

THE NEW WORLD OF BUSINESS

business • globalization • building

Stephen P. Robbins

business.today

THE NEW WORLD OF BUSINESS

Stephen P. Robbins

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Preface

It's no longer business as usual! The world of business today is very different from that of 20 or 30 years ago. To dramatize this point, let me highlight a few of the changes that have occurred:

The 1970s

Resources drive action

Markets are essentially defined by national boundaries

Stability means efficiency

Effective communication and control requires rules and hierarchies

The workforce is predominantly white and male

If it works, do it!

The "organization man" mentality

Management is about command and control

Need money to grow? Borrow it!

Long and complex distribution channels

General retailers (Sears, JC Penny) dominate

Control sources of supply

Suppliers are a necessary evil

Today

Ideas and opportunities drive action

Markets are global

Flexibility means survival

Technology supplements rules and hierarchies

The workforce is diverse (by gender, race, ethnicity, etc.)

We need to ask: Is it responsible? Is it ethical?

The "entrepreneurial" mentality

Management is about creating shared visions and empowering employees

Need money to grow? Go public!

Short and simple distribution channels

Specialty retailers (Home Depot, Circuit City) dominate

Outsource supply sources

Suppliers are partners

This book—**business.today**—is organized to reflect contemporary business practices. By doing so, I believe it more accurately captures the world of business in the new millennium. It reflects that business firms are breaking down barriers between functions such as marketing, management, and finance; reorganizing around processes; focusing on the customer; and building relationships with key stakeholders such as suppliers, labor, and financial sources. Further, this book acknowledges that the constraints that once defined business—time, place, form—are eroding.

The new world of business is about identifying opportunities, creating viable strategies, building relationships, and providing quality goods and services. A quick glance at this book's table of contents will reveal that I've structured **business.today** to help readers see this new world.

Objectives of the Book

What does this book try to achieve? I can answer that by stating the four objectives that I laid out before I began this project. I think they generally reflect what most introductory books in business seek to accomplish for the reader:

1. To introduce you to the excitement and challenges of a career in business.
2. To help you understand how businesses are created and operate.
3. To provide you with the vocabulary of business.
4. To provide a skill foundation for a successful career in business.

Author Assumptions

The author of every book operates with a set of assumptions that guide his or her decisions as to what should or should not be included. I'm no exception. But I want to make my assumptions explicit. I don't expect everyone to agree with these assumptions, but they will help faculty and students better understand why I've included some topics and omitted others.

- ▼ The introductory course should provide an integrative discussion of what business is and how businesses are created and run, rather than be a "coming attractions" to a college major in business. It's assumed that many students in this course are nonbusiness majors.
- ▼ Business has gone global, so there is no need to "tack on" a discussion of globalization. *Business* today is synonymous with *global business*, so this topic should be integrated throughout and not emphasized in a single chapter.
- ▼ Similarly, *information systems* is an integrative topic. It should be discussed throughout the book and not isolated in a single chapter.
- ▼ Students should have an understanding of how business relates to the broader society and other fields of study in college (i.e., "business and the liberal arts").
- ▼ Students in the introduction-to-business course aren't interested in, and don't require an understanding of, topics such as money and banking, the Federal Reserve System, and the evolution of unionism in the United States. These topics are more appropriately covered in other courses.
- ▼ Students expect to learn about the latest practices in business. That's why I've included extensive discussions on topics such as e-business, competitive intelligence, supply chain management, relationship management, and self-directed careers.
- ▼ The introductory course should provide personal guidance to students. This would include career development assistance and help in balancing a career in business with personal and family commitments.

Comparing Two Different Approaches: Functional Versus Integrative

Most introductory texts present business as a set of silos, each silo representing a separate and independent functional area within business (i.e., marketing, management, human resources, operations, accounting, finance). This structure reflects the academic disciplines within business schools, *not* the way that businesses today are actually created or run!

I think we need to build bridges between these silos—to integrate the introduction to business course. **business.today** seeks to build such a bridge by moving from a functional approach to an integrative approach. That is, this text focuses on *how* business works as well as *what* business is. This integrative approach takes students to the same destination that traditional books have but pursues a more effective (and hopefully more scenic) route.

Let me briefly list five advantages that I see in using an integrative approach:

1. Allows the reader to see early in the book (Chapters 4 and 5) the linking of a firm's external environment with its internal decision-making processes, information systems, and development of viable competitive strategies.
2. Demonstrates early in the book (Chapter 6) the critical role that customers play in any business's success, but without going into details on the marketing mix.
3. Illustrates the dependence between a firm and its key stakeholders (Chapters 6–10) and the importance of building close relationships with these stakeholders.

