

OUR GLOBAL ECONOMY

THE BASIC ECONOMIC PROBLEM:

MAKING ECONOMIC DECISIONS:

The Decision-Making Process
Decision Making in Action

PRICE AND THE CHANGING VALUE OF MONEY

Price-Setting Activities
Changing Prices

ECONOMIC RESOURCES SATISFY NEEDS

TYPES OF ECONOMIC SYSTEMS

Command Economies
Market Economies
Mixed Economies

ECONOMIC DEVELOPMENT

Industrialized Countries
Less-Developed Countries
Developing Countries

THE ECONOMICS OF FOREIGN TRADE

MEASURING ECONOMIC PROGRESS

Measure of Production
International Trade Activity
Other Economic Measurements

CULTURAL INFLUENCES ON BUSINESS

CULTURAL INFLUENCES ARE IMPORTANT:

CULTURES INCLUDE SUBCULTURES

Influences of Cultures and Subcultures

Subculture of U.S. Business

Variations in Business Subcultures Worldwide

CULTURAL INFLUENCES AFFECT SOCIAL ORGANIZATION

Family Units

Education

Gender Roles

Family-Work Relationships

Mobility

Class System

COMMUNICATION ACROSS CULTURES

Language Differences

Learning a Second Language

Direct and Indirect Communication

Nonverbal Communication

VALUES VARY FROM CULTURE TO CULTURE

Individualism and Collectivism

Technology

Leadership, Power, and Authority

Religion

Time

CULTURAL DIFFERENCES NECESSITATE ADJUSTMENTS

Ethnocentrism

Reactions to Cultural Differences

INFORMATION NEEDS FOR GLOBAL BUSINESS **ACTIVITIES**

MANAGEMENT INFORMATION SYSTEMS

External Data Sources
Internal Data Sources
Decision Support Systems

TECHNOLOGY IN THE GLOBAL INFORMATION SYSTEM

Technology Is Constantly Changing
Cultural and Social Norms Affect Technological Advances

COMPUTER NETWORKS

Local Area Networks (LANs)
Wide Area Networks (WANs)
Storage Access Networks (SANs)

ARTIFICIAL INTELLIGENCE AND EXPERT SYSTEMS

Federal Government Agencies
International Trade Agencies
Foreign Government Agencies
International Business Organizations

DISTRIBUTION PLANNING AND ACTIVITIES

Channels of Distribution

Common Types of Channels

Producer Directly to Consumer *Example: Etsy*

Producer to Consumer through Retailers

1 4
Producer to Consumer through Wholesalers and Retailers 2 3

Integrated Marketing Channels *Online channels*

Developing a Channel of Distribution

Perishability of the product *The need for refrigeration*

Geographic distance between the producer and the consumer *Efficiency*

Need for the special handling of the product

Number of users

Number of types of products manufactured

Financial strength and interests of the producer

Distribution Methods

Railroads

Trucks

Air Shipments

Other Transportation Methods

Product Handling

Tracking Products

Product Storage

Order Processing

The Product Life Cycle

Introduction

Growth

Maturity

Decline

Type of Consumer Products

Industrial Goods *Used by businesses*

Consumer Goods

Convenience Goods *Items at gas stations or front end of grocery store*

Shopping Goods *Everyday grocery needs, retail stores*

Specialty Goods *Found at store like Brookstone*

Unsought Goods

Successful Marketing Strategies

IMPLEMENTING AND CONTROLLING

INTRODUCTION

THE IMPLEMENTING FUNCTION

Implementing Activities

Effective Communications

Bottom → Top

Employee Motivation

Work Teams

Operations Management

Production

Motivation Theories

Maslow's Hierarchy

McClelland's Achievement Motivation

Herzberg's Factors

Managing Change

Planning

Communicating

Involving

Educating

Supporting

THE CONTROLLING FUNCTION

The Basic Steps

*an
What should
When does it
What is the*

Types of Standards

Quantity Standards

Quality Standards

Time Standards

Cost Standards

Measuring and Comparing Performance

Taking Corrective Action

Controlling Costs

Inventory

Credit

Theft

Health and Safety

THE IMPORTANCE OF BUSINESS MANAGEMENT

PLANNING AND ORGANIZING

INTRODUCTION

THE PLANNING FUNCTION

THE IMPORTANCE OF PLANNING

Levels of Planning

- Strategic Planning
- Operational Planning

Planning Tools

- Goals
- Budgets
- Schedules
- Standards
- Policies
- Procedures
- Research

THE ORGANIZING FUNCTION

Role of Organization Charts

Elements of Organization

- Division of Work
- Facilities
- Employees

Characteristics of Good Organization

- Responsibilities are assigned and authority is delegated
- Quality of work is evaluated
- Unity of command is practiced
- A reasonable span of control is maintained

Types of Organizational Structures

- Line organization
- Line-and-staff organization

Improving Business Organization

Authority ↓ Accountability ↑

Line - Revenue Generators

Staff - Revenue Consumers

PURCHASING AND PRICING

PURCHASING

What to Purchase

Quality
Brand Names
Product Assortment

Guides to Determining What to Purchase

Company Records
Comparison Studies

When to Purchase

How to Purchase

Sales Representatives
Buying Trips
Buying Offices
Ordering by Catalog or Computer

