



● **business objective** (business objectives)

N-COUNT

**sales objective** (sales objectives) N-COUNT

A company's **business objectives** are the things that it is trying to achieve. A company's **sales objectives** are the number of sales that it is trying to achieve.

*The key business objectives of commercial and charitable organizations are essentially the same – to bring in as much money as possible and to make the most effective use of available resources.*

*Sales objectives have surpassed expectations.*

● **maximize** (maximizes, maximizing, maximized)

VERB

**maximization** N-UNCOUNT

If you **maximize** something, you make it as great in amount or importance as you can. The **maximization** of something is the act of making it as great in amount or importance as possible.

*In order to maximize profit the firm would seek to maximize output.*

*The manufacturer's interest is in developing effective distribution in order to maximize sales to consumers.*

*Profit maximization is seen as one of the major objectives of a business.*

*...share-holders whose goal is the maximization of profits.*

● **grow** (grows, growing, grown) VERB

□ If the economy or a business **grows**, it increases in wealth, size, or importance.

*The economy continues to grow.*

*...a fast-growing business.*

▢ If someone **grows** a business, they take actions that will cause it to increase in wealth, size, or importance.

*A lot of smaller enterprises have problems raising capital to grow their business.*

● **growth** N-UNCOUNT

The **growth** of something such as profits, sales, or turnover is the increase in it.

*It has restructured its American operations and is now experiencing growth in sales of established products.*

*...the very rapid growth in profits and revenues achieved by most high-tech companies.*

*The market has shown annual growth of 20 per cent for several years.*

*His business has had a growth in turnover of 15–20% since the 1980s.*

● **turnover** (turnovers) N-VAR

The **turnover** of a company is the value of the goods or services sold during a particular period of time.

*The company had a turnover of £3.8 million.*

*The association represents 98 percent of Australian companies in*

*the industry, which has an estimated total annual sales turnover of \$4.7 billion.*

● **expand** (expands, expanding, expanded) VERB  
**expansion** N-UNCOUNT

If a company **expands** something such as its product range, it increases the number of different products that it makes. The **expansion** of a product range is the act of increasing it.

*...a successful strategy of expanding its product range into clothing and financial services.*

*Like the other designers, Doran moved into wallpaper as a way of expanding an existing product range.*

*Tesco is to speed up the expansion of its Internet home delivery service, creating 7,000 full-time jobs.*

*...a team which was responsible for a rapid expansion of the car range, the Imp being followed by the Hillman Hunter and Avenger models.*

● **new market** (new markets) N-COUNT

If a company develops a **new market** for its products, it tries to sell its products to a group of people that has not previously bought them.

*The lack of national boundaries on the internet offers a huge opportunity to reach new markets.*

*There are ambitious plans for expanding beyond that into new markets.*

Common Collocations

to <u>open up</u> new markets	to <u>break into</u> new markets
to <u>expand into</u> new markets	to <u>move into</u> new markets
to <u>find</u> new markets	to <u>develop</u> new markets

● **mission statement** (mission statements) N-COUNT

A company or organization's **mission statement** is a document which states what they aim to achieve and the kind of service they intend to provide.

*Parts of Levi's mission statement look a trifle unrealistic – particularly abroad.*

*A mission statement should say who you are, what you do, what you stand for and why you do it.*

● **shareholder**: Topic 7.2; **dividend**: Topic 7.2; **profit**: Topic 7.5; **break even**: Topic 7.5; **revenue**: Topic 8.1; **market share**: Topic 12.1



**PRACTISE YOUR VOCABULARY**

**1** Use the terms in the box to complete the paragraph.

*new markets   mission statement   maximize profit   growth in sales turnover   market share*

An important objective for most businesses is to stay in business, and to at least break even. Most companies want to do more than survive, however, and their prime objective is often to \_\_\_\_\_. This profit maximization benefits the owners or the shareholders of the company, as they receive a better dividend at the end of the year. Companies frequently set themselves other objectives, though, and these are often an indication of how well the business is performing. Sales objectives may include selling into \_\_\_\_\_, \_\_\_\_\_, growth in profits, expansion of the product range and increase in \_\_\_\_\_. Sometimes these sales objectives may be more important than profit objectives. Many companies describe their overall aims in a \_\_\_\_\_.

**2** Match the two halves of each sentence.

- |   |   |
|---|---|
| <p>a At the moment our firm has 25% of the available sales, but we want to increase this to 30% over the next 5 years;</p> <p>b Other businesses seem to have a growth rate of about 5% per year and we want to achieve the same level;</p> <p>c We've never sold our software range in Asia before this year;</p> <p>d As well as clothes, our company is moving into footwear;</p> <p>e We need to sell more products. We're aiming to increase our sales by 10% this year;</p> <p>f Despite the possible long-term disadvantages we are operating at the level which brings in the most money now;</p> | <p>i in other words, we're expanding the product range.</p> <p>ii in other words, we're selling into new markets.</p> <p>iii in other words, we want to increase our market share.</p> <p>iv in other words, we're maximizing profits.</p> <p>v in other words, we're focusing on a growth in profits.</p> <p>vi in other words, we're trying to increase our sales turnover.</p> |
|---|---|

**3** Match each of the three sales objectives a–c with the correct description.

- |   |   |
|---|---|
| <p>a growth in sales turnover</p> <p>b expansion of the product range</p> <p>c selling into new markets</p> | <p>i Having a wider range of markets should lead to more profit.</p> <p>ii Selling more should lead to higher turnover.</p> <p>iii Selling a wider variety of products should increase profits.</p> |
|---|---|

**4** Are the following sentences true or false?

- |  | True                     | False                    |
|--|--------------------------|--------------------------|
| a Sales maximization is the same as expansion.   | <input type="checkbox"/> | <input type="checkbox"/> |
| b If sales increase then turnover increases.   | <input type="checkbox"/> | <input type="checkbox"/> |
| c If a company is successful in finding a new market for its products, turnover will increase. | <input type="checkbox"/> | <input type="checkbox"/> |
| d A mission statement gives product details.   | <input type="checkbox"/> | <input type="checkbox"/> |
| e A mission statement may include broad sales objectives such as growth.                       | <input type="checkbox"/> | <input type="checkbox"/> |