Introduction to management

Management Team

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SMU

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COURSE LEARNING OUTCOMES (CLO)

- CLO1. Describe the organization, its environment, and explain the manager's functions, roles, and skills.
- CLO2. Outline the main business functions and the management process.
- CLO3. Contrast various management approaches and concepts.
- CLO4. Analyze real management problems with international case studies.
- CLO5. Discuss contemporary management issues with an emphasis on globalization, diversity, social responsibility, the data-driven approach to change management and business ethics.

- Chapter 1: Defining Organizations & Companies
  - Chapter 2 : Analyzing the environment
  - Chapter 3 : Marketing function
  - Chapter 4 : Operations Management function
  - Chapter 5 : Procurement and logistics
  - Chapter 6 : Human resource Management function
  - Chapter 7 : Accounting and Finance functions
  - Chapter 8: Research and Development function
  - Chapter 9 :Value Chain

COURSE ACADEMIC RESOURCES

Ronald J. Ebert, Ricky W. Griffin, **Business Essentials**, 9th Edition, 2019.

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EVALUATION CRITERIA AND WEIGHTS

Assessment Method	% of final grade	Individual or group assessment	Course Learning Outcomes (CLO)	Due Date
Final Exam	**40 %**	Individual	All CLOS	**Week 15**
Midterm Exam	**30 %**	Individual	All CLOS	**Week 7**
Project Presentation	**10 %**	Group	All CLOS	**Week 13/14**
Assignments	**5 %**	Individual	All CLOS	
Quizzes	**10 %**	Individual	CLO1; CLO2; CLO3	
Class Participation	**5 %**	Individual		
Total	**100%**			

Assessment details

✓ **Final Exam:** An evaluation about the whole content of the course.

✓ **Midterm Exam:** A test about the first part of the course:

- CHAPTERS 1+2+3

✓ **Quizzes (10%) :** short quizzes to test the student's knowledge

- 4 to 5 quizzes…
- MCQ, short exercises…

Assessment details

✓ Homework Assignment (5%): each student must choose a company to do:

- 1/ Business profile (chapter 1)
- 2/ External analysis (PESTEL+ PORTER) profile (chapter 2)
- 3/ SWOT analysis profile (chapter 2)
- 4/ Marketing strategy profile (chapter 3)

➔ Assignments are to be uploaded to Moodle in a PDF format.

✓ Project Presentation (10%): students must work in groups.

Each group must choose a company. The purpose is different functions especially the marketing function. (the guideline)

✓ Class participation (5%): MGMT is a highly interactive course, therefore, class discussions and debates are very welcomed and encouraged.

Class rules

✓ Attendance:

- Attendance will be recorded promptly at the beginning of the session.
- A 5-minute break is allowed. If a student exceeds this duration, they will be marked as absent.

Is Management Science or Art?

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IS MANAGEMENT IS AN ART OR SCIENCE ?

How management is an art

Managing is the "art of arts" because it organizes and uses human talent.

Practical knowledge

Personal skill

Creativity

Perfection through practice

Goal-orieanted

How management is science

Management follows a systematic method to find a possible solution for a problem

Concepts

Methods and principles

Theories

Organized knowledge

Practice

iEduNote

- Chapter 1: Defining Organizations & Companies
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  - Chapter 6 : Human resource Management function
  - Chapter 7 : Accounting and Finance functions
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Chapter 1: Defining Organizations & Companies

Learning Objectives

➔What is an organization?

➔What's a company?

➔What is a system?

➔What are the characteristics and types of organizations?

Chapter OUTLINE :

1) The definition of an organization
2) The company as an organization
3) The company as a system
4) The business' roles
5) Classification of organizations

Describe…

1-THE DEFINITION OF AN ORGANIZATION

An **organization** is a deliberate **arrangement** of people to accomplish some **specific purpose** *(that individuals independently could not accomplish alone).*

Organizations are **tools** people use to **coordinate** their actions to obtain something they desire or value – to achieve their goals.

