

# Management marketing flashcard



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EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Essentials of Contemporary Management Chapter

1 What is Management? – The Management Process Today Management is the planning, organizing, leading and controlling of human and other resources to achieve organizational goals efficiently and effectively

Achieving high performance: a manager's goal Organizational performance is a measure of how efficiently and effectively managers use resources to satisfy customers and achieve organizational goals.

Efficiency is a measure of how well or how productively resources are used to achieve goals; o Organizations are efficient when the amount of input resources or the amount of time needed to produce a given output of goods or services is minimized Effectiveness is a measure of the appropriateness of the goals that managers have selected for the organization to pursue and of the degree to which the organization achieves its goals o Organizations are effective when appropriate goals are chosen and achieved High effectiveness Low efficiency A product that the customer want, but that is too expensive for them to buy A low-quality product that customers do not want High efficiency A product that customers want at a quality and price that they can afford A high-quality product that customers do not want – Low effectiveness Managerial Functions ... are planning, organizing, leading and controlling > how well managers perform these functions determines how efficient and effective their organizations are Planning is a process that managers use to identify and select appropriate goals and course of action Three steps in the planning process are:

1. deciding which goals the organization will pursue
2. deciding what courses of action to adopt to attain these goals
3. deciding how to allocate organizational resources to attain those goals

Leading ... is articulating a clear vision for organizational members to follow and energizing and enabling organizational members so that they understand the part they play in achieving organizational goals Leadership depends on the use of power, influence, vision, persuasion, and communication skills to coordinate the behaviours of individuals and groups so that their activities and efforts are in harmony and to encourage employees to perform at a high level.

Also you can read Marketing Chapter 1 Notes

Controlling ... is evaluating how well an organization is achieving its goals and take action to maintain or improve performance Types of Managers Organizations employ three types of managers: first-line managers, middle managers, and top managers > grouped into departments (or functions) A department (e. g. manufacturing, accounting.. ) is a group of people who work together and possess similar skills or use the same kind of knowledge, tools or techniques to perform their jobs Levels of management First-line managers (or supervisors) o Responsible for the daily supervision of the nonmanagerial employees who perform many of the specific activities necessary to produce goods and services o Work in all departments or functions Middle managers o Supervising first-line managers o Responsible for finding the best way to organize human and other resources to achieve organizational goals

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- o Help first-line managers and nonmanagerial employees to find better ways to use resources to reduce costs or improve customer service o Makes decisions about the production of products and service Top managers o Responsible for the performance of all departments (> cross-departmental responsibility) o Establish organizational goals o Decide how different departments should interact o Monitors performance of middle managers ?

Chief executive officer (CEO) is a company's most senior and important manager, the one whom all other top managers report • Creates a smoothly functioning top-management team, a group composed of the CEO, the COO, and the department heads most responsible for helping achieve organizational goals ? Chief operating officer (COO) is often used to refer to the top manager who is being groomed to take over as CEO > together are responsible for developing good working relationships among the top managers of various departments The lower that managers' positions are in the hierarchy, the more time the managers spend leading and controlling first-line managers or nonmanagerial employees Recent changes in managerial hierarchies

Tasks and responsibilities of managers at different levels have been changing dramatically in recent years > global competition > advances in new information technology (IT) and e-commerce Restructuring and Outsourcing

- Restructuring involves the use of information technology to downsize an organization or to shrink its operations by eliminating jobs of large numbers of top, middle, or first-line managers and nonmanagerial employees
- Outsourcing involves contracting with another company, usually in a low-cost country abroad, to have it perform an activity the organization previously performed itself o Promotes efficiency by reducing costs and by allowing an organization o make better use of its remaining resource Empowerment and self-managed teams two steps to reduce costs and improve quality:
  - empowerment of a company's workforces by using powerful new software programs to expand employees' knowledge, task, and responsibilities
  - creation of self-managed teams – groups of employees given responsibility for supervising their own activities and for monitoring the quality of the goods and services they provide

EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart o teams input results of their activities in computers, so middle managers have immediate access to what is happening o first-line managers act as coaches or mentors, provide advice and guidance, and help teams find new ways to perform their tasks more efficiently IT and Managerial Roles and Skills A managerial role is a set of specific task that managers are expected to perform because of their position in an organization Managerial roles identified by Mintzberg

Henry Mintzberg reduced to 10 roles the thousands of specific tasks that managers need to perform as they plan, organize, lead and control organizational resources > grouped the ten roles into three broad categories: decisional, informational, and interpersonal

Decisional  
Entrepreneur  
Disturbance Handler  
Resource Allocator  
Negotiator

Informational  
Monitor  
Disseminator  
Spokesperson

Interpersonal  
Figurehead  
Leader  
Liaison

developing innovative goods and services or expanding markets  
dealing with both internal and external crises of the organization  
sets budgets  
works with other organizations to establish agreements  
evaluates managers and takes corrective action  
informs workers about changes in the internal and external environment  
informs the local community about the organization's activities  
explains the organization's goals to employees  
provides an example for employees to follow  
coordinates the work of managers in different departments

Being a manager often involves acting emotionally and relying on gut feelings. Quick, immediate reactions to situations rather than deliberate thought and reflection are an important aspect of managerial action

Managerial skills  
Conceptual skills are demonstrated in the ability to analyze and diagnose a situation and to distinguish between cause and effect

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Human skills include the ability to understand, alter, lead, and control the behavior of other individuals and groups.

