RUPERT MURDOCH

How to be a business success:

Advanced Level:

- **Listening**: Rupert Murdoch’s background & business lessons
- **Pronunciation**: /u:/
- **Business Vocabulary**: Acquisitions, mergers & partnerships
- **Reading**: The Wall Street Journal
- **Grammar**: Preposition + -ing
- **Functional Language**: Expressing likelihood
- **Cultural Awareness**: Ruthless in business
- **Role Play**: Negotiate the acquisition

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INTRODUCTION:
Discuss these questions:
What do you know about Rupert Murdoch? What does ruthless mean?

LISTENING 1:
A spokesperson talks about Rupert Murdoch. Listen and answer these questions.
NOTE: The questions are not in chronological order

1. Does Murdoch own the New York Times?
2. How much did he pay for Intermix and why is the company so important?
3. What three ingredients have helped him achieve media domination?
4. What did he give and not give to his children?
5. What was the first newspaper Murdoch’s owned?
6. Where and when was Murdoch born?

Pronunciation: Vowel sounds /U:/

Read these words and find the odd one out
e.g. Foot – root – brute – tooth
1. Took – knew – rule – huge
3. Cook – luck – suck – tool
4. Two – toe – cool – pool
5. Bought – route – full – look
6. Through – throw – know – though
7. Mood – suit – suite - room
Question: Is this sentence correct?
On opening an office in Madrid the company was able to exploit the Spanish market

GRAMMAR PRACTICE: Prepositions + ing

Sample sentences:
• After spending $1 million on marketing, News Corp. wanted a good return.
• While listening to Murdoch, I began to understand his motives.
The sentence form is often used to avoid repeating the subject. Compare:
• Before moving house the manager had to travel 2 hours to work.
• Before he moved house the manager had to travel 2 hours to work (subject repeated)
Words commonly used in this structure include: without, with, while, on, since, through, in, by, besides, before, after.

A passive form with being + past participle can also be used.
• After being discussed, the plans were changed slightly.
• They went to New York without being invited to attend the conference.

By, on, in + -ing

<table>
<thead>
<tr>
<th>By working</th>
<th>long hours, they finished the job.</th>
<th>= the means used or method used</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company survived by reinvesting in technology.</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>On hearing</th>
<th>the news Murdoch left the room.</th>
<th>= when (time reference)</th>
</tr>
</thead>
<tbody>
<tr>
<td>She was the first person I met on arriving in Paris.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In changing</th>
<th>supplier he saved a lot of money.</th>
<th>= as a result of</th>
</tr>
</thead>
<tbody>
<tr>
<td>In hiring</td>
<td>Smith, the company changed direction.</td>
<td></td>
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</tbody>
</table>

With + -ing
This normally gives a meaning for something in the main clause. The subject comes between with and –ing:
• With Murdoch living in New York, he has more control of the company.
• With News Corp making more profit, it could invest in new technology.

What with + -ing
In informal, spoken, English what with + -ing can be used to introduce a reason. Notice here that the subject does not have to come between with and –ing:
• What with Murdoch arriving at six there was no time to waste.
• What with working all night, the manager was exhausted.

Without + -ing
This can be used to say that a second action does not happen:
• They left the meeting without agreeing on a plan.
• They sold the shares without waiting for the news.
1. **Before trying** to find the file, he asked the secretary if she knew where it was.
2. ____________ to the deal he also asked for a clause to be included.
3. ____________ by the chairman, he was given a pay rise.
4. ____________ her own company, she has made a lot of money.
5. ____________ sixteen hours a day, Murdoch also finds time to jog.
6. ____________ the email he committed himself to the deal.

**Business vocabulary: Acquisitions, Mergers, & Partnerships**

**EXERCISE 1:** Match the phrases (1-8) with their meaning (a-h)

1. **Stake** a. **Partnership of companies on a project**
2. **Merger** b. **Shares owned in a company**
3. **Acquisition/buyout** c. **Company buys its suppliers and customers**
4. **De-merger** d. **Unwanted/uninvited attempt to buy a company**
5. **Joint venture** e. **Joining of two companies to make one**
6. **Vertical integration** f. **Break/split a company up into parts**
7. **Parent company** g. **Buy another company**
8. **Hostile takeover bid** h. **Owner of subsidiaries**

**Cultural awareness point: Ruthless Business**

Some entrepreneurs are ruthless. While they might be successful, are they respected?