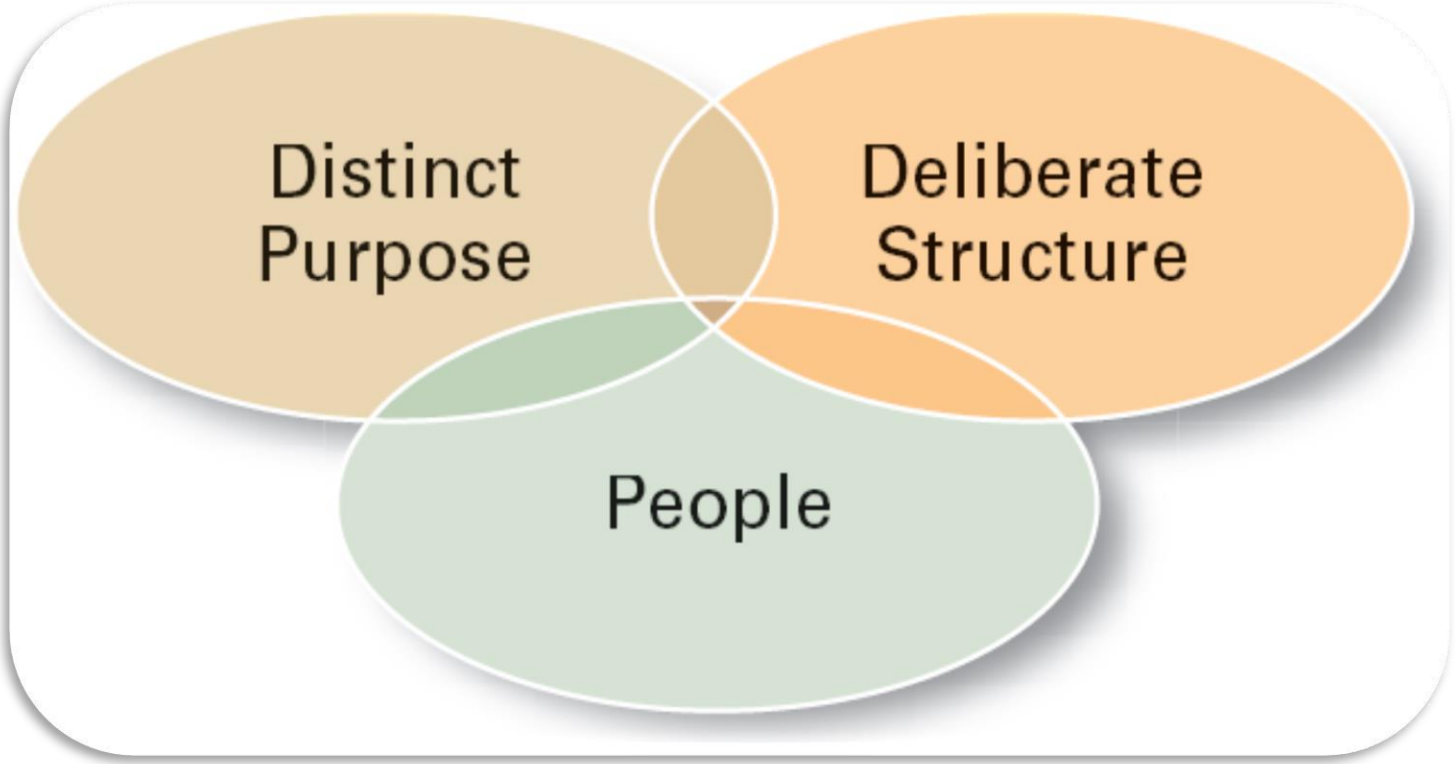
Organizations share three common characteristics:

(1) each has a distinct purpose;

(2) each is composed of people;

(3) each develops some deliberate structure so members can do their work.

