within the business and  
each year we sponsor the *Sunday Times Top 100 Best Companies to Work For 'Well-  
being' Award* and it is something that you can see in these companies, they've  
created a very positive culture for employees to work in. And then the second, which  
is really where we come in, is we help companies to get their staff healthy and  
35 energised at work, so they can manage workplace pressure. They are a lot more  
resilient to pressure in the workplace. Um, they're working on their health and their  
energy, so solving sleep problems, improving their nutrition, becoming more active,  
and, er, just working smarter so that they don't find themselves in these stressful  
situations as often.

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### **Work-life balance (2.53)**

**Oliver Gray:** You know, we only have one life, so, you know, we really want to make  
this the best possible life we can have and I think if it's all work, that's not the best  
possible life. You know, you have family, you have friends, you have hobbies, you  
45 have your home life, you have your health. So you need to give attention to all of  
those areas. So that's one reason. And I think the other reason is people perform  
better when they have better work-life balance. So, you know, if there is a balance  
in all of those areas, naturally people come to work happier, more motivated and  
perform at a better level. Um, in terms of what companies can do, I think it's erm ... ,  
50 you know, again it comes back to the culture, creating a positive culture for  
employees to have a good work-life balance. And also the services that we offer  
support this. So, for example, one of our workshops is called Work-Life Balance and  
Energy where it's coaching employees to make changes so their work-life balance is  
better.

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### **The role of employers and employees (3.49)**

**Oliver Gray:** If it's a positive environment, people perform better and again  
obviously coming back to the *Sunday Times Top 100 Best Companies*, that's one  
thing that I've noticed working with these companies over the years is they've  
60 created a very positive culture. And not only do people perform better but naturally  
they want to go the extra mile for the business, because the business has created an  
environment that people feel happy in and motivated in. Again, it's creating the right

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65 culture, but it's also supporting employees to be healthy and energised at work and  
simple, simple changes – making sure people are set up correctly at their computer,  
supporting employees with workshops around health and energy and work–life  
balance – all of these factors are really small changes that they can make. Um, as  
well as that, I think it comes into play in terms of the leadership of the business and  
having, you know, a positive environment, and also how managers manage their  
teams I think also has an impact on the environment as well.

70 In terms of in and out of work, health, energy, work–life balance, it's very much all  
one and this is I think a very positive aspect of what we do is that when employees  
are making changes to their health and energy, not only do they perform better at  
work which has a knock-on benefit for the business, and reduce staff absence, and  
75 improved engagement, etcetera, but also employees get those benefits outside of  
work as well. So, you know, they've got better quality time with their family, with  
their friends, with their hobbies because their health and energy is better. In terms  
of what employees can do, it's really about them taking their responsibility, you  
know, taking responsibility for their health and energy as well. You know, it has got  
80 to come from them.

### Comments from students of Cambridge Judge Business School (5.37)

#### How important is it for employers to provide a comfortable workplace?

85 **Kaloyan:** If you are going to be doing the same thing day-in and day-out, day-in and  
day-out, then it's certain ... ergonomics, the environment, the physical environment  
and also your relationships with your colleagues, um, whom you'll be do ... seeing  
over and over and over and over become a lot more important.

### DVD Worksheet 3: Managing cultures HSBC and international management

#### A brief history of HSBC (0.06)

**Matthew Pittam:** Well, as you know, HSBC stands for the Hong Kong Shanghai  
Banking Corporation, and the name itself gives a very strong indication of our history  
and of our heritage. The bank was founded in 1865 to finance the growing trade  
5 between China and Europe. Er ... and as the international background started us off,  
it has continued all the way throughout the history of the bank, and continues to  
play a very important role in what HSBC is today, and what we stand for as an  
organisation.

10 In terms of the multiculturalism, I would say that HSBC – if you've been to any  
airport around the world, I'm sure you've seen the HSBC advertise ... advertising  
slogans. One of the key things we try to get across to our brand in our advertising is  
that HSBC is all about realising that different cultures have different viewpoints. And  
that the different points of view is very key to understanding in order to make an

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15 impact in a local market. So when HSBC wants to move into a new region, we really want to understand its local people. And we want to relate to the local people. In order to do that, then you have to understand the culture and shape your organisation accordingly.

### 20 **The role of an International Manager at HSBC (1.16)**

**Sophie Biaglioli:** The International Management Programme has actually been part of the HSBC group since its inception, pretty much. Um, we've always had a group of globally mobile people to work across multiple areas of the bank. Basically, because HSBC has grown also organically but via acquisition as well, it's been very important  
25 to have a group of people who understand the culture of the group and are able to be deployed across any global business in any country, at short notice if necessary.