The ability to communicate, to coordinate, and to motivate people and to mold individuals into a cohesive team, distinguishes effective from ineffective managers. Technical skills are the job-specific knowledge and techniques required to perform an organizational role. Effective managers need all three kinds of skills. The term competencies is often used to refer to the specific set of skills, abilities, and experiences that gives one manager the ability to perform at a higher level than other managers.

Challenges for Management in a Global Environment

Four main challenges stand out for managers in today's world: Building a competitive advantage, maintaining ethical standards, managing a diverse workforce, and utilizing new information systems and technologies.

Building a competitive advantage

Increasing efficiency — reducing the resources needed to produce goods

Increasing quality — total quality management (TQM)

Increasing speed, flexibility, and innovation

Increasing responsiveness to customers — employees need to be trained to be responsive to customer needs

Maintaining ethical and socially responsible standards

Avoiding bribes and other unethical behaviour

Managing a diverse workforce

Treating employees in a fair and equitable manner that does not discriminate based on age, gender, race, religion, sexual preference, or income level.

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Essentials of Contemporary Management Chapter 2 – Values, Attitudes, Emotions and Culture: The Manager as a Person

Enduring Characteristics: Personality traits

Personality traits: Enduring tendencies to feel, think, and

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act in certain ways The Big Five personality traits Effectiveness is determined by a complex interaction between the characteristics of managers (including personality traits) and the nature of the job and the organization they are working in. (1) Extraversion is the tendency to experience positive emotions and moods and feel good about oneself and the rest of the world + (extroverts) sociable, affectionate, outgoing and friendly ? introverts) less inclined toward social interactions, less positive outlook (2) Negative affectivity is the tendency to experience negative emotions and moods, feel distressed, and be critical of oneself and others + Feel angry and dissatisfied and complain about their own and other's lack of progress ? Not tend to experience many negative emotions, moos, and are less pessimistic and critical of themselves and others (3) Agreeableness is the tendency to get along well with other people + Likeable, tend to be affectionate, and care about other people ? Distrustful of others, unsympathetic, uncooperative, and even at times antagonistic (4) Conscientiousness is the tendency to be careful, scrupulous, and preserving + Organized and self-disciplined ? Lack direction and self-discipline (5) Openness to experience is the tendency to be original, have broad interest, be open to a wide range of stimuli, be daring, and take risks + Likely to take risks, be innovative in planning and decision making ? Less prone to take risks, more conservative in planning and decision making Other personality traits that affect managerial behavior ? Locus of control ° Belief in how much control people have over what happens to people and around them

- Internal locus of control is the tendency to locate responsibility for one's fate within oneself



- External locus of control is the tendency to locate responsibility for one's fate in outside forces and to believe that one's behaviour has little impact on outcomes

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George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart ?  
? Self-esteem

1. Is the degree to which individuals feel good about themselves and their capabilities Needs for achievement, affiliation and power
2. Need for achievement is the extent to which individuals have strong desire to perform challenging tasks well and to meet personal standards for excellence
3. Need for affiliation is the extent to which individuals are concerned about establishing and maintaining good interpersonal relations, being liked, and having the people around them get along with each other
4. Need for power is the extend to which individuals desire control or influencing others Values, Attitudes, and Moods and Emotions capture how managers experience their jobs as individuals values describe what managers are trying to achieve through work and how they think they should behave attitudes capture their thoughts and feelings about their specific jobs and organizations moods and emotions encompass how managers actually feel when they are managing

Values: terminal and instrumental

A terminal value is a personal conviction about lifelong goals or objectives

- often lead to the formation of norms, informal rules of conduct

An instrumental value is personal conviction about desired moods of conduct or ways of behaving

Attitudes ... collection of feelings and beliefs job satisfaction is the collection of feelings and beliefs that managers have about their current job + like their jobs, are being fairly treated, believe their jobs have many desirable features and characteristics ? satisfied managers be more likely to go the extra mile for their organization or perform organizational citizenship behaviours (OCBs), behaviours that are not required of organizational members but that contribute to and are necessary for organizational efficiency, effectiveness, and gaining a competitive advantage organizational commitment is the collection of feelings and beliefs that managers have about their organization as a whole + believe in what their organizations are doing, are proud of what these organizations stand for, and feel high degree of loyalty towards their organization ?

Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart ... affect the behavior of managers and all members of an organization A mood is a feeling or state of mind Emotions are more intense feelings than moods, often directly linked to whatever caused the moods, and are more short-lived Emotional Intelligence ... is the ability to understand and manage one's own moods and emotions and the moods and emotions of other people Organizational Culture comprises the shared set of beliefs, expectations, values, norms, and work routines that influence how members of an organization relate to one another and work together to achieve

organizational goals Managers and organizational cultures ? ? ? managers play a particularly important part in influencing organizational culture founders also play an important role Benjamin Schneider developed a model that helps to explain the role that founders' personal characteristics play in determining organizational culture • attraction-selection-attrition (ASA) framework, explains how personality may influence organizational culture The role of values and norms in organizational culture

Values of the founder – founders of an organization can have profound and long-lasting effects on organizational culture – founders set the scene for the way cultural values and norms develop because their own values guide the building of the company – subordinates imitate the style of the founder and transmit their values and norms to their subordinates Socialization Over time, organizational members learn from each other which values are important in an organization and the norms that specify appropriate and inappropriate behaviours Organizational socialization is the process by which newcomers learn an organization's values and norms and acquire the work behaviours necessary to perform Ceremonies and rites ... formal events that recognize incidents of importance to the organization as a whole and to specific employees Author: Kathrin Kohler 8 EFM Academy – Summary:

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Most common rites that organizations use to transmit cultural norms and values to their members are: – rites of passage determines how individuals enter, advance within, or leave the organization – rites of integration build and reinforce common bonds among organizational members – rites of

enhancement let organizations publicly recognize and reward employees' contributions and thus strengthen their commitment to organizational values – stories and languages ° stories about organizational heroes and villains and their actions provide important clues about values and norms ° characteristic slang or jargon that people use to frame and describe events provides important clues about values and norms Culture and managerial action Culture influences the way managers perform their four main functions: 1) 2) 3) 4) planning organizing leading controlling Author: Kathrin Kohler 9 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Essentials of Contemporary Management Chapter 5 – Decision Making: Learning, Creativity, and Innovation The Nature of Managerial Decision Making

Decision making is the process by which managers respond to the opportunities and threats that confront them by analyzing the options and making determinations, or decisions, about specific organizational goals and courses of action Decision making in response to opportunities occurs when managers search for ways to improve organizational performance to benefit customers, employees, and other stakeholder groups Decision making in response to threats occurs when events inside or outside the organization are adversely affecting organizational performance and managers are searching for ways to increase performance Programmed and nonprogrammed decision making ? ?

Programmed decision making is a routine, virtually automatic process decisions that have been made so many times in the past that managers

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have developed rules or guidelines to be applied when certain situations inevitably occur managers do not need to repeatedly make new judgements about what should be done Nonprogrammed decision making is required for nonroutine decisions made in response to unusual or novel opportunities and threats occurs when there are no ready-made decision rules situation is unexpected or uncertain make decisions by

- intuition, feelings, beliefs, and hunches that come readily to mind, require little effort and information gathering, and result in on-the-spot decisions
- reasoned judgement, decisions that take time and effort to make and result from careful information gathering, generation of alternatives, and evaluation of alternatives

The classical model is prescriptive, which means that it specifies how decisions should be made condition to use the classical model is that once managers recognize the need to make a decision, they should be able to generate a complete list of alternatives and consequences and make the best choice assumes that managers have access to all the information they need to make the optimum decision, which is the most appropriate decision possible in light of what they believe to be the most desirable future consequences for the organization The administrative model by March and Simon Author: Kathrin Kohler 10 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart is an approach to decision making that explains why decision making is inherently uncertain

and risky and why managers usually make satisfactory rather than optimum decisions ? Bounded rationality

- human decision-making capabilities are bounded by people's cognitive limitations –that is, limitations in their ability to interpret, process, and act on information
- describes the situation in which the number of alternatives a manager must identify is so great and the amount of information so vast that it is difficult for the manager to even come close to evaluating is all before making decisions ?

Incomplete information information is incomplete because the full range of decision-making alternatives is unknowable ? risk and uncertainty ° risk is present when managers know the possible outcomes of a particular course of action and can assign probabilities to them ° when uncertainty exists, the probabilities of alternative outcomes cannot be determined and future outcomes are unknown

- ambiguity ° ambiguous information is information that can be interpreted in multiple and often conflicting ways
- time constraints and information costs ° managers have neither the time nor the money to search for all possible alternative solutions and evaluate all the potential consequences of them Satisficing
- exploring a limited sample of all potential alternatives

Steps in the Decision-Making Process

1) Recognize the need for a decision

2) Generate alternatives

3) Evaluate alternatives

- Legality
- Ethicalness
- Economic feasibility
- Practically

4) Choose among alternatives

5) Implement the chosen alternative

6) Learn from feedback

- Compare what actually happened to what was expected to happen as a result of the decision
- Explore why any expectations for the decision were not met
- Derive guidelines that will help in future decision making

Group Decision Making Group decision making is superior to individual decision making in several respects choices of alternatives are less likely to fall victim to the biases and errors Author: Kathrin Kohler 11 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M.

George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart – able to draw on the combined skills, competencies, and accumulated knowledge of group members and thereby improve ability to generate feasible alternatives and make good decisions allows to process more information and to correct one another's errors probability that the decision <https://assignbuster.com/management-marketing-flashcard/>

will be implemented successfully increases groups often take longer than individuals to make decisions The perils of groupthink Groupthink is a pattern of faulty and biased decision making that occurs in groups whose members strive for agreement among themselves at the expense of accurately assessing information relevant to a decision embark on a course of action without developing appropriate criteria to evaluate alternatives pressures for agreement and harmony within a group have the unintended effect of discouraging individuals from raising issues that run counter to majority opinion Devil's advocacy ... is a critical analysis of a preferred alternative to ascertain its strengths and weaknesses before it is implemented

The devils advocate critiques and challenges the way the group evaluated alternatives and chose one over the others Diversity among decision makers Bringing together managers of both genders from various ethnic, national, and functional backgrounds broadens the range of life experiences and opinions that group members can draw on as they generate, assess, and choose among alternatives Organizational Learning and Creativity rganizational learning is the process through which managers seek to improve employees' desire and ability to understand and manage the organization and its task environment so that employees can make decisions that continuously raise organizational effectiveness a learning organization is one in which managers do everything possible to maximize the potential for organizational learning to take place at the heart of organizational learning is creativity, the ability of a decision maker to discover original and novel ideas



that lead to feasible alternative courses of action when new and useful ideas are implemented in an organization, innovation takes place –

Creating a learning organization

1. develop personal mastery
2. build complex, challenging mental models
3. promote team learning

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4. build shared vision
5. encourage system thinking

Promoting individual creativity People must be given the opportunity and freedom to generate new ideas Creativity results when employees have an opportunity to experiment, to take risks, and to make mistakes and learn from them Promoting group creativity To encourage creativity at the group level, organizations can make use of group problemsolving techniques that promote creative ideas and innovative solutions ?

