

Exploring the World of Business

Blanchard Schewe Nelson Hiam





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Kenneth Blanchard

Blanchard Training and Development

Charles Schewe

University of Massachusetts, Amherst

Robert Nelson

Blanchard Training and Development

Alexander Hiam

University of Massachusetts, Amherst



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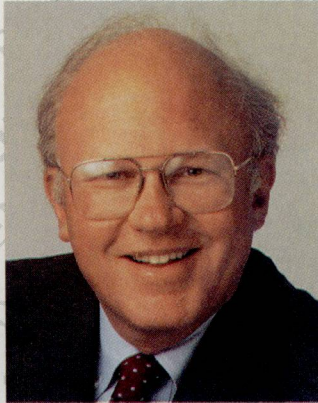
Our Mission

Our mission in writing *Exploring the World of Business* was:

- to provide you with a foundation in the vocabulary, concepts, and principles that guide successful businesses;
- to develop your critical thinking skills and improve your study skills;
- to assist you in choosing your major and charting your future career path;
- and to help you succeed in this course, in future business courses, and throughout a challenging career.

We hope our text will engage your mind and inspire you to join in the reinvention of business now taking place.

About the Authors



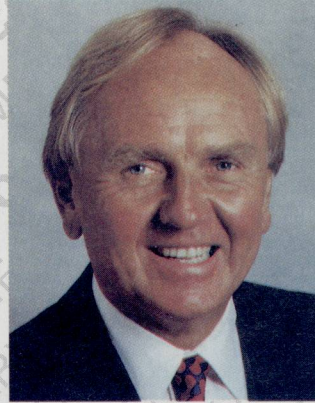
Ken Blanchard

Few people have had as much influence on the world of business as Ken Blanchard with his long career as an author, management consultant, teacher, and public speaker.

Ken's impact as a writer in the field of management has been especially far-reaching. *The One Minute Manager* (1982), the best-selling business book of all time, has sold over nine million copies and been translated into more than 25 languages. *Management of Organizational Behavior*, the textbook Ken co-wrote with Dr. Paul Hersey, has become a classic and is now in its sixth edition. Throughout 1995, the *Business Week* best-seller list included two of Ken's most recent books—*Raving Fans: Satisfied Customers Just Aren't Good Enough* (1992) and *Everyone's A Coach* (1995), co-written with Don Shula—nestled next to the still-influential *One Minute Manager*.

Blanchard Training and Development, Inc., a full-service management consulting and training company whose clients include some of America's most well-respected educational institutions and Fortune 500 firms, was founded in 1979. As chairman of Blanchard Training, Ken promotes his tenet that "there is no leadership style—it all depends on the situation." He has used his prominence as a speaker to make accessible a long line of leadership concepts—including situational leadership and employee empowerment—to managers around the world. Situational Leadership® II has been one of the most widely and internationally used leadership models of the last 25 years. Ken has received many awards for his business and speaking acumen, including, most recently, the 1991 Council of Peers Award of Excellence from the National Speaker's Association and the 1992 Golden Gavel Award, presented by Toastmasters International.

Ken Blanchard spent eleven years as a professor of management at Ohio University and the University of Massachusetts. He has a Ph.D. in educational administration and leadership from Cornell University, an M.A. in sociology from Colgate University, and a B.A. in government and philosophy from Cornell University. Ken is a member of the Board of Trustees at Cornell University.



Charles Schewe

Currently a professor of marketing at the University of Massachusetts at Amherst, Charles Schewe is no stranger to academic life. In the past 30 years, he has also taught at

Roosevelt University, the University of Illinois–Chicago, Loyola University, and Lansing Community College, introducing over 10,000 students to the basic principles of marketing. Twice he's been presented the Distinguished Teaching Award from the School of Management at the University of Massachusetts. He has also published over 50 articles about his research in periodicals such as the *Journal of Marketing*, *Journal of Marketing Research*, *Business Horizons*, *Journal of Consumer Marketing*, and *American Demographics*. His most recent book is *The Portable MBA in Marketing* (1992), which he co-wrote with Alex Hiam.

