

### **McDonald's crying over spilled coffee**

In 1994 Stella Liebeck, a New Mexico grandmother, ordered a coffee at a McDonald's drive-through restaurant. Minutes later, sitting in her car in a car park, she accidentally spilled the coffee – heated, in response to customer preference, to a scalding 180°F – and suffered severe burns requiring surgery. A crisis was about to unfold.

When McDonald's refused to take responsibility for paying the woman's medical bills, she went to an attorney and sued the company. At the trial the jury found McDonald's liable and awarded \$200,000 in compensatory damages (less \$40,000 for negligence on Liebeck's part) and a massive \$2.7 million in punitive damages because of what they saw as McDonald's unacceptably dismissive attitude.

One might have expected the bad publicity to ruin McDonald's, but instead newspapers leapt to the company's defence, declaring what nonsense the court's verdict was. 'America has a victim complex,' announced the *San Francisco Chronicle*. The punitive damages were later reduced by the judge to \$480,000 and, while awaiting the appeal, the parties made an out-of-court settlement for an undisclosed sum. But by then the 'three million dollar coffee-spill' had already passed into corporate legend.

a = 8, an = 3, the = 14; total = 25

### **Mercedes on a roll**

In the automotive industry the trend for many years has been towards a smaller, more economical vehicle. So in the autumn of 1997, Daimler-Benz introduced a new economy model, the Mercedes 'A Class'. It was a car designed to compete with the ever-popular Volkswagen Golf. But just before the November launch, disaster struck.

A Swedish auto magazine had conducted what they called an 'elk test' on the new car. The test is standard in Sweden to make sure cars can steer to avoid large deer crossing the road. But at just 60kph the 'A Class' overturned, injuring both the test drivers. A storm immediately blew up in the press and on TV, as buyers waiting to take delivery cancelled their orders. For Mercedes it was not only a financial but an image crisis too.

Daimler responded quickly, adding wider tyres, an electronic stability mechanism and stronger anti-roll bars – all at no extra cost to the customer. A highly successful advertising campaign and public support from Niki Lauda, ex-formula one racing champion, helped to restore consumer confidence in the 'A Class' but at a cost of hundreds of millions of dollars.

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# Business: The Company File

## Belgium bans Coca-Cola

Coca-Cola is still trying to pin down the cause of the problem

The Belgian Government has banned the sale of all Coca-Cola drinks following more reported cases of poisoning across the country.

The cause of the poisoning has not been identified but the firm says some of its products may have caused head or stomach pains, although no serious health risks are thought to be involved.

Some 15m cans and bottles are being withdrawn

Belgian Health Minister, Luc Van den Bossche, urged Belgians not to drink Coca-Cola or other Coca-Cola brands such as Fanta, Sprite, Aquarius and Bonaqua.

Some 15 million cans and bottles of soft drink are being withdrawn from sale.

On Monday, 40 students were hospitalized with symptoms of poisoning in Lochristi in west Belgium.

The health minister said that doctors across Belgium had also reported cases of poisoning after people drank Coca-Cola products.

He said the nature and cause of the poisoning were under investigation.

### Latest food scare

The sales ban on Coca-Cola comes as Belgium is still reeling from revelations that cancer-causing dioxin had entered the food chain through animal feed in recent months.

That led the government to ban sales of chicken, pork, beef, eggs and meat products.

Mr Van den Bossche told Belgian radio that the Coca-Cola ban would "remain in effect until it becomes clear what the origin and nature of the contamination are".

Last week, the Belgian branch of Coca-Cola announced a recall of 2.5 million bottles of Coca-Cola after 31 schoolchildren in northern Belgium were hospitalised after drinking the beverage.

The company said some bottles had a quality defect, which can lead to symptoms such as headaches, nausea and stomach cramps.

The soft-drink company sent researchers to the school at Bornem where students fell ill last week.

Coca-Cola has been active in Belgium for 70 years. It has large bottling operations in Antwerp and Ghent.

