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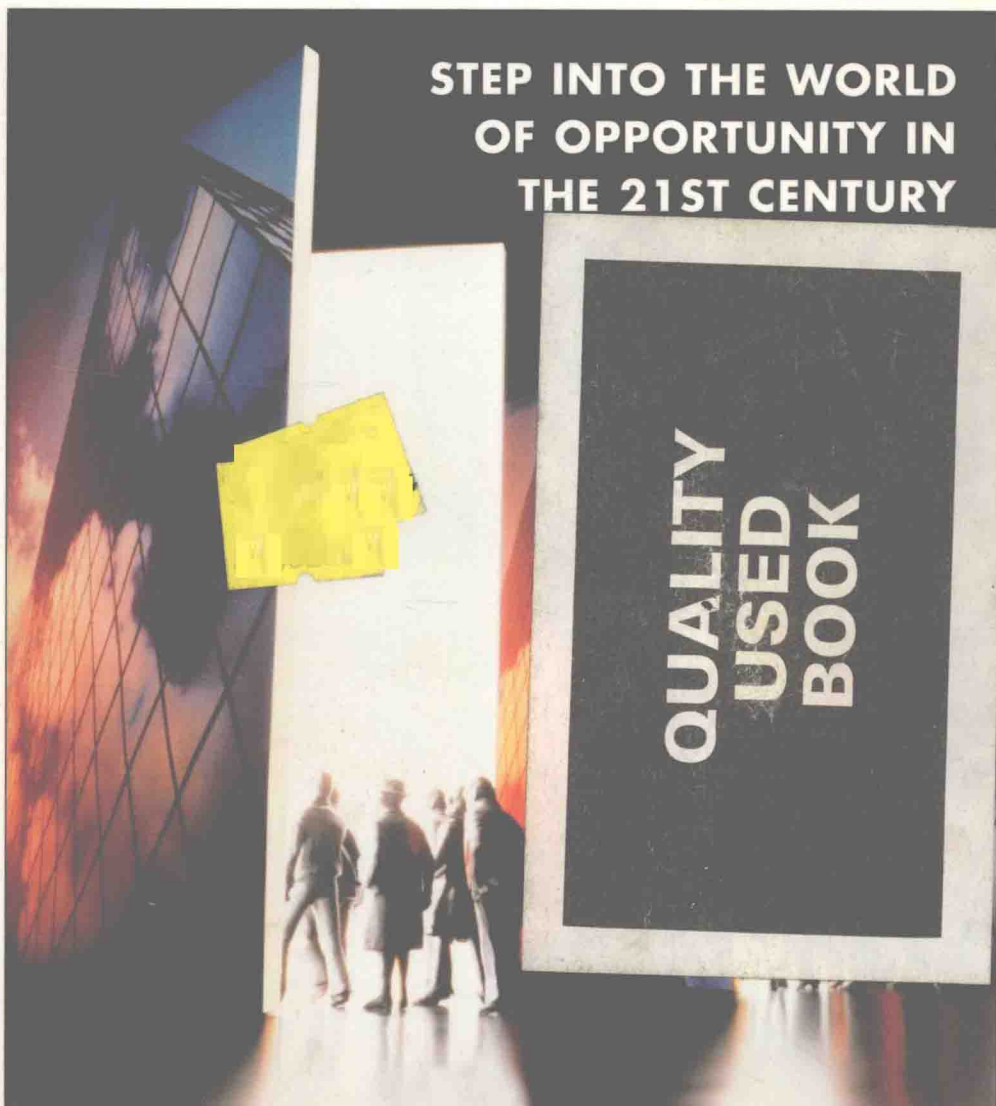


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of Nick and
Natasha



STEP INTO THE WORLD
OF OPPORTUNITY IN
THE 21ST CENTURY



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BUSINESS IN ACTION

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PREFACE

Step into the world of opportunity in the 21st century. That's what students will experience as they turn the pages of *Business in Action* and learn about the dynamic world of business that awaits them. A world that will change more in the next ten years than it has in the last fifty. A world of velocity, complexity, mystery, success, failure, and never-ending opportunity.