4. Permits linking discussions of issues related to management, marketing, and other functions to concepts—such as decision making, strategy, and customer satisfaction—that were introduced earlier.
5. Allows topics such as information systems, ethics, and diversity to be discussed and reinforced throughout the book.

The integrative approach I've chosen isn't as radical as it may first appear. A close examination, for instance, will reveal that this text covers essentially the same territory as the functional approach. It just organizes topics differently. Parts II through IV of this book can be reconciled by function: management and operations (Chapters 5, 11, and 14); human resources (Chapter 7); marketing (Chapters 4, 6, 8 and 12); and accounting/finance (Chapters 9 and 13).

Unique Features of business.today

Several features, in addition to the integrative approach, make this book different. They include:

Writing style—You'll find this book written in a student-friendly, conversational style. I blend examples, concepts, and definitions in a writing style that captures the rhythm and feel of a conversation.

Skills focus—This book has a strong emphasis on applications. Through inclusion of skill boxes and skill exercises, students learn the “how” as well as the “what” of business.

Virtual business—Chapter 15 provides a focused look at the unique challenges of starting and operating an Internet-based e-business.

Career development—The Career Portfolio at the end of this book will help students to plan and manage their careers.

Box Themes

I've included five box themes in this book. They all don't appear in every chapter. Rather, they're included in places where they can enhance reader understanding and help with the integration of concepts.

Creating a Business Plan—When readers have finished this book, they should be able to create a comprehensive business plan. Throughout the text, appropriately located for relevance, readers will learn the issues that need to be addressed for all key elements in an effective business plan.

Career Insights—These boxes introduce a person whose current job is relevant to that chapter's content. It provides a brief background on the person, describes his or her career path, and offers career advice to students based on the individual's real-world experiences.

Building Your Skills—Students will learn a variety of important business skills such as building trust (Chapter 2), decision making (Chapter 5), politicking (Chapter 10), and budgeting (Chapter 13).

Ethical Dilemmas—These short vignettes describe ethical dilemmas faced by an individual. They allow students to directly address real-life ethical issues and assess how they would respond.

Software Applications—There are now literally thousands of software applications that have been created to help small business owners and managers run their businesses more effectively. These boxes provide students with a sampling of the vast array of inexpensive software that's available to help individuals make better decisions and operate businesses more effectively.

Supplements

The ancillary package for **business.today** is loaded with powerful resources for students and instructors alike. This expansive resource package is replete with teaching tools helpful to instructors at all levels of experience. Also, by combining the latest technology with proven teaching tools, this package enables students to put chapter concepts into action and gain valuable insight into real-world practices.

For the Professor: Instructor's Manual

This extensive manual for **business.today** provides a wealth of resources for professors. Each of the 15 chapters contains:

- ▼ A section called "About the Chapter," and "Linking to Past Topics" sections (ties concepts and issues in that chapter to ones that preceded it to help instructors build the course as each chapter evolves)
- ▼ Annotated chapter learning objectives
- ▼ A list of key terms with page references and definitions
- ▼ A lecture outline of the chapter with added current examples
- ▼ Teaching notes/suggestions for the Ethical Dilemma boxes
- ▼ Teaching notes/suggestions for the Building Your Skills boxes
- ▼ Answers to Review Questions
- ▼ Answers to Questions for Critical Thinking
- ▼ Teaching notes for the Team Exercise;
- ▼ Teaching notes for the Skill Exercise
- ▼ Teaching notes for Internet Exercises
- ▼ Answers and teaching notes for the Case Exercise with application questions and answers to the FUBU continuing case questions

Also included are term paper topic suggestions, a list of professional- and career-oriented Web sites for business professors, and more.

Very importantly, the manual includes comprehensive conversion notes to help instructors convert teaching notes based on the functional approach to **business.today's** integrative approach. These notes make the adjustments necessary with any text change as easy as possible.

Computerized Instructor's Manual: All the elements of the Instructor's Manual are available electronically for instructors in a Windows format, enabling instructors to electronically cut and paste custom lecture outlines with ease.

Media Instructor's Manual (Web-Based)

The Instructor's Media Manual contains comprehensive resource materials to help instructors incorporate the videos, Web resources, and the Instructor's PowerPoint Presentation into lectures and classroom presentations. For each of the videos, teaching objectives, lists of chapter concepts spotlighted in the videos, summaries of the videos, answers to in-text video case questions, and experiential exercises are included in the Media Instructor's Manual.

Test Bank

Scrutinized for accuracy, the **Test Bank** includes approximately 2,000 true/false, multiple-choice, short-answer, and essay questions, all organized by chapter learning

objectives. Questions vary in level of difficulty and are each designated as factual- or application-type questions, giving instructors a wide variety from which to choose. Also, each question is keyed to specific text page numbers.