Organizations' characteristics



2. The company as an organization

An arrangement

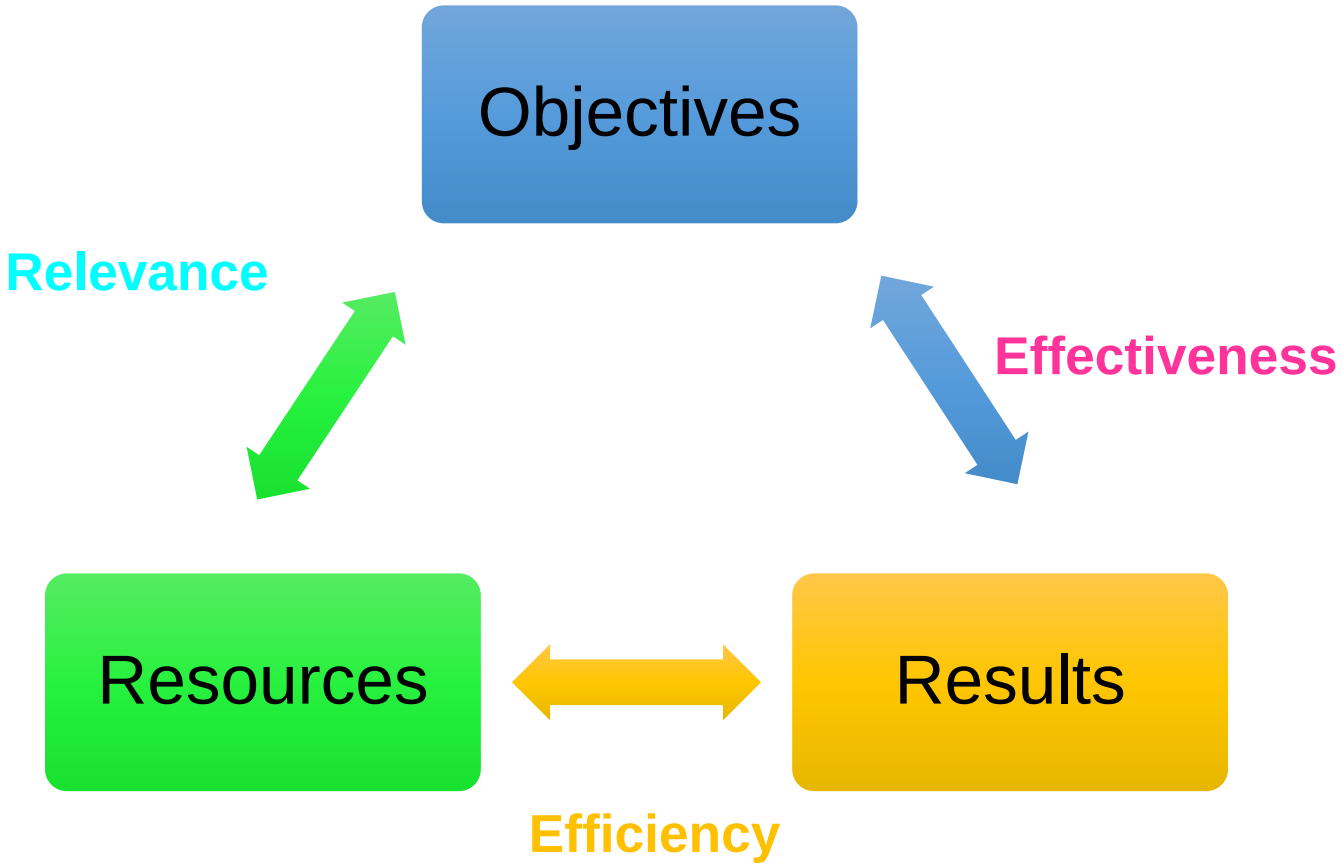
- Need for cooperation, collaboration, communication

A specific purpose

- Transformation of inputs (resources) into outputs (goods and/or services) to satisfy a market in order to ensure the survival and the development of the company

- The transformation/The activities must be competed ***effectively*** and ***efficiently***

The performance triangle



All companies are organizations but all organizations are not companies

Business: Any profit-seeking organization that provides goods and services designed to satisfy customers' needs.