Er, basically the programme is structured in a way that you can end up with ... a placement anywhere that you like effectively, but you don't actually have any choice  
30 in where that is going to be. So you have to be quite flexible about where you're going to go. You also might have to work across multiple geographies and businesses so that you can get a variety of placements. And in the early stages of your career you typically do 18 to 24 month postings, and then later on as you progress through the bank that might actually be extended until longer postings as well.

35 Um, in my own experience, I've been in the bank for five years now and I've worked in Istanbul, in the United States and also back here in London, doing a whole range of different placements, and all of them have been quite exciting. So, in terms of what I've actually learnt, obviously you ... you're picking up training day-to-day on the job  
40 itself, which you learn from your colleagues and through various training courses. But through the Programme you can also learn an awful lot more about various cultures, countries, languages and ultimately building up your network as well, which helps get business done.

### 45 **The importance of being culturally aware (2.53)**

**Aysara Yusupova:** I think in ... this day and age it's important to be culturally aware, not just for banks, but it's an imperative for any given organisation, especially for those that are involved in working internationally, um, and even those companies that are working locally given that there is so much ... the communities are so much  
50 more international now and there are so many people from various backgrounds. It's an imperative for a success of organisations to be culturally aware. One, because your clients and customers are from various backgrounds, and from different countries, and they speak different languages. Your employees can be from different backgrounds and countries. And your organisation can be spanned across different  
55 boundaries, just like ours. You also have to work with different regulators. You have to work with shareholders from different countries. So it's very important to understand what the cultural nuances are across different countries, and what is the

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best means of communicating with people. Which would be necessary for an organisation to achieve its goals and be successful.

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### **Cultural differences across countries (4.03)**

**Aysara Yusupova:** There are some differences, but from my personal experience, I was born and raised in a developing country, in Uzbekistan. My adopted home is Canada. I've worked both in emerging markets and developed countries. So I ... I can see both sides. And I think the ... the expectations have been converging in the past few years because the growth rates in emerging markets have been exceeding the growth rates in the developed markets. And we have seen so much development, and so many changes in those countries that we call emerging markets. We can see that the infrastructures have gotten better, that the rates of education have gone up. In fact, a lot of young people come and study in developed countries to get their degrees. They have some work experience in developed countries. We also see an advent of Internet and freer communication across the borders, which means that information and exposure to a developed lifestyle is much more prevailing in emerging markets. So, because of all these different determinants, now the people in emerging markets also have the expectations for the same level of service, if not higher. In fact, when I was working in Kazakhstan, I noticed that their banking industry, because it was a fairly new industry, and it was an emerging market, but because of all the investment being made so recently, they actually could afford to invest in the latest ATM equipment, and the latest internet banking equipment. So in some ways actually developed world could be lagging behind at the moment. Which is an interesting aspect.

### **Cultural differences across banking sectors (5.48)**

**Matthew Pittam:** I think there's certainly marked trends between the different areas. I think, er ... to top ... to touch on retail again, within the retail banking, customers can be very, very vocal. So, if they don't like what you're doing, they're going to tell you in their hundreds, or maybe in their thousands. So you always have this great source of feedback coming in on what you're good at and what you're not good at.

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When it comes to the other sectors, for example the corporate sector, you tend to deal with quite sophisticated clients. So, in one of my placements in Madrid, I was working in global banking and markets as a relationship manager. And that job involved going out and speaking with senior client members who were involved in the strategy, who were involved in the financing, on a global basis for these corporates. Now when you're talking to people of that level, they know the finance industry inside and out. They know the products. They know the processes. So you're really going there to kind of get a feel for what they want as an organisation and then you're trying to help them using the HSBC product range, and the HSBC geographical range, to kind of add value to whatever solutions that they need.

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When it comes to public sector, it tends to be much more risk adverse. So I also had some public sector clients in Portugal. And if you were going to go to public sector clients and talk about the use of 'derivatives', something that has been in the financial news over the last few years, they would naturally be far more wary about how to use derivatives, and if the use of derivatives is really going to add value to them, or increase their risk to a level that they are not necessarily comfortable with. So you always have to judge about who you're going to see, what their background is, what their expectations are. And then how we can use HSBC to help each client in their own unique position.