Of course, we've been writing about the world of business for decades in *Business Today*, and this new textbook follows its respected tradition of excellence and currency. But it's different. In *Business in Action* we've simplified things a bit. And we've slimmed things down (including the price). Best of all, we've loaded the chapters with a wealth of innovative, real-world, skill-building, and highly involving activities so that beginning business students can learn the key business fundamentals in an intriguing and involving manner.

Students will appreciate the text's user-friendly magazine layout, manageable length, eye-catching graphics and exhibits, lively, conversational tone, entrepreneurial focus, and broad selection of featured companies—many of which are service-based and tie in with Business PlanPro software. Instructors will appreciate the students' stimulation, the lively classroom debates sparked by such features as "Business Mysteries," "Handling Difficult Situations on the Job," and "Building Your Team Skills," and the unsurpassed instructional resource and supplemental package that accompanies this text.

So step into the world of opportunity in the 21st century, and explore *Business in Action*. We think this is the text students have been looking for!

■ BUSINESS IN ACTION IS A PLUS!

Business in Action is a compelling model of today's most effective instructional techniques. This textbook is interactive + Internet-supported + integrated + innovative + intriguing, so that using this text adds up to a plus for both instructors and students.

Five i+ factors will make your classes livelier, more relevant, and more enjoyable—for you and your students.

- *interactive*. Prentice Hall's Learning on the Internet Partnership (PHLIP) Web site is the most advanced, text-specific site available on the Web!
- *Internet-supported*. "See It on the Web" and "Learn More Online" Internet exercises give students practice with the rich resources of the World Wide Web. *E-Business in Action*, the text's online supplement, extends chapter coverage of the all-important topic of electronic commerce.
- *integrated*. Integrated questions and exercises link chapter material with concepts covered previously in the text and require students to use critical-thinking skills to make important decisions.
- *intriguing*. A series of intriguing business mysteries at real companies promotes an exciting, active learning environment in the classroom.
- *innovative*. Only *Business in Action* has such a wide variety of innovative and involving real-world features and activities within a flexible and customizable framework.

■ REAL-WORLD FEATURES AND ACTIVITIES

Behind the Scenes

Facing Business Challenges Each chapter begins with a slice-of-life vignette that attracts student interest by vividly portraying the business challenges faced by a real businessperson. Each vignette ends with thought-provoking questions that draw students into the chapter. References to the company and businessperson throughout the chapter help students see the connection between the chapter content and the real world of business.

Meeting Business Challenges Each chapter ends with a case that expands on the chapter-opening vignette and describes a business problem. The case includes three critical-thinking questions that ask students to solve the problem by applying the concepts presented in the text. Plus, students can learn more about the company featured in the case by completing the “Learn More Online” exercises. Featured companies include AOL Time Warner, Whirlpool, Patagonia, Top of the Tree Baking Company, Virgin Group, Wainwright Industries, Kinko’s, Starbucks, UPS, Harley-Davidson, Continental Airlines, Levi Strauss, Amazon. com, The Concrete Doctor, and E*Trade.

■ INTEGRATED APPROACH TO E-BUSINESS

Business in Action’s six-way integrated approach to electronic business reinforces its importance to students:

1. *Chapter coverage.* Internet technology and its impact on the way companies do business are featured throughout the chapters and explored in detail in Component Chapter C.
2. *“Focus on E-Business” boxes.* Special feature boxes highlight the differences that exist between conducting business in the e-world versus conducting business in a traditional business environment.
3. *Featured e-businesses.* Chapter vignettes, case studies, boxes, business mysteries, and in-text and online examples feature popular e-businesses, such as AOL Time Warner, Cisco, Dell, E*Trade, eSchwab, Priceline, 1-800-Flowers, iPrint, eBay, Amazon, and more.
4. *Online supplement.* Written specifically to accompany this text, *E-Business in Action* focuses entirely on e-business hot topics and the latest trends in e-commerce.
5. *Video cases.* Professionally produced video cases give students a first-hand view of the challenges that BMC, a business animation company, faces as it transacts business electronically.
6. *Internet exercises.* Students become acquainted with the wealth of information on the Web by completing the text’s “See It on the Web,” “Learn More Online,” and supplemental online Internet exercises.

■ BUSINESS MYSTERIES AND KEY PRINCIPLES

Students help two business detectives, Nick and Natasha, investigate and solve a series of intriguing business mysteries at the end of each text part. The goal is to find out why, when a company appears to be doing everything right, it surprisingly stumbles or falls, or suddenly changes its course of action. Featured companies include Intel, DaimlerChrysler, Boeing, PeopleSoft, Saturn, and Schwab.

