

Exercise 1: Sort the words into categories.

mass production | supply chain | bulk buying | digital services | brand recognition | franchises | platform | infrastructure | market reach | distribution | unit costs | subscribers

Traditional Scaling

Modern Scaling

Both

Exercise 2: Fill in the gaps with appropriate words

Raj: Hey Sofia! I've been studying different types of (1)_____ for our economics presentation - focusing on traditional (2)_____ scaling.

Sofia: Oh really? That's great! I'm working on (3)_____ and (4)_____ scaling. What have you found out about production methods?

Raj: Well, (5)_____ (6)_____ is fascinating - companies like TSMC reduce costs dramatically by manufacturing chips in huge quantities.

Sofia: Interesting! Digital companies do it quite differently though. Netflix can add millions of (7)_____ with almost no extra (8)_____.

Raj: Amazing! And (9)_____ (10)_____ optimization is crucial too - just look at how Walmart coordinates thousands of suppliers to reduce costs.

Sofia: That makes sense! You know what's also interesting? Company owned (11)_____. Take Starbucks - they maintain quality control by owning and operating their stores directly.

Raj: Yeah, and (12)_____ (13)_____ is huge. Costco's whole business model depends on it. They buy in massive quantities to cut (14)_____ costs.

Sofia: That's clever! And with (15)_____ (16)_____, it works differently.

Once Nike establishes it's brand, new markets just open up naturally.

Raj: Hmmm., now I see how different types of scaling fit together. My examples reduce production costs, while yours show how to expand (17)_____ (18)_____.

Sofia: Exactly! And companies like Amazon do both - they scale their (19)_____ while growing their (20)_____ at the same time.

Exercise 3: Mark these statements True or False

1. Traditional scaling mainly focuses on reducing production costs.
2. Digital companies need large infrastructure investments to add customers.
3. Brand recognition and digital services are ways modern companies scale.
4. Supply chain optimization isn't important in traditional scaling.