

Size Zero Business

At the end of 2013, Philip Letts moved his AIM (Alternative Investment Market)-listed technology business, blur Group, from London to Devon. In the process, the entrepreneur saved almost £200,000 a year on rent, and secured his company a prime position on the new Exeter Science Park. All very sensible, but there's more to this story than a well-executed relocation. Because Letts' company is, in many ways, a laboratory for how business will be conducted in the future. Every aspect of blur Group's operations is scrutinised for maximum efficiency: its location, its employee-to-subcontractor ratio, revenue per head, its IT infrastructure (all cloud, rather than server-based), individual customer profitability. No one has a personal assistant, and taking taxis is strictly forbidden. Blur Group's own business is about creating an automated platform for the purchase of B2B services such as marketing and design – an eBay for the service economy.

Letts is a student of business as well as a successful practitioner, so he's written *Doing More with Less: A Guide to the Size Zero Enterprise* to share learnings about blur's ruthless pursuit of efficiency and his own management approach. Typically, it's a small, economical publication, produced through a cloud-based publishing app and printed overseas. Letts' ultimate role model is Amazon, who realised from inception that the value of a retail business was not in its stores, but in its ability to manage inventory. As a result, Letts points out, "Amazon's revenue per employee hit \$855,000 [£560,000] last year compared to a store-based operation like Gap, which managed a modest \$108,403 [£71,000]." Other heroes include Ryanair, Foxconn and Nike – hardly warm and cuddly employers, but extraordinarily efficient in supply chain management and utterly focused on the difference between core and non-core activities. Talking to Letts, he admits that his analysis of the future is worrying, but his logic is persuasive. He claims that their mission is to bring machine learning to the service industries, and the reality is that machine learning isn't going to get less intelligent. Automation is going to displace jobs in many sectors, but, the thing is, this is the way things are going and it can't be stopped.

Oxford academics Dr Carl Benedikt Frey and Prof Michael A Osborne predict that over the next 20 years, the US will have lost nearly half of its workforce due to automation, so it's up to governments to think about where human labour will be best deployed. The world in 2050 will be *bloody* different. Within his own company, Letts operates a one-to-ten rule: the ratio of full-time employees to the total ecosystem of service providers must always be one-to-ten. This raises an intriguing issue: in which areas do full-time staff add real value? In the future, says Letts, leaders will have to learn to manage loose ecosystems, not just direct reports. Some will find Letts' analysis of future business too brutally reductive. Where is the space for camaraderie and warmth in his vision of business, they'll ask. Won't 'size zero' enterprises just be empty and devoid of instinct and human creativity? In person, Letts is actually loud and gregarious, though he's probably a hard taskmaster, and working for a boss who's always wondering whether a machine could do your job better must be anxiety-inducing. But there's something undeniable about his thinking. The challenge is for us, as humans, to innovate within a new, automated world; to put flesh on the size zero frame.

Adapted from www.managers.org.uk

Ex. 1 Find the words or expressions in the text which mean the following:

- 1) Alternative Investment Market: _____
- 2) characterized by good judgement: _____
- 3) to check sth in great detail: _____
- 4) the ability to make a money: _____
- 5) cruel: _____
- 6) not too impressive: _____
- 7) completely: _____
- 8) brotherhood / companionship: _____
- 9) easy-going, funny, open: _____
- 10) causing people to be afraid: _____
- 11) without a doubt: _____
- 12) meat: _____

Ex. 2 Match the expressions from the two columns into logical collocations:

| | | |
|-----|---------------------------|------------|
| 1. | a well-executed | inventory |
| 2. | employee-to subcontractor | forbidden |
| 3. | revenue | activities |
| 4. | sth is strictly | management |
| 5. | service | ratio |
| 6. | to manage | relocation |
| 7. | supply chain | jobs |
| 8. | non-core | labour |
| 9. | to displace | economy |
| 10. | to deploy | per head |

Ex. 3 Provide English equivalents of these expressions:

| | |
|------------------------------|---------------------------|
| 1) w trakcie | 7) podnieść kwestię |
| 2) infrastruktura w chmurze | 8) pracownicy etatowi |
| 3) zautomatyzowana platforma | 9) prowadzić działalność |
| 4) dążenie do czegoś | 10) bezpośredni podwładni |
| 5) od początku | 11) pozbawiony czegoś |
| 6) uczenie maszynowe | 12) osobiście |

Grammar corner...