### Comments from students of Cambridge Judge Business School (7.30)

#### How important is it to be intercultural in business?

**Diego:** Well, to know the local culture now is ... is er ... tremendously important, even though you're working in an international financial institution or just for your own business, today um ... to ... to grow the business, there's no other way but to go internationally so it doesn't matter the market, it doesn't matter the client, you have to know how to manage those expectations.

**Yair:** No matter the business and no matter the country, er ... er ... penetrating any culture or country is ... is ... is quite difficult and the speed which you do it and how fast you adjust is really very personal and I guess it depends on what you're doing to do this. So I ... this would probably have to do with more than just staying in the office and trying to understand the business. Probably just absorbing also the outside of the office environment and culture, the people, even the food, everything, to really absorb what the country's about and what makes people tick.

### DVD Worksheet 4: Managing operations

#### Heidi Woodgett: the role of a freelance Project Manager

#### Becoming a Project Manager (0.06)

**Heidi Woodgett:** Well, there are two ways really to become a Project Manager ... what's most common is people have a degree, and then get taken on by companies as a graduate, and then they tend to go on and do some Project Management training. Er, PRINCE2 is the most common qualification that companies look for, and that's Project Management methodology that you actually have to renew every five years. The other way of becoming a Project Manager is quite often people have had a lot of years working in a company, and they just get in to the position through experience.

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#### The scope of Project Management (0.42)

**Heidi Woodgett:** Because I'm self-employed, I've worked for lots of different industries, so telecoms, insurance, also for the Highways Agency, and I've been working on lots of different projects. So sometimes IT implementations, where we



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15 have computer system changes, development of new products. I've spent quite a lot  
of time working on insurance regulations, so if there's a new regulation come out  
from the EU then implementing that, and make sure ... making sure that the business  
works with the new regulation, and is compliant with the new regulation. Also,  
something I've done recently that's quite different is the fit-out of a new office in the  
20 London Underwriting Centre, and moving people from an office in Kent up to  
London.

You know, I've talked to you about quite a lot of different types of projects I've done,  
but the way in which you manage those projects tend to be the same. So probably  
25 what's more important about being a Project Manager is understanding how to ask  
people the right questions, understanding how to plan things, being able to manage  
budgets, being able to get the right team of people together who have expert  
knowledge. And you can apply those skills whether they are to a new computer  
system development, whether they are in the insurance industry, or building a new  
30 office.

### Time, cost and quality (2.08)

**Heidi Woodgett:** Time, cost and quality is one of the things that you learn about  
when you do your Project Management training, and it's used at the start of a  
35 project really to assess where the importance lies. So, if I give you a couple of  
examples, if you've got a project, for example, the last EU regulation I implemented,  
with a project like that there is always a date by which a company has to be  
compliant – they absolutely have to be, else they won't be able to trade. So, in that  
respect, time is the most important out of time, cost and quality. In a situation like  
40 that you might have a budget set for a project, but that's the first ... or that has the  
least importance. So if you go over budget, if you need to get more people on board,  
or spend more money to actually deliver the project by that date, then that's how  
you balance time, cost and quality. Another example where say, quality might be  
more important, if you're developing software say for, I don't know, erm ... like a  
45 flight navigation system, or something, then obviously the quality is the most  
important thing, and if it takes you a lot longer to ... to deliver than you originally  
wanted to, then the focus will always be on the quality. So generally it's a balance  
between those three things.

### 50 The early stages of a project (3.35)

**Heidi Woodgett:** In the early stages you define what the scope of the project is, so  
that everybody who's involved actually understands what you are doing, and what  
you're not going to be doing. It's a point in which you gather requirements, so  
whoever your customer is, quite, quite often in the organisations I work for it's the  
55 business, you talk to the business to actually understand what it is they need.  
Otherwise, you can end up in a situation where they've asked for one type of system,  
for example, and you've developed something completely different. Um, and it's also  
the time where you establish and understand what all the risks are involved, and

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60 things like set the budget, so you know what sort of ... what time periods and  
financials you're trying to work to.

### Engaging the stakeholders (4.23)

65 **Heidi Woodgett:** Engaging stakeholders in the project early on is one of the most  
important things in making sure you get your project delivered. So, for example,  
making sure that you have someone senior in the company who gives you their  
backing, who understands the reason why you're doing the project, means that if  
you do have any problems along the way, that stakeholder can actually – who's quite  
senior, can step in and help you out, and get you, for example, the money that you  
70 need, or the resource that you need. Other stakeholders that it's essential to involve  
straight away are either people who are going to be affected by the change, so  
maybe employees perhaps, if they're having to move office, or customers. If you're  
going to change the way in which you interact with your customers, if you don't  
engage them early on and get them on board with what you're doing, then you  
might lose those customers.