Brainstorming is a group problem-solving technique in which managers meet face-to-face to generate and debate a wide variety of alternatives from which to make a decision; main reason for loss of productivity in brainstorming appears to be production blocking, which occurs because group members cannot always simultaneously make sense of all the alternatives being generated, think up additional alternatives, and remember what they were thinking Nominal group technique is often used to avoid production blocking; provides a more structured way of generating

alternatives in writing and gives each manager more time and opportunity to come up with potential solutions Delphi technique is a decision making technique in which group members do not meet face-to-face but respond in writing to questions posed by the group leader ? ?

Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Essentials of Contemporary Management Chapter 6 – Planning, Strategy, and Competitive Advantage The Nature of the Planning Process Planning is a process that managers use to identify and select appropriate goals and courses of action for an organization.

Organizational plan results from planning process and details goals of the organization and specifies how managers intend to attain these goals Cluster of decisions and actions to achieve the goals is strategy Planning is goal-making and strategy-making process Planning is three step activity:

1. Determining the organization's mission and goals > Mission statement (= broad declaration of an organization's overriding purpose • Intended to identify an organization's products and customers and to distinguish organization from competitors
2. Formulating strategy > analyzing the current situation, then develop strategies to attain goals and mission
3. Implementing strategy > decision how to allocate resources and responsibilities required Levels of Planning division – a business unit that has

its own set of managers and functions or departments and competes in a distinct industry

1. Corporate level — top management - corporate-level plan — top management's decisions pertaining to the organization's mission, overall strategy and structure - corporate- level strategy — a plan that indicates in which industries and national markets an organization intends to compete
  2. Business (division) level — business units that compete in an industry - business-level plan — divisional managers' decisions pertaining to divisions' long-term goals, overall strategy and structure - business-level strategy — a plan that indicates how a division intends to compete against rivals in an industry
  3. Department (functional) level — manufacturing, R&D, marketing, etc. - functional-level plan — functional managers' decisions pertaining to the goals that they propose to pursue to help the division attain its business-level goals
- Author: Kathrin Kohler 14

EFM Academy - Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing - Real People, Real Choices, Solomon / Marshall / Stuart - functional-level strategy — a plan that indicates how a function intends to archive its goals. Who plans? Corporate level > top management Business level > divisional managers Department level > department managers Time horizons of plans Long-term plan — five or more years Intermediate plan — one to five years Short-term plan — up to one year Rolling plan (updated every year> changing environment) — extends over five years or more Standing plans and single-use plans standing plans >

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used in situations in which programmed decision making is appropriate o  
policy – general guide to action o rule – formal, written guide to action o  
standard operating procedures – written instruction describing the exact  
series of actions that should be followed single-use plans > developed to  
handle nonprogrammed decision making in unusual situations o programs –  
integrated sets of plans for achieving certain goals o projects – specific  
action plans created to complete various aspects of a program

- Why planning is important 1. gets managers to participate in decision making about appropriate goals and strategies
2. gives the organization a sense of direction and purpose
  3. elps coordinating managers of different functions and divisions to ensure that all pull in the same direction
  4. can be used to control managers' performance Scenario planning > The generation of multiple forecasts of future conditions followed by an analysis of how to respond effectively to each of those conditions; also called contingency planning

Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Determining the Organization's Mission and goals ... is the first step of the planning process Defining the business

1. Who are our customers?
2. What customer needs are we satisfying?

3. How are we satisfying customer needs? Establishing major goals Once the business is defined, managers must establish a set of primary goals to which the organization is committed. Although goals should be challenging, they should be realistic. Moreover, the time period in which a goal is expected to be achieved should be stated

Formulating strategy > analyzing the current situation and then develop strategies to accomplish a mission and achieve goals

SWOT analysis = planning exercise to identify the organization's - internal strengths (S) - internal weaknesses (W) - external opportunities (O) - external threats (T)

The five forces model by Michael Porter helps managers isolate particular forces in the external environment that are potential threats

The level of rivalry among organizations in an industry o The more that companies compete against one another for customers, the lower is the level of industry profits

The potential for entry into an industry o The easier it is for companies to enter an industry, the more likely it is for industry prices and therefore industry profits to be low

The power of suppliers o If there are only a few suppliers of an important input, then suppliers can drive up the prices of that input, and expensive inputs result in lower profits for the producer

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The power of customers o If only a few large customers are available to buy an industry's output, they can bargain to drive down the price of that output > producers make lower profit

The threat of substitute products o Companies that produce a product with a known substitute cannot demand

high prices for their products > keeps their profits low Formulating Corporate-level Strategies ... are plans of action concerning which industries and countries an organization should invest its resources in to achieve its mission and goals (1) concentrating on a single business ? Focusing on one single business or industry (2) diversification ?

Related diversification ? entering a new business in order to create a competitive advantage in one of the organization's existing businesses ?