We have a special tense in English that expresses your expectation as to the completion of sth in the future. We call it Future Perfect (also in the Continuous aspect) and it's a situation that remains a future expectation until a specific point in the future when it becomes reality (Present Perfect, i.e. sth that has just happened). For instance: In 20 years' time full-time jobs WILL HAVE DISAPPEARED. Until 20 years from now it will still be a future expectation, when 20 years have passed, you will be able to say: ya, full-time jobs have disappeared. The prediction has become reality. Just now.

Ex. 4 Fill in Future Perfect.

1. I _____ (leave) by four.
2. _____ (you/finish) the report by the end of the day?
3. When _____ (we/do) everything?
4. She _____ (finish) her tests by then, so we can go out for lunch.
5. You _____ (read) the information bulletin before the next meeting.
6. She _____ (not/finish) work by nine.

| GLOSSARY | |
|--------------------------------------|--|
| Alternative Investment Market | Alternatywny Rynek Inwestycyjny |
| sensible | rozsądny |
| to scrutinize sth | szczegółowo coś zbadać |
| profitability | dochodowość |
| ruthless | bezwzględny |
| modest | skromny |
| utterly | całkowicie |
| camaraderie | towarzystwo, braterstwo |
| anxiety-inducing | wzbudzający lęk |
| undeniable | niezaprzeczalny |
| flesh | mięso |
| a well-executed relocation | dobrze przeprowadzona zmiana lokalizacji |
| employee-to-contractor ratio | współczynnik ilości pracowników do podwykonawców |
| revenue per head | dochód na pracownika |
| sth is strictly forbidden | coś jest surowo zabronione |
| service economy | gospodarka oparta na usługach |
| to manage inventory | zarządzanie inwentarzem |
| non-core activities | działalność niezwiązana z podstawową działalnością |
| to displace jobs | przenieść miejsca pracy |
| to deploy labour | zaangażować siłę roboczą w coś |
| in the process | w trakcie |
| cloud-based infrastructure | infrastruktura w chmurze |
| an automated platform | zautomatyzowana platforma |
| pursuit of sth | dążenie do czegoś |
| from inception | od początku |
| machine learning | uczenie maszynowe |

| | |
|--------------------------|-----------------------|
| to raise an issue | podnieść kwestię |
| full-time staff | pracownicy etatowi |
| to operate | prowadzić działalność |
| direct reports | bezpośredni podwładni |
| devoid of sth | pozbawiony czegoś |
| in person | osobiście |
| cuddly | milutki |

ANSWER KEY:

Ex. 1

- 1) Alternative Investment Market
- 2) sensible
- 3) to scrutinize sth
- 4) profitability
- 5) ruthless
- 6) modest
- 7) utterly
- 8) camaraderie
- 9) gregarious
- 10) anxiety-inducing
- 11) undeniable
- 12) flesh

Ex. 2

- 1) a well-executed relocation
- 2) employee-to-contractor ratio
- 3) revenue per head
- 4) sth is strictly forbidden
- 5) service economy
- 6) to manage inventory
- 7) supply chain management
- 8) non-core activities
- 9) to displace jobs
- 10) to deploy labour

Ex. 3

- 1) in the process
- 2) cloud-based infrastructure
- 3) an automated platform
- 4) pursuit of sth
- 5) from inception
- 6) machine learning
- 7) to raise an issue
- 8) full-time staff
- 9) to operate
- 10) direct reports
- 11) devoid of sth
- 12) in person

Ex. 4

- 1) ... will have left ...
- 2) Will you have finished ...
- 3) ... will we have done ...
- 4) ... will have finished ...
- 5) You will have read ...
- 6) ... won't have finished ...