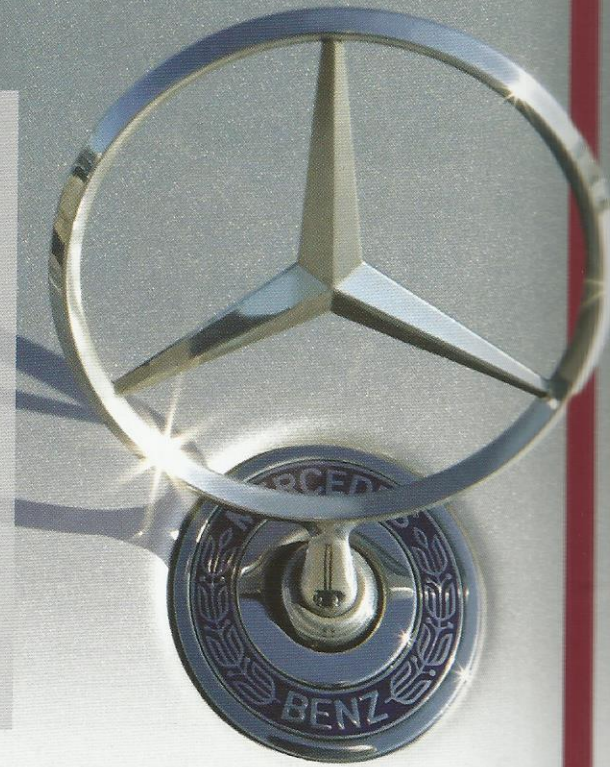
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**3** Summarize the story you read in 2 to a member of the other group. What lessons can be learned from how the companies behaved?

**4** Which are the best things a manager can do in a crisis? Which do you think are good advice? Match the following collocations.

- |                   |                |                  |          |
|-------------------|----------------|------------------|----------|
| <b>a</b> deny     | someone        | <b>g</b> admit   | honest   |
| <b>b</b> stay     | time           | <b>h</b> take    | data     |
| <b>c</b> delegate | calm           | <b>i</b> make    | charge   |
| <b>d</b> buy      | decisive       | <b>j</b> act     | quickly  |
| <b>e</b> blame    | everything     | <b>k</b> collect | nothing  |
| <b>f</b> be       | responsibility | <b>l</b> be      | promises |

**5** Work in groups to act as crisis management consultants to the Coca-Cola Company. It is May 1999 and the world's most famous brand is in trouble ...

**Step 1**

**2.33** Listen to the first part of the case and answer the questions.

- a** How many Cokes are sold each day?
- b** How would you describe Coca-Cola's advertising strategy?
- c** What has just happened?
- d** Which markets are directly involved in the crisis?
- e** Calculate how much those markets are worth in annual sales.

**Step 2**

**2.34** Listen to the second part of the case and answer the questions.

- a** What do the following figures refer to?  
+25%                      -13%
- b** What is the significance of these figures?
- c** What have the inspectors at the Belgian bottling plant found?
- d** What is the toxicologist's verdict?
- e** Who is benefiting from Coca-Cola's current problems?

**Step 3**

Hold a meeting to decide what recommendations to make to your client. As well as the information you have just heard, read the article and agenda on page 121.

 In company interviews  
Units 8-10

# 10

## Making decisions

- 1 When was the last time you were faced with a difficult decision and were unable to make up your mind? How did you decide in the end, or was the decision made for you?
- 2 You may be a cool-headed decision maker in the office, but would you know what to do in a real life-or-death situation? Read the following extract from an unusual website and discuss the questions.

*Standing in the middle of the road is very dangerous – you get knocked down by the traffic from both sides.*

Margaret Thatcher

Do you find decision-making easy or difficult?

### Learning objectives: Unit 10

#### Business communication skills

Discussing making decisions in difficult situations; Doing a quiz on life-and-death decisions; Giving advice on worst-case scenarios or workplace dilemmas; Inserting missing articles into two texts; Fluency: Holding a crisis management meeting

**Reading** Website extract: Worst-case scenarios; Company crises

**Listening** Advice on surviving worst-case scenarios; Decision-making meetings; Case study: Coca-Cola crisis

**Vocabulary** Marketing

**Grammar** Articles

**Phrase bank** Decision-making

**Company interviews**

Units 8–10

### Worst-case scenarios



The principle behind this site is a simple one: you just never know.

You never really know what nasty surprises life has in store for you – what is lurking around the corner, what is hovering over your head, what is swimming beneath the surface. You never know when you might be called on to perform an act of extreme bravery and to choose life or death by your own actions.

But when you are called, we want to be sure that you know how to react. We want you to know what to do when the pilot passes out and you have to land the plane. We want you to know what to do when you see that shark fin heading toward you ...