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### The importance of team-working (5.19)

80 **Heidi Woodgett:** Projects also always consist of a lot of people from different areas  
of the business; so you will have technical people, you will have business people, you  
will have analysts who decide what the requirements of the project are, then you'll  
have someone who builds it, someone who tests it. All of those people have to work  
closely together, and the communication between them is very important, because if  
one doesn't understand what the other one is doing, then at the end of it you won't  
end up with what you wanted.

### 85 Closing a project (5.52)

**Heidi Woodgett:** At the close of a project is the time really that you, um ... think  
about ... well, I think two main things: one is, whether or not you've actually  
delivered what you said you would deliver. So it's common to have what ... what we  
would call a post-implementation review. So you get everybody together and talk  
90 about what went well on the project, see if there's any lessons that you've learned  
from the project that you can apply to something else, because it's common in, in  
companies there will be one project after the other. Quite often they're on the same  
systems. So really it's about understanding what you've learnt from that project  
process. And also the other thing you do at the end of the project is just tie off all  
95 your loose ends, so make sure you've got your financials all sorted out, make sure  
that resources are reallocated to other work. So just tying things up really.

### Comments from students of Cambridge Judge Business School (6.49)

#### What do you think are the biggest challenges in Project Management?

100 **Lukasz:** I think that the inception phase is one of the most important ones, and it's  
often overlooked, because this is the stage when most of the ideas are generated,  
and sort of the way forward is ... is ... is put forward. And, and if not enough

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attention goes into that stage, then the execution becomes more difficult. Obviously  
attention to detail in the execution stage becomes very important, the delivery  
105 mode, what I call, but I think the beginning, the planning, the feasibility, is one where  
I would focus a lot. I don't know what's your experience with that.

**Sun:** Right. I've managed several very big projects in my previous job, involving  
hundreds ... like a hundred people or so, and always there have been three  
110 challenges: one is, like you were saying, the inception, the idea and the execution  
thereof. And the other one is your team, managing teamwork, especially when it  
gets ... when the time pressure starts to build up.

**Lukasz:** Yeah. So it's people management.

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**Sun:** Right. And then the other one is the external parties. So I really thought that  
Project Management is about ninety percent negotiation just dealing with people,  
and ten percent, you know, planning and execution actually.

### DVD Worksheet 5: Marketing

#### Aviva: changing a brand name

##### How Aviva became Aviva (0.06)

**Virginia Barnes:** Aviva as a business has actually been around for about 300 years in  
different forms in different company names. And about ten years ago we were about  
50 different brand names all across the world, across our different markets. And we  
5 realised that that was a pretty inefficient way of operating as a business, and that by  
combining together to act more as one business throughout the world and having  
one brand name to sort of signify that unity around the world, it was pretty critical to  
start to ... adopt to ... one single name.

##### Where the name Aviva came from (0.57)

**Virginia Barnes:** The name Aviva didn't come from a business, it wasn't that we  
decided to take the name from one market and apply it to everywhere. We actually  
found a new name, so we went to research a new name that could work in every  
market, that meant positive things but also didn't really mean anything.

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##### The process of rebranding (1.18)

**Advertisement extracts:** Would any of this happened to me if I'd have still been  
Richard Starkey? Are you aiming for those people? No! Would Walter Willis have got  
to play the leading man? Sometimes a change of name – is more than a change of  
20 name. Sometimes it's a chance to show the world who you've always wanted to be.

**Virginia Barnes:** The Aviva name first appeared, I think, in 2002 and that's when  
Aviva plc was formed and that's when we started being listed as Aviva on the London

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25 Stock Exchange, and our smaller markets started to adopt the name Aviva from that point on. However, we left our three largest businesses, therefore our three largest brands, they kept their original names. So they were Norwich Union in the UK, Hibernian in Ireland, and Commercial Union in Poland. So we left those three brands all with their original names and it was only in 2009/2010 were those brands finally migrated to the Aviva name.

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The reason Hibernian, Norwich Union and Commercial Union in Ireland, UK and Poland kept their names was because they were the largest brands, the largest businesses and therefore they carried the most risk to move from their names to the new Aviva name. However, in 2007 we had a new CEO, Andrew Moss, and he ... one of his new things really was introducing this new vision for the business, which was about one Aviva, which is about truly harnessing the power of having one brand name all over the world.

