

# Enterprise Management and Entrepreneurship M.EIC 2022-2023



Universidade do Porto

Faculdade de Engenharia

**FEUP**

**José Coelho Rodrigues, Manuel Aires de Matos**

[jpcr@fe.up.pt](mailto:jpcr@fe.up.pt)

# Teaching team



**JOSÉ COELHO RODRIGUES**

Assistant Professor of DEGI, FEUP.

Researcher at the Center for Innovation, Technology and Entrepreneurship of INESC TEC.

PhD in Industrial Engineering and Management and

Master in Electrical and Computer Engineering by FEUP.



**MANUEL AIRES DE MATOS**

Invited Assistant of DEGI, FEUP.

Researcher at the Center of Industrial Engineering and Management of INESC TEC.

PhD Candidate in Industrial Engineering and Management (FEUP),

Master in Economics (FEP), Master in Marketing (FEP),

Undergraduate in Management (Católica Porto).



**William Henry Gates III** (born October 28, 1955) is an American business magnate, software developer, investor, and philanthropist. He is best known as the co-founder of Microsoft Corporation.<sup>[2][3]</sup> During his career at Microsoft, Gates held the positions of chairman, chief executive officer (CEO), president and chief software architect, while also being the largest individual shareholder until May 2014. He is one of the best-known entrepreneurs and pioneers of the microcomputer revolution of the 1970s and 1980s.





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# What do you want management for (past year poll)

- Creating a company
- Better understand how the role of software engineers in organizations
- Understand the interconnections between IT and financial decisions
- Better collaborate with multidisciplinary teams in organizations
- Become rich!

# GEE objectives

1. Understand the role of the manager and management, as well as its evolution.
2. Understand and explore how information technology can enable the firm's management and strategy.
3. Understand the different functional areas of financial management, marketing and operations, and how they can be integrated in the firm's strategy.
4. Apply a set of concepts, methods and tools of financial management, marketing, operations and strategy to analyze problems, identify alternatives and make decisions.
5. Be able to apply management methods and tools to analyze company's management and identify improvements.
6. Recall and describe the components of a business model and how they work together to create, deliver, and capture value.
7. Apply the conceptual frameworks from the previous point to develop and analyze business models and entrepreneurial strategies.

# Program

- 1. Introduction - Management and its context**
- 2. Management functional areas and strategy**
  - 2.1. Financial management
  - 2.2. Marketing
  - 2.3 Operations management
  - 2.4. Strategic management and competitiveness
- 3. Entrepreneurship – From Idea to Business**
  - 3.1. Business Models and Strategic Learning and Experimentation
  - 3.2. Product-Market Fit – Value Proposition and Customer Segments
  - 3.3. Connecting to Customers – Customer Relationships, Distribution Channels and Revenue Streams
  - 3.4. Operations – Key Activities, Key Resources, Key Partners and Cost Structure
  - 3.5. Entrepreneurial Strategy – An Integrative Logic

# Grading

- Final exam (25%)
- Group assignments (60%):
  - report and discussion of 3 case studies (20% each):
- Individual in class participation (15%):
  - individual case study discussion (5% each)



# Grading – other conditions

- Students who do not attend the case study discussion class will have 0 (zero) in the discussion component evaluation, which represents 50% of the case study grade.
- The minimum grade of 7,5 is required for each evaluation component

# Case study discussion

- Discussion of real life situations with a specific problem at hand
- The teams should analyze the situation, and propose a course of action
- The cases offer the information available to managers at the time
- Case studies aim at developing analytical, communication and decision skills

# Case studies

- Case studies covering management topics
  - Short cases/exercises for discussion in class (no assessment)
  - Three case studies for analysis and discussion in class

# Case study discussions – short cases

- More descriptive, with and analysis of a real world situation to illustrate management concepts
  - Read the case before class
  - Exercises in class
  - Discuss in class



# Case study assignment with evaluation

- Groups of 5 students
- Report with case study analysis (up to 20 slides + excel file) – all groups
- Presentation of case study summary
- Discussion in class – all groups
- All students need to prepare and discuss all case studies in class
- Each student intervention cannot take longer than 5 minutes

# Schedule for the semester

		Carnival							Easter		Academic week						
Week		1	2	3	4	5	6	7		8	9	10	11	12		13	14
(Monday)		5/feb	12/feb	19/feb	26/feb	4/mar	11/mar	18/mar	25/mar	1/apr	8/apr	15/apr	22/apr	29/apr	6/may	13/may	20/may
Monday	Module	Pres		Entrep	Entrep	Markt.	Markt.	CS1		CS2	Op. Strat.	Fin. Man.	Fin. Man.			Strat.	CS3
	classes	Prof. JCR + MAM		JCR	JCR	MAM	MAM	JCR		MAM	JCR	JCR	JCR			JCR	JCR
	Notes																
Tuesday	Module	Pres		Entrep	Entrep	Markt.	Markt.	CS1		CS2	Op. Strat.	Fin. Man.	Fin. Man.	Gest. Fin.		Strat.	CS3
	classes	Prof. JCR + MAM		JCR	JCR	MAM	MAM	JCR		MAM	JCR	JCR	JCR	JCR		JCR	JCR
	Notes																
Wednesday	Module	Pres		Entrep	Entrep	Markt.	Markt.	CS1		CS2	Op. Strat.	Fin. Man.	Fin. Man.			Strat.	CS3
	classes	Prof. JCR + MAM		JCR	JCR	MAM	MAM	JCR		MAM	JCR	JCR	JCR			JCR	JCR
	Notes																

# Evaluation

- Case study analysis and discussion – 60%
  - 20% each case study (10% report/10% discussion)
- Case study individual discussion – 15% -
  - 5% each case study
- Dates:
  - 18.03 / 20.03
  - 02.04 / 08.04
  - 20.05 / 22.05