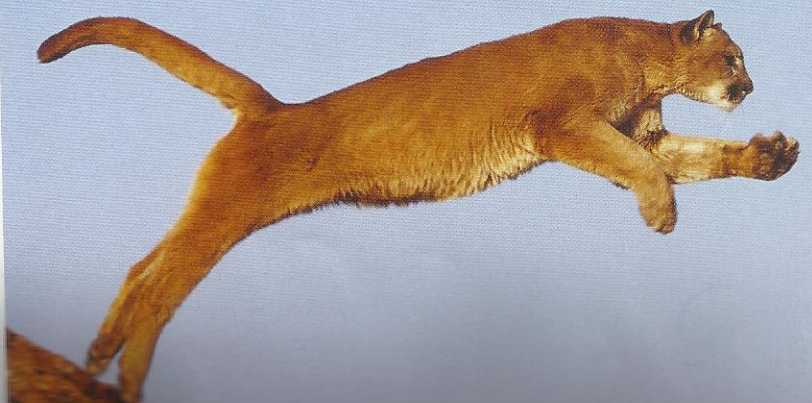
[www.worstcasescenarios.com](http://www.worstcasescenarios.com)

- a What kind of things 'lurking around the corner', 'hovering over your head' or 'swimming beneath the surface' do you think the website is referring to?
  - b Have you ever found yourself in a really dangerous situation where you needed to act quickly? Tell the story.
  - c What worst-case scenario would you least like to face:  
1 at work? 2 in life?
- 3 Work in two groups. Hold an emergency meeting to decide what decisions you'd make in real life-and-death situations. There are four items on your 'agenda' and you have just five minutes to decide what action to take. Group A your worst-case scenarios are below and on page 64. Group B turn to page 124.

- 1 On a driving holiday in India you lose control of your hire-car travelling downhill at 70 mph on a mountain road. You've no brakes and there's a 300m drop to the valley below. Do you:
  - a try to jump out of the car and roll to safety?
  - b steer away from the cliff edge and into the mountainside to stop the car?
  - c steer into the crash barriers on the cliff edge to slow the car down?



- 2 On a trek in the Chilean Andes you get cut off from the rest of your group and become hopelessly lost. As you try to work out which direction to take, you are confronted by a hungry mountain lion. Do you:
  - a lie down and play dead?
  - b shout and flap your coat at the animal?
  - c run and hide (maybe find a tree to climb)?



3 During a flight over the Grand Canyon in a private plane, your pilot passes out and you have to land the plane yourself. You manage to reach the airfield. Do you:

- a keep the nose of the plane pointing above the horizon as you descend to the runway?
- b slow down to about 60 mph as you touch down and then hit the brakes hard?
- c keep the plane at a steady altitude of 150 feet as you approach the beginning of the runway?



- 4 Whilst walking over a frozen lake in Norway, which you were assured was perfectly safe, you fall through the ice and are in danger of drowning. Do you:
- a attempt to pull yourself out?
  - b move about in the water to generate body heat?
  - c stay calm, conserve energy and cry for help?

4 Work with a partner from the other group. Briefly summarize the scenarios you faced and the decisions you took.

5 2.22-2.29 Now listen to some advice on how to survive the eight worst-case scenarios in 3. How many lives did you lose? Which group did better?

6 Put the following expressions on the scale below according to how likely they are. Most of them were in the advice you just listened to. The first one has been done for you.

- |                             |                                 |
|-----------------------------|---------------------------------|
| a You've a good chance.     | g You've blown your chances.    |
| b You don't stand a chance. | h There's a fair chance.        |
| c There's a 50-50 chance.   | i There's an outside chance.    |
| d Your chances are slim.    | j It's a million-to-one chance. |
| e You're in with a chance.  | k No chance!                    |
| f The chances are remote.   |                                 |

a

more likely

possible

less likely

7 Complete expressions a-n using the nouns and verbs in the boxes. They were all in the advice in 5.

bet circumstances idea mistake move point thing

- a Your best \_\_\_\_\_ is to shout and flap your coat at the animal.
- b Do not in any \_\_\_\_\_ try to stand up on the ice.
- c It's a good \_\_\_\_\_ to brake as soon as you've gained control of the steering.
- d There's not much \_\_\_\_\_ trying to force the door open.
- e By far the most sensible \_\_\_\_\_ to do is to open the car window.
- f Just grabbing on to the nearest person with a parachute is not a smart \_\_\_\_\_.
- g It's a common \_\_\_\_\_ to think the shark's nose is the best area to target.