**DISCUSS:**
- Do you think it is necessary to be ruthless in business?
- What about ‘give and take’ and ‘what you give you receive double.’
- Can you think of any examples of ruthless business leaders and others who are not ruthless but are successful?
Lead-in questions:
What do you know about The Wall Street Journal? Who reads it?

Reading: Murdoch secures $5bn Dow Jones takeover

Do you know what these words mean?
* maintaining - commenting - sealing – scrutinizing - securing *

Read the article and explain the words/phrases in bold and place a word from the box into the gaps.

In 2007 Rupert Murdoch **clinched** ownership of the Wall Street Journal's publisher, Dow Jones, after members of the board supported his $5bn takeover bid.

After long and intense negotiations, the Bancroft family, who controlled over 60% of Dow Jones, sold nearly 40% of the company's stock to News Corporation. By 1.________ the backing of most minority shareholders, who accepted the $60-a-share **bid** from Murdoch, it left him in an unbeatable position in the **takeover battle**.

The Wall Street Journal (WSJ) has added another great title to Murdoch's **stable** of **prestigious** newspapers, which already includes the Times, and the Sun in the UK, New York Post and the Australian.

Opponents fear that the Journal's **editorial integrity will be compromised**, as history shows that Murdoch's style of ownership involves expressing personal, political and business **biases** through newspapers and television channels. Murdoch has given strong **assurances** that this would not happen. Before 2.________ the deal, News Corp. had to agree to **ring-fence** the WSJ's editorial independence.

Murdoch describes Dow Jones as "one of the world's greatest media brands that has no equal in financial information and business journalism". While 3.________ a **circulation** of more than 2 million readers, the WSJ is the second most read paper in America, behind USA Today.

Part of the attraction for Murdoch was that he felt Dow Jones was under-exploited and poorly managed. By 4.________ the business News Corporation executives have already identified $100m in cost-cutting savings. This will not **dilute** the quality.

In addition, with over 7,000 employees, Mr Murdoch is **keen** to use the WSJ to strengthen his Fox Business Channel, which is set to rival Bloomberg as a business news portal. Without 5.________ on the speculation, Murdoch wants to use the Dow Jones' network in Asia to **ratchet up** its media operations in China.
Functional vocabulary: Expressing likelihood

This is used in business to express certainty and possibility. For example:

They can’t possibly sell a newspaper for less than a dollar
Murdoch is unlikely to open an office in Moscow this year
The union strike is bound to cause us logistical problems

Form:

<table>
<thead>
<tr>
<th>Certainty</th>
<th>I am (absolutely) sure that … prices will increase</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>certain that … prices will increase</td>
</tr>
<tr>
<td></td>
<td>positive that … prices will increase</td>
</tr>
<tr>
<td>Prices are</td>
<td>certain to increase</td>
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<tr>
<td></td>
<td>bound to increase</td>
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<tr>
<td></td>
<td>sure to increase</td>
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<tr>
<td>Probability</td>
<td>It is very likely that costs will increase</td>
</tr>
<tr>
<td></td>
<td>It is highly probable that costs will increase</td>
</tr>
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<td></td>
<td>Costs should increase</td>
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<td>Possibility</td>
<td>Expenditure may increase</td>
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<td></td>
<td>There is a chance that expenditure could increase</td>
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<td></td>
<td>Expenditure might well increase</td>
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<tr>
<td>Improbability</td>
<td>It is highly unlikely that circulation will increase</td>
</tr>
<tr>
<td></td>
<td>I very much doubt that circulation will increase</td>
</tr>
<tr>
<td></td>
<td>It is highly improbable that circulation will increase</td>
</tr>
<tr>
<td>Impossibility</td>
<td>I am (absolutely) sure that prices won’t increase</td>
</tr>
<tr>
<td></td>
<td>There is no way that prices will increase</td>
</tr>
<tr>
<td></td>
<td>I am convinced that prices won’t increase</td>
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ODDS:

Uses: odds can be used to express probability and scale of likelihood in different forms e.g. It is odds on the price will increase. The odds are against it happening.

Exercise: Choose the correct phrase for each gap. Some sentences have more than one possibility.