# Case study discussion

- Discussion of real life situations with a specific problem at hand
- The teams should analyze the situation, and propose a course of action
- The cases offer the information available to managers at the time
- Case studies aim at developing analytical, communication and decision skills
- No interventions with more than 5 minutes



# Case study preparation

- Read the first few paragraphs, then go through the case as almost as fast as you can
- Read the case very carefully, underlining the key facts and writing notes
- Note the key problems
- Sort out the relevant considerations for each problem area
- Do appropriate qualitative and quantitative analysis
- Develop a set of recommendations, supported by your analysis of the case data

# Case study report

- 20 slides ppt report with
  - If Professors provide a set of questions, they should be addressed in the report. Some of the points may be:
    - Case study introduction
    - Problem identification
    - Data analysis
    - Recommendations, supported by data analysis
  - Due date: beginning of class of first presentation

# Case study discussion

- Active participation – all team members should participate
- The objective is not to reach a consensus, but to explore multiple perspectives
- There is no unique solution – multiple viable options can be analyzed
- Professors are facilitators of the discussion – they do not provide answers to the problem at hand

# Case study recommendations

- Prepare
- Discuss the case with others beforehand
- Participate
- Share your related experience
- Try to relate the topic and the case with other business situations
- Try to understand and integrate the views of other participants



# Case study Report recommendations

## - up to 20 slides

- Take into account that the slide report will be used to assess your work and use the 20 slides limit.
- Develop an appealing presentation, but also add relevant information to the report. One possible way to make this balance is to have more visual slides, and then add notes to the ppt file for more detail.
- Use the concepts and tools from classes whenever relevant
- Make your assumptions explicit
- Support your statements with data, e.g. show tables and graphics that support your analysis and proposal.
- On the other hand, do not have tables without an explanation.
- If you have to choose between alternatives, explore multiple ones, analyze pros and cons of each one, and support your decision

# Case study discussion recommendations

- Every group member must participate
- Everyone needs to be aware and able to participate in the discussion of every question
- Everyone needs to be able to explain how you reached the results in the spreadsheet
- Remember quality of participation is more important than quantity
- Do not read the slides, use them to support your argument
- Do not make a sequence of presentations, engage in discussion
- Do not repeat what others have said, build upon, for example summarizing what is similar to what the previous group said, and complement
- This is not a zero sum game, you can all contribute to enrich the discussion and have a good grade
- Learn and enjoy!

# Fundamental concepts of management

Bibliografia:

Gomez-Mejia, Luis R., David B. Balkin e Robert L. Cardy; Management: people, performance, change, McGraw-Hill , 2012, cap. 1.

# The importance of organizations

- Organization is a major force in society today: We are born in organizations called hospitals, are educated by organizations called schools, and later work in organizations. At the same time organizations supply us, entertain us and rules us. Finally we are buried by organizations called funeral homes.