(*) Firm, corporation, Enterprise and business … are synonyms of "company".

Competition

- Different companies are trying to sell their products to the same customers and the result is **competition**.

- Compagnies have to decide on what base to compete (increasing quality, uniqueness, improving customer service, lower/higher prices….)

- Each company seeks a **competitive advantage** (some aspects of a product or company) that makes it more appealing to target customers.

Apple's competitive advantage

lies in its strong focus on design, user experience, and ecosystem integration. Its products are known for their sleek and elegant design, user-friendly interfaces, and seamless compatibility across different devices and services.

Coca-Cola's competitive advantage

is largely attributed to its strong brand recognition and customer loyalty.

Its secret formula, unique taste, and successful marketing campaigns have helped it maintain a consistent and strong market presence for decades.

Tesla's competitive advantage

lies in its innovation in electric vehicle technology and energy solutions. The company's focus on battery technology, autonomous driving features, and commitment to sustainable energy has set it apart in the automotive industry.

3. The company as a system

The System & the Subsystem

A ***system*** is a set

of elements (*'components'*)

and relationships.

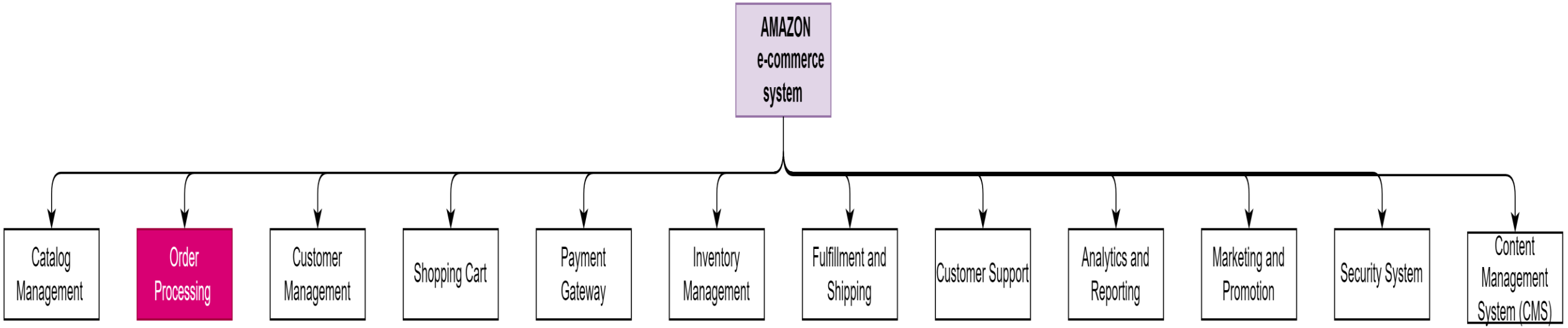
In a dynamic interaction .

Organized according to some goals .

A ***subsystem*** is a set of elements, which is a system itself, and a component of a larger system.

3-The company as a system

- A set of resources, means, skills
- **in interaction**,
- **organized** into several activities (commercial, productive, administrative…)
- **in order** to produce and sell goods and services to satisfy a market



- Amazon e-commerce company operates as a cohesive system encompassing various subsystems that collaborate to facilitate online sales and customer experience.
- Among these departments, the "Order Processing Subsystem" stands out, overseeing customer orders from placement to shipping through interactions with inventory, payment, and shipping subsystems, thereby playing a pivotal role in the company's overarching goal.

