Managing For Business Success

Chapter Objectives
1. Identify functions of management
2. Understand how a company develops and implements strategic plan
3. Discuss options for organizing a business & create organizational chart
4. Explain how managers direct and motivate
5. Describe how managers monitor operations and assess performance
6. Describe skills to be a successful manager

Efficiency/Effectiveness

Management
• “...the process of planning, organizing, directing, and controlling resources to achieve specific goals.”

Functions of Management

Planning
• “...managers set goals and determine the best way to achieve them.”
Strategic Plan

“...establishing an overall course of action.”

1) Mission Statement
2) Core Values/Beliefs
3) SWOT
4) Goals & Objectives
5) Tactical/Operational Plans

Mission Statement

“...describes the purpose of your organization- the reason for its existence.”

Core Values

“...fundamental beliefs about what’s important and what is and isn’t appropriate in conducting company activities.”

“...link... to performance evaluations and compensation.”

SWOT Analysis

“...company’s fit with its environment.”

- Strengths
- Weaknesses
- Opportunities
- Threats

Examine internal and external forces that affect the company.

Goals & Objectives

- Goals- major accomplishments over long period of time
- Objectives- short-term performance targets that direct efforts toward goal
- Organization
  - Number of goals/objectives
  - Change over time

Types Of Plans

- Strategic
  - Long-term
  - Overall course of action
  - Established by upper-level managers
  - Implemented by managers at all levels
- Tactical
  - Shorter term
  - Specify activity/resources needed to implement strategic plans
- Operational: Detailed action steps taken to implement tactical plans and strategic plan
Contingency vs. Crisis

- Contingency Planning: Identify aspects most likely to be adversely affected by change, develop alternative courses of action
- Crisis Management: Create structure to deal with emergencies

Organizing

- “…allocates resources (people, equipment, and money) to achieve a company’s plans.”

Levels of Managers

- Top Managers: Responsible for health & performance
- Middle Managers: Oversee activities of first-line managers
- First-Line Managers: Supervise & coordinate employees

Organizational Structure

- “…arrangement of positions…most appropriate for your company at a specific point in time.”

Structure Activities

- Job Specialization: Dividing tasks into jobs
  - Identify activities to be performed
  - Break activities into tasks
- Departmentalization: Grouping jobs into meaningful units
  - Functional: by skills/tasks
  - Divisional: accountable for performance
Product Division

- Baked Goods
- Packaged Meats
- Beverages, Household & Body-Care
- Knitwear & Other Clothing

Customer Division

- Johnson & Johnson
- Personal-Care & Hygiene Products
- Prescription Drugs
- Medical Devices & Diagnostic Products

Process Division

- Bowater Thunder Bay
- Tree Cutting
- Chemical Processing
- Finishing

Geographical Division

- McDonald's
  - Northeast
  - Southeast
  - Great Lakes
  - Midwest
  - West

Organization Chart

- "...a diagram delineating the interrelationships of positions..."

Notes-4-You

- Owner/Parent
  - Accounting Manager
  - Marketing Manager
  - Operations Manager
  - H.R. Manager
  - Accounting
    - Sales
      - Sales Staff
      - Non-Sales Staff
    - Non-Sales
      - Sales Staff
      - Non-Sales Staff
  - Sales
    - Sales Staff
    - Non-Sales Staff
  - Accounting
    - Accounting Staff
    - Non-Accounting Staff
Divisional Organization Chart
(a) Divisional structure by product  (b) Divisional structure by customer base

Lines Of Authority
- Chain of Command - Who reports to whom
- Unity of Command - One boss
- Matrix Structure - Form teams to combine skills on specific project
- Span of Control - Number of people reporting to a manager

Delegating Authority
- Delegation - Entrusting work to subordinates
- Responsibility & Authority
- Centralization & Decentralization

Directing
- “...providing focus and direction to others and motivating them to achieve organizational goals.”

Leadership Styles
- Autocratic
- Democratic
- Laissez-Faire
Theories of Effective Leadership

- Transactional: Exercise authority based on rank in organization
- Transformational: Mentor and develop subordinates by stimulating

Controlling

- "...comparing actual to planned performance and taking necessary corrective action..."

Control Process

1. Set standards by which performance will be measured.
3. Compare actual performance with standards and identify any deviations.
4. Determine the reasons for the deviations.
5. Take corrective action if needed.

Managerial Skills

- Technical
- Interpersonal
- Conceptual
- Decision-Making
- Communication
- Time-Mgmt.

How To Solve a Problem

1. Identify the problem you want to work on.
2. Gather relevant data.
3. Examine the problem.
4. Generate possible solutions.
5. Select the best option.
6. Implement your decision andmonitor your progress.