Computerized Test Bank

Examaster 99—works with the latest version of the Windows and Windows NT operating systems. The CD-ROMs include online testing capabilities, a grade book, and much more.

Available in IBM-compatible format, the computerized version of the printed test bank enables instructors to preview and edit test questions as well as add their own questions. The tests and answer keys also can be printed in “scrambled” formats.

RequestTest and ON-Line Testing Service

We make test planning quicker and easier than ever with this program. Instructors can order test masters by question number and criteria via a toll-free telephone number. Test masters will be mailed or faxed within forty-eight hours. Harcourt can provide instructors with software to install their own online testing program, allowing tests to be administered over network or individual terminals. This program offers instructors greater flexibility and convenience in grading and scoring test results.

Overhead Transparencies

The collection of more than 100 full-color transparency acetates has been created from striking graphic illustrations and advertisements from the textbook and outside sources. Brief teaching notes for each acetate are also provided.

BRAND NEW! Instructor's PowerPoint CD-ROM

This powerful, easy-to-use multimedia presentation tool includes a wealth of resources that will bring your classroom lectures (and your students) to life. Organized by chapter, all of the major definitions, topics, and concepts of the book are outlined along with completely new material from outside sources. Professors can use this CD-ROM “as is” or custom design their own multimedia classroom presentations by deleting (or hiding) unwanted slides and/or altering existing slides. Also, if your computer is connected to the Web, you can easily link to specially selected Web sites by clicking on the WWW icon on many of the slides.

Videos

These professionally produced videos are designed to illustrate chapter concepts. Each video highlights an attention-getting company and will give students a real-world glimpse into how companies meet the challenges of business today. The videos include companies such as: Yahoo!, La Madeleine, Southwest Airlines, Tommy Hilfiger, Holigan Group, Fossil Watches, Roney & Company, Dow Chemical, North Texas Public Broadcasting, Firstbank Corporation, Two Women Boxing, and more. Additionally, each video has a written video case with application questions to supplement the actual video case. The written video cases can be found at the end of the textbook.

The video package is further enhanced with an available Web-based Instructor's Media Manual, which contains comprehensive resource materials to help instructors incorporate the videos into lectures and classroom presentations.

NEW! business.today Online Course

Delivered via the WebCT platform, this integrated Web-based learning environment combines **business.today** and its package with the vast resources of the Internet

and the convenience of anytime learning. WebCT facilitates the creation of sophisticated Web-based educational environments. It provides a set of course design tools to help you manage course content, a set of communication tools to facilitate online classroom collaboration, and a set of administrative tools for tracking and managing your students' progress.

Extremely user-friendly, the powerful customization features of the WebCT framework enable instructors to customize this online course to their own unique teaching styles and their students' individual needs.

Course features include content keyed to the **business.today** figures and graphs, self-tests and online exams, Internet activities and links to related resources, a suggested course syllabus, student and instructor materials, free technical support for instructors, and much more. In addition, the text's PowerPoint Presentation Software is integrated into the WebCT course.

Additionally, with a qualified adoption, Harcourt offers free access to a blank WebCT template. We will host a course (without any Harcourt content) for you to input your original materials and use in your classroom.

NEW! WebCT Testing Service

If testing is all you want, we will upload the computerized Test Bank into a course with no publisher content. If you like, we will even host it for you on our server.

business.today Web Site

This robust site delivers exactly what students and instructors have requested—and much more. This interactive Web site gives students hands-on experience using the Internet as a business tool, as well as helps them develop important life skills.

This easy-to-navigate site contains a wealth of *Business Topics*. After following the link to each topic, users will find topic-specific publication links, trends and forecasts, data, company profiles, general articles, tools, exercises, and much more. In addition, each topic site links instructors to teaching resources, bibliographies of articles related to text material, ideas on incorporating the Internet into the classroom, and more.

In addition, the *Reading Room* links users to business journals, daily newspapers, magazines, and marketing publications across the country and around the world.

Also, a *Syllabus Generator* is available to help professors quickly customize a course syllabus.

The **business.today** Web site is a reservoir of information. In fact, it includes so many resources for each chapter that it can be used as the foundation for a distance-learning course. Our interactive site helps students sharpen their surfing skills while driving home key concepts. Located at <http://www.harcourtcollege.com/management/robbins> the site is updated regularly. Please see below for a description of the Web site features students will benefit from.

For Students

... and More on the business.today Web Site

In addition to the many features that benefit professors and students alike (described above), students will especially find the following useful:

An *Online Quizzing* section allows students to take multiple quizzes comprising approximately 20 questions per quiz. Quizzes include true/false and multiple-choice questions covering content read in each chapter.