1. News Corp. is having an excellent year. Company profits are _______ go up.
2. I am ________________ staffing costs will remain stable.
3. As a result of stiff resistance to the takeover it is _______ we will succeed.
4. Murdoch _______ acquire a paper in Italy, if a suitable one can be identified.
5. I ________________ Murdoch will resign.
6. Paper prices ________________ fall next year, but we cannot rely on it.
7. It is ________________ that he will expand the Dow Jones group.
8. After a disappointing year the TV channel ____________ be restructured.
Lead in Question:
Do you think Rupert Murdoch has lessons to teach entrepreneurs about success?

Listening 2:
You will hear the 2nd part of the recording where the spokesperson talks about Rupert Murdoch's secrets of success. Listen and answer the questions.
NOTE: they are not in chronological order

1. What was Murdoch's attitude to the Internet?
2. What does Murdoch says about knowing your business?
3. What happened in 1985?
4. What are the heads of each division expected to be?
5. What is the problem with having a lot of committees?

ROLE-PLAY

News Corporation wants to acquire the French TV channel, Canal Plus. The shareholders resist the takeover because of cultural issues and you need to negotiate the deal.

Split into small groups.

Canal Plus shareholders need reassurance that the station will maintain a French flavour and not be diluted by Anglo Saxon values.

News Corporation needs to offer a deal that the shareholders can not refuse. This means money, but also lots of reassurances, and some small concessions on company direction. Ultimately, Rupert Murdoch is the boss, so you can not give too many concessions.

Try to make the role-play as authentic as possible. Remember to practice using the target grammar and vocabulary studied in this module.
Rupert Murdoch is the CEO of News Corporation a global Media & Entertainment Company. He has built up his company into one of the largest and most influential media groups in the world and it all started with a provincial newspaper in Australia, called the *Adelaide News*.

The company owns some of the largest and most popular brands in many areas of the media industry including: 20th Century Fox, MySpace.com, the Dow Jones and Wall Street Journal.

Murdoch was born in Melbourne, Australia in 1931 and now lives in New York, USA. As a young man he studied at Oxford University in the UK, before taking control of his father's failing newspaper, *the Adelaide News*.

From this humble beginning Rupert Murdoch set out on his journey to become a world media power. This has been achieved through strong leadership, clear vision and ruthless determination.

News Corporation has acquired some of the most popular and widely read newspapers in Australia, the UK and the United States. His rise to industry domination has caused controversy because of his unforgiving management style. For example, he recently gave all his 6 children $100 million each in company shares, but refused to give them voting rights.

The effect that Rupert Murdoch has had on the media and entertainment industry cannot be underestimated. According to the Forbes 400 List, News Corporation’s net worth was $9 billion in 2007, and it continues to look for new opportunities and areas of growth. In 2005 Murdoch bought Intermix Media, the parent company of MySpace.com for $580 million.

In August 2007, Murdoch bought Dow Jones, owner of the Wall Street Journal for $5 billion.

News Corporation is now leading the way into the lucrative Chinese market. Murdoch has acquired Star TV from a Hong Kong company. It is one of the biggest satellite TV networks in Asia.
Murdoch – Audio 2 - Advanced

For Rupert Murdoch there are 5 lessons for success in business.

Lesson #1: Be Ruthless
Murdoch’s success has come about as a result of his willingness to sacrifice everything for the sake of his business. There was no obstacle too big for Murdoch to overcome. He became a U.S. citizen in 1985, losing his Australian citizenship, so as to legally own an American television station. His third wife just happened to be Chinese and this helps him enormously with his plans to enter the Chinese market.

Lesson #2: Make the Decisions
“For better or for worse, our company is a reflection of my thinking, my character, my values,” says Murdoch. “You can’t build a strong corporation with a lot of committees that have to be consulted all the time,” he says. “You have to be able to make decisions on your own and be confident.”

Lesson #3: Stay Ahead of the Times
He revolutionized the newspaper industry by introducing digital printing. He bought satellite companies to control global TV networks. When the Internet arrived he quickly understood that he would have to embrace change instead of ignoring or resisting it. “The Internet is another great opportunity,” he says. In 2005 Murdoch acquired MySpace.com for $580 million. It is one of the most popular sites online with over 60 million users.

Lesson #4: Know Your Business
While he understands the pitfalls of micromanaging, Murdoch never got too big or too rich to involve himself in the daily running of his newspapers. “I like to know what’s going on,” he says. For him, there is no detail too small, and it is this close eye he keeps on every aspect of his business and his intimate knowledge of its details that has allowed him to reach the heights of success.