Mintzberg, 1989

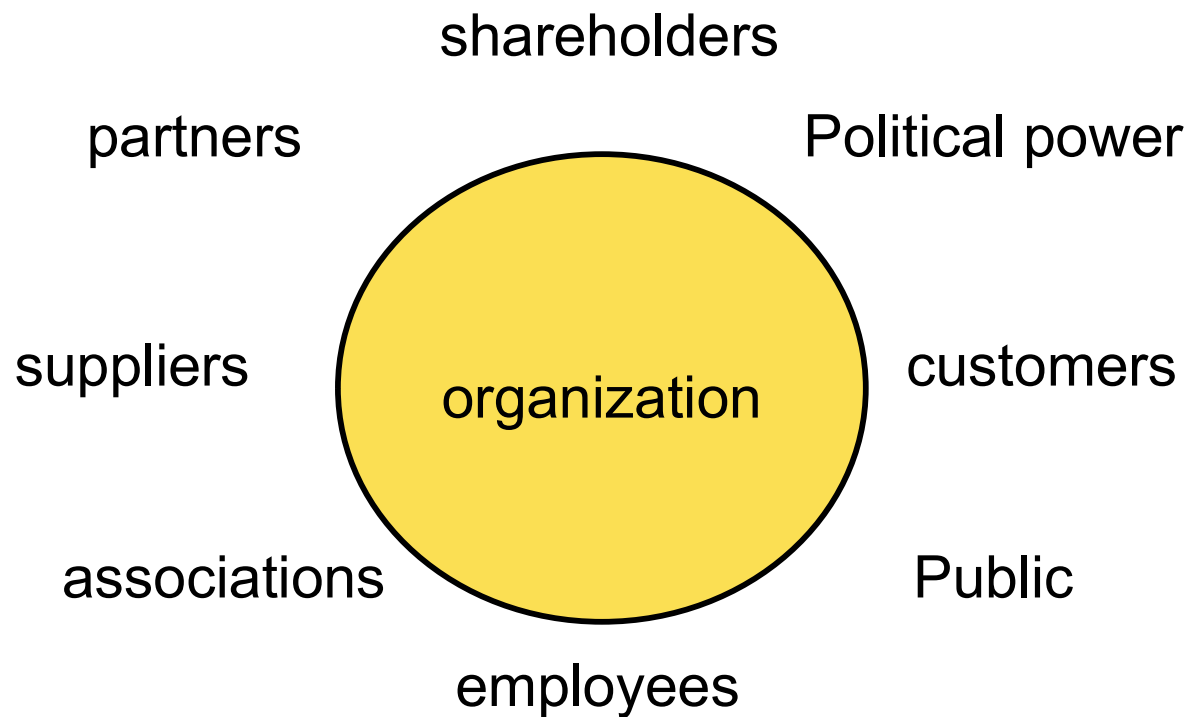


# Management

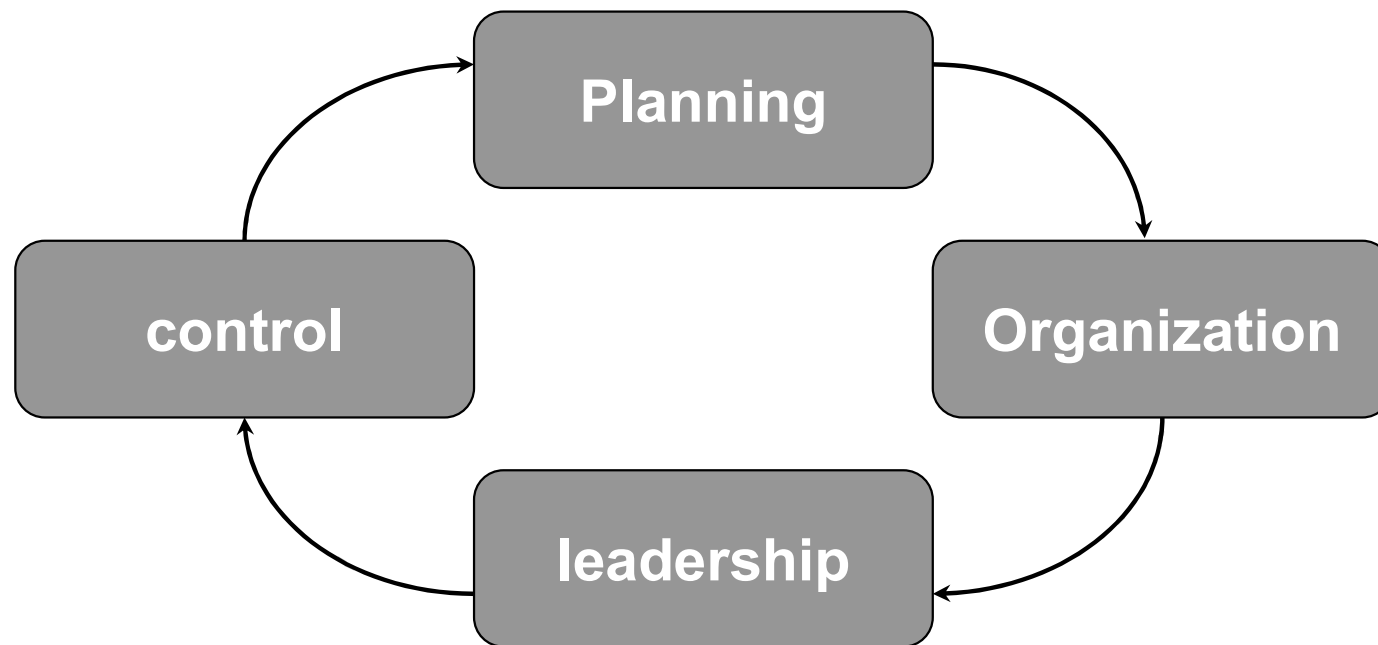
- Management is a process undertaken by one or more people to coordinate others activities, to achieve results that would not be possible by individuals acting alone.
  - Donelly, Gibson e Ivancevich, 2000

# Stakeholders

All actors that have a stake on the organization

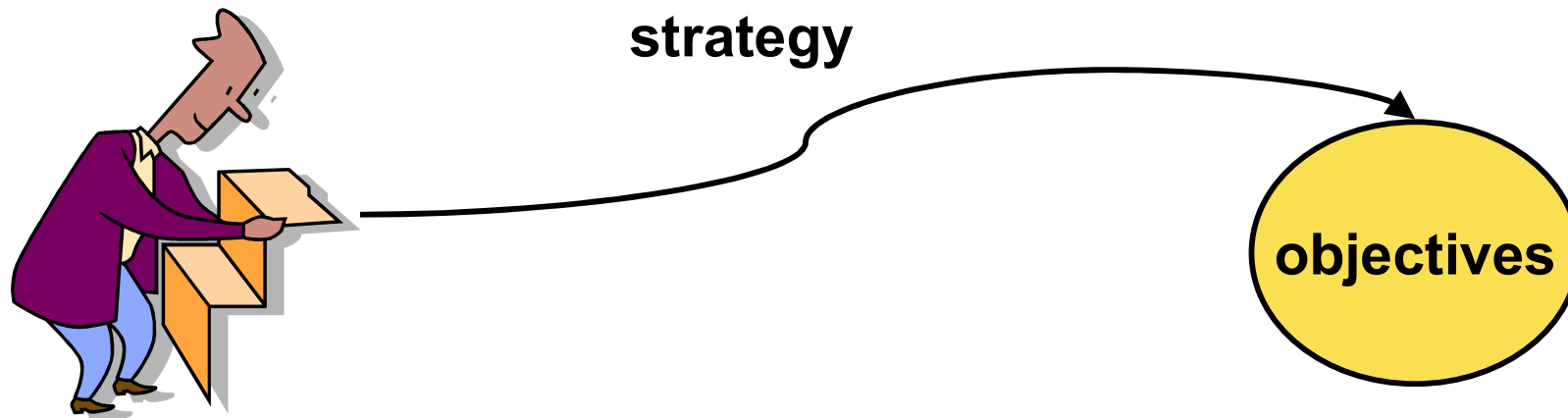


# The management process



# Planning

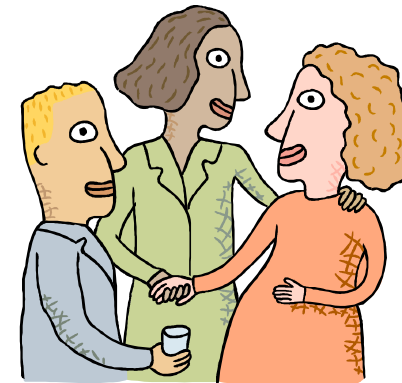
- Setting an organization's goals and selecting a course of action from a set of alternatives to achieve them.