To solve the company mysteries, students apply imaginative thinking to the evidence and use clues strategically placed in the margins throughout the textbook. These clues consist of key business principles that highlight the latest management thinking by today’s most recognized and respected business leaders—Peter Drucker, Clayton Christensen, Gary Hamel, Bill Gates, Thomas Friedman, Arthur Levitt, Jr., Tom Peters, Al Ries, Jack Trout, and more.

The “Business Mystery” features continue with supplemental online exercises. Students are asked to solve the mysteries of e-business using the same chapter clues and featured companies.

■ SEE IT ON THE WEB FEATURES AND EXERCISES

Students become acquainted with the Web and its wealth of information that relates to the content of *Business in Action*. In each chapter, three “See It on the Web” features describe Web sites that reinforce and extend chapter material.

Three end-of-chapter exercises are directly tied to the showcased “See It on the Web” sites and give students experience with the rich resources of the Web. The exercises provide students with navigational directions, guidance, and hints. Students who complete these exercises will learn how to use the Internet proficiently and productively.

■ SPECIAL FEATURE BOXES

Special feature boxes make the world of business come alive with fresh, never-before-seen examples that are carefully placed in each chapter to further enhance student learning. Each box includes two critical-thinking questions that are ideal for developing individual or team problem-solving skills. Students will enjoy the variety of business topics, which include

Enterprise Rent-A-Car Tries Harder, and It Pays Off ■ How Cisco Bought Its Way to the Top ■ How Michael Dell Works His Magic ■ Office Ethics: Teams Make It Hard to Tattle ■ Mervyn's Calls SWAT Team to the Rescue ■ Chek Lap Kok's Turbulent Takeoff ■ Is Telecommuting Right for You? ■ Are Temp Workers Becoming a Full-Time Headache? ■ It's Okay to Fall Asleep on the Job ■ It's the Brand, Stupid ■ Auditors and Clients: Too Close for Comfort?

Special feature boxes titled "Focus on E-Business" highlight the many challenges companies are facing in the world of electronic commerce. Topics include

Here Comes the Electronic Highway ■ Roadblocks on the European Superhighway ■ Create a Winning Web Site ■ Is the End of the Beginning Near? ■ Seven Habits of Highly Effective E-Managers ■ This Cyberbazaar Is Strictly Business-to-Business ■ Living with the E-Cultures of Hype and Craft ■ Your Right to Privacy vs. the Marketing Databases ■ The Electronic Price Isn't Always Right ■ E-tailing: It Takes More Than a Web Site

SPOTLIGHT ON FIVE MAJOR BUSINESS CHALLENGES

Five business themes are woven into the chapter text. Real-world examples and discussion bring vivid insights into how businesspeople face these challenges on a daily basis. They are

- Keeping Pace with Technology and Electronic Commerce
- Supporting Quality Initiatives and Achieving Customer Satisfaction
- Starting and Managing a Small Business in Today's Competitive Environment
- Thinking Globally and Committing to a Culturally Diverse Work Force
- Behaving in an Ethically and Socially Responsible Manner

EXERCISES AND LEARNING TOOLS FOCUS ON REAL-WORLD COMPETENCIES AS RECOMMENDED BY SCANS

As described in the SCANS (Secretary's Commission on Achieving Necessary Skills) report from the Department of Labor, it is essential that students meet national standards of academic and occupational skill. Like no other introduction to business text, *Business in Action* empha-

sizes the skills and competencies necessary for students to make the transition from academia to the workplace.

To help accomplish the SCANS goal, this text offers extensive, specifically designed pedagogy that is grounded in real-world situations. This pedagogy includes features and exercises that stimulate critical thinking skills such as observation, interpretation, organization, decision making, analysis, and practical application of chapter concepts—at a level that students will understand and enjoy.