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### **The brand logo (3.01)**

40 **Virginia Barnes:** The logo, I think, may originally have referenced an old Norwich Union logo, but to be honest with you, it was something that was created for Aviva, very much thinking about the future of the business overall.

### **The risks of rebranding (3.16)**

45 **Virginia Barnes:** The biggest risk when changing your name is that you're going to lose people along the way, that they're not going to know that you have changed your name, or that they are going to be confused. So what you need to do is be very clear with communication all the way along the way to mitigate that risk by telling people that you're going to change your name, and just trying to be as clear as possible.

50

### **Managing the change (3.38)**

55 **Virginia Barnes:** We announced it to the City first of all, then we introduced some advertising to tell people we were going to change our name. Then we wrote to all our different customers so they all had, er, specific communication telling them about the name change, um, and then more advertising talking about the name change, and then additional advertising, talking about what kind of brand Aviva was going to be, and therefore what they should expect from the brand experience of Aviva.

60

### **The benefits of rebranding (4.05)**

65 **Virginia Barnes:** The benefits of having one name all over the world are manifold, to be honest with you. I think a big one is about having one brand name all over the world makes us appear as one brand, one business, one force to be reckoned with all over the world. I think ... you know, we're the world's fifth largest insurance company. People tend to perceive that we're very UK-heavy, and we are, 40% of our business is here, but a lot of our business is elsewhere, and I think it was an

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opportunity to make ourselves – make Aviva seem much more of a global player. Similarly, I think it was an opportunity to revitalise the brand. I think our previous  
70 legacy brands were very strong. I'm talking specifically here about Norwich Union, Hibernian and Commercial Union, because the other businesses had already changed to the Aviva name. Um, but they were very strong, but they were very ... seen generally as quite old and old-fashioned and quite staid almost, and you know, we're  
75 an insurance company – that's a natural preconception. So I think actually it's an opportunity to revitalise the brand and to give more energy and, um, yeah, vitality to ... to Aviva, as ... to the perceptions of Aviva as a business. Um, and obviously there are also big cost efficiencies for having one name all over the world, in lots of different ways. It just means that we're just able really to make the most of our buying power, make the most of our selling power, make the most of systems and  
80 operations and websites, and all these different reasons why it makes so much more sense to have one name, one way of doing things all throughout the world.

### Interacting with an insurance brand (5.47)

**Virginia Barnes:** I think one of the biggest challenges in managing a brand for a  
85 finance service company versus a product that you pick up in a supermarket is that – particularly with insurance actually – is that your interactions with that brand are very few. So, if you're a tin of beans, you know, people go into the supermarket and they pick up that tin of beans, you know, once a week, they eat that tin of beans once or twice a week. They have much more interactions with it. Financial services,  
90 particularly insurance – what, you make one renewal a year – or, you know, it's just a statement that you receive in the post, the rest of the time we're not interacting with the brand. Or when people do interact with us it's when they're calling to make a claim or make a complaint, or ask where their ... why their rates have gone down\*. So it's ... that's the biggest challenge, is that how can we build a brand with very a  
95 few numbers of interactions and how can we help it to be a very positive experience, when actually dealing with an insurance company is quite a transactional boring thing.

[\* Virginia probably meant to say *why their rates have gone up!*]

### 100 Comments from students of Cambridge Judge Business School (6.48)

#### What do you think about Aviva's rebranding?

**Sarah:** I think the risk of rebranding of well-known companies, it's well known. So you're going away from something that's stable, something that, you know, everyone knows about and then going to something completely new.  
105

**Tom:** I think the reason they were rebranding in this case was because they had different businesses in different places round the world, um, which is something I hadn't realised when ... I knew Norwich Union had changed their name, I never really understood why and I'm one of their clients, or one of their customers. So I think in  
110 that case it was trying to bind together a company with lots of different names and different identities in different places which ... that makes a certain amount of sense.

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115 **Sarah:** It's like redecorating a house. Just 'cause it looks nice, doesn't mean it can't use another coat of paint. If I go abroad, I like to know that my company, my bank, my ... my sort of my restaurant, anything that I like so much I can go and get the exact same thing in a different country.

### DVD Worksheet 6: Accounting and finance Lean management from Levantar

#### How Levantar help their clients (0.06)

5 **Neil Harvey:** We are a business process improvement company. What we do is we go into companies who are typically effective. They're good at getting the orders in, good at getting the product out, but it's pretty much chaos in between. So they never realise the profit they expect they're going to make because there's so much chaos in between. What I mean by 'chaos' – it's typically there's a lot of waste in their processes. They're doing things that don't add value. The customer doesn't want them. But they do them typically because they've always done things that way.