Lesson #5: Build a Strong Team
In the hiring process, Murdoch believes the number one priority is to find people with an entrepreneurial spirit. “That’s key to the culture of the company,” he says. “All our division heads are expected to be entrepreneurial and look for opportunities, and to take risks.” Without that characteristic, says Murdoch, the company stagnates and cannot keep up with its competitors.
LESSON PLAN – Rupert Murdoch – Advanced

Key objectives – to practise aural and oral Business English

INTRODUCTION: Ask the students what they know about Rupert Murdoch. 
Teacher (T) – Students (SS) 5 mins

LISTENING 1: Next tell students they are going to hear a spokesman talking about Rupert Murdoch. They need to answer the questions at the end. Play the listening and ask students the questions. (T) – (SS) 10 mins

PRONUNCIATION: Ask the students to pronounce words and sentences and correct any mistakes. (T) – (SS) 5 mins

GRAMMAR
Ask the question and then go through preposition + ing rules. Do the exercise that follows (S) – (T) 10 mins

Go to
BUSINESS VOCABULARY – Ask the students to match the words/phrases with their meanings. Make sure the meanings are clear. (S) – (T) 5 mins

CULTURAL AWARENESS POINT: – read the text and discuss the cultural differences about cynicism of success. (SS) – (T) 10 mins

Go to
READING: Ask the students the lead in questions. Go through the reading and gap fill exercise. (S) – (T) 10 mins

FUNCTIONAL LANGUAGE: – Scale of Likelihood - read the examples and do the gap-fill exercise that follows. More than one answer is possible in most cases (SS) – (T) 10 mins

Go to
LISTENING 2: Tell students they are going to hear the 2nd part of the listening. Play the listening and students answer the questions (SS) – (T) 10 mins

Go to
ROLE PLAY: Go through the instructions and begin the role-play. Make sure they practice the grammar and vocabulary learnt in the lesson and to try and use the case study material in their argument. Get the other students to discuss and offer feedback. (SS) – (SS) 10 mins
EXERCISE ANSWERS – Rupert Murdoch - Advanced

LISTENING 1:
1. No, the New York Post
2. $580 million - it owns MySpace.com
3. Strong leadership, clear vision and ruthless determination
4. He gave all his 6 children $100 million each in company shares, but refused to give them voting rights.
5. The Adelaide News
6. Melbourne, Australia in 1931

Pronunciation:
1. Know – knew – rule – huge
3. Cook – luck – suck – stupid
4. Two – tow – cool – pool
5. Bought – route – full – look
6. Through – throw – know – though
7. Mood – suit – suite – room

GRAMMAR EXERCISE 1
1. Before trying to find the file, he asked the secretary if she knew where it was.
2. While agreeing to the deal he also asked for a clause to be included.
3. After being commended by the chairman, he was given a pay rise.
4. Since starting her own company, she has made a lot of money.
5. Besides working sixteen hours a day, Murdoch also finds time to jog.
6. By sending the email he committed himself to the deal.

BUSINESS VOCABULARY: EXERCISE
1. Stake a. Shares owned in a company
2. Merger b. Joining of two companies
3. Acquisition c. Buy another company
4. De-merger d. Break a company up into parts
5. Joint venture e. Partnership of companies on a project
6. Vertical integration f. Company buys its suppliers and customers
7. Parent company g. Owner of subsidiaries
8. Hostile takeover bid h. Unwanted/uninvited attempt to buy your company

READING EXERCISE:

Functional Language Exercise:
1. News Corp. is having an excellent year. Company profits are bound to go up.
2. I am convinced that staffing costs will remain stable.
3. Because of the stiff resistance to the takeover it is highly unlikely we will succeed.
4. Murdoch might well acquire a paper in Italy, if a suitable one can be identified.
5. I very much doubt Murdoch will resign.
6. Paper prices might well fall next year, but we cannot rely on it.
7. It is odds on that he will expand the Dow Jones group.
8. After a disappointing year the TV channel will definitely be restructured.

LISTENING 2:
1. He quickly understood that he would have to embrace change instead of ignoring or resisting it. Bought MySpace in 2005
2. For him, there is no detail too small, and it is this close eye he keeps on every aspect of his business and his intimate knowledge of its details that has allowed him to reach the heights of success.
3. He became a U.S. citizen, losing his Australian citizenship, so as to legally own an American television station.
4. Entrepreneurial, and look for opportunities and take risks.
5. You can’t build a strong corporation with a lot of committees that have to be consulted all the time.