SKILL-BUILDING, PRACTICAL, REAL-WORLD EXERCISES

Business in Action includes an extraordinary number of pedagogical devices that simplify teaching, facilitate learning, stimulate critical thinking, maintain interest and enjoyment, and illustrate the practical application of chapter concepts. These include

- *Building Your Team Skills.* Chapter-related exercises teach students important team-building skills such as brainstorming, collaborative decision making, developing a consensus, debating, role-playing, and resolving conflict.
- *Handling Difficult Situations on the Job.* Short, experiential exercises expose students to real-world business situations in which they must use the knowledge they've gained from the text, along with their good judgment, to solve a challenging workplace situation. Taken from actual events, these exercises are designed to develop student problem-solving and critical-thinking skills.
- *Sharpening Your Communication Skills.* The ability to communicate well—whether listening, speaking, reading, or writing—is a skill students must possess to have a successful business career. These exercises call on students to practice a wide range of communication activities, including one-on-one and group discussions, personal interviews, panel sessions, oral and written papers, and letter-and memo-writing assignments.
- *Exploring Career Opportunities.* Students are given the opportunity to explore career resources on campus, observe businesspeople on their jobs, interview businesspeople, and perform self-evaluations to assess their own career skills and interests.
- *Developing Your Research Skills.* These exercises familiarize students with the wide variety of

business reference material available and give students practice in developing research skills.

LEARNING TOOLS THAT HELP DEVELOP SKILLS AND ENHANCE COMPREHENSION

Business in Action uses a variety of helpful learning tools to reinforce and apply chapter material as well as stimulate higher-level thinking skills. These include

- **Learning Objectives.** Six chapter-opening learning objectives establish benchmarks for measuring success. Each numbered objective is clearly stated to signal important concepts students are expected to master. The numbered objectives reappear in the text margins close to the related material. The end-of-chapter “Summary of Learning Objectives” reinforces basic concepts by capsulizing chapter highlights for students.
- **Questions for Review.** Five end-of-chapter questions reinforce learning and help students review the chapter material.
- **Questions for Analysis.** Five end-of-chapter questions help students analyze chapter material. One of these questions is ethics-based and marked with a special icon.
- **Questions for Application.** Four end-of-chapter questions give students the opportunity to apply principles presented in the chapter material. Two of these questions are integrated and give students the opportunity to apply principles learned in earlier chapters. Marked with a special icon, these integrated questions encourage students to think about the “big picture.”
- **Four-Way Approach to Vocabulary Development.** The text’s four-way method of vocabulary reinforcement helps students learn basic business vocabulary with ease. First, each term is printed in boldface within the text. Second, a definition appears in the margin adjacent to the term. Third, an alphabetical list of key terms appears at the end of each chapter, with convenient cross-references to the pages where the terms are defined. Fourth, all marginal definitions are assembled in an alphabetical Glossary at the end of the book.
- **Team Building Exercises.** In addition to “Building Your Team Skills” exercises, many of the exercises included in *Business in Action* are designed to be

worked on in teams. This is especially true for application and critical thinking questions, in addition to all cases, Web-based exercises, business mysteries, and research exercises.

- **Lively, Conversational Writing Style.** Read a few pages of this textbook and then read a few pages of another introduction to business textbook. We think you will immediately notice how the lucid writing style in *Business in Action* makes the material pleasing to read and easy to comprehend. We have carefully monitored the text’s content and its reading level to make sure they are neither too simple nor too difficult.
- **Comprehensive Video Cases.** Brand new and professionally produced Video Cases feature BMC, a business animation company. Each video case includes questions and exercises that help students understand how business principles and chapter concepts apply to the workplace.

WHEN YOU ADOPT BUSINESS IN ACTION, YOU GET MUCH MORE THAN A TEXTBOOK!

Welcome to the myPHLIP Companion Web site located at <http://www.prenhall.com/bovee>, your personal guide to the free online resources for your book.

Featuring one-click access to all of the new resources created by an award-winning team of educators, myPHLIP (Prentice Hall’s Learning on the Internet Partnership) provides a personalized view of the great new resources available:

- myPHLIP pages**—Your personal access page unites all your myPHLIP texts.
- Notes**—Add personal notes to our resources for personal reminders and references.
- Messages**—Instructors can send messages to individual students, or all students linked to your course.
- Student Resources**—Add premium PHLIP resources for your students to view and download (such as our PowerPoints, videos, and spreadsheets).
- Syllabus Tool**—Improved online syllabus tools help you add your own personal syllabus to our site in minutes.
- Business Headlines**—Check out links to articles in today’s business news.