#### 10 Mistakes companies make (0.41)

15 **Neil Harvey:** Typically, financial accounts record a position at a certain time. So they will record the performance of the business but what they don't show is a lot of operational detail. And what I mean by that is they'll declare the sales, they will declare the purchases, the inventory figures and the overheads. But what it doesn't show is what the best utilisation of the assets, what the best ... erm ... how they performed in terms of closing what we call 'dot-to-dot' time. If you look at a typical business, there's a lead time from getting an order to delivering a product. If you're improving that, inevitably the performance of the business is going to improve, but you don't necessarily see that reflected in financial accounts.

20

#### Lean as an on-going process (1.31)

**Mark Greenhouse:** So who uses lean thinking? Her Majesty's Revenue and Customs are using it. Tesco started using it in about 1994.

25 **Neil Harvey:** Businesses realise that one of the reasons they're losing customers is because they can't reduce their costs to meet the customer expectations and it's not about just forcing prices down, it's improving value for your customers. If you're not doing it, somebody else will be doing it. Now typically financial accounts don't reflect that sort of improvement. So, as a consequence, too often people start a project, a change project, and the accountants, the financial accountants put a barrier on it  
30 because they don't see a performance improvement in their financial accounts sufficiently early enough for them to warrant further investment.

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### Lean accounting in practice (2.26)

35 **Neil Harvey:** One of our clients was selling a product for £55 per unit to a Chinese  
customer. Their costs were £47.48. They were making more than their target margin  
of 11%. The Chinese then said 'We have to have the cost down to £50' – that was  
40 their new target cost. The company thought the only way was to cut costs. By  
outsourcing, for example, they could have the product made for £43 in Poland. But  
the Chinese would have soon found out that it was made in Poland and cut them out  
of the equation and dealt direct with the Chinese\*. So what we looked at was their  
processes. They were making in large batches, which by making large batches it  
involved lots of overtime, lots of financing costs to make it, to finance the purchasing  
of all the raw materials necessary to make this large batch, storage requirements  
45 and there was also obviously ... different insurance, rent, re- ... re-working ... re-  
working costs because the product needed a bit more work towards the end of its ...  
the end of the eight weeks ... er ... as a consequence of what we did, we managed to  
compress the time they took to do things, using ... making in smaller batches, which  
had ... improved the finance for the business. We hit the target cost for the  
50 customer. We made more margin. We weren't paying storage ... unnecessary  
storage costs ... unnecessary storage costs, nor were we paying unnecessary storage  
rent. Furthermore, we managed to save on the distribution.  
[\* Neil meant to say *dealt direct with the Poles.*]

### 55 The business seminar (4.11)

**Neil Harvey:** Today is a business networking event. We as a business obtain a lot of  
our business from what is called 'word of mouth' – it's from personal  
recommendation. So attending these sort of events may not seem the most obvious  
60 place to get business but it's not who the people attending are, it's who they know  
who might be seeking our sort of services. We have ... go to these kind of events at  
least once a month where we have lunch and then we conduct a seminar thereafter.  
The seminar will involve some stimulation games. We call them games for these sort  
of events – they're more like workshops really – which show how we can improve  
the flow of a business, make them more lean, more efficient.

65 **Mark Greenhouse:** You're all working now in a business and you've all got the same  
role. You're all coin-turners. All that you're going to do is turn coins. So we're just  
going to take the ten coins. The two Neils are going to turn them over. You can use  
both hands if you want. There's no restrictions. The only thing that you can't do is try  
70 and improve the processes at this point in time.

*Seminar participants play the first part of the game.*

75 **Mark Greenhouse:** What are the ways you think we can improve upon that process?

**Participant 1:** We didn't just turn them over. We waited until that person had turned  
them over rather than just moving them round and turn it and pass it on.

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80 **Mark Greenhouse:** So that as it's done you pass each individual piece of work over.  
OK, so when you're ready, do you want to start now?

*Seminar participants play the second part of the game.*

85 **Mark Greenhouse:** And what about for all the coins?