The characteristics of the company as a system

1. A **constructed** system

2. An **open** system

3. An **organized** system

4. A **finalized** system

The company: a constructed system

- It is not a natural system (ex: the functioning of the human body is a natural system)

- It is a human constructed system

The company: an open system

- In connection/interaction with its environment
- It has relations of exchange with this environment (suppliers, distributors, consumers)
- Draws resources and information from this environment
- Evolves according to the opportunities and the threats of this environment.
- Acts on this environment (by its products, its prizes, its ways of distribution, its communication……)

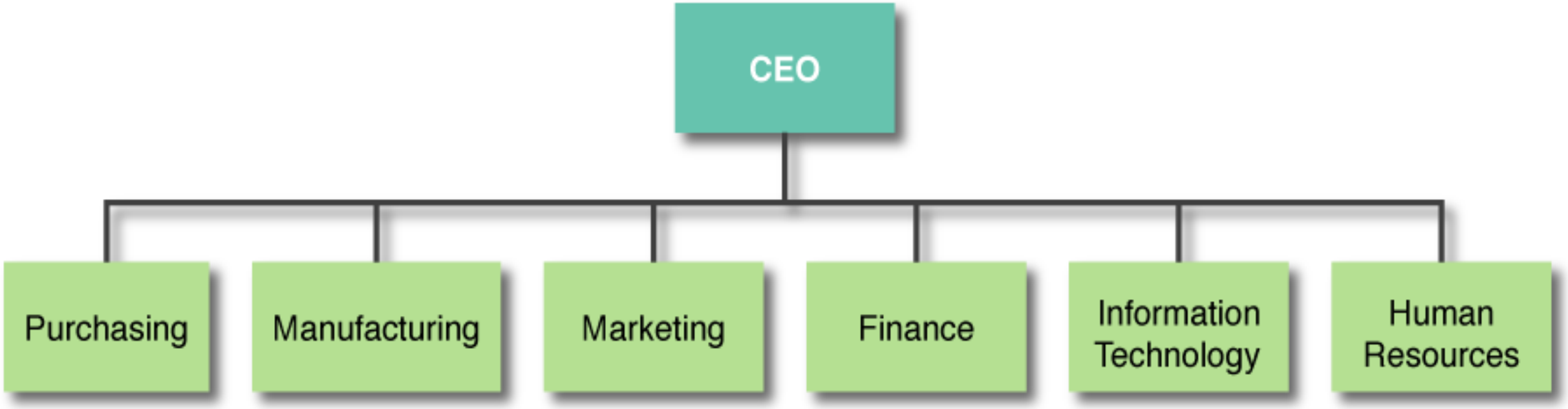
The company: an organized system

- Structured around:

➢ A center of command (orders) (hierarchical persons in charge)

➢ Various units/departments (commercial, production, administrative, financial…)

- Defined posts, distributed tasks
- Defined responsibilities and power



The company: an organized system

Responsible for making organization-wide **decisions** & establishing **plans & goals that affect the entire organization**

Responsible for the **organization** & **functioning** of their department/region/ project/plan/division

Responsible for the **personal oversight & direction** of operative employees. They guide & instruct workers and employees for day to day activities

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Reference: www.managementstudyguide.com