Outside of the classroom, Charlie is a highly sought-after principal of LifeStage Matrix Marketing, a California research and consulting firm. He has spent the last 15 years studying the marketing management implications of our aging population, using the results of his research to advise companies on how to target the over-50 population. Among his clients are such well-known names as Spalding Sports Worldwide, IBM, RJR Nabisco, Kraft General Foods, Procter & Gamble, and Sara Lee.

Charlie received his Ph.D. in marketing from The Kellogg Graduate School of Management at Northwestern University. His undergraduate work and MBA were done at the University of Michigan. In 1979, he was a Fulbright-Hays Scholar at the University of Lund, in Sweden, where he frequently teaches and conducts research.



Robert Nelson

A prolific author in the field of management, Robert Nelson's publications include *1001 Ways to Reward Employees*, recently listed as the number two best-selling business

paperback in the country by *Business Week* magazine; *Empowering Employees Through Delegation*, named one of the 30 best business books of 1994 by Soundview Executive Summaries; and *We Have to Start Meeting Like This: A Guide To Successful Business Meeting Management*, which *Fortune* magazine called one of the best books on the topic. Bob also writes a monthly column for and is a contributing editor of *Potentials in Marketing* magazine.

As a vice president of Blanchard Training and Development Inc., a leading management training and consulting company, Bob Nelson serves in the strategic planning group and manages product development, customized products assessments, and publications for the company. Previously, Bob was a management trainer for Control Data Corporation and Norwest Banks.

Bob is a Ph.D. candidate in the Executive Management program of The Peter F. Drucker Management Center at the Claremont Graduate School in Los Angeles. His concentration is in organizational design and development. He also holds a masters degree in business administration from the University of California at Berkeley with an emphasis in organizational behavior. Bob has taught introductory business courses at San Diego Mesa College, in San Diego, California, Lakewood Community College in Minnesota, and at the University of California at San Diego.



Alexander Hiam

Alexander Hiam currently heads a research and consulting firm specializing in strategy and organizational change with an emphasis on new management practices.

He has helped institutions ranging from very large corporations and not-for-profits to small start-ups in the fast-paced fields of computer technology, transportation, and biotechnology.

Alex has parlayed his knowledge of the business world into twelve popular books on the art and practice of management, covering such topics as quality, marketing, negotiation, entrepreneurship, CEO decision-making, and even alternative careers for college students. He wrote two books in the popular Vest-Pocket series—*The Vest-Pocket CEO* (1990) and *The Vest-Pocket Marketer* (1991)—and co-authored the best-selling text, *The Portable MBA in Marketing* (1992). His *Closing the Quality Gap: Lessons from America's Leading Companies* (1992) was a ground-breaking study identifying the key elements of successful Total Quality Management programs at companies like 3M, Ford, Xerox, IBM, Corning, and Motorola. Alex is currently at work on a book exploring change management, a new field that studies the creation and management of major transitions in a business.

Alex is on the faculty of the marketing department at the University of Massachusetts at Amherst, and has previously taught in undergraduate and graduate business programs at Western New England College and American International College. He received his M.B.A. from the University of California at Berkeley, and his B.A. from Harvard University.

Preface

Change is the only constant in business. Change, in and of itself, does not alter the essential content of this first course in business. We believe that the essence of success in business lies in developing vision and values—and embodying them in planning, managing, and decision making. Our textbook reflects this belief by presenting the best mix of traditional approaches and emerging practices. We are determined to avoid faddish trends that soon will disappear, but we embrace reliable, newer ideas that grew out of needs that traditional practices did not satisfy.

Our book is grounded in solid business principles. We designed it and its supporting materials to approach business the way you teach it. We are professors as well as practitioners: we teach students how business really works because we work in business every day.