**Participant 2:** Yes, 21.

90 **Mark Greenhouse:** 21. It's better than you could achieve through just cutting people  
out of your business. And what happens in most organisations is that we start with  
'What can we get rid of?' And actually, if you read the lean books, a lot of them start  
with 'Let's classify everything we do and see what we can get rid of' instead of 'What  
can we speed up through the organisation straight away?' There are lots of reasons  
95 why things get stuck in departments. They get stuck through the process and, if you  
think about a customer order, where it starts from to how it goes out, there are lots  
of different departments involved, there are lots of different processes, activities,  
that need to take place. And all we're showing you there is that things can get  
blocked, they can get lost. You may not have picked up on this but your business is  
now at least twice the capacity. It took you 42 seconds to do all the coins. 16 seconds  
100 on the last one. 46 down to 21. You can now do twice as much. And that's the  
difference between speed and capacity. I quite often hear the phrase 'We bought a  
new machine – it ... goes twice as fast, we can do twice as much work.' It never  
works that way. In order to have twice the capacity, you've normally got to go six  
times faster in a business. You've got to speed it up of that order of magnitude. So  
when I hear people say they've bought a new machine to twice as much capacity, it's  
105 kind of worrying. That's one of the things that we quite often find – organisations  
haven't got a handle on is how fast can do they something and what's the speed.  
*Seminar participants talk about the business seminar afterwards.*

110 **Participant 3:** Um, no, it was very interesting. Um, I have in fact met Neil and Mark  
before. Um, they did come and do a bit of consultancy for me in a previous role and I  
think what they ... what they talk about and what they say makes an awful lot of  
sense. And I think it's really a case of having to get your head round the fact that lean  
doesn't exist just in manufacturing, that it's also applicable in service businesses. And  
also applicable, I think, in whichever function or area that you work in. So it's very  
115 good and very interesting and very insightful.

**Participant 4:** Yes, well, I've been in business for 25 years, working in design,  
marketing and print, so although I've only just gone on my own, I can see how this  
would really help businesses to save money, save time and be leaner so it was a  
120 really good, a really good event. I enjoyed it.



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**Participant 5:** Yeah, I thought it was a fascinating course. I think the principles that they spoke about, um, were ones that you could apply across a whole range of businesses, from very small to obviously very large. So, yes, really enjoyed it.

125

### Comments from students of Cambridge Judge Business School (8.38)

#### What were they trying to demonstrate with the 'coin game'?

**Tingting:** Yes, I liked their coin-flipping game. So, if you do it, one person finish, um flipping all the coins, but, um, you're efficient by yourself but the rest of the team is waiting for you to finish the process, but you flip one and the other flip the other one, so no one is wasting their time, they're doing something at the same time while you're doing something. So I think that is called lean – reduced waiting time. I think the bottleneck appears when, um, you can be quick but I am slow. So I'll become the bottleneck. So I will hold back the entire process.

130

## DVD Worksheet 7: Strategies and decision-making CSR at London City Airport

### CSR and the environment (0.06)

**Richard Gooding:** Well, unlike many businesses we are intrusive, people notice that we're here. What they primarily notice is the noise that aircraft make. Now it's not as much noise as aircraft used to make 20 and 30 years ago, but it's still there and people hear it. That plus the emissions, which you can't hear or see, but are definitely there in the air, and thoughtful people will recognise that emissions from engines is an ... is an issue. Those are the two primary environmental issues that we're seeking to mitigate. What we've been trying to do in terms of mitigation is reduce the hours in which we're making noise, so we're only open er ... from 6.30 in the morning till 10.00 at night. And we're closed for 24 hours over the weekend. The emissions are of course produced by aircraft and airlines rather than the airport. The way that's being handled in Europe is to have an Emissions Trading Scheme – it's about carbon essentially.

5

10

### 15 CSR and the community (1.41)

**Richard Gooding:** I think we were a little bit ahead of the game but you only have to look out of the windows of our airport here to see how close we are to our neighbours. Er, that's unique. So from the beginning we had to evolve a way of having a relationship with the community. Now why does that really matter? Well, this is a democracy and the local council here has a considerable planning role in terms of the future development of the airport. Councils are full of elected councillors – we want them to feel comfortable with what we're doing, that the local community is getting the benefits of the airport to balance out some of the negative side. There's a whole host of different things that are actually of concern to local people. We started the CSR programme primarily to make sure that we understand what those issues are, and what it is that local people really want us to tackle.

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### The business case for CSR (2.44)

30 **Richard Gooding:** It's a permit to grow and, er, permission to grow for big pieces of  
infrastructure is a big deal. You only have to watch the debates that have gone on  
over the years at Heathrow, Gatwick, Stansted, Manchester in terms of airport  
development as well as other infrastructure development, whether it be nuclear  
power stations or ... or rail lines. What we're about is securing permission to grow. In  
35 today's business world, if you are stagnant you're actually going backwards, and we  
have to find a way in business to grow if you're to have a long-term future and be  
able to reward your employees accordingly.