Unrelated diversification ? entering a new industry that are not related to the organization's current businesses (3) internal expansion global strategy ? all the same standardized product in each national market in which it competes and use same basic marketing approach multidomestic strategy ? customize products and marketing strategies to specific national conditions choosing a way to expand internationally there are four basic ways to operate in the global environment o importing and exporting o licensing and franchising ? licensing = company (licenser= allows foreign organization (licensee) to take charge of both manufacturing and distributing one or more of its product in the licensee's country in return for a negotiated fee ? franchising = selling to a foreign organization the rights to use a brand name and operating know-how in return for a lump-sum payment and share of the profits o strategic alliances ? n agreement in which managers share their organization's resources and know how with a foreign company, and the two organizations share the rewards and the risks of starting a new venture o wholly owned foreign subsidiaries

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Marshall / Stuart ? investigation in establishing production operations in a foreign country independent of any local direct involvement (4) vertical integration ... is the corporate-level strategy through which an organization becomes involved in producing its own inputs (backward vertical integration) or distributing and selling its own outputs (forward vertical integration)

Formulating Business-Level Strategies y Michael Porter There are two basic ways of increasing the value of an organization's products: differentiating the product to add value or lowering the costs of value creation Low cost strategy Focusing the energy of all the organization's departments or functions on driving the organization's costs down below the costs of its rivals to gain a competitive advantage Differentiation strategy Focusing all the energies of the organization's departments or functions on distinguishing the organization's products from those of competitors on one or more important dimensions (e. g. product design, quality ...) Focused low-cost and focused differentiation strategies

Focused low-cost strategy – serving only one or a few segments of the overall market and aim to make their organizations the lowest-cost company serving that segment Focused differentiation strategy – serving just one or a few segments of the market and aim to make their organization the most differentiated company serving that segment Formulating Functional-Level Strategies Functional-level strategy is a plan of action to improve the ability of an organization's functions to create value. There are two ways in which functions can add value to an organization's products: 1. Functional managers can lower the costs of creating value so that an organization can attract customers by keeping its prices lower than its competitors' prices 2.

Functional managers can add value to a product by finding ways to differentiate it from the products of other companies  
Planning and Implementing Strategy Author: Kathrin Kohler 18

EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart After identifying appropriate strategies, managers have to put those strategies into action: 1. 2. 3. 4. 5. Allocating responsibility for implementation of plans Preparing detailed actions plans that specify how strategy will be implemented Establishing a timetable for implementing the plans Allocating resources needed to implement the plans Holding individuals and groups responsible for achieving the goals of the plan  
Essentials of Contemporary Management Chapter 9 The Nature of Motivation – Motivation

Motivation may be defined as psychological forces that determine the direction of a person's behaviour (= many possible behaviours that a person could engage in) in an organization, a person's level of effort, and a person's level of persistence (= whether people keep trying or give up) in the face of obstacles ° ° Intrinsicly motivated behaviour — the motivation comes from doing the work for its own sake Extrinsicly motivated behaviour — the behaviour is based on the rewards (social or material), not from the behaviour itself People can be either intrinsicly or extrinsicly motivated or both. Outcome is anything a person gets from a job or organization. Input is anything a person contributes to his/her job or organization. Expectancy Theory



Expectancy theory (Vroom) assumes that workers believe that high effort will lead to high performance and that high performance will lead to desired outcomes. Expectancy — the degree to which effort will result in a certain level of performance Instrumentality — the degree to which a certain level of performance will lead to desired outcomes Valence — the desirability of each outcome to the worker Bringing it all together the theory assumes that high motivation results from high expectancy, high instrumentality, and high valence Need theories Author: Kathrin Kohler 19 EFM Academy - Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M.

George / Marketing - Real People, Real Choices, Solomon / Marshall / Stuart A need is a requirement for survival and well-being. Maslow's Hierarchy of Needs All people try to satisfy five basic needs: - physiological needs - food, water, shelter - safety needs - security, stability, safe environment - belongingness needs - social interaction, friendship, love - esteem needs - to feel good about oneself, to be respected etc - self-actualization. needs - to realize one's full potential (lowest-level) (highest level) The lowest level of unsatisfied needs motivates behaviour; once this level of needs is satisfied, a person tries to satisfy the needs at the next level. Only one level of needs is motivational at a time.

Herzberg's Motivator-Hygiene Theory Motivator needs — related to the nature of the work itself (challenge, autonomy, responsibility, growth and development, a sense of accomplishment) Hygiene needs — related to the context in which the work is performed (working conditions, pay, job security, relationships with co-workers, type of supervision) For motivation/high job satisfaction motivator needs must be met. McClelland's <https://assignbuster.com/management-marketing-flashcard/>

Needs for Achievement, Affiliation and Power need for achievement – personal standards for excellence need for affiliation – concern for good interpersonal relationships need for power – the desire to control/influence others Equity Theory Equity theory concentrates on people's perceptions of the fairness of their work outcomes relative to their work inputs.

Equity — exists when a person perceives that his outcome/input ratio is equal to that of a referent Inequity — a lack of fairness exists when a person's outcome/input ratio is perceived as not equal to that of a referent Underpayment inequity — a person's outcome/input ratio is perceived as less than that of a referent Overpayment inequity — a person's outcome/input ratio is perceived as greater than that of a referent Ways to restore equity: reduce one's working hours, change one's perception of his own or the referent's inputs or outcomes Author: Kathrin Kohler 20 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Motivation is highest when as many people as possible in an organization perceive that they are being equitably treated – their outcomes and inputs are in balance. Goal-Setting Theory

Goal-setting theory focuses on identifying the types of goals that are most effective in producing high levels of motivation and performance and explaining why goals have these effects. To stimulate high motivation and performance, goals must be specific and difficult. Specific goals are often quantitative (e. g. serve 150 customers per day); difficult goals are hard but not impossible to attain. People often develop action plans (strategies, timetables, schedules) to reach them. Learning Theories Learning is a

relatively permanent change in knowledge or behaviour as the result of practice or experience. Operant conditioning theory (B. F. Skinner) People learn to do behaviours that lead to desired consequences or learn not to do behaviours that lead to undesirable consequences.