# Organization

The management function that determines how the firm's human, financial, physical, informational, and technical resources are arranged and coordinated to perform tasks to achieve desired goals.

The deployment of resources to achieve strategic goals.



# Leadership



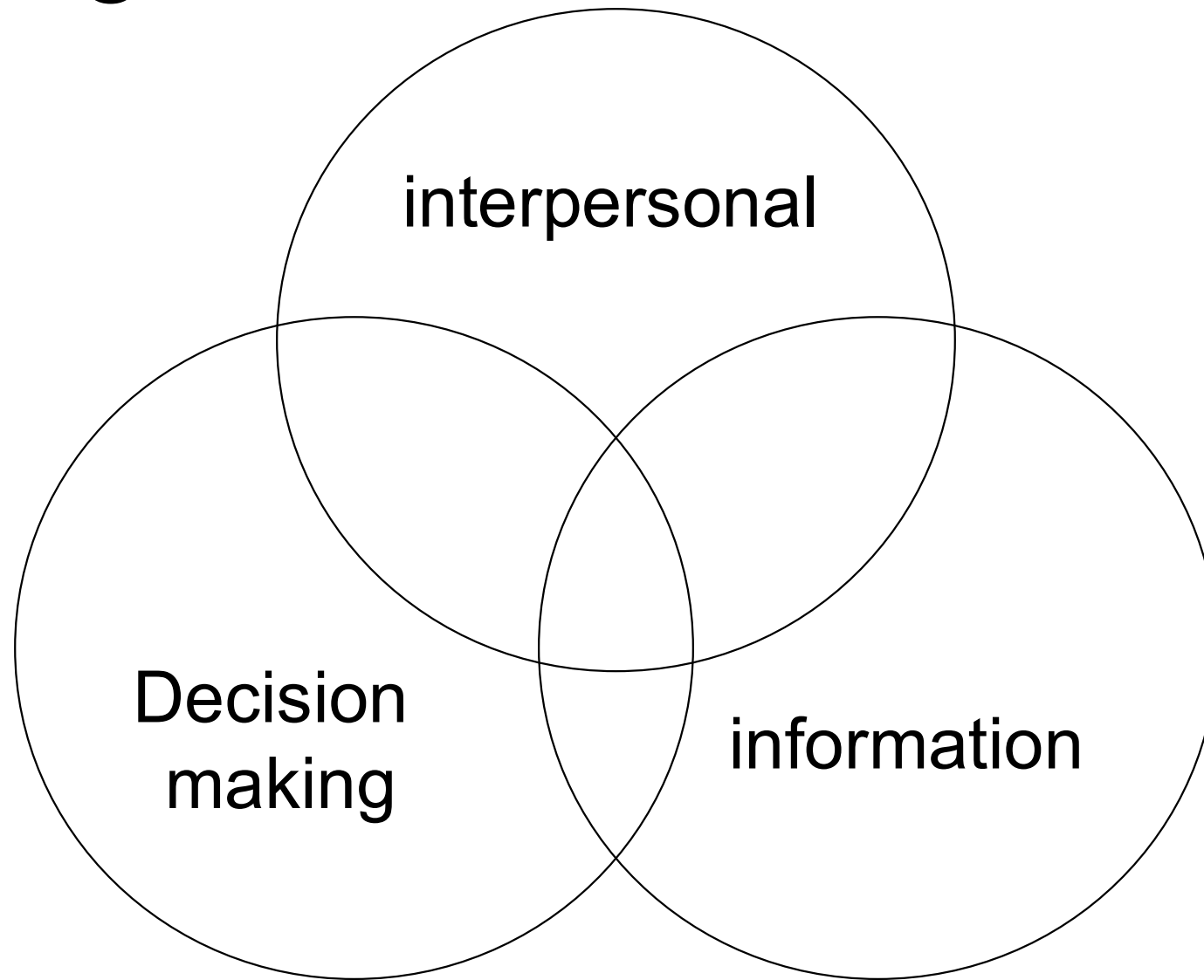
- The management function that energizes people to contribute their best individually and in cooperation with other people
- This involves:
  - Clearly communicating organizational goals
  - Inspiring and motivating employees
  - Providing an example for others to follow
  - Guiding others
  - Creating conditions that encourage management of diversity

# Control



- The management function that measures performance, compares it to objectives, implements necessary changes, and monitors progress.
- Many of these issues involve feedback or identifying potential problems and taking corrective action.

# Manager roles



Mintzberg



# Management through people

- Interpersonal relationship with the organizational employees
- Interconnections outside the organization development of contact networks
- Representation
- Leadership



