**MODERN MANAGEMENT**

**SOME MANAGEMENT DEFINITIONS**

**George R. Terry:** ''Management is a distinct process consisting of planning, organising, actuating and controlling; utilising in each both science and art, and followed in order to accomplish pre-determined objectives."

**Peter Drucker**: Management is a multipurpose organ that manage a business and manages Managers and manages Workers and the Work.

**Peterson and Plowman:** "Management may be defined as the process by means of which the purpose and objectives of a particular human group are determined, clarified and effectuated"

**Harold Koontz:** "Management is the art of getting things done through others and with formally organized groups."

**Mary Parker Follett:**Management is the "art of getting things done through people."

**F.W. Taylor:** "Management is the art of knowing what you want to do and then seeing that they do it in the best and the cheapest way."  
  
**Henry Fayol:**  "To manage is to forecast and to plan,organize,to command, to co-ordinate and to control." 

**Louis Allen:** “Management is what a manager does.”

**Michael Nolty:**  "Management is the process of getting activities completed efficiently with and through other people."

**ORGANIZATION:** A group of people with a specific common goal.

**MANAGEMENT:** The process of reaching organizational goals by working with and through people and other organizational resources.

**ORGANIZATIONAL EFFECTIVENESS:** The ability to reach organizational goals as planned.

**ORGANIZATIONAL EFFICIENCY:** Reaching organizational goals with minimum cost.

**MANAGERIAL FUNCIONS:**

1. PLANNING
2. ORGANIZING
3. LEADING
4. CONTROLLING

**HOW TO RESTRUCTURE NOKIA?**

Nokia once dominated the worldwide mobile phone market but its influence has waned against strong competition in the smartphone sector. Thinking that they should downsize or resize, and serve a totally different customer base than the competition, they first created a Restructuring Unit outside of the Headquarters. Professors Michael Porter of Harvard University and Mustafa Ozel of Istanbul Şehir were transferred at quite high costs, and then were appointed as co-chairs of the new department. They were assisted by a large body of theoretical as well as practical people the world over.

In his first public appearance, Porter stated the goal of the Unit being not only a restructuring of Nokia, but the rediscovery of a whole sector. His conversation style not only convinced the journalists, but also flamed the hearts of the Nokia people. In a very short period, he learned almost all major media figures by their names. He is now the person at the two extremes of the enterprise: all major moves start with his announcements and are overseen by his meticulous examination. He uses every tool and opportunity to get rid of unnecessary costs.

The restructuring brought about a real boom in new, creative products, leading to accelerated sales growth during the following five years. Porter and Mustafa were appointed as board members now, and their places filled by new generation managers. Thus, the number of board members, including the President, increased to five. The previous three being the original partners of the company who still hold 30 percent of the shares.

**QUESTIONS:**

1. Which managerial **functions** and what managerial **roles** seem to be performed well by Porter, Mustafa, and Attila?
2. Write a **vision** statement, a **mission** statement for the new NOKIA.
3. Make a **SWOT analysis** for NOKIA.

### STRATEGIC MANAGEMENT

Strategic management is what managers do to develop an organization’s long term ***competitive*** strategies.

#### Steps in the Strategic Management Process

* + 1. A seven-step process that involves strategic planning, implementation, and evaluation.
    2. **Strategic planning** encompasses the first four steps.
       1. *Identify the organization’s current mission, objectives, and strategies.* **(Step 1)**
          1. Every organization has a ***mission statement*** that defines its purpose and answers the question, “What business or businesses are we in?”
          2. Determining the nature of one’s business is as important for not-for-profits as it is for business firms.
          3. Once its mission has been identified, the organization can begin to look outside to ensure that its strategy aligns well with the environment.
       2. *Analyze the external environment.* **(Step 2)**
          1. Organizations need an accurate grasp of the environment and important trends that might affect the organization’s operations.
          2. Opportunities are positive external environmental factors. Threats are negative ones.
          3. The same environment can present opportunities to one organization and pose threats to another.
       3. *Evaluate the organization’s internal resources.* **(Step 3)**
          1. This involves asking specific questions and analyzing the available information.
          2. What skills and abilities do the organization’s employees have; human resources?
          3. What is the organization’s cash flow; financial resources?
          4. Has it been successful at developing new and innovative products?
          5. How do customers perceive the image of the organization and the quality of its products or services?
    3. **Strengths** are internal resources or things that the organization does well.
       1. ***Core competencies*** are any of those strengths that represent unique skills or resources that can determine the organization’s competitive edge.
       2. When an organization lacks certain resources or identifies activities the firm does not do well, these are called **Weaknesses.**
    4. A merging of the externalities (Step 2) with the internalities (Step 3) results in an assessment of the organization’s opportunities.
    5. This merging is called **SWOT Analysis** because it brings together the organization’s Strengths, Weaknesses, Opportunities, and Threats in order to:
       1. exploit an organization’s strengths and external opportunities,
       2. buffer or protect the organization from external threats,
       3. correct critical weaknesses.
    6. Having completed the SWOT analysis, the organization reassesses its mission and objectives. **(Step 4)**

#### Step 5 is formulating strategies with three main types - corporate, competitive, and functional.

* + 1. Implementing strategies is **Step 6.**
    2. The final step is evaluating the results to determine the effectiveness or whether changes need to be made. **(Step 7)**