A student's first course in business must provide a solid foundation for future course work. This task—to spark interest and involvement while developing a solid base of knowledge—requires an easy-to-use teaching tool that lays a solid conceptual foundation. Since these students soon will be at work in business, they need skills: how to find a job, work on a quality improvement team, or cope with downsizing. Indeed, since students can now expect to change careers at least four times over the course of their working lives, it's apparent that self-management and lifelong learning are keys to success. Throughout the text, as well as in the Careers Appendix, we emphasize to students the advantages of developing the skills and attitudes that will enable them to compete and succeed in a business world of constant change.

We respond to the experience of this generation of students, one for whom information and communication technologies are a given. Today's students are pragmatic when it comes to their education. Our aim is to interest and involve them all, regardless of background or gender or age. They will see themselves represented in these pages—in the examples, exercises, and illustrations.

Since we began work on this book, instructors around the country have kept reminding us:

- TO SUPPORT their goals and those of their students by presenting an involving, real-world introduction to the business process, its functions, its environment, and its concepts and vocabulary.
- TO DEVELOP students' knowledge-worker skills—in teamwork, communication, and tolerance; in problem-solving, decision-making, critical thinking, and

technology—to enable them to advance in a turbulent business world, where self-management and lifelong learning are keys to success.

- TO EXPLAIN the vital roles of vision, values, and entrepreneurial capitalism in the continuing growth of the American economy and the emerging global economy.

In essence, this is our approach. As you review the sections following, which first detail this book's themes, organization, and coverage, and then its pedagogy and supporting materials; and as you review the text itself, judge for yourself whether we have achieved our mission. And because continuous improvement is the heartbeat of every business process and product, your reaction to our efforts and your suggestions for improvement are both critical and welcome. You can contact us at Worth Publishers, 33 Irving Place, New York, New York 10003; or e-mail us at econsci@worthpub.com.

Presenting the New Basics for the New Century

Our vision lies in presenting the best mix of traditional approaches and newer perspectives—to show students how businesspeople everywhere are living the practices that instructors teach in their classrooms. To survive and thrive in a changing environment that's been characterized as "permanent white water," businesses are adopting strategies that make their processes

- Quick to respond to opportunities and threats
- Flexible in organization
- Customer focused
- Continuously improving

Transforming internal business processes requires a company to rethink its operations and to focus change on five basic values:

- Employee involvement
- Competitiveness
- Customer satisfaction
- Quality
- Productivity

Introducing Students to Successful Businesses and Their Stories

Chapter by chapter, part by part, *Exploring the World of Business* introduces what's new and what's working at America's best companies. We share with students the insights we've gained from our teaching, our interactions with more than 200 companies each year, and our research on competitive businesses worldwide. Among them:

- Xerox Corporation
- Ford Motor Corporation
- IBM
- AT&T
- Bell Atlantic
- General Electric
- Fel-Pro
- Harley-Davidson
- St. Louis Bread Co.
- Union Carbide
- The Body Shop
- VeriFone
- Netscape
- Microsoft
- The Ritz Carlton
- Nike
- General Motors Saturn
- ICI Pharmaceuticals
- Seattle City Lights
- Honda Motor Corporation
- FedEx
- Semco S.A.
- Milliken
- Motorola
- Stride Rite
- Coopers & Lybrand
- Merrill Lynch
- Boston Market

Global Business Permeates the Book

Like information technology, globalization is transforming business. Our coverage begins in Chapter 1, since globalization is integral to the changing environment of business and business processes. It continues in Chapter 2, particularly in the sections on Economic Choices and Economic Exchanges. Global Business is the focus of Chapter 3, and Chapter 4 explores globalization within the context of Ethics, Law, and Government.