# Management through information

## Communication

- Data collection, environmental analysis

- Development of contact networks to collect and share information

- Representation of the team and organization

## Control

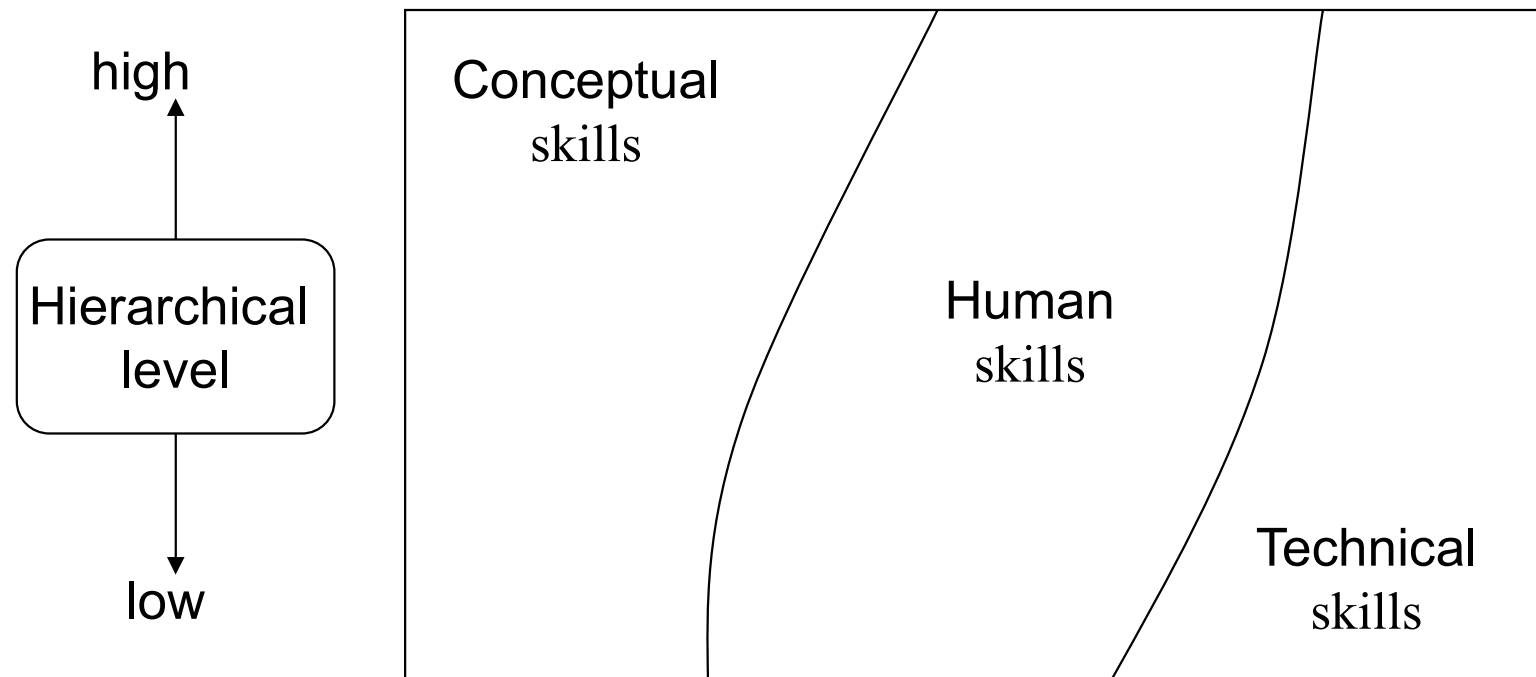
- Using the information to follow the performance of the team or the organization

# Management through action

- Initiative (entrepreneurship and intrapreneurship)
- Problem and conflict resolution
- Change management
- Resource allocation
- Negotiation



# Management skills



# Technical skills

- Knowledge and ability to use instruments, procedures and techniques in a specific area.



# Human skills

- Ability to work in team, whether as a member or a leader.
  - Ability to lead, train and motivate people
  - Ability to develop and foster team work
  - Development and maintenance of the organization culture
  - Establishment of collaboration networks



# Conceptual skills

- Ability to have a systemic, holistic view of the organization, integrated in its internal and external environment, and awareness of the interrelationships between areas.



# The evolution of Management

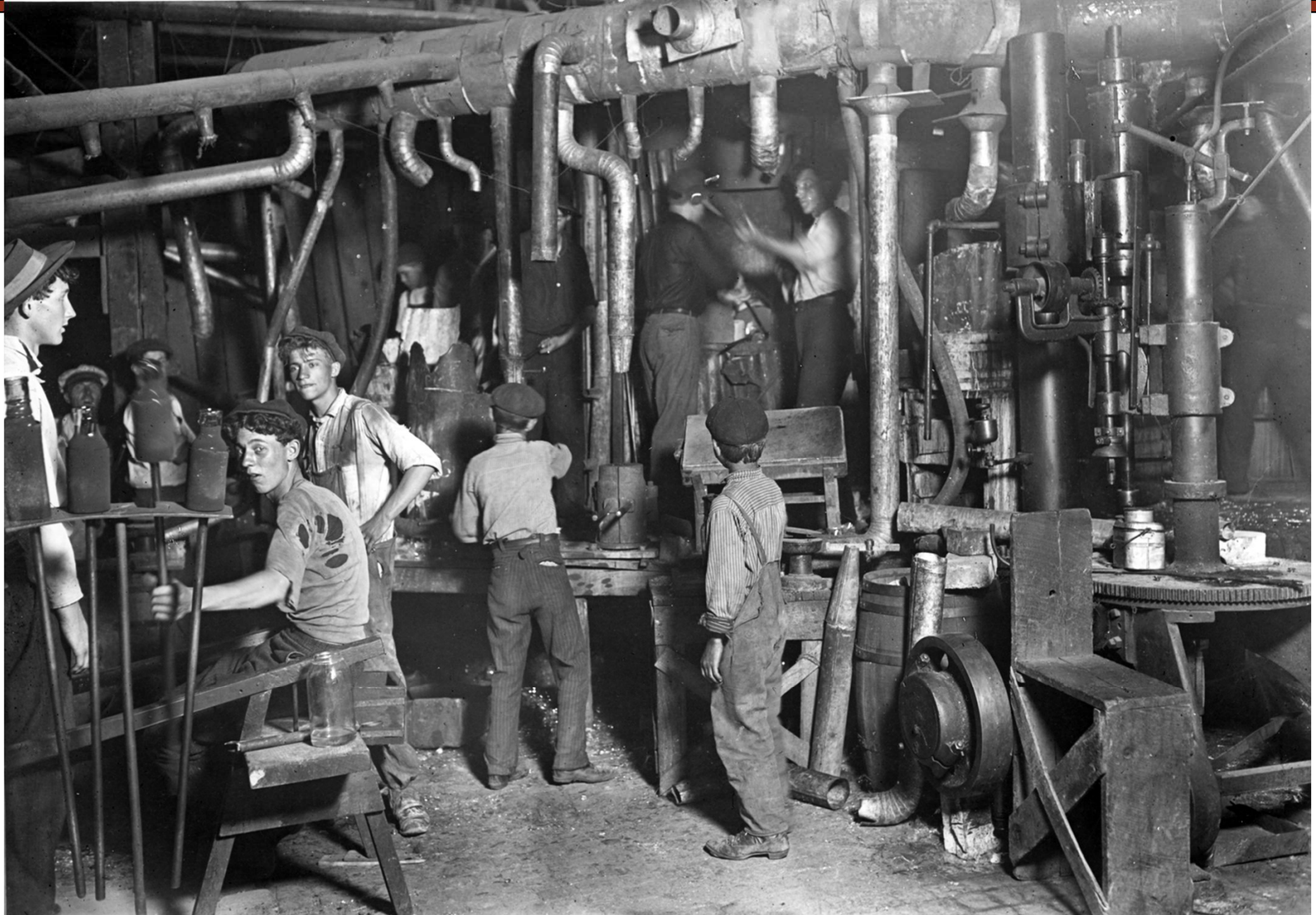
## Bibliografia:

Gomez-Mejia, Luis R., David B. Balkin e Robert L. Cardy; Management , McGRaw-Hill , 2012, cap. 1.



# Rules to be observed and kept by the people employed by an English factory in the XIX century

1. Each person employed in this factory engages to serve THOMAS AINSWORTH AND SONS, and to give one month's notice, in writing, previous to leaving his or her employment, such notice to be given on a Saturday, and on no other day. But the Masters have full power to discharge any person employed therein without any previous notice whatsoever.
2. The hours of attendance are from Six o'clock in the morning until half-past Seven at Night, excepting Saturday when work shall cease and half-past Four...
3. ....
4. Any person smoking tobacco, or having a pipe for that purpose in any part of the Factory, shall pay a forfeit of 5 shillings.
5. Any person introducing a Stranger into the Factory, without the leave of one of the proprietors, shall forfeit 2 shillings and 6 pence.
6. Any person employed in this factory engages not to be a member of, or directly or indirectly a subscriber to, or a supporter of, any Trades Union, or other Association whatsoever. Any Person destroying or damaging this Paper, shall pay 5 shillings.



Night shift in an Indiana glass factory, August 1908

# In the event of a fire

1. Stay calm.
2. Locate the fire.
3. Call the fire brigade.
4. Close windows and doors.
5. When the fire brigade arrives, introduce yourself.
6. If possible, put out the fire.

# Nordstrom's rules

## WELCOME TO NORDSTROM

We are glad to have you with our company.

Our number one goal is to provide an outstanding customer service.

Set both personal and professional goals high. We have great confidence in your ability to achieve them.

## **Nordstrom's rules**

Rule 1: use your good judgement in all situations

There will be no additional rules

Please feel free to ask your department manager any question anytime



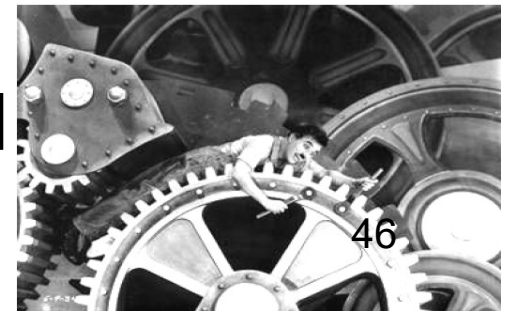
# The evolution of management

- Classical Perspective
- Behavioral Perspective
- Systems Theory
- Contingency Theory
- The Learning Organization



# Classical perspective

- The organization is viewed as a **mechanical system**.
- Scientifically study each part of a task and develop the best method of performing the task - Division of Work
- Main goal : Improving **efficiency** and productivity
- Workers are a part of the machine and act rationally.
- Management as Impersonal and Rational - Bureaucratic Organizations
- Successful Employees - Rewarded
- Unsuccessful Employees - Terminated



# Classical perspective

- Scientific Management (Frederick Taylor - 1856-1915)
  - Focusing on the management of work and workers.
- Administrative Management (Henry Fayol - 1841-1925)
  - Addressing issues concerning how overall organization should be structured.
- Bureaucratic Management (Max Weber - 1864-1920)
  - Looks at the organization as a rational entity, using impersonal rules and procedures to decision making.

# The evolution of management

- **Behavioral Perspective**

- The organization is viewed as an **organic system**.
- Acknowledges that psychological and social processes of human behavior can result in improvements in productivity and work satisfaction.
- The relationship between employees and a supervisor is a vital aspect of management.
  - Employee motivation
  - Leadership style
- The informal organization
- Naturally occurring Social Groupings





