The Sweet Scent of Success

Many innovations end up as lemons – OzKleen turned lemons into a winning formula.

A Innovation and entrepreneurship, in the right mix, can bring spectacular results and propel a business ahead of the pack. Across a diverse range of commercial successes, from the Hills Hoist clothes line to the Cochlear ear implant, it is hard to generalise beyond saying the creators tapped into something consumers could not wait to get their hands on. However, most ideas never make it to the market. Some ideas that innovators are spruiking to potential investors include new water-saving shower heads, a keyless locking system, ping-pong balls that keep pollution out of rainwater tanks, making teeth grow from stem cells inserted in the gum, and technology to stop LPG tanks from exploding. Grant Kearney, chief executive of the Innovation Xchange, which connects businesses to innovation networks, says he hears of great business ideas that he knows will never get on the market. “Ideas by themselves are absolutely useless,” he says. “An idea only becomes innovation when it is connected to the right resources and capabilities.”

B One of Australia’s latest innovation successes stems from a lemon-scented bathroom cleaner called Shower Power, the formula for which was concocted in a factory in Yatala, Queensland. In 1995, Tom Quinn and John Heron bought a struggling cleaning products business, OzKleen, for $250,000. It was selling 100 different kinds of cleaning products, mainly in bulk. The business was in bad shape, the cleaning formulas were ineffective and environmentally harsh, and there were few regular clients. Now Shower Power is claimed to be the top-selling bathroom cleaning product in the country. In the past 12 months, almost four million bottles of OzKleen’s Power products have been sold, and the company forecasts 2004 sales of
ten million bottles. The company’s sales in 2003 reached $11 million, with 70% of business being exports. In particular, Shower Power is making big inroads on the British market.

C OzKleen’s turnover began when Quinn and Heron hired an industrial chemist to revitalise the product line. Market research showed that people were looking for a better cleaner for the bathroom, universally regarded as the hardest room in the home to clean. The company also wanted to make the product formulas more environmentally friendly. One of Tom Quinn’s sons, Peter, aged 24 at the time, began working with the chemist on the formulas, looking at the potential for citrus-based cleaning products. He detested all the chlorine-based cleaning products that dominated the market. “We didn’t want to use chlorine, simple as that,” he says. “It offers bad working conditions and there’s no money in it.” Peter looked at citrus ingredients, such as orange peel, to replace the petroleum by-products in cleaners. He is credited with finding the Shower Power formula. “The recipe is in a vault somewhere and in my head,” he says. The company is the sole owner of the intellectual property.

D To begin with, Shower Power was sold only in commercial quantities but Tom Quinn decided to sell it in 750ml bottles after the constant “raves” from customers at their retail store at Beenleigh, near Brisbane. Customers were travelling long distances to buy supplies. Others began writing to OzKleen to say how good Shower Power was. “We did a dummy label and went to see Woolworths,” Tom Quinn says. The Woolworths buyer took a bottle home and was able to remove a stain from her basin that had been impossible to shift. From that point on, she championed the product and OzKleen had its first supermarket order, for a palette of Shower Power worth $3,000. “We were over the moon,” says OzKleen’s financial controller, Belinda McDonnell.

E Shower Power was released in Australian supermarkets in 1997 and became the top-selling product in its category within six months. It was all hands on deck at the factory, labelling and bottling Shower Power to keep up with demand. OzKleen ditched all other products and rebuilt the business around Shower Power. This stage, recalls McDonnell, was very tough. “It was hand-to-mouth, cash flow was very difficult,” she says. OzKleen had to pay new-line fees to supermarket chains, which also squeezed margins.
F OzKleen’s next big break came when the daughter of a Coles Myer executive used the product while on holidays in Queensland and convinced her father that Shower Power should be in Coles supermarkets. Despite the product success, Peter Quinn says the company was wary of how long the sales would last and hesitated to spend money on upgrading the manufacturing process. As a result, he remembers long periods of working round the clock to keep up with orders. Small tanks were still being used, so batches were small and bottles were labelled and filled manually. The privately owned OzKleen relied on cash flow to expand. “The equipment could not keep up with demand,” Peter Quinn says. Eventually a new bottling machine was bought for $50,000 in the hope of streamlining production, but he says: “We got ripped off.” Since then, he has been developing a new automated bottling machine that can control the amount of foam produced in the liquid, so that bottles can be filled more effectively—“I love coming up with new ideas.” The machine is being patented.