- NEW** **Search**—Search all PHLIP resources for relevant articles and exercises.
- Instructor's Manual**—myPHLIP Instructor's Manual provides tips and suggestions from our PHLIP faculty for integrating PHLIP resources into your course.

Online Resources You Have Trusted Throughout the Years

- ✓ **In the News**—New current events articles are added throughout the year. Each article is summarized by our teams of expert professors and fully supported by exercises, activities, and instructor materials.
- ✓ **Online Study Guide**—Results from the automatically graded questions for every chapter provide immediate feedback for students that can be e-mailed to the instructor.
- ✓ **Research Area**—Your own personal resource library includes tutorials, descriptive links to virtual libraries, and a wealth of search engines and resources.
- ✓ **Internet Resources**—Links connect you to discipline-specific sites, including preview information that allows you to review site information before viewing the site, ensuring that you visit the best available business resources found by our learning community.

For the Instructor

- ✓ **Teaching Resources** include resources contributed by professors throughout the world, including teaching tips, techniques, academic papers, and sample syllabuses.
- ✓ **Talk to the Team** is a moderated faculty chat room.
- ✓ **Online faculty support** includes downloadable supplements, additional cases, articles, links, and suggested answers to Current Events Activities.
- ✓ **What's New** gives you one-click access to all newly posted PHLIP resources.

For the Student

- ✓ **Talk to the Tutor** has virtual office hours that allow students to post questions from any supported discipline and receive responses from the dedicated PHLIP/CW faculty team.
- ✓ **Writing Resource Center** is an online writing center that provides links to online directories, thesauruses, writing tutors, style and grammar guides, and additional tools.

- ✓ **Career Center** helps access career information, view sample résumés, even apply for jobs online.
- ✓ **Study Tips** is an area for students to learn to develop better study skills.

E-Business Online Supplement—E-Business in Action

This outstanding, unique e-business online supplement was written specifically for *Business in Action*. Each electronic chapter is keyed to the seven text parts and includes learning objectives, real-world examples, discussion questions, a group activity, Internet exercises, and a mystery exercise. In-depth coverage of the latest trends and concepts in e-commerce include “Internet Privacy and Security,” “Internet Davids vs. Goliaths,” “Managing the Virtual Organization,” “Virtual Training and Development,” “Hot Online Pricing Strategies,” “Internet IPOs,” “Emerging Legal Issues In E-Commerce,” and “Preparing for a Career in E-Commerce.”

E-Biz: Prentice Hall Guide to E-Business and E-Commerce

Take your students behind the scenes to explore the dynamic world of e-business with this new multidisciplinary value-pack supplement. The supplement's printed component offers ten modules that examine the challenges and opportunities e-businesses face in such disciplines as strategy, marketing, management, finance, and more. Each module includes key-term definitions and one minicase study. Special sections include career development on the Internet, distance learning on the Internet, and tips for successful online searches. The Web component to this supplement provides updated coverage of the latest trends, challenges, and hot concepts in e-commerce plus additional interactive exercises.

Business PlanPro Software and Exercises

Business PlanPro 4.0 (BPP) software provides students with a step-by-step approach to creating a comprehensive business plan. The software is designed to stimulate student thinking about the many tasks and decisions that go into planning and running a business. Preformatted report templates, charts, and tables do the mechanics so students can focus on the thinking. Business PlanPro software can be packaged with the textbook for a nominal fee of \$10.

The end-of-part Business PlanPro exercises included in *Business in Action* focus on chapter-related material. Students will sharpen their business planning skills by reviewing six of the thirty sample plans featured in the software.

By working through the exercises, students will gain a practical business-planning skill as they begin to craft their own winning business plan.

Distance Learning Programs: WebCT, Blackboard, and E-College

Now you have the freedom to personalize your own online course materials as well as select the course management system that best meets your needs. Prentice Hall is proud to provide the content and support. Our content has been preloaded into the following course management systems: WebCT, Blackboard, and E-College. Contact your local representative for more information.

■ ADDITIONAL SUPPLEMENTS

Additional instructional materials include:

Study Guide

A *Study Guide for Business in Action* by Sarita Crawford, Colorado State University, is designed to increase your students' comprehension of the concepts presented in this text. The guide provides chapter-by-chapter explanations and exercises designed to reinforce comprehension of key terms and concepts, and to promote concept-application skills.