# The evolution of management

## □ Behavioral Perspective

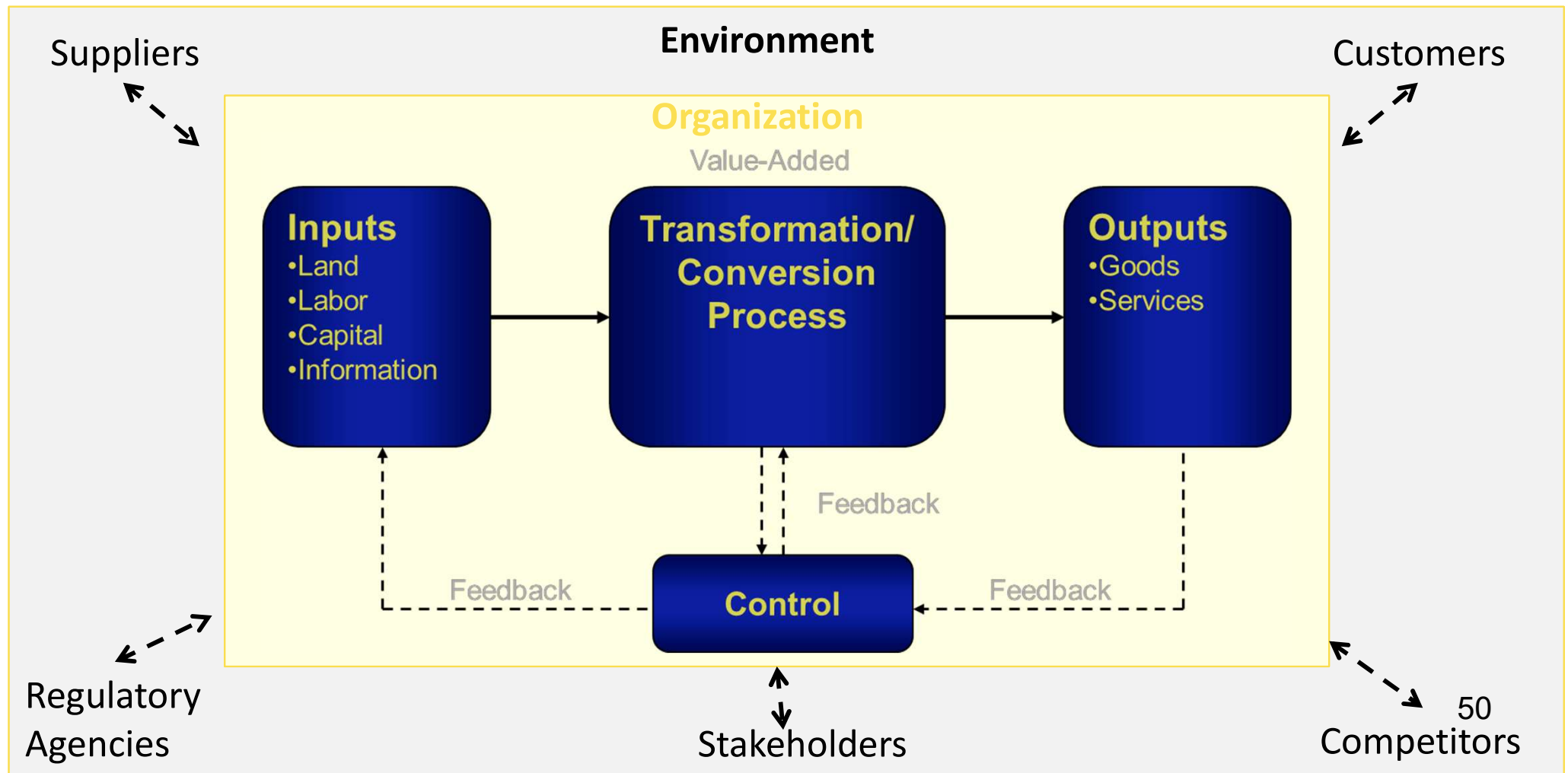


**The discovery that paying special attention to employees motivates them to put greater effort into their jobs.**

(from the Hawthorne management studies, performed from 1924 – 1932 at Western Electric Company's plant near Chicago)

# Systems theory

- Views the organization as a **system** of interrelated parts that function in a holistic way to achieve a common purpose.



# Contingency theory

- States that there is no “one best way” to manage an organization.
  - Because what works for one organization may not work for another
  - Situational characteristics (contingencies) differ
  - Managers need to understand the key contingencies that determine the most effective management practices in a given situation

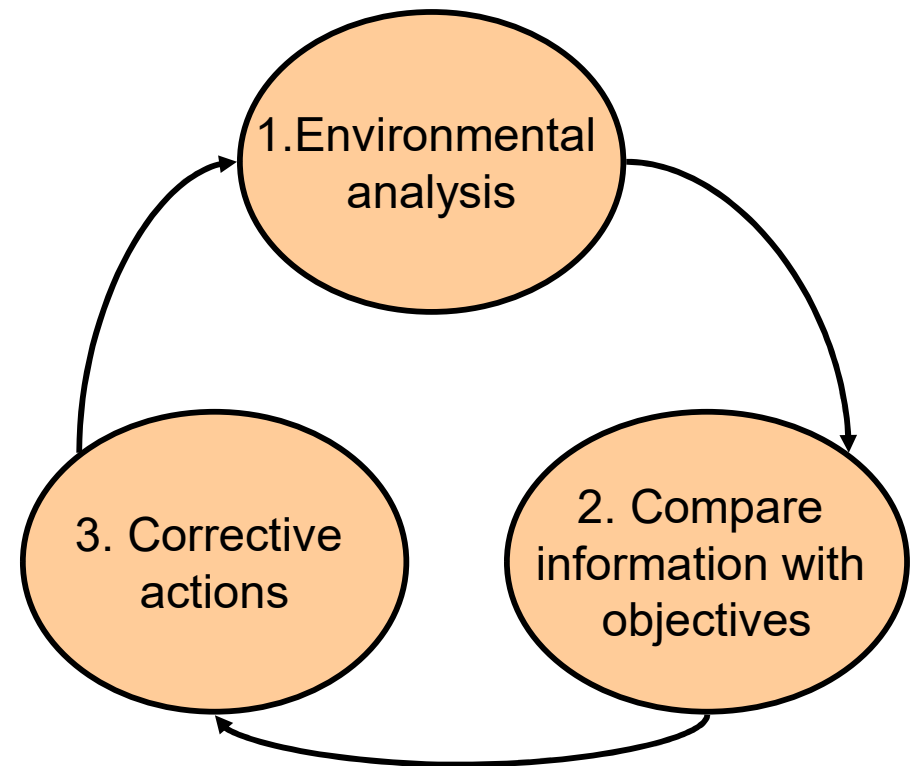
# ***Learning Organization***

- ***A Learning Organization*** *(Peter Senge)*
  - The management approach based on an organization anticipating change faster than its counterparts to have an advantage in the market over its competitors.