Each succeeding chapter expands and integrates these global themes. For example, students learn about the opportunities that global business offers to entrepreneurs and to companies of every form and size in Part 2. They see the effects of globalization on organizational structure and production processes in Part 3. In Part 4 globalization forms a backdrop for discussions of workplace diversity and unionization. Part 5 assumes a completely global environment in its coverage of marketing. Part 6 drives home the concept of global, real-time information networks. Part 7 explains how businesses react to the opportunities and threats posed by a global financial marketplace.

Helping Students Develop Their Knowledge-Worker Skills

To survive and thrive in a world where the only constant is change, it's good business to start with a plan. Our focus throughout, beginning with Chapter 1, is to help students recognize the value of taking personal responsibility. In the short term this means planning their study time and course work, and developing their budding business skills. In the long run it means planning for career self-management and lifelong learning to continually improve their performance as businesspeople. The text's examples, illustrations, and learning aids support students in three ways. First, the text's pedagogy motivates students to learn by involving them in the narrative. Second, it reinforces the content by providing learning aids that support their efforts. Third, it teaches by asking students to think critically and apply what they have learned.

Motivating Students

One Minute Manager vignettes profile real companies in the context of a dialog among two students and their mentor. Appearing at the start of each chapter, the conversational style of these discussions invites students to read on and learn more.

Doing Business boxes in each chapter explain how real businesses are applying key principles and practices introduced in the chapter.

Ethics Check boxes, beginning in Chapter 2, showcase ethical issues that businesses face and ask students to evaluate the situation and the response of the company or industry. Students are exposed to the range of ethical issues businesses regularly face.

Clear, simple *illustrations* and relevant *photographs* both reinforce and extend the concepts and examples presented in the text.

Reinforcing That Helps Students Learn to Learn

To focus on and check their progress, the *Learning Goals* that open each chapter direct students' attention to the key concepts they must master. To direct reading and provide further reinforcement, each goal appears in the text margin adjacent to key presentations. Finally, the goals form the foundation of the end-of-chapter *Reviewing* summary, grouped by the chapter's main headings, to help students organize their study.

The *Reviewing* section continues with a listing of *Key Terms*, referenced by text page number. Key-term definitions appear in the text margins where the terms are first used. Definitions reflect current usage in business, and each is clear, concise, and consistent with the text's pre-

sensation. Of course, we've included a complete alphabetical *Glossary* of key terms and their definitions at the back of the book.

To reinforce basic text principles and demonstrate students' understanding in their own words, we provide a set of *Review Questions* that cover basic concepts presented in each chapter in stepwise fashion.

To demonstrate a broader understanding of basic chapter principles, we include a *Review Case* with questions that ask students to identify how those concepts relate to a real company or industry.

Thinking Critically About and Applying the Content

The real test of knowledge is whether the student can use it to solve new problems and think through new issues. We encourage this necessary aspect of the modern workplace, both within the text and in four distinct learning aids designed to encourage critical thinking:

- Career-oriented *Skills Check* boxes, located throughout the text, encourage students to solve business problems, engage in business and career planning, and think critically about business and career issues.
- *Critical Thinking Questions* require students to apply the concepts they are currently studying and to integrate those concepts into their existing base of business knowledge.
- *Critical Thinking Cases* apply the same integrative rationale in the context of a particular company and/or industry.
- *Critical Thinking with the One Minute Manager*, at the end of each chapter, revisits the opening One Minute Manager vignette and wraps up the real business example that introduced the chapter.