G Peter Quinn says OzKleen’s approach to research and development is open slather. “If I need it, I get it. It is about doing something simple that no one else is doing. Most of these things are just sitting in front of people … it’s just seeing the opportunities.” With a tried and tested product, OzKleen is expanding overseas and developing more Power-brand household products. Tom Quinn, who previously ran a real estate agency, says: “We are competing with the same market all over the world, the cleaning products are sold everywhere.” Shower Power, known as Bath Power in Britain, was launched four years ago with the help of an export development grant from the Federal Government. “We wanted to do it straight away because we realised we had the same opportunities worldwide.” OzKleen is already number three in the British market, and the next stop is France. The Power range includes cleaning products for carpets, kitchens and pre-wash stain removal. The Quinn and Heron families are still involved. OzKleen has been approached with offers to buy the company, but Tom Quinn says he is happy with things as they are. “We’re having too much fun.”
Questions 1-7

Reading Passage 1 has seven paragraphs A-G.

Which paragraph contains the following information?

Write the correct letter A-G in boxes 1-7 on your answer sheet.

1. The description of one family member persuading another of selling cleaning products
2. An account of the co-operation of all factory staff to cope with sales increase
3. An account of the creation of the formula of Shower Power
4. An account of buying the original OzKleen company
5. The description of Shower Power’s international expansion
6. The reason for changing the packaging size of Shower Power
7. An example of some innovative ideas

Questions 8-11

Look at the following people (Questions 8-11) and the list of statements below.

Match each person with the correct statement.

Write the correct letter A-E in boxes 8-11 on your answer sheet.

8. Grant Kearney
9. Tom Quinn
10. Peter Quinn
11. Belinda McDonnell

List of Statements

A Described his story of selling his products to a chain store
B Explained there was a shortage of money when sales suddenly increased
C Thinks innovations need support to succeed
D Believes new products like Shower Power may incur risks
E Says businesses won’t succeed without innovations
Questions 12-13

Choose the correct letter A, B, C or D.

Write your answers in boxes 12-13 on your answer sheet.

12 Tom Quinn changed the bottle size to 750ml to make Shower Power
   A easier to package.
   B appealing to individual customers.
   C popular in foreign markets.
   D attractive to supermarkets.

13 Why did Tom Quinn decide not to sell OzKleen?
   A No one wanted to buy OzKleen.
   B New products were being developed in OzKleen.
   C He couldn’t make an agreement on the price with the buyer.
   D He wanted to keep things unchanged.
Mrs. Carlill and the Carbolic Smoke Ball

On 14 January 1892, Queen Victoria’s grandson Prince Albert Victor, second in line to the British throne, died from flu. He had succumbed to the third and most lethal wave of the Russian flu pandemic sweeping the world. The nation was shocked. The people mourned. Albert was relegated to a footnote in history.

Three days later, London housewife Louisa Carlill went down with flu. She was shocked. For two months, she had inhaled three daily from a carbolic smoke ball, a preventive measure guaranteed to fend off flu – if you believed the advert. Which she did. And why shouldn’t she when the Carbolic Smoke Ball Company had promised to cough up £100 for any customer who fell ill? Unlike Albert, Louisa recovered, claimed her £100 and set in train events that would win her lasting fame.

It started in the spring of 1889. The first reports of a flu epidemic came from Russia. By the end of the year, the world was in the grip of the first truly global flu pandemic. The disease came in waves, once a year for the next four years, and each worse than the last.

Whole cities came to a standstill. London was especially hard-hit. As the flu reached each annual peak, normal life stopped. The postal service ground to a halt; trains stopped running, banks closed. Even courts stopped sitting for lack of judges. At the height of the third wave in 1892, 200 people were buried every day at just one London cemetery. This flu was far more lethal than previous epidemics, and those who recovered were left weak, depressed, and often unfit for work. It was a picture repeated across the continent.

Accurate figures for the number of the sick and dead were few and far between but Paris, Berlin and Vienna all reported a huge upsurge in deaths. The newspapers took an intense interest in the disease, not just because of the scale of it but because of who it attacked. Most epidemics carried off the poor and weak, the old and frail. This flu was cutting as great a swathe through the upper classes, dealing death to the rich and famous, and the young and fit.
The newspaper-reading public was fed a daily diet of celebrity victims. The flu had worked its way through the Russian imperial family and invaded the royal palaces of Europe. It carried off the Dowager Empress of Germany and the second son of the king of Italy, as well as England’s future king. Aristocrats and politicians, poets and opera singers, bishops and cardinals – none escaped the attentions of the Russian flu.