A *Management Careers* section enables students to learn more about management careers and locate currently posted business job opportunities. Also, many sites include extensive career information and guidance, such as interviewing techniques and resumé writing.

A *Time Management* section features advice and guidelines on effectively managing your study, work, and leisure time as a college student, including how to set priorities and avoiding procrastinating on your studying.

An *English/Spanish Glossary* feature will pronounce and define the key terms for **business.today** for you in either language.

A *Stock Market Game* helps you to develop your investment skills by competing with your classmates to achieve the greatest gain in stock value.

Study Guide

This comprehensive learning tool is designed to enhance student understanding and provide additional practical application of chapter content. Features include chapter objectives, chapter outlines, key term exercises, self-quizzes featuring multiple-choice and true/false questions, short-answer questions, Internet exercises, exercises on creating a business plan, solutions to study questions, and more.

NEW! Web CT Student Manual

Included with the **business.today** online course, this unique manual offers a wealth of information for Web users, from novices to the most advanced. The manual provides general instruction about the World Wide Web for Internet beginners, while more experienced users can skip to the step-by-step information on how to use WebCT's course tools.

Discovering Your Business Career CD-ROM

This interactive, multimedia program guides students as they explore business career options such as accounting, corporate financial management, information systems, risk management/insurance, retail bank management, sales, and store operations. Offering practical insight, the CD-ROM walks students through the entire career-search process, from assessing their compatibility with different careers and determining the depth of their interest to effectively implementing a job search strategy. The program helps students pinpoint careers of interest based on their answers to questions about their preferences for specific job activities, as well as personal priorities about work environment, compensation, and advancement. Students can access comprehensive profiles on a variety of careers, including videos, audios, and extensive text detailing skill requirements, compensation trends, and actual job responsibilities. A list of associations, directories, and other relevant information is also included.

Additionally included on the **Discovering Your Business Career** CD-ROM is a free copy of the student version of **Career Design**, the landmark career planning software program that is based on the work of John Crystal, the major contributor to the most widely read career book of all time, *What Color Is Your Parachute?* by Richard N. Bolles.

Acknowledgments

Getting this book into your hands was a team effort. In addition to my contribution, it took faculty reviewers, business professionals, supplement writers, and Harcourt's talented group of designers and production specialists, editorial personnel, and marketing and sales staff.

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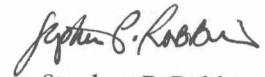
The Career Insights boxes in this book offer readers valuable career advice. I am indebted to the following people for taking the time to share their career experiences: Ken Brinker, William Kerins, Margaret Lyall, Pablo Schneider, Randy McCabe, Dana Murray, Michele Oleata, Michelle Owens, Julie Paul, Laura D'Angosse Perlman, and David Stutz.

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Stephen P. Robbins

About the Author

STEPHEN P. ROBBINS received his B.S. in business finance from the University of Arizona; his M.B.A. from Arizona State University; and his Ph.D. (with specialties in management, economics, and labor relations) from the University of Arizona. He's been a credit analyst with Shell Oil Company and an accountant and general accounting supervisor with Reynolds Metals Company. He has held academic positions at the University of Nebraska at Omaha, Concordia University in Montreal, the University of Baltimore, Southern Illinois University at Edwardsville, and San Diego State University.

Dr. Robbins is the highly successful author of textbooks in management and organizational behavior. His books are used at more than 1,200 U.S. colleges and universities and are market leaders in Canada, Australia, Hong Kong, Singapore, Malaysia, Taiwan, Thailand, Indonesia, Korea, the Phillipines, and throughout Latin America. His textbooks include: *Organizational Behavior*, 9th edition (2001); *Fundamentals of Management*, 3rd edition with D. DeCenzo (2001); *Managing Today!* 2nd ed. (2000); *Essentials of Organizational Behavior*, 6th edition (2000); *Supervision Today!* 3rd edition with D. DeCenzo (2001); *Management*, 6th edition with M. Coulter (1999); *Human Resource Management*, 6th edition with D. DeCenzo (1999); *Training in InterPersonal Skills*, 2nd edition with P. Hunsaker (1996); *Organization Theory*, 3rd edition (1990); *The Administrative Process*, 2nd ed. (1980); and *Managing Organizational Conflict* (1974).

In Dr. Robbins' "other life," he participates in masters track competition. Since turning 50 in 1993, he has set numerous world and American age-graded records in sprint races. He has won more than a dozen indoor and outdoor U.S. championships at 60m, 100m, 200m, and 400m, and won five gold medals at World Veteran Championships.

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