

JAMES A.F. STONER / EDWIN G. DOLAN

introduction to BUSINESS



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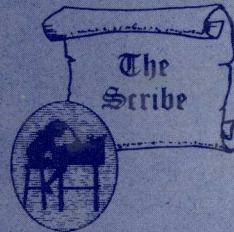
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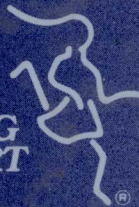
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introduction to **BUSINESS**

James A. F. Stoner

Fordham University

Edwin G. Dolan

George Mason University



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PREFACE

Peter Drucker says that management must be both efficient and effective. Efficiency means doing a thing well; effectiveness means doing the right thing. We think Drucker's admonition applies to textbooks, too. In the case of a textbook, efficiency means good pedagogy and effectiveness means properly focused content. Accordingly, we have built this book around a number of major content themes and teaching methods that we think will make the world of business come alive for today's students.

MAJOR THEMES

The diversity of American business. Before starting the course, some students will tend to think of "business" as synonymous with large industrial firms like GM, IBM, and Exxon. Starting with the cover, this book broadens the field of vision to include small businesses as well as large ones, service firms as well as industrial firms, and the not-for-profit and government sectors as well as business. This emphasis on diversity is carried throughout the book. Examples include discussions of planning for small businesses, production and operations problems of service firms, marketing for not-for-profit organizations, and sources and uses of funds for government agencies.

Doing well by doing good. Some students may start the course with the preconception that *profit* is a dirty word—that it means money gained at the expense of consumers, workers, and society as a whole. To balance this one-sided view of business, this book stresses the theme of "doing well by doing good." In one section after another the reader is shown that firms that care about people and practice corporate good citizenship are more, not less, profitable as a result. Social irresponsibility, discrimination, and dishonesty are portrayed as losing strategies. Examples of this theme in action include the following:

- Effective marketing is portrayed as a process of learning about customer needs and meeting them with high-quality products.
- Firms that understand that people are the key to productivity and make their employees feel like winners are themselves winners in the pursuit of profit.
- Topics like pollution, discrimination, and business ethics are treated extensively. Cutting corners in these areas is shown to be a shortsighted and self-defeating strategy.
- The duty of government is portrayed as that of creating a legal and regulatory environment in which doing good is the only way to do well.

The economic environment of business. Business does not operate in a vacuum. It is part of a larger economic environment. Chapter 2 of this book provides an introduction to the economic environment of business. Later chapters explain how money, interest rates, inflation, unemploy-

ment, and other economic factors affect the decisions of large and small businesses. Numerous examples show how marketing, production, human resources, finance, and international business are affected by the economic environment.

Information and computers. A well-managed business is an informed one. Throughout the book the information needs of management are kept constantly in focus. Marketing information systems, human resources information systems, and financial information systems are all discussed. An entire chapter (7) is devoted to the use of computers in managing the information needs of business. This chapter frankly discusses the limitations of computers and the negative impacts poorly managed computer systems can have on people and organizations. From marketing research to CAD/CAM, however, computers are shown as a powerful management tool when properly applied.

Preparation for further study in business. This book is addressed to students who will have contact with businesses and other organizations throughout their lives, and who, in the short run, are likely to go on to other courses in business. With this in mind, it stresses the building of a basic business vocabulary. It uses dozens of real-world case studies and hundreds of shorter real-world examples to generate interest. And it develops the theme of careers in business and other organizations through a series of career sections at the ends of each of the six parts of the book.

TEACHING METHODS

We think the five focal points just listed make this book an effective one. To make your teaching efficient, we have also given careful attention to the following points of pedagogy.

Selection and use of cases. We think case studies and examples are the single most efficient way of teaching business subjects at the introductory level. Accordingly, the case studies in this book are designed into the text from the ground up. They are not added as window-dressing at a late stage of editing. This real-world material appears in four basic forms.

1. Each chapter opens with what we call a zinger—a short case, based on real-world experience, that whets the reader's appetite for the topics to be covered in the chapter. The zingers are not stories to be told and forgotten; in every case, the following chapter refers back to them to underline or illustrate a key point. They also often serve as a source of questions for review and discussion.
2. Boxed materials—additional cases, charts, photographs, and the like—are used frequently throughout each chapter. Each box is referenced in the text and intended to drive home an important point.
3. In addition to the numbered and boxed cases, hundreds of “one-liner” illustrations are used. Wherever possible these are drawn from the real-world experience of large and small businesses, not-for-profit firms, and units of government.
4. One or more review cases can be found at the end of each chapter. Like all the others, these are based on examples drawn from the business press or interviews conducted by the authors. The questions to follow these cases reinforce major points made in the chapter. Answers to the questions can be found in the instructor's manual.

Continuity. The chapters in this book are designed to flow from one to the next. Concepts developed early are reinforced by later applications. Earlier cases are brought back to illustrate later points. The classic pedagogic technique of telling the reader “Here’s what’s coming,” “Here it is,” and “Here’s what we just did” is used at all levels—chapters, sections within a chapter, parts of the book, and the book as a whole.

Controversial issues. Controversial issues such as pollution, product hazards, affirmative action, equal pay for jobs of comparable worth, and business ethics, are integrated into the chapters of this book. We feel that these topics are too important to be set aside in boxes that a hurried reader might skip. We discuss these issues honestly and in depth, with no ideological ax to grind. Ethical lapses of business management and policy errors of government are presented not as “horror stories” but as mistakes from which something can be learned.

Design in service of content. We think this book looks good, and we hope you do too. But this is a textbook, not a coffee table book. It looks the way it does for more than just artistic reasons.

Take, for example, the single-column layout of the pages. The wide margins play a key role in our four-level system of vocabulary reinforcement. Each new term is printed in boldface type the first time it is used in the text. Opposite this point, a formal definition is given in the margin. New terms are listed for review at the end of each chapter, in the order in which they appear. Finally, all of the marginal definitions are gathered in an alphabetical glossary at the end of the book.

The single-column design is useful in another way, too. It gives added flexibility in the placement of photographs and boxes, permitting them in almost every case to appear on the same page spread where the topic is discussed in the text. This flexibility has made it possible to select photos, cartoons, and line art that best illustrate key points in the text—not just to fill up space on the page.

ANCILLARIES

This text is accompanied by a complete set of ancillary materials to aid the instructor in teaching the course and to help the student learn the material.

The basic aid to the instructor is a comprehensive instructor’s manual. This contains learning objectives, chapter outlines, lecture notes, supplementary illustrations, answers to questions for review and discussion, and short chapter quizzes. In addition, there is a complete test bank with some 1,900 multiple-choice and true/false questions. The test bank is available in both booklet and computerized forms. Finally, there is an extensive package of acetates for overhead projection.

Students are supplied with two major learning aids. The first is a study guide that contains learning objectives, chapter outlines, programmed learning material, and self-test items. The second student learning aid is a computerized small-business game designed by the authors of this book for use with it. The game is available for use on the more popular minicomputers.

Your Scott, Foresman representative can supply details and samples of all the ancillaries.

ACKNOWLEDGMENTS

Finally, we would like to acknowledge the help of a great many people without whom this book could never have appeared. An enthusiastic and cooperative group of reviewers looked over the manuscript and commented on it in the light of their teaching experience. As a result of their efforts, a raw manuscript was turned into classroom-ready form. Those reviewers were:

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Having said all this, we accept full responsibility for any remaining errors and omissions.

James A. F. Stoner, New York City
Edwin G. Dolan, Great Falls, Virginia

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