Emerging Strategies and Techniques Are Integrated Throughout

PART 1: The Business World

The four chapters in Part 1 ground students in the basics—what business is and what business does. Part 1 also establishes the context of business, the external environment, from the economics of free markets to global competition to business ethics and business law. Throughout, we emphasize how businesses successfully—and unsuccessfully—respond to change, including topics such as:

- Customer focus and global competition
- The learning cycle, learning organizations, and process improvement innovations

- Benchmarking, business process reengineering, and downsizing
- Employee empowerment, teaming, and the link between knowledge work and productivity
- The advantages gained from developing transferable, all-purpose job skills in critical thinking and problem solving
- Partnering, including public service partnerships
- Trading blocs, including NAFTA, the EU, APEC, and GATT, and newly industrializing countries (NICs)
- Strategic alliances
- Ethical management, ethics statements, and the principle of doing business in good faith
- Workplace diversity

PART 2: Launching the Business

The three chapters in Part 2 explain how an organization's legal form flows from its vision and mission, and how that form may change. Students learn the role of entrepreneurship as an engine of economic growth in market economies worldwide, what it takes to be an entrepreneur, and whether entrepreneurship suits them. Finally, they learn how "fast and flexible" small businesses furnish jobs and growth to the U.S. economy, contribute economic well-being to their communities, and provide U.S. workers with the widest range of career opportunities. Terms and topics include:

- Limited liability corporations
- Skunk works
- Gazelles
- Business networks
- Networking to build business contacts
- Kitchen capital, sweat equity, business incubators, and multiple franchising

PART 3: Managing the Business

No matter what they produce or how they market their products, all businesses share a core of five functions: management, employee development, marketing, control systems, and finance. The interactions among these functions dictate every business process. The chapters in Part 3 describe how forces such as increasing competition, globalization, and emerging technologies and innovations prompt business management to move from commanding and controlling employees to coaching them and collaborating with them in support of the company's vision and mission. To make their internal organizations fast and flexible, businesses are turning to decentralized, flat designs. Flat organizations mean fewer layers of management, more teams of empowered employees, and wider delegation of decision-making. To describe how managers are embracing change, topics of special interest include:

- Mission statements and learning organizations
- Delegation, empowerment, and team-based management
- Situational leadership and management by walking around
- The high-involvement workplace and teaming: self-directed, cross-functional, project, and process improvement teams
- Open-book management
- Inverted hierarchies and refocusing from business functions to business processes
- Downsizing, outsourcing, and virtual companies
- Push versus pull processes and just-in-time systems
- Reengineering, total quality management, process improvement, and brainstorming
- Cycle times, cost of quality, and root cost analysis

PART 4: Empowering the Employee

In order to flourish as the U.S. workplace and work force change, businesses seek capable people, invest in training, and develop benefit and compensation programs that respond to employees' needs and motivations. Employing part-time, temporary, and independent contract workers is a major human resource strategy right now. Finally, as union membership in traditional industries continues to shrink, unions are expanding into "new collar" workplaces, and turning from confrontation to cooperation with management. Special-interest terms and topics include:

- Task clarity and SMART goals
- Small group incentives
- The contingent work force, from outsourcing to employee leasing
- Diversity training
- Mentoring and networking
- Flexibility in compensation, scheduling, and benefits
- Management rights clauses

PART 5: Pleasing the Customer

The business markets to its shareholders and suppliers, its creditors and its employees, as well as to the ultimate consumer. Marketing focuses the business on customer satisfaction by developing quality products, pricing them for value, placing them for convenience, promoting them energetically, and providing extraordinary customer service. While integrated marketing communications ensure that the business speaks to all its customers with one voice, interactive technologies empower consumers to control the company's message as never before. Topics at the heart of marketing today include:

- Environmental scanning and globalization
- Relationship marketing, customer service, and customer satisfaction
- Internal and external customers
- Targeting, segmentation, and repositioning strategies
- Demarketing
- Product improvement strategies
- The AIDA model
- Unsought products
- Dual distribution
- Reverse distribution channels
- Everyday low prices
- Interactive media, infomercials, and at-home shopping

PART 6: Controlling the Business

The competitive business uses information as a tool to improve the speed and quality of its decision making. Decentralized, networked businesses foster information sharing and a faster, more flexible decision-making process. For example, no longer does accounting deal solely with past performance. Rather, accounting and financial controls focus management, marketing, and finance on cutting costs and expenses, managing inventory, and increasing the company's profitability. Among the terms and topics to watch for are:

- Cyberspace: the information superhighway, including the Internet and World Wide Web, on-line services, and web browsers
- Interactive information technology: groupware, wireless communications, personal digital assistants, and television
- Tools for open-book management: activity-based costing, cost drivers, and the cost of quality
- Intellectual property as an intangible asset
- Forensic accounting

PART 7: Financing the Business

Competitive businesses know that profitability improves when management broadens the internal base for financial decision-making and forms partnerships with financial institutions and investors. Deregulation of financial markets and consolidation in the banking industry broaden the range of financing options for the business. Capital markets for debt and equity financing operate as global, electronic, real-time networks. And lastly, planning for disaster is the first step in managing the company's pure risks. Topics of particular relevance in business finance include:

- Undercapitalization, poor cash flow, and inadequate expense control as causes of business failure
- The process of open-book management
- Virtual banking
- Microenterprise lending
- Derivative securities
- The rise of managed health care: HMO, PPO, and POS plans

The Teaching and Learning Package

Our innovative, comprehensive support system builds on the same customer focus as this book. Our overall package detailed below offers quality supplements to maximize students' learning experience; it will help students master core concepts and will encourage them to apply their growing knowledge of business.

EXPLORING THE WORLD OF BUSINESS VIDEO JOURNEY

Featuring Ken Blanchard

Our coauthor Ken Blanchard, who has filmed some of the most successful business videos ever, hosts our *Exploring the World of Business Video Journey*. He introduces each of the seven text parts in four-minute segments. Ken integrates part concepts and illustrates them with vivid stories in his motivational and entertaining style.

This video package incorporates seven hours of videos into 42 segments, all introduced by Ken Blanchard. Most segments are between five and ten minutes in length. Among them are seven outstanding programs by Tom Peters, including on-location profiles of such companies as Harley Davidson, Southwest Airlines, and MCI. In addition, we present *Future Perfect*, by Stan Davis, a renowned futurist who offers a fresh perspective on the future of American business with a revolutionary method of managing. These programs are offered exclusively to users of our text by Video Publishing House, leading producer and distributor of video-based training programs in the video training market.

Other featured companies and programs include:

- NASDAQ
- World Class Quality at Playmobil with Tom Peters
- Making It! Minority Success Story of Panda Express
- Lincoln Electric—Jobs for Life
- Employee Empowerment at AT&T
- Malcolm Baldrige National Quality Award winners: FedEx, GTE, Wainwright Industries, Motorola, and Xerox

We are also offering exclusively to the college market *Inc.* magazine's acclaimed video, *How to Really Start Your Own Business*. This video is divided into ten segments of four to seven minutes each—ideal lengths for teaching.

This flexible video teaching package offers an unprecedented wealth of possibilities for students and teachers alike as you explore the world of business.

VIDEO GUIDE

Robb Bay, *Community College of Southern Nevada*

This indispensable resource accompanying the *Exploring the World of Business Video Journey* not only gives quick summaries of each video segment, making it easy to select videos to use in class, but also cross-references each segment with the appropriate text chapter, and provides a list of questions to stimulate class discussions.

STUDY GUIDE

Harold C. Babson, *Columbus State Community College*;
Murray S. Brunton, *Central Ohio Technical College*

By completing any chapter in the Study Guide, your students will not only know the material in the text chapter, but also understand it and be able to *apply* it to real-life situations. Each section actively engages students and challenges them to learn. From the Chapter Review, which asks students to complete fill-in statements while guiding them step-by-step through the key lessons of the text chapter, to matching and fill-in vocabulary reviews—and even in mini-cases to be analyzed—you will not find one passive section. All sections have been designed to promote learning through active involvement. The chapter sections are:

- Learning Goals
- Chapter Review
- Self-Test: Vocabulary Building, Matching, True/False, and Multiple Choice
- Concept Application
- Mini-Case