### Communication with the community (3.30)

40 **Elizabeth Hegarty:** The airport's based in the inner city so we have a lot of people  
living very near to us. We have a lot of businesses, Canary Wharf, and so we have to  
communicate in a wide range of ways to make sure that the people we're trying to  
communicate a message to can access that message. One of the ways that we  
communicate with local residents is by publishing a hard copy newsletter and this  
45 goes out four times a year, to more than 33,000 homes in the local area. The area in  
which it's delivered is calculated by noise consultants who predict where we might  
have an impact in the future, in terms of noise. So not only the people that live very  
close into the airport and are within the noise contour now receive *Runway News*,  
but also those who might want information about the airport in the future receive  
*Runway News* now. We're a very hands-on airport, so in addition to very traditional  
50 forms of communication like our website and also that of our consultative  
committee, which is a body made up of local residents, airport users, and local  
authorities, which has its own website, we also communicate through word-of-  
mouth quite a lot. So the airport is involved in lots of local committees and  
organisations, that might not be directly related to the actual operation of the  
55 airport, but having somebody from the airport on the committee means we can  
support that organisation through business knowledge or advice and guidance,  
whilst also being a friendly face, somebody that you can talk to, gain information  
from or, if need be, make a complaint to.

60 So, for example, the airport has a trustee on the board of the local community  
centres and therefore we can keep up-to-date with the activities in the community  
centres, with the community leaders that sit on that board, and also try to contribute  
to the operation of that centre. We try to share the skills that the business has in the  
community. So, for example, our in-house lawyer is signing up at the moment to  
65 become a school governor at one of the very local schools.

### The airport and charity (5.42)

70 **Elizabeth Hegarty:** The airport's one of the biggest businesses in Newham, in fact in  
East London, so we receive lots of applications to support charities. But over the last  
15 years we've chosen one charity that we focus most of our efforts on and that's

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Richard House Children's Hospice. And the reason we work with Richard House Children's Hospice is because it's based just across the road from the airport. And it helps local families across the whole of East London and so we have run fun days, staff activities, raffles, and all types of activities to raise money for the charity and, in fact, since it opened in 1995 the airport has been in the top five donators throughout that whole period.

### The airport and the university (6.29)

**Elizabeth Hegarty:** The airport is located right next to the university of East London and we've worked with them for a number of years, particularly through sponsoring their enterprise competition which runs every year, and that focuses the students on business skills, and marketing products and how business works. We also supply quite a few guest lecturers, particularly in specialist business subjects, for example human resource management, staff training, sustainable tourism, and other subjects that are really relevant to our business. The airport has also run since 2004 a university prize scheme. So we sponsor students from the local area who are usually on ... from lower-income families to go to university. We have students who study subjects that are relevant to the airport's business, and they receive £2,000 per year to support their studies, paid work experience every year to develop their skills, an airport manager as a mentor and they can also attend some of the staff training courses that take place at the airport.

### The view of the university (7.40)

**Selena Bolingbroke:** I'd say there were three main areas that we work together with City Airport. I mean, first of all, it's of great value for us as a university with a large number of international students to have an airport literally right on our doorstep. We have about 5,000 international students at UEL, from all over the world. And so it's a big advantage to our business and very convenient for students and parents and so on to have that resource. The second area is that City Airport as a large local employer has been very supportive and keen to engage in our employability and enterprise programmes. So every year we have very special assessment centres to help prepare our students for when they graduate and go out to work. As part of those assessment centres, City Airport staff will come in and help interview our students. They will help assess their presentation skills, their interview skills, their pitching skills. So that they're job-ready when they leave the university. And it's that kind of real world employer experience that we most value. In addition, in terms of enterprise, a lot of UEL students have the ambition of setting up their own business when they leave the university, and every year we run a business competition that we call 'E Factor'. About 200 students enter and they pitch their business idea to a set of external judges and as part of that they can compete for a cash prize to invest in their business. And City Airport over the years have always made a contribution to that cash prize.

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### Comments from students of Cambridge Judge Business School (9.31)

115 **What do you think about City Airport's CSR Programme?**

**Clement:** It's interesting because, er ... usually, er ... companies thought only of the clients actually and now increasingly we see companies thinking of their stakeholders all together and the background in which they operate, which is quite an interesting perspective if you think of it.

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**Kaloyan:** Giving to the Hospice, this is what a lot of companies do, but getting also on the boards of different organisations so that they are plugged into the social life of the community, I found that very interesting.