All behaviour is controlled/determined by its consequences) Positive reinforcement is giving people outcomes they desire when they perform organizationally functional behaviour. (pos. Verstärkung) Negative reinforcement is eliminating or removing undesired outcomes when people perform organizationally functional behaviours. (neg. Verstärkung) Identify the right behaviours for reinforcement: choose behaviours over which subordinates have control and which contribute to organizational effectiveness Extinction is to eliminate whatever is reinforcing negative behaviours. Punishment is administering a negative consequence when an undesirable behaviour is performed Social learning theory Motivation results from rewards and punishments and also from the individual's thoughts and beliefs.

Vicarious learning is becoming motivated by watching another person perform a behaviour and being positively reinforced for doing so Self-reinforcement are desirable outcomes that people give to themselves for good performance. Self-efficacy is the individual's belief about his ability to perform a behaviour successfully. Author: Kathrin Kohler 21 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Pay and Motivation Merit pay plan is a compensation plan

that bases pay on performance. Basing Merit Pay on Individual, Group or Organizational Performance Salary increase or Bonus?

In comparison to salary increases bonuses tend to have more motivational impact for at least three reasons: – the absolute level of the salary is based largely on factors unrelated to current performance – a current salary increase may be affected by other factors in addition to performance, such as cost of living increases etc – because organizations rarely reduce salaries, salary levels tend to vary less than performance levels do Bonus levels can be reduced when an organization's performance lags and they can be linked directly to performance and vary from year to year and employee to employee employee stock option is a financial instrument that entitles the bearer to buy shares of an organization's stock at a certain price during a certain period of time or under certain conditions.

Examples of merit pay plans – Piece-rate pay -pay is based on the number of units produced by each worker – Commission pay -pay is based on a percentage of sales (e. g. real estate brokers) – Scanlon Plan – cost-savings accomplished are shared with the workers Author: Kathrin Kohler 22 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Marketing – Real People, Real Choices Chapter 1 – Welcome to the World of Marketing: Creating and Delivering Value The Value of Marketing

Marketing is an organizational function and a set of process for creating, communicating and delivering value to customers and for managing

customer relationships in ways that benefit the organization and its stakeholders Marketing Is About Meeting Needs Stakeholders are buyers, sellers, investors in a company, community residents, and even citizens of the nations where goods and services are made or sold – in other words, any person or organization that has a “ stake” in the outcomes A Consumer is the ultimate user of a good or service. The Marketing Concept is a management orientation that focuses on identifying and satisfying consumer needs to ensure the organization’s long-term profitability.

Need: The recognition of any difference between a consumer’s actual state and some ideal or desired state. > the specific way a need is satisfied depends on an individual’s history, learning experiences, and cultural environment. Want: The desire to satisfy needs in specific ways that are culturally and socially influenced. Demand: Customer’s desire for products coupled with the resources to obtain them. Author: Kathrin Kohler 23 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Benefit: The outcome sought by a customer that motivates buying behavior – that satisfies a need or want.

A market consist of all the consumers who share a common need that can be satisfied by a specific product and who have the resources, willingness, and authority to make the purchase Marketing Is About Creating Utility Utility refers to the sum of the benefits we receive from using a product or service. Form utility: transforming raw materials into finished products Place utility: making products available where customers want them Time utility: storing products until they are needed Possession utility: allowing the consumer to

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own, use, and enjoy the product Marketing Is About Exchange Relationships  
Exchange occurs when something is obtained for something else in return >  
at least two people/organizations are involved, each must have sth the other  
wants What Can Be Marketed?

Popular culture consists of the music, movies, sports, books, celebrities, and  
other forms of entertainment that the mass market consumes Marketing  
messages often communicate myths, stories containing symbolic elements  
that express the shared emotions and ideas of a culture A product is a  
tangible (sichtbar) good, service, idea, or some combination of these that  
satisfies consumer or business customer needs through the exchange  
process; a bundle of attributes including features, functions, benefits, and  
uses. Consumer Goods and Services Consumer goods are the tangible  
products that individual consumers purchase for personal or family use.  
Services are intangible products that we pay for and use but never own.

The consumer is looking to obtain some underlying value, such as  
convenience, security, or status, from a marketing exchange. Business-to-  
Business Goods and Services Business-to-business marketing is the  
marketing of goods from one organization to another > Goods bought by  
individuals or organizations for further processing or for use in doing  
business are called industrial goods E-commerce is the buying or selling of  
goods and services electronically, usually over the internet. Not-for-Profit  
Marketing Author: Kathrin Kohler 24 EFM Academy – Summary: Essentials of  
contemporary management, Gareth R. Jones, Jennifer M. George / Marketing  
– Real People, Real Choices, Solomon / Marshall / Stuart

Not-for-profit organizations: Organizations with charitable, educational, community, and other public service goals that buy goods and services to support their functions and to attract and serve their members. > Many not-for-profit organizations like museums, zoos, and even churches practice the marketing concept. The Marketing of Value Value refers to the benefits a customer receives from buying a product or service. The value proposition is a marketplace offering that fairly and accurately sums up the value that will realize if he or she purchases the product or service. Value from the Customer's Perspective > Value of a product to a customer often goes beyond its function > Relationship between product and customer results in a successful value proposition Value from the Seller's Perspective ?

