

1. Read the excerpt, translate it into Ukrainian.

Spring is the time of year for bluebirds to sing, flowers to bloom, baseball players to take the field, and annual reports to pour off the printing presses. The nation's publicly traded corporations "tell all" in these financial reports to shareholders, but finding the important information in them isn't easy. The real story about the company's financial health is often buried in footnotes and dense tables. You'll need to know how to read annual reports in your career, whether you're thinking of investing in companies, becoming a supplier for them, or applying for a job with them. Thus, it's worth your while to consider the advice of *Newsweek* columnist Jane Bryant Quinn, who provided the following pointers in an ad created for International Paper Company as part of its "The Power of the Printed Word" campaign. Using as her example the annual report of the fictional Galactic Industries, Quinn tells you how to find the important information.

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Starbucks did it. Dell did it. So did Charles Schwab, Home Depot, Dreyers, McAfee, PointCast, Amazon.com, the Body Shop, Taco Bell, and scores of others. They all took common products – coffee, computers, securities, hardware, ice cream, software, news, books, soap, and tacos – and found uncommon ways to get them to consumers.

An often neglected route to growth, distribution has today become the road to riches for many companies. Consider Dreyers. Gary Rogers and William Cronk plunked down \$1 million for the \$6 million (sales) business and within a decade they literally drove the product to success. Truck by truck, region by region, they built a highly effective distribution route – dumping their ice cream in third-party warehouses to be delivered by independents – company sales reps used a company-owned refrigerated fleet to deliver ice cream directly to stores. And it paid it off. With sales topping \$791 million, their unconventional strategy has produced unconventional profits.

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Is stacking Mariah Carey in the supermarket produce section taking uncommon distribution too far? Not according to Michael Rigby, owner of Fresh Picks. Rigby hopes to capture impulse buyers by outfitting supermarkets with CD racks, listening stations, and more than 400 titles of popular music. “Customers go into a supermarket with an open shopping list and a 100 per cent intent to spend”, notes Rigby. “Nobody I’ve ever spoken to comes out with exactly what intended.” Based on current trends in Europe where supermarkets chains have plucked 12 per cent of the music business in the United Kingdom and 50 per cent in France, Rigby is rocking the distribution channels, and Tower Records might just become a victim. Of course if Rigby doesn’t get the behemoth, maybe CDnow.com will.

4. Read the excerpt, translate it into Ukrainian

Turbulent. That's the best way to describe the tenuous relationship between companies and their distributors these days. It used to be that manufacturers made products and distributed them through a single channel: the old reliable dealer network. But with changing customer preferences, margin instability, increasing competition, rapid technological changes, and the emergence of alternative channels (such as the Internet, 800 numbers, catalogs, interactive TV) companies are increasingly by passing their dealers, making them feel jilted, not to mention fearful for their future.

On the other hand, some suppliers don't see cutting out the middle guy as the best strategy. They feel that countervailing trends – shorter order cycle times, more frequent shipments, and continuous replenishment arrangements – may actually reinforce the distributor's position. After all, consumers accustomed to ordering products with a click of the mouse expect instant delivery of their purchases, intact and damage-free. So, whether suppliers love them or leave them, it's a distribution revolution in the marketplace, and the role of the distributor is bound to change.

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RPD, a Boston firm, specializes in designing new products for other companies, and the firm uses three-dimensional (3D) models to show customers what products will look like – while it's still easy and inexpensive to make changes. Plus, the 3D models help RPD transform a customer's idea into a finished design more faithfully, boosting customer satisfaction while minimizing expensive rework.

Another key advantage of using computers to design new products is speed. In many industries, from computer parts to clothes, companies must respond to changing customer demands quickly if they are to stay competitive. Computer modeling helped RPD reduce its typical design time from one time to five days. In fact, in many cases, computer-based product design is rapidly becoming necessary even to compete. As one leading designer put it, if you're not designing on computer by now, you're probably making a mistake.

6. Read the excerpt, translate it into Ukrainian

Pre-employment testing will become more controversial as more and better genetic tests are developed. Several tests are now available in the medical community that indicate whether a person has a genetic predisposition toward certain diseases like colon and breast cancer. As genetic tests are refined and expanded, more companies may require their use to determine which employees have a greater risk of high medical bills. These companies could then limit employee medical coverage or deny employment altogether. Although at least two bills on genetic privacy issues were introduced in congress in 1997, so far no action has been taken.

It is difficult to fault companies for trying to make their products safer, their work sites more secure, and their costs less burdensome. However, few companies have adopted formal policies regarding employee privacy, which leaves room for abuse.

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There is nothing unethical about maintaining a database, and there is certainly nothing unethical about using a computer to manage the database. The ethical problems arise when marketers buy, borrow rent or exchange information, usually without your knowledge or permission. Most of the time, you won't even know that your records are being seen or used by others, people you never imagined would or should be able to put together a big file on your life.

A debate is raging between marketers and those who are concerned about privacy. On the one hand, marketers argue that they should have the right to freedom of speech, the right to inform customers about their offers. Some argue that although the freedom of speech is guaranteed in the US Constitution, the right to privacy is not. As the number of comprehensive databases continues to grow, this issue promises to be a central topic in marketing.