Choice of Suppliers

How Much to Purchase

PURCHASING PROCEDURES

Purchasing Department

Placing the Order
Handling Incoming Goods

TERMS OF SALE

Delivery Terms

Payment Terms

Discounts

Trade Discount

Quantity Discount

Seasonal Discount

Cash Discount

Like trade-ins for cars, turn in old product to reduce price

Buy one, get one free

- Discount related to time of year

- Discount if cash is used instead of credit

PRICING TERMS AND PROCEDURES

Terms Used in Pricing

Determined by business

Selling Price

Cost of Goods Sold

Operating Expenses

Margin

Net Profit

Markup

Markdown

- Cost of product getting to the business

- Payroll, utilities, rent, etc.

Selling price - Cost of goods sold

Margin - Operating expenses

Price above cost we pay as consumer

Reducing price below markup

Analyzing Prices

PRICING DECISIONS

Pricing to Meet Competition

Pricing to Earn a Specific Profit

Pricing Based on Consumer Demand

Pricing to Sell More Merchandise

Pricing to Provide Customer Service

CONTROLLING PRICES AND PROFITS

Markdowns

Damaged or Stolen Merchandise

Returned Merchandise

HUMAN RESOURCE MANAGEMENT

WHO MAKES UP THE LABOR MARKET?

FOUR HUMAN RESOURCE MANAGEMENT APPROACHES

**Ethnocentric Approach
Polycentric Approach
Regiocentric Approach
Geocentric Approach**

DETERMINING STAFFING NEEDS

RECRUITING POTENTIAL EMPLOYEES

SELECTING QUALIFIED EMPLOYEES

TRAINING AND DEVELOPING ARE CRITICAL

**Types of training and development
Training and Development Help to Prevent Failure**

MOTIVATING EMPLOYEES IS CULTURALLY BASED

COMPENSATING EMPLOYEES

EVALUATING EMPLOYEE PERFORMANCE

ANTICIPATING REPATRIATION

SOCIAL AND ETHICAL ENVIRONMENT OF BUSINESS

HUMAN RESOURCE ISSUES

Population
Labor Force
Poverty
Equal Employment
Comparable Worth
Societal Values
Employer Practices

NATURAL RESOURCE ISSUES

Managing the Environment
Governing our Actions

ETHICAL ISSUES

Business Ethics
Ethical Dilemmas

SOCIAL RESPONSIBILITY OF BUSINESS

THE FUTURE

GLOBAL ENTREPRENEURSHIP AND SMALL BUSINESS MANAGEMENT

THE ECONOMIC IMPORTANCE OF ENTREPRENEURS:

**Innovation and the Entrepreneurial Spirit
Economic and Social Benefits of Small Business**

TYPES OF ENTREPRENEURIAL BUSINESSES

**Extracting Companies
Manufacturing Companies
Wholesalers
Retailers
Service Companies**

SELF-EMPLOYMENT AS A CAREER

**The Business Plan
Advantages of Self-Employment
Disadvantages of Self-Employment
Qualities of Successful Entrepreneurs**

FINANCING THE SMALL BUSINESS

**Analyzing Costs
Sources of Funds
Financial Records of Small Businesses**

MANAGING THE SMALL BUSINESS

**Production Management
Human Resource Management
Information Management**

HOME-BASED BUSINESSES

CORPORATE FORMS OF BUSINESS OWNERSHIP

CORPORATIONS

Basic Features

Stockholders

Directors

Officers

FORMATION OF CORPORATION

Certificate of Incorporation

Naming the Business

Stating the Purpose of the Business

Investing in the Business

Paying Incorporation Costs

OPERATING THE NEW CORPORATION

Getting Organized

Handling Voting Rights

CLOSE CORPORATION (CLOSELY HELD CORPORATION)

Private Corporation

OPEN CORPORATION (PUBLICLY OWNED CORPORATION)

ADVANTAGES OF CORPORATIONS

DISADVANTAGES OF CORPORATIONS

BUSINESSES SUITED TO BEING CORPORATIONS

SPECIALIZED TYPES OF ORGANIZATIONS

Joint Ventures

S-Corporations

Non-Profit Corporations

Quasi-Public Corporations

Cooperatives

SATISFYING OUR ECONOMIC WANTS

NONECONOMIC WANTS

UTILITY

- Form Utility**
- Place Utility**
- Time Utility**
- Possession Utility**

CORRECTING ECONOMIC PROBLEMS

- Business Cycle**
- Expansion**
- Peak**
- Contraction**
- Trough**

PROPRIETORSHIP (SOLE PROPRIETOR/PROPRIETOR)

- Advantages**
- Disadvantages**
- Businesses Suited to Being Proprietorships**

PARTNERSHIP (PARTNER)

- Advantages**
- Disadvantages**
- Limited Partnership**
- Businesses Suited to Being Partnerships**

THE BUSINESS' NAME