Calculating the value of a customer • lifetime value of a customer show how much profit companies expect to make from a particular customer, including each and every purchase she will make from them now and in the future; to calculate lifetime values, companies estimate the amount the person will spend and then subtract what it will cost the company to maintain this relationship Providing value to stakeholders by creating a competitive advantage • a firm has a competitive advantage when it is able to outperform the competition, providing customers with a benefit the competitor cannot • to gain a competitive advantage:

- 1) identify the company's distinctive competency, their capability that is superior to that of its competition
- 2) turn distinctive competency into a differential benefit, that sets a product apart from competitor's products by providing something unique that

customers want > effective product benefits must be both different from the competition and be wanted by customers Adding value through the value chain > A value chain refers to a series of activities involved in designing, producing, marketing, delivering, and supporting any product; each link in the chain has the potential to add or remove value from the product the customer eventually buys • The main activities of value chain members include the following: ° bringing in materials to make the product (inbound logistics) ° converting the materials into the final product (operations) ° shipping out the final product (outbound logistics) ° marketing the final product (marketing and sales) Author: Kathrin Kohler ? ? 25 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart ° servicing the product/customer (service) Marketing as a Process

Marketing Planning ... is a big part of the marketing process The marketing plan is a document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy A mass market consist of all possible customers in a market regardless of the differences in their specific needs and wants > marketing planning becomes a matter of developing a basic product and a single strategy for reaching everyone A market segment is a distinct group of customers within a larger market who are similar to one another in some way and whose needs differ from other customers in the larger market. > the chosen market segment becomes the firm's target market on which it focuses its marketing plan and toward which it directs its



marketing efforts > a product's market position is how the target market perceives the product in comparison to competitor's brands

Marketing's Tools: The Marketing Mix In determining the best way to present a good or service for consumer's consideration, marketers have many decisions to make, so they need many tools. The marketer's strategic toolbox is called the marketing mix, which consists of the tools that are used to create a desired response among a set of predefined consumers.

The elements of the marketing mix work hand in hand. They are also called the "4 P's":

- Product (includes the design and packaging of a good, as well as its physical features and any associated services, such as free delivery)
- Price is the assignment of value or the amount the consumer must exchange to receive the offering.
- Promotion includes all the activities marketers undertake to inform consumers about their products and to encourage potential customers to buy these products
- Place refers to the availability of the product to the customer at the desired time and location.

When Did Marketing Begin? The Evolution of a Concept The production era

Academy – Summary: Essentials of contemporary management, Gareth R.

Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon /

Marshall / Stuart ? Production Orientation, which works best in seller's

market when demand is greater than supply because it focuses on the most efficient ways to produce and distribute products

The selling era ? Selling

Orientation means that management views marketing as a sales function, or a way to move products out of warehouses to reduce inventory. The

Consumer Era ? Consumer Orientation: A management philosophy that focuses on ways to satisfy the customers' needs and wants.

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Total Quality management (TQM): A management effort to involve all employees from the assembly line onward in continuous product quality improvement. The New Era ? New era orientation means building long-term bonds with customers rather than merely selling them stuff today ?

Customer-Relationship Management (CRM), which involves systematically tracking consumers' preferences and behaviors over time in order to tailor the value proposition as closely as possible to each individual's unique wants and needs ? Focusing on accountability – measuring how much value is created by marketing activities Marketing – Real People, Real Choices

Chapter 2– Strategic Planning and the Marketing Environment: The Advantage is Undeniable Business Planning: Seeing the Big Picture

Business Planning is an ongoing process of making decisions that guide the firm both in the short term and for the long haul (Strecke) – identifies and builds on a firm's strengths – helps managers at all levels make informed decisions in a changing business environment – means that an organization develops objectives before it takes action A business plan includes the decisions that guide the entire organization or its business unit A marketing plan is a document that describes the marketing environment, outlines the marketing objectives and strategies, and identifies how the strategies will be implemented, monitored, and controlled. The Three Levels of Business Planning Planning occurs at three levels: strategic, functional and operational. Author: Kathrin Kohler 27 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart

Strategic Planning is the managerial decision process that matches the firm's resources and capabilities to its market opportunities for long-term growth.

define the firm's purpose and specify what the firm hopes to achieve in the next few years Functional Planning gets its name because it is accomplished by the various functional areas of the firm, such as marketing, finance, and human resources • decision process that concentrates on developing detailed plans for strategies and tactics for short term that support an organization's long-term strategic plan Operational Planning focuses on the day-to-day execution of the functional plans and includes detailed annual, semiannual, or quarterly plans Strategic planning Operational planning Top functional-level Supervisory management managers

1. perform a situation analysis 1. develop action analysis plans to
2. set marketing objectives 2. implement the objectives marketing plan
3. develop marketing strategies 2. use marketing strategies metrics to monitor
4. implement how the plan is marketing strategies working 5. monitor and control strategies Functional planning Who does it? Top level corporate management What they do? 1. define the mission 2. evaluate the internal and external environment 3. set organizational or SBU objectives 4. establish the business portfolio
5. develop growth strategies Strategic Planning: Driving a Firm's Success

Because relying on one product can be risky, companies become multi-product with self-contained divisions organized around products or brands > Strategic business units – individual units representing different areas of

business within a firm that are each different enough to have their own mission, business objectives, resources, managers, and competitors Step1:

Define the mission

- A mission statement is a formal document that describes the organization's overall goal and what it hopes to achieve in terms of its customers, products, and resources

Step2: Evaluate the Internal and External Environment

- internal environment means all the controllable elements inside a firm that influence how well the firm operates ? can identify a firm's strengths and weaknesses

- external environment consists of elements outside the firm that may affect it either positively or negatively ? can identify a firm's opportunities and threats ? includes consumers, government regulations, competitors, the overall economy, and trends in popular culture > Managers often summarize the results of a situation analysis into a format called SWOT analysis Author: Kathrin Kohler 28 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart Step3: Set Organizational or SBU goals

- Organizational objectives are a direct outgrowth of the mission statement and broadly identify what the firm hopes to accomplish within the general time frame of the firm's long-range business plan.
- If the firm is large enough to have separate SBUs, each SBU will have its own objectives that are relevant to its operations.

#### Step4: Establish the Business Portfolio

- make decisions about how to best allocate resources across the SBUs to ensure growths for the total organization
  - each SBU has its own focus within the firm's overall strategic plan, and each has its own target market and strategies for reaching its objectives
  - each SBU has its own profit center – is responsible for its own costs, revenues, and profits
  - the range of different businesses that a large firm operates is called business portfolio
  - a diversified business portfolio reduces the firm's dependence on one product line or one group of customers
  - to assess the potential of a firm's business portfolio, management uses portfolio analysis (> helps to decide which SBUs should receive more – or less – of the firm's resources, and which of them are most consistent with the firm's overall mission)
  - BCG growth-market share mix is one model to assist management in the portfolio analysis process (developed by the Boston Consulting Group) ° focuses on determining the potential of a firm's existing successful SBUs to generate cash that the firm can then use to invest in other businesses
  - Stars • have dominant market share in high-growth market • stars generate large revenues, but also require large amounts of funding to keep up with production and promotion demand
  - Cash Cows • have a dominant market share in low-growth market • not much opportunities for new companies, competitors don't often enter a market
- Author: Kathrin Kohler 29 EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart firms usually milk cash cows of their profits to fund the growth of other SBUs • Question Marks

- (problem children) SBUs with low market shares in fast-growth markets •
- Firm has failed to compete successfully • Dogs • small share of a slow-growth market • businesses that offer specialized products in limited markets that are not likely to grow quickly

Step5: Develop Growth Strategies

Marketer use the product-market growth matrix to analyze different growth strategies ? Market penetration strategies seek to increase sales of existing products to existing markets ? Market development strategies introduce existing products to new markets ? Product development strategies create growth by selling new products in existing markets ? Diversification strategies emphasize new products to new markets to achieve growth ?

Strategic planning includes developing the mission statement, assessing the internal and external environment (SWOT), setting objectives, establishing the business portfolio, and developing growth strategies. Functional Planning: From Strategic Planning to Marketing Planning Strategic plan does not provide details about how to reach the objectives that have been set. Thus, marketers must develop functional plans (i. e. , marketing plans). The Four P's of the marketing mix remind us that success firms must have viable products at prices consumers are willing to pay, the means to get the products to the place consumers want to buy, and a way to promote the products to the right consumers. Steps in marketing planning are quite imilar to those of strategic planning:

Step1: Perform a Situation Analysis • conduct an analysis of the marketing environment > SWOT analysis Step2: Set Marketing Objectives • develop specific marketing objectives ° more specific to the firm's brands, sizes, product features, and other marketing mixrelated elements ° business

objectives guide the entire firm's operations, while marketing objectives state what the marketing function must accomplish if the firm is ultimately to achieve its overall objectives

Step3: Developing Marketing Strategies

- make marketing strategies – make decisions about what activities they must accomplish to achieve the marketing objectives
- deciding which markets to target and actually developing the marketing mix strategies (4 P's) ?

Selecting a target market Author: Kathrin Kohler 30

EFM Academy – Summary: Essentials of contemporary management, Gareth R. Jones, Jennifer M. George / Marketing – Real People, Real Choices, Solomon / Marshall / Stuart ? The target market is the market segment selected because of the firm's belief that its offerings are most suited to winning those customers

- ° Firm assesses the potential demand and decides it has the distinctive competencies that will create a competitive advantage in the marketplace among target consumers

Developing market mix strategies identify how marketing will accomplish its objectives in the firm's target markets

- ° Product strategies
- ° Pricing strategies
- ° Promotion strategies
- ° Distribution strategies

Step4: Implement Marketing Strategies

- Once a plan is developed, it's time to get to work and make it successful

Step5: Monitor and Control Marketing Strategies

- Marketers must have some mean to determine whether they are meeting their marketing objectives ; Control – this process entails measuring actual performance, comparing this performance to the established marketing objectives, and then making adjustments to the strategies or objectives on the basis of this analysis

Operational Planning: Day-to-Day Execution of Marketing Plans

Operational plans focus on the day-to-day

execution of the marketing plan • cover a shorter period of time than either strategic plans or marketing plans • include detailed directions for the specific activities to be carried out, who will be responsible for them, and timelines for accomplishing the task

### Analyzing the Environment

#### INTERNAL ENVIRONMENT

- much of the internal environment of a firm is related to its corporate culture
- corporate culture is made up of the values, norms, and beliefs that influence the behavior of everyone in the organization
- if firm is totally focuses on economic profit management attitudes will be profit centered

#### EXTERNAL ENVIRONMENT

##### The Economic Environme