KRAFT
Coca-Cola
PEPSICO
Kellogg's
MARS
Nestlé
P&G
Johnson & Johnson
Unilever
GLACÉAU
Yum!
QUAKER
WRIGLEY
Cadbury
Spin-off
$$$
Nestlé
Wonka
L'ORÉAL
Pringles
IAMS
Splenda
Oral-B
Crest
Scope
Fixodent
Neutrogena
Aveeno
Lubriderm
Visine
Nizoral
Pepto
Vicks
Metamucil
Tylenol
Reactine
Motrin
Pepcid
Sudafed
Imodium
Polysporin
Benylin
Benadryl
Rolaids
Dawn
Tide
bounce
Cascade
cheer
Gain
Downy
Zest
Ivory
Joy
Swiffer
Febreze
Puffs
Bounty
Comet
Gillette
Old Spice
Secret
Tampax
always
Pampers
Charmin
Cushelle
Duracell
Pur
Braun
Herbal essences
head & shoulders
Pantene
infusium
nice'n easy
natural instincts
Garnier
Vichy
Biotherm
The Body Shop
Umbrelle
Maybelline
Kiehl's
Clairol
Olay
Covergirl
Lacoste
Boss
Hugo Boss
Gerber
Nesquik
Chefmate
Ralph Lauren
Giorgio Armani
Yves Saint Laurent
Stella McCartney
Diesel
Purina
Beneful
Cat Chow
Friskies
Fancy Feast
Felix
Alpo
Nestlé
Drumstick
Movenpick
Dreyer's
Parlour
Stouffer's
Delissio
Hot Pockets
Perrier
Nestea
S.Pellegrino
Vittel
Nescafé
Taster's Choice
Coffee Mate
Nespresso
Maxwell House
Nabob
Kenco
Jacobs
Kool-Aid
Del Monte
Capri-Sun
Crystal Light
Tang
Mr. Freeze
Triscuit
Premium
Snack Wells
Wheat Thins
Ritz
Club Social
Velveeta
Plit Québec
Philadelphia
Cracker Barrel
Simmental
Dr Pepper Snapple
Welch's
Sunkist
Canada Dry
Snapple
Squirt
Schweppes
Orangina
Mott's
Hawaiian Punch
Rosemount
Crush
Clamato
Trident
Clorets
Denbyne
Stride
Halls
Chiclets
Certs
Oreo
Teddy Grahams
LU
David
Fudge
Newtons
Chips Ahoy
Vitaminwater
smartwater
Côte d'Or
Toblerone
Milka
Orange
Bakers
Coca-Cola
Sprite
Mezzo Mix
Minute Maid
Fanta
Nestea
Monster
Power
Dasani
Full Throttle
Mug
Mini Dew
Brick
Ocean Spray
SoBe
Aquafina
Lipton
7up
Tropicana
AMP
pepsi
Dole
A&W
East Side Mario's
Taco Bell
Pizza Hut
Lite
Aunt Jemima
Crispy Minis
Harvest Crunch
Chewy
Yoplait
Häagen-Dazs
Wanchai
Pillsbury
Cheerios
Lucky Charms
Chex
Golden Grahams
Cinnamon Toast Crunch
fibre1
Ruffles
Mrs Vickie's
Cheetos
Cracker Jack
Fritos
Tostitos
Rold Gold
Sun Chips
Lay's
Doritos
Green Giant
Hamburger Helper
Betty Crocker
Old El Paso
Val Nature
Bugles
Pop Tarts
Eggo
Kashi
Cheez-It
Nutri-Grain
Corn Flakes
Muslix
Crispix
Frost Loops
Bran Flakes
Jacks
Raisin Bran
Frosted Flakes
Vector
Rice Krispies
Just Right
All-Bran
Mini-Wheats
Freedent
5 Gum
Wrigley's Spearmint
Excel
Doublemint
Juicy Fruit
Big Red
Extra
Hubba Bubba
Orbit
Life Savers
Starburst
Skittles
Altoids
Whiskas
Pedigree
Royal Canin
Mars
M&M's
Snickers
Milky Way
Maltesers
Dove
Bounty
Twix
Uncle Ben's
Knorr
Maille
Hellmann's
Becel
Imperial
Skippy
Bertolli
Slim-Fast
Pot Noodle
Colman's
Bovril
Good Humor
Breyers
Popsicle
Fudgsicle
Ben & Jerry's
Klondike
Cornetto
Magnum
Salada
Red Rose
Lipton
Dove
Axe
Lever 2000
Suave
Cutex
Noxzema
Alberto
Sunsilk
Salon Selectives
Thermasilk
Tresemmé
Vo5
Close-Up
Pepsodent
Sunlight
Vim
Sun
Via
Breeze
Q-tips
Vaseline
Comfort
Degree
Pond's
Dr Pepper
Snapple
Squirt
Schweppes
Orangina
Mott's
Hawaiian Punch
Rosemount
Crush
Clamato
Maynards
Sour Patch
Crispy Crunch
Caramilk
Crunchie
Kraft Dinner
Stove Top
Shake 'n Bake
Magic
Oscar Mayer
Polly-O
Claussen
Mr. Christie's
Honey Maid
Mayo
Miracle Whip
Hand Snacks
Jell-O
Cheez Whiz
Cool Whip
A1
Kit Kat
Aero
Oh Henry!
Rolo
Coffee Crisp
Crunch
Smarties
Goobers
Butterfinger
Mack
Cailler
After Eight
Turtles
Nerds
Sweetarts
Taffy Taffy
Runt
Gobstopper
Bottle Caps
Ice Cream Crime Glacée
Nestlé
Drumstick
Movenpick
Dreyer's
Parlour
Perrier
Nestea
Vittel
Stouffer's
Delissio
Hot Pockets
Cadbury
Spin-off