This guide offers the *Small Business Venture Program*, a truly innovative and exciting approach to the realities of small business. A series of detailed questions and answers highlight the applicability of text material to modern small business issues. In the Small Business Venture Advanced Exercise, students are taken, step-by-step, through the process of writing a business plan. They begin by developing, in writing, an idea for a marketable product or service. Then they are asked to estimate the amount of start-up capital they would need, research possible sources for that capital, and even plan the logistics of full-scale production and sale. Students will have completed a professional business plan by the end of the course.

INC. MAGAZINE READER

Inc., the preeminent publication for entrepreneurs, addresses the unique needs of growing companies. The magazine is written specifically for people starting and running small and growing businesses. If you use the magazine in your class, you can help your students really understand what running a small business is about. Through an arrangement between *Inc.* and Worth Publishers, you may order from *Inc.* a selection of the top articles of 1995 as a custom book of readings. You will be able to put together your own readings from *Inc.* using as few as 10 articles or as many as 25 from a listing of 300 articles published in 1995. Worth Publishers' representatives will provide you with ordering information and selection options for the *Inc.* 1995 Reader. We plan to continue this arrangement as an "annual edition" in future years. Information on an educational discount subscription program will also be made available.

CAREER NAVIGATOR SOFTWARE

For a limited time only, the brand-new, 1996 student edition of *Career Navigator* (Drake Beam Morin, Inc.), the best-selling career software for over ten years, is being made available to adopters of *Exploring the World of Business*. This computer program, available for Windows, guides students through exploring their interests, aptitudes, and accomplishments as they select a career path. It also shows them how to structure and write a resumé and cover letter; how to prepare for an interview, with advice on how best to answer questions they may be asked; and how to follow-up by writing a thank you letter. *Career Navigator* provides students with an invaluable tool for finding a job.

INC. BUSINESS SOFTWARE PACKAGE

Also available is the *How to Really Start Your Own Business* software package from *Inc.* Business Resources. The package consists of software for Windows, a CD-ROM, and a special, tie-in video.

LECTURE PRESENTATION SOFTWARE

The Lecture Presentation Software is a great resource for utilizing multimedia in classroom demonstrations. It provides instructors with electronic lecture outlines keyed to figures from the textbook as well as additional charts and diagrams prepared especially for this package. Created in PowerPoint, it integrates text coverage with salient information from other teaching ancillaries.

STOCK MARKET PROJECT

Kathryn W. Hegar, Mountain View College

Upon completion of this project, students will be able to describe the information in a stock quotation listing, buy and sell stocks from any major stock market exchange

through a stockbroker, explain stockbroker commissions, and use financial resources to research companies for potential investment purposes. The immediate goal: get a return on a \$20,000 investment in any company on the New York Stock Exchange or on the NASDAQ exchange. This game is designed to run a maximum of ten weeks.

INSTRUCTOR'S RESOURCE MANUAL

Candida A. Johnson, Holyoke Community College; Coleen C. Pantalone, Northeastern University; Joseph C. Santora, Essex County College; and Harold C. Babson, Columbus State Community College

This invaluable resource is easy to use and comprehensive in its coverage. Insightful examples, engaging class exercises, and overhead transparencies have all been integrated with complete coverage of the text material to help you enhance your class lectures. The sections have been designed to facilitate lecture preparation and introduce new approaches to teaching the material. Each chapter includes the following sections:

- Chapter Overview
- Student Learning Goals
- Lecture Outline, including boxed examples with citations, overhead transparency cross references, teaching suggestions and questions, and class discussion exercises
- Class Discussion Guide with handouts
- Answers to End-of-Chapter Questions and Cases
- Suggestions for Guest Speakers
- Review Sheet to be distributed to guide students' studying
- Additional Case: a full-length supplementary case drawn from an article in a magazine such as *Inc.* or *Fortune*, with discussion questions
- Transparency masters of text art not in acetates

The Lecture Outline details each chapter while adding many *brand new* examples (with complete citations), teaching questions, and references to charts and diagrams (in the form of overhead transparencies or transparency masters) to share with students. The Outline also includes a choice of Class Exercises to deepen comprehension of text material and involve students in class discussion. Each exercise is accompanied by a hand-out and answer sheet which can be distributed in class, as homework, or even as part of an exam.