Threshold Competitor: A Management Simulation, Second Edition

This team-based introduction to business simulation gives students the opportunity to manage small manufacturing companies competing in the same marketplace. Each student team decides on company missions, goals, policies, and strategies in areas ranging from marketing to finance and manufacturing. Students practice skills in planning, organizing, directing, and controlling, and they get responses to both questions and decisions. Group performance is rated and ranked according to criteria determined by the instructor.

Beginning Your Career Search

This concise book by James S. O'Rourke IV offers some straightforward, practical advice on how to write a résumé, where and how to find company information, how to conduct oneself during an interview, and tips on the interview process. Included in the book are copies of sample introductory, cover, follow-up, and thank-you letters. This book is provided at no charge to students using *Business in Action*.

■ UNSURPASSED INSTRUCTIONAL RESOURCE PACKAGE

The instructional resource package accompanying this text is specially designed to simplify the task of teaching and learning.

Instructor's Resource Manual

This comprehensive manual by Anne Gogela, Colorado State University, with contributions by Marian Burk Wood, is a set of completely integrated support materials. It is designed to assist instructors in finding and assembling the resources available for each chapter of the text. Also available electronically from the book's Web site, the *Instructor's Resource Manual for Business in Action* includes

- Summary of Learning Objectives ■ Course Planning Guide ■ Sample Syllabuses ■ Lecture Outlines and Teaching Suggestions ■ Answers to end-of-chapter questions, cases, exercises, and boxes ■ Answers to the Business Mystery ■ Answers to the Business PlanPro exercises ■ Instructor's Notes for the Video Cases ■ Instructor's Notes for the Study Guide.

Introduction to Business Insights Newsletter for Faculty

Delivered exclusively by e-mail every month, this newsletter provides interesting materials that can be used in class and offers a wealth of practical ideas about teaching methods. To receive a complimentary subscription, simply send an e-mail to join-ibi@mh.databack.com.

Authors' E-Mail Hotline for Faculty

Integrity, excellence, and responsiveness are our hallmarks. This means providing you with the textbooks that are academically sound, creative, timely, and sensitive to instructor and student needs. As an adopter of *Business in Action*, you are invited to use our E-Mail Hotline. We want you to be sure you're completely satisfied, so if you ever have a question or concern related to the text or its supplements, please e-mail us at bovee-thill@uia.net. We'll get back to you as quickly as possible.

Test Bank

A master test item file of approximately 1,500 quality questions is available for use with *Business in Action*. The test file consists of multiple-choice, true/false, and essay items. Each test question is ranked as easy, moderate, or difficult, to allow an instructor maximum flexibility in

creating a test. The *Test Bank* was prepared by Bronwyn Becker of Colorado State University.

Prentice Hall Custom Test (Windows Version)

Based on a state-of-the-art test generation software program developed by Engineering Software Associates, *Prentice Hall Custom Test* is suitable for your course and can be customized to your class needs. This user-friendly software allows you to originate tests quickly, easily, and error-free. You can create an exam, administer it traditionally or online, and analyze the success of the examination—all with a simple click of the mouse.

Videos

The ability to drive home a point—to excite the human mind and to stimulate action—is what makes videos so incredibly powerful. Now this power can be yours when you experience the drama and immediacy of real-world business in your classroom with the *Business in Action* videos.

The seven high-quality videos available with this text feature BMC, a business animation company, and were produced especially for *Business in Action*. Most importantly, these videos challenge students with a unique set of instructive video case exercises located at the end of each text part. The videos are designed as in-class field trips to bring to life the concepts and issues covered in the textbook. The exercises are designed to help students understand how business principles and concepts are applied in the workplace.

Color Acetate Transparency Program

A set of approximately 300 color transparency acetates, available to instructors on request, highlights text concepts and supplies additional facts and information to help bring concepts alive in the classroom and enhance the classroom experience. All are keyed to the *Instructor's Resource Manual*.

PowerPoint Presentation Software

The overhead transparency program is also available on PowerPoint. The software is designed to allow you to present the overhead transparencies to your class electronically. PowerPoint slides can be downloaded from the text's Web site or are available on disk from your Prentice Hall representative.

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