The company: a finalized system

- The satisfaction of customers needs
- The profit
- The growth
- The development
- The survival
- The independence…

4. Role of business in society

Businesses have the potential to contribute to society in many useful ways:

- **Offering valuable goods and services**
- **Providing employment**
- **Paying taxes**
- **Contributing to national growth, stability and security…**

Businesses could also have negative effects on society :

- **Generating pollution & creating waste**
- **Creating health & safety risks (**Ex: use of toxic materials that could be risky for employees surrounding communities and consumers)
- **Disrupting communities** (ex : bankrupcy of large companies…)
- **Causing financial instability:** poorly managed companies need assistance

5. Classification of organizations

1) For-Profit and Nonprofit organizations
2) Classification according to the size
3) Private and public companies
4) Sector classification
5) Industrial classification

For-Profit (Business) Organizations	Nonprofit Organizations
• A for-profit organization exists primarily to generate a profit, that is, to take in more money than it spends.	• A nonprofit organization provides goods and services without having a profit motive.(ex: public universities, charities….)
• Revenue is generated by customers making purchases	• Revenue is generated by donors, memberships dues, fundraising…)
• Owners have the option to retain profits, reinvest in the business, or distribute to employees through compensation plans like profit sharing.	• These organizations must operate effectively and efficiently to achieve their goals and may apply many of the business-management principles.

5.2- Classification according to the size

- Size could include factors such as staff, income, balance sheets et al
- Four types:
  - Micro: less than 10 employees
  - Small: 10 to 49 employees
  - Medium: 50 to 249 employees
  - Large: 250 people or more
- It depends on the sector, the industry and the region
- The size of the company is also commensurate to the revenu of the company (ex: high tech industry)

5.3- Private & Public companies

- Private company does not offer stock to the general public. It is not listed on a public stock exchange. The transfer of shares is restricted
- Public company: is owned and traded publicly. It's listed on a public stock exchange. The transfer of shares is free.

5- 4 Sector classification

Sectors of Industry

Although there are hundreds of different jobs or occupations, they can all be classified into 4 categories:

Primary

Working with or the extraction of natural resources e.g. Farming, mining or forestry

Secondary

Making things either by manufacturing or construction e.g Nissan Car manufacturing

Tertiary

This type of industry provides services. These include commercial services (Shops), Professional (Solicitors), Social (School teacher), entertainment (restaurants), Personal (Hairdressers)