The public grew increasingly fearful. The press might have been overdoing the doom and gloom, but their hysterical coverage had exposed one terrible fact. The medical profession had no answer to the disease. This flu, which might not even have begun in Russia, was a mystery. What caused it and how did it spread? No one could agree on anything.

By now, the theory that micro-organisms caused disease was gaining ground, but no one had identified an organism responsible for flu (and wouldn’t until 1933). In the absence of a germ, many clung to the old idea of bad airs, or miasmas, possibly stirred by some great physical force – earthquakes, perhaps, or electrical phenomena in the upper atmosphere even a passing comet.

Doctors advised people to eat well avoiding “unnecessary assemblies”, and if they were really worried, to stuff cotton wool up their nostrils. If they fell ill, they should rest, keep warm and eat a nourishing diet of “milk, eggs and farinaceous puddings”. Alcohol figured prominently among the prescriptions: one eminent English doctor suggested champagne, although he conceded “brandy in considerable quantities has sometimes been given with manifest advantages”. French doctors prescribed warm alcoholic drinks, arguing that they never saw an alcoholic with flu. Their prescription had immediate results: over a three-day period, 1,200 of the 1,500 drunks picked up on the streets of Paris claimed they were following doctor’s orders.

Some doctors gave drugs to ease symptoms – quinine for fever, salicin for headache, heroin for an “incessant cough”. But nothing in the pharmacy remotely resembled a cure. Not surprisingly, people looked elsewhere for help. Hoping to cash in while the pandemic lasted, purveyors of patent medicines competed for the public’s custom with ever more outrageous advertisements. One of the most successful was the Carbolic Smoke Ball Company.

The carbolic smoke ball was a hollow rubber ball, 5 centimetres across, with a nozzle covered by gauze. Inside was a powder treated with carbolic acid, or phenol. The idea was to clutch it close to the nose and squeeze gently, inhaling deeply.
from the emerging cloud of pungent powder. This, the company claimed, would disinfect the mucous membranes, curing any condition related to “taking cold”. In the summer of 1890, sales were steady at 300 smoke balls a month. In January 1891, the figure skyrocketed to 1,500.

Eager to exploit the public’s mounting panic, the Carbolic Smoke Ball Company made increasingly extravagant claims. On 13 November 1892, its latest advert in the Pall Mall Gazette caught the eye of south London housewife Louisa Carlill. “Carbolic Smoke Ball,” it declared, “will positively cure colds, coughs, asthma, bronchitis, hoarseness, influenza, croup, whooping cough…”. And the list went on. But it was the next part Mrs. Carlill found compelling. “A £100 reward will be paid by the Carbolic Smoke Ball Company to any person who contracts the increasing epidemic influenza, colds or any disease caused by taking cold, after having used the carbolic smoke ball according to the printed directions supplied with each ball. £1,000 is deposited with the Alliance bank, Regent Street, showing our sincerity in the matter.”

Mrs. Carlill hurried off to buy a smoke ball, price 10 shillings. After carefully reading the instructions, she diligently dosed herself thrice daily until 17 January – when she fell ill.

On 20 January, Louisa’s husband wrote to the Carbolic Smoke Ball Company. Unfortunately for them, Mr. Carlill happened to be a solicitor. His wife, he wrote, had seen their advert and bought a smoke ball on the strength of it. She had followed the instructions to the letter, and yet now – as their doctor could confirm – she had flu.

There was no reply. But £100 was not a sum to be sneezed at. Mr. Carlill persisted. The company resisted. Louisa recovered and sued. In June, Mr. Justice Hawkins found in Mrs. Carlill’s favour. The company’s main defence was that adverts were mere “puffery” and only an idiot would believe such extravagant claims. Judge Hawkins pointed out that adverts were not aimed at the wise and thoughtful, but at the credulous and weak. A vendor who made a promise “must not be surprised if occasionally he is held to his promise”.