TEST BANK

Robert Cox, Salt Lake Community College; Patricia Setlik, William Rainey Harper College; Bruce Handley, Weber State University; and Andy C. Saucedo, Doña Ana Branch Community College.

The Test Bank contains more than 2500 carefully crafted, clearly written questions. It is designed to measure students' comprehension of basic business concepts as well as their ability to apply those concepts to real-world situations. The Test Bank's coverage of the text is accurate, fair, and thorough; every key term and learning goal is addressed.

Each chapter includes 60 to 80 multiple-choice, 20 to 30 true/false, 12 to 15 fill-in-the-blank, and 5 to 6 short-answer questions. Five or more of the multiple-choice questions are based on a hypothetical case that illustrates the concepts presented in the chapter. There is at least one case per chapter. Together with each question, the Test Bank provides the text page number where the answer can be found, an objective keyed to the appropriate learning goal in the text, and the answer to the question. Both the multiple-choice and true/false questions are classified by question type: factual/definitional or conceptual. Factual/definitional questions test students' knowledge of the text material, while conceptual questions test students' ability to apply what they have learned. The multiple-choice questions are also rated for difficulty (easy, medium, or difficult).

COMPUTERIZED TEST BANK

The printed Test Bank forms the database for test-generation software available for use on Windows, IBM, and Macintosh computer systems. Instructors can edit test questions, add new questions, scramble questions, and create multiple versions of the same test.

OVERHEAD TRANSPARENCIES

Approximately 200 full-color overhead transparency acetates which are all referenced in the Lecture Outline in the Instructor's Resource Manual. Each overhead visually illustrates a key concept in the outline. Some important figures from the text are included as acetates, but most are new figures not found in the text. All text figures not used as acetates are available in the Instructor's Resource Manual as transparency masters.

Acknowledgments

We are grateful to the following colleagues who reviewed all or part of our manuscript. In the first edition you must be specially responsive and we have endeavored to listen very carefully to this group of fine business educators who labored long and hard in their reading of the many manuscript drafts. Their sharing of classroom experiences and teaching examples has contributed greatly to the user-friendliness of this text. We would especially like to single out Robb Bay, Michael Cicero, Bill Small, and Michael Padbury, who went far beyond any of our expectations to point out the realities of their classrooms to us.

The insights of all our reviewers are reflected in this completed textbook.

Hal Babson, Columbus State Community College
 Robb Bay, Community College of Southern Nevada
 Barbara Boyington, Brookdale Community College
 Murray Brunton, Central Ohio Technical College
 Bruce Charnov, Hofstra University
 Michael Cicero, Highline Community College
 Robert Cox, Salt Lake Community College
 John Foster, Montgomery College
 Chaim Ginsberg, Manhattan Community College
 Donald Gordon, Illinois Central College
 Robert Grau, Cuyahoga Community College
 Sanford Helman, Middlesex Community College
 Nathan Himelstein, Essex County College
 Candida Johnson, Holyoke Community College
 George Katz, St. Philips College
 Roger Kaufman, Smith College
 James McKenzie, Tarrant County Junior College, Northeast
 Erica Michaels
 Richard Morrison, Doña Ana Community College
 Michael Padbury, Arapahoe Community College
 Dennis Pappas, Columbus State Community College
 Ginger Parker, Miami Dade Community College
 Anne Potter, Holyoke Community College
 Richard Randall, Nassau Community College
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