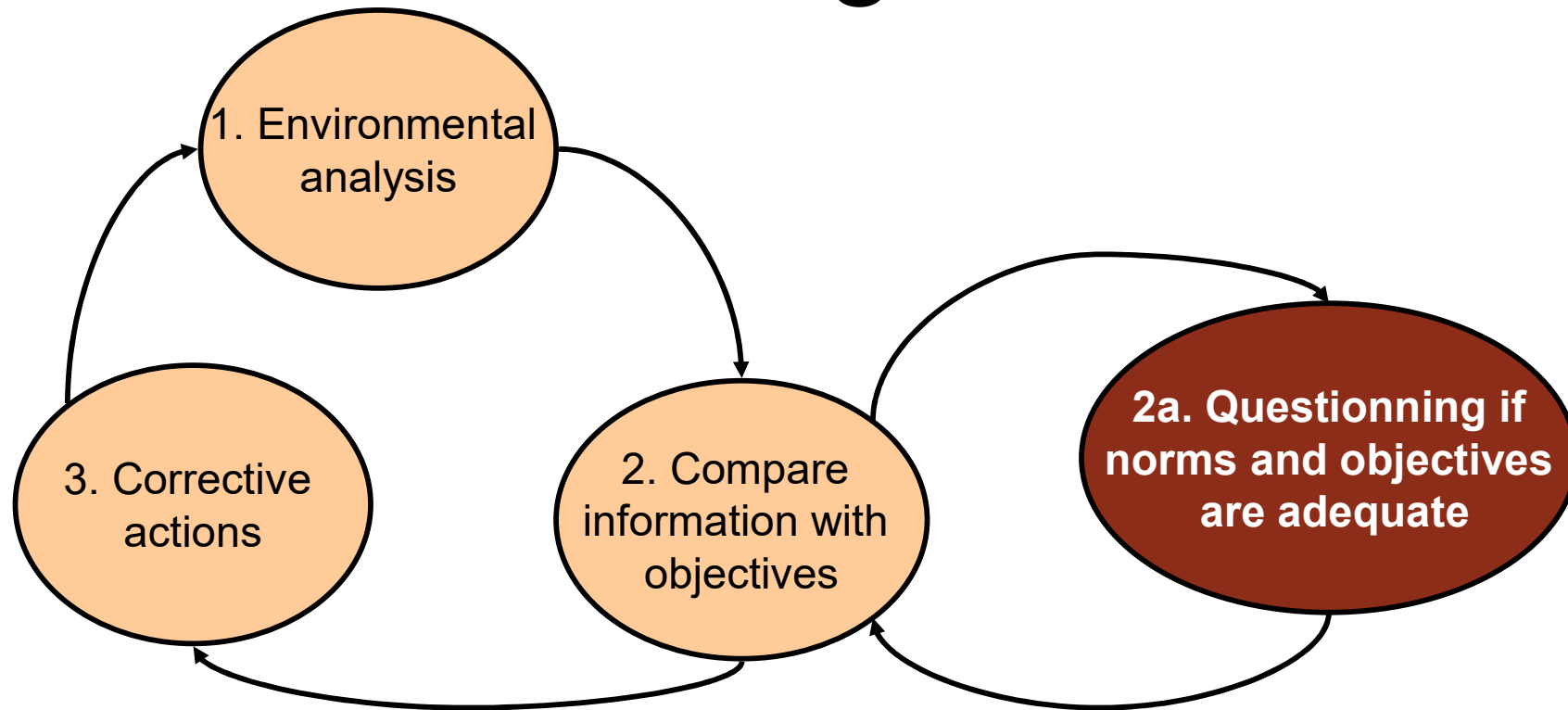


# Adaptive learning

- Learning as an ability to adapt to changes in the environment (reactive adaptation)
- The organization learns without changing its basic assumptions



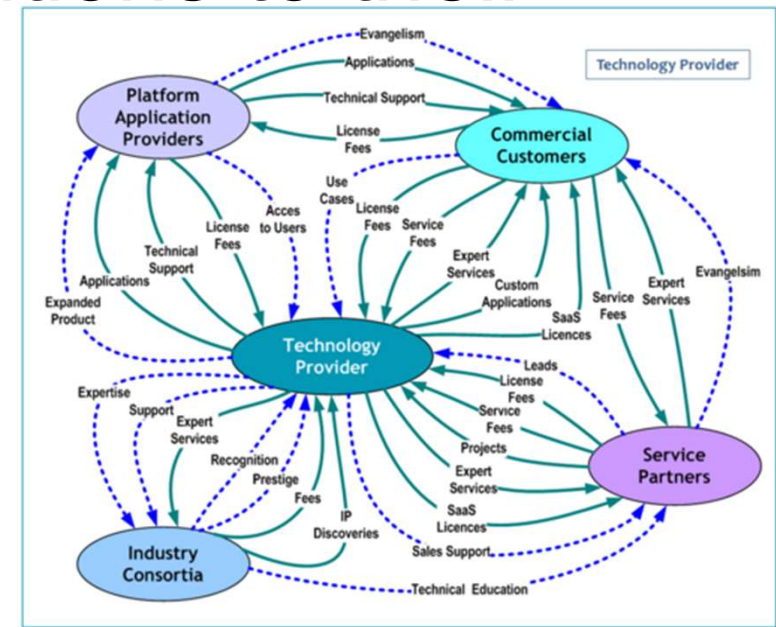
# Creative learning



- Learning as innovation
- Anticipate change and proactive change
- Re-thinking the organization's basic assumptions

# The virtual organization and value networks

- Organizations increasingly compete through value networks, focusing on their core competences and establishing partnerships within the value network to offer more complete solutions to their customers



# Case study

Password! Mike's story