Quaternary

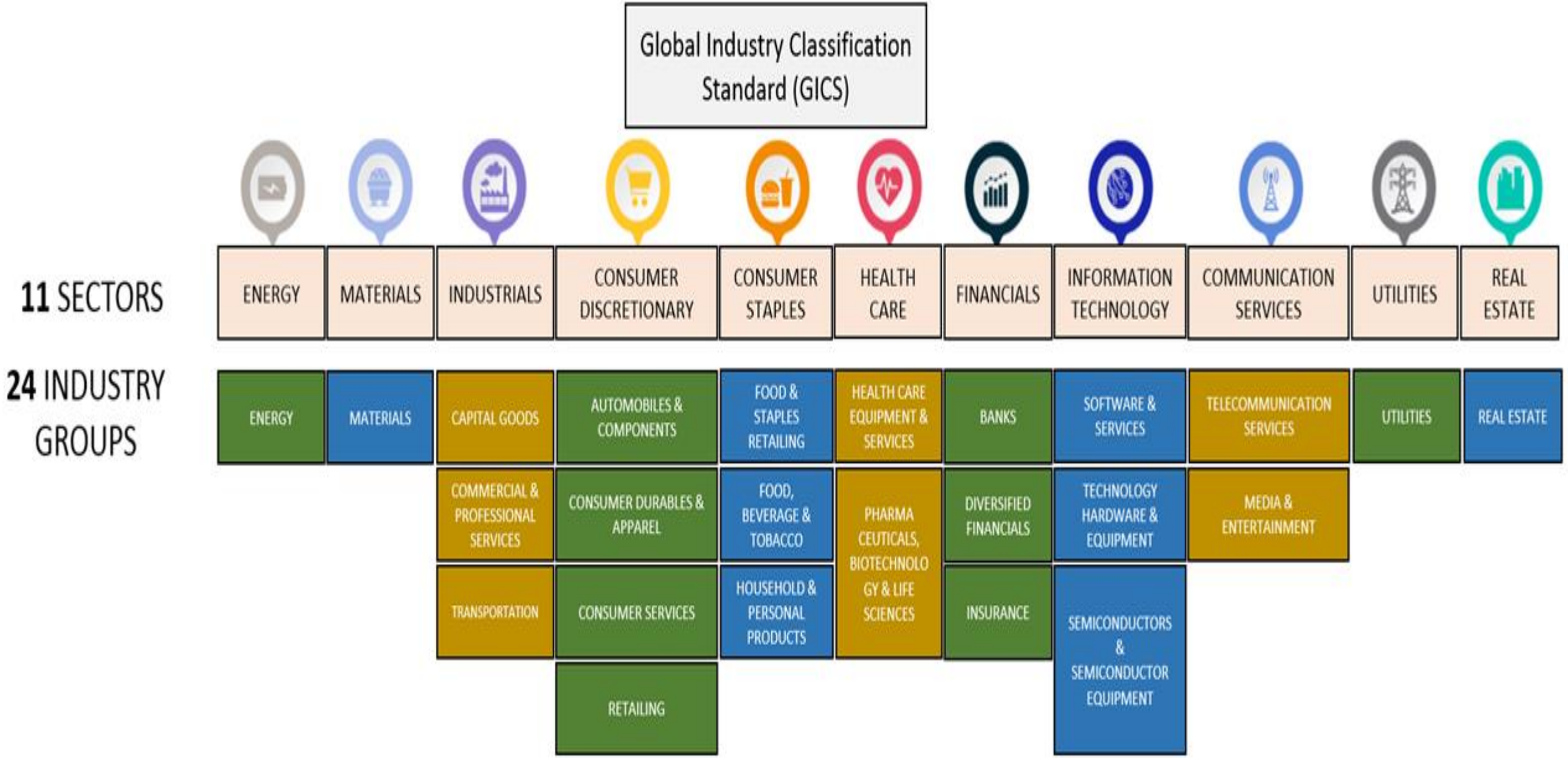
This is a new sector and is linked to ICT and research development (Genetics Researcher)

http://www.slideshare.net/Missliv/economic-change-revision

5.5 Industrial classification

A company's industrial classification refers to how it is categorized or grouped based on the type of industry or business it operates in.

This classification helps to understand what kind of products or services the company provides and allows for easier comparison and analysis with similar companies in the same industry.



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ASSIGNMENT : BUSINESS PROFILE

- ❑Company name:
- ❑Type of business (Industry): ex: Banking
- ❑Date of creation
- ❑Type of company : ex: limited private company
- ❑Founder(s):
- ❑Head office address:
- ❑Main products/ services:
- ❑Number of employees:
- ❑Main markets : ex: Worldwide
- ❑Export percentage:
- ❑Annual revenue (Last year):

+ Any further general information about the company