8. Read the excerpt, translate it into Ukrainian

The emerging technology of interactive advertising puts the audience in control. With Web advertising, customers are no longer passive viewers, but have an unprecedented number of choices over the messages they receive. This means that traditional broadcast-style advertising won't be effective on the Internet because it dumps a one-way message on an audience with interactive capabilities.

Of course, the fact that consumers will actively participate in the sales process is a tremendous advantage. But getting them interested in the first place, and keeping them there will become the real challenge. To be effective, Internet ads must be entertaining; they must be fun, interesting, and offer valuable information. Otherwise, users will click on the "Exit" and cause the ad to disappear as quickly as it arrived.

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Successful organizations believe that work-force diversity presents an opportunity to expand the pool of people who can contribute to the organization. In fact, recent studies confirm that culturally diverse work groups come up with more innovative and effective solutions to business problems than do groups lacking such diversity. These results are encouraging more companies to go beyond what is required by law and to take steps that will promote a culturally diverse work force.

However, despite the benefits of cultural diversity, managing such a work force sometimes requires managers to take extra steps. Training in cultural diversity (used by a growing number of organizations) is accomplished through seminars, videotapes, workshops, even games.

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Today, geography determines much of what national and state banks can and cannot do. Governments want to be able to control their economies with monetary policy, but with e-cash, money can move beyond natural boundaries. In cyberspace, there are no physical boundaries and no clear indications of which country's laws apply. As a result, governments could lose control of their money supply. Free marketers contend that if US government rules become burdensome, e-money players will simply shift their operations overseas. After all, if your bank won't lend you money due to tight credit or increased inflation, what's to stop you from borrowing from another country? Technology will continue to remake the monetary system and redefine banking – something that banks actually started themselves when they invited the electronic clearinghouse system.

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On the positive side, a chairman's letter should give you insights into the company's future and its stance on economic or political trends that may affect it. For example, look for what's new in each line of business. Is management getting the company in good shape to weather the tough and competitive years ahead? Now – and no sooner – begin digging into the numbers!

One source is the balance sheet. It is a snapshot of how the company stands at a single point in time. On the top are assets – everything the company owns. Things that can quickly be turned into cash are current assets. On the bottom are liabilities – everything the company owes. Current liabilities are the debts due in one year, which are paid out of current assets.

The difference between current assets and current liabilities is working capital, a key figure to watch from one annual report to another. If working capital shrinks, it could mean trouble. One possibility: the company may not be able to keep dividends growing rapidly.

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Owners' or shareholders' equity is the difference between total assets and liabilities. It is the presumed dollar value of what the owners or shareholders own. You want it to grow. Another important number to watch is long-term debt. High and rising debt, relative to equity, may be no problem for a growing business. But it shows weakness in a company that's leveling out. The second basic source of numbers is the income statement. It shows how much money Galactic made or lost over the year.

Most people look at one figure first. It's in the income statement at the bottom: earnings per share. Watch out. It can fool you. Galactic's management could boost earnings by selling off a plant. Or by cutting the budget for search and advertising. So don't be smug about earnings until you've found out how they happened – and how they might happen next year.

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The number you should look at first in the income statement is net sales. Ask yourself: are sales going up at a faster rate than the last time around? When sales increases start to slow, the company may be in trouble. And ask yourself once more: have sales gone down because the company is selling off a losing business? If so, profits may be soaring. (Nobody promised you that figuring out an annual report as going to be easy!)

Another important thing to study is the company's debt. Get out your pocket calculator, and turn to the balance sheet. Divide long-term liabilities by owners' or shareholders' equity. That's the debt-to-equity ratio. A high ratio means the company borrows a lot of money to spark its growth. That's okay – if sales grow, too, and if there's enough cash on hand to meet the payments. A company doing well on borrowed money can earn big profits for its shareholders. But if sales fall, watch out. The whole enterprise may slowly sink. Some companies can handle high ratios; others can't.

14. Read the excerpt, translate it into Ukrainian

Companies have the right – and, to some extent, the obligation – to protect themselves against lawsuits, theft, and high costs; to protect their employees against unsafe conditions; and to protect their customers against unhealthy and faulty products. However, some people have criticized the methods companies use to uphold these rights. Of particular concern is preemployment testing.

Handwriting analysis, or graphoanalysis, uses a very different method to achieve the same end. By studying applicant handwriting samples, experts say they can identify traits that can either help or hinder an applicant's ability to succeed in a particular job. At least 6.000 US companies now use graphoanalysis, and the technique is widely used in Europe.

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Advocates of preemployment tests say that today's competitive business environment means that businesses need to be as certain as they can that they are hiring the right person for the job. Personality tests, they contend, help employees make more informed decisions. However, some tests have gotten companies into legal disputes. Dayton Hudson, the nation's fourth largest retailer, was found to have violated the constitutional right to privacy of applicants for security guard positions when it administered a test containing questions regarding the applicants' religious beliefs and sexual practices. Any test asking questions that are not specifically job related can get an employer in hot water.

However, many employee-privacy issues have yet to be tested in court, and privacy laws vary from state to state. One thing is certain: drug, personality, and genetic testing will present businesses with significant ethical challenges for years to come.