Carbolic appealed. In December, three lord justices considered the case. Carbolic’s lawyers tried several lines of defence. But in the end, the case came down to a single matter: not whether the remedy was useless, or whether Carbolic had committed fraud, but whether its advert constituted a contract – which
the company had broken. A contract required agreement between two parties, argued Carbolic's lawyers. What agreement had Mrs. Carlill made with them?

There were times, the judges decided, when a contract could be one-sided. The advert had made a very specific offer to purchasers: protection from flu or £100. By using the smoke ball as instructed, Mrs. Carlill had accepted that offer. The company might just have wriggled out of it if it hadn't added the bit about the £1,000 deposit. That, said the judges, gave buyers reason to believe Carbolic meant what it said. "It seems to me that if a person chooses to make extravagant promises of this kind, he probably does so because it pays him to make them, and, if he has made them, the extravagance of the promises is no reason in law why he should not be bound by them," pronounced Lord Justice Bowen.

Louisa got her £100. The case established the principle of the unilateral contract and is frequently cited today.

Questions 14-17

Do the following statements agree with the information given in Reading Passage 2?

In boxes 14-17 on your answer sheet write:

- TRUE if the statement agrees with the information
- FALSE if the statement contradicts the information
- NOT GIVEN if there is no information on this

14 Cities rather than rural areas were badly affected by the pandemic flu.
15 At the time of the flu pandemic, people didn't know the link between micro-organisms and illnesses.
16 People used to believe flu was caused by miasmas.
17 Flu prescriptions often contained harmful ingredients.
Questions 18-21

Complete the diagram below.

Choose NO MORE THAN TWO WORDS from the passage for each answer.

Write your answers in boxes 18-21 on your answer sheet.

Questions 22-25

Look at the following people (Questions 22-25) and the list of statements on the next page.

Match each person with the correct statement.

Write the correct letter A-F in boxes 22-25 on your answer sheet.

22  Mrs. Carlill
23  Mrs. Carlill’s husband
24  Judge Hawkins
25  Lord Justice Bowen
List of Statements
A. Filed a complaint which was never responded to.
B. Broke the contract made with Carbolic Smoke Ball Company.
C. Initiated a legal case.
D. Described the audience of advertisement.
E. Claimed that most advertisements are fraudulent.
F. Treated advertisement as a type of contract.

Question 26

Choose the correct letter A, B, C or D.

Write your answer in box 26 on your answer sheet.

26 Why is Mrs. Carlill's case often cited in present-day court trials?
   A. It proved the untrustworthiness of advertisements.
   B. It established the validity of one-sided contract.
   C. It explained the nature of contract.
   D. It defended the rights of consumers.
Reading Passage 3

You should spend about 20 minutes on Questions 27-40 which are based on Reading Passage 3 on the following page.

Questions 27-34

Reading Passage 3 has eight sections A-H.

Choose the correct heading for each section from the list of headings below.

Write the correct number i-x in boxes 27-34 on your answer sheet.

List of Headings

i  Summarising personality types
ii  Combined styles for workplace
iii  Physical explanation
iv  A lively person who encourages
v  Demanding and unsympathetic personality
vi  Lazy and careless personality
vii  The benefits of understanding communication styles
viii  Cautious and caring
ix  Factual and analytical personality
x  Self-assessment determines one’s temperament

27  Section A
28  Section B
29  Section C
30  Section D
31  Section E
32  Section F
33  Section G
34  Section H
Communicating Styles and Conflict

Knowing your communication style and having a mix of styles on your team can provide a positive force for resolving conflict.

Section A

As far back as Hippocrates' time (460-370 BC), people have tried to understand other people by characterising them according to personality types or temperaments. Hippocrates believed there were four different body fluids that influenced four basic types of temperament. His work was further developed 500 years later by Galen (130-200 AD). These days there are a number of self-assessment tools that relate to the basic descriptions developed by Galen, although we no longer believe the source to be the types of body fluid that dominate our systems.

Section B

The value in self-assessments that help determine personality styles, learning styles, communication styles, conflict-handling styles, or other aspects of individuals is that they help depersonalise conflicts in interpersonal relationships.

The depersonalisation occurs when you realise that others aren't trying to be difficult, but they need different or more information than you do. They're not intending to be rude; they are so focused on the task they forget about greeting people. They would like to work faster but not at the risk of damaging the relationships needed to get the job done. They understand there is a job to do, but it can only be done right with the appropriate information, which takes time to collect.

When used appropriately, understanding communication styles can help resolve conflicts on teams. Very rare are conflicts of true personality issues. Usually, they are issues of style, information needs, or focus.

Section C

Hippocrates and later Galen determined there were four basic temperaments: sanguine, phlegmatic, melancholic, and choleric. These descriptions were developed centuries ago and are still somewhat apt, although you could update the wording. In today's world, they translate into the four fairly common communication styles described below:
Section D

The sanguine person would be the expressive or spirited style of communication. These people speak in pictures. They invest a lot of emotion and energy in their communication and often speak quickly, putting their whole body into it. They are easily sidetracked onto a story that may or may not illustrate the point they are trying to make. Because of their enthusiasm they are great team motivators. They are concerned about people and relationships. Their high levels of energy can come on strong at times and their focus is usually on the bigger picture, which means they sometimes miss the details or the proper order of things. These people find conflict or differences of opinion invigorating and love to engage in a spirited discussion. They love change and are constantly looking for new and exciting adventures.

Section E

The phlegmatic person – cool and persevering – translates into the technical or systematic communication style. This style of communication is focused on facts and technical details. Phlegmatic people have an orderly, methodical way of approaching tasks, and their focus is very much on the task, not on the people, emotions, or concerns that the task may evoke. The focus is also more on the details necessary to accomplish a task. Sometimes the details overwhelm the big picture and focus needs to be brought back to the context of the task. People with this style think the facts should speak for themselves, and they are not as comfortable with conflict. They need time to adapt to change and need to understand both the logic of it and the steps involved.

Section F

The melancholic person, who is soft-hearted and oriented towards doing things for others, translates into the considerate or sympathetic communication style. A person with this communication style is focused on people and relationships. They are good listeners and do things for other people – sometimes to the detriment of getting things done for themselves. They want to solicit everyone’s opinion and make sure everyone is comfortable with whatever is required to get the job done. At times this focus on others can distract from the task at hand. Because they are so concerned with the needs of others and smoothing over issues, they do not like conflict. They believe that change threatens the status quo and tends to make people feel uneasy, so people with this communication style, like phlegmatic people, need time to consider the changes in order to adapt to them.
Section G

The choleric temperament translates into the bold or direct style of communication. People with this style are brief in their communication – the fewer words the better. They are big picture thinkers and love to be involved in many things at once. They are focused on tasks and outcomes and often forget that the people involved in carrying out the tasks have needs. They don’t do detail work easily and as a result can often underestimate how much time it takes to achieve the task. Because they are so direct, they often seem forceful and can be very intimidating to others. They would usually welcome someone challenging them, but most other styles are afraid to do so. They also thrive on change, the more the better.

Section H

A well-functioning team should have all of these communication styles for true effectiveness. All teams need to focus on tasks, and they need to take care of relationships in order to achieve those tasks. They need the big picture perspective or the context of their work, and they need the details to be identified and taken care of for success.

We all have aspects of each style within us. Some of us can easily move from one style to another and adapt our style to the needs of the situation at hand – whether the focus is on tasks or relationships. For others, a dominant style is very evident, and it is more challenging to see the situation from the perspective of another style.

The work environment can influence communication styles either by the type of work that is required or by the predominance of one style reflected in that environment. Some people use one style at work and another at home.

The good news about communication styles is that we all have the ability to develop flexibility in our styles. The greater the flexibility we have, the more skilled we usually are at handling possible and actual conflicts. Usually it has to be relevant to us to do so, either because we think it is important or because there are incentives in our environment to encourage it. The key is that we have to want to become flexible with our communication styles. As Henry Ford said, “Whether you think you can or you can’t, you’re right!”
Questions 35-39

Do the following statements agree with the information given in Reading Passage 3?
In boxes 35-39 on your answer sheet write

TRUE if the statement agrees with the information
FALSE if the statement contradicts the information
NOT GIVEN if there is no information on this

35 It is believed that sanguine people dislike variety.
36 Melancholic and phlegmatic people have similar characteristics.
37 Managers often select their best employees according to personality types.
38 It is possible to change one’s personality type.
39 Workplace environment can affect which communication style is most effective.

Question 40

Choose the correct letter A, B, C or D.
Write your answer in box 40 on your answer sheet.

40 The writer believes using self-assessment tools can
   A help to develop one’s personality.
   B help to understand colleagues’ behaviour.
   C improve one’s relationship with the employer.
   D directly resolve conflicts.