

Name: _____

Business Principles

NOTES: Chapter 7 – Business Management

*Management

➤ **Management:** Includes the process or functions of _____

➤ Helps businesses focus on _____ and _____ efficiently and effectively so that a profit can be made

➤ If a firm has employees...they must have management

*Importance of Management?

➤ Why is management important?

*4 Functions of Management

1. Planning
2. Organizing
3. Leading
4. Controlling

*Planning

➤ **Planning:** The act or process of _____ and objectives as well as the _____ to meet them

➤ Involves figuring out the _____ that are needed and the _____ that must be met

*Organizing & Staffing

➤ **Organizing:** Getting _____ in an orderly and functional way

➤ Accomplish goals and objectives

➤ Managers organize:

-
-
-
-

*Levels of Management

➤ **Organizational Chart:** Shows how the firm is structured and

- Top-Level Manager
- Middle Manager
- Operational Manager

*Levels of Management (Cont.)

➤ **Top-Level Manager:** Responsible for setting goals and _____; Leads and controls the work of others

➤ Ex. CEO, president, vice president

➤ **Middle-Manager:** Carries out the decisions of _____

➤ Responsible for production, marketing, and accounting departments

➤ **Operational Manager:** Responsible for _____ business operations

➤ Ex. Supervisors, office managers, crew leaders

*Leading

Leading: Providing _____

➤ Leaders also:

- Set standards (deadlines & sales quotas)
- Delegate work
- Enforce policies
- Oversee time management
- Provide feedback on employees' work
- Resolve conflicts

*Controlling

➤ **Controlling:** Keeping the company _____ and making sure the companies goals are _____

➤ Ex. Budget, schedules, quality of products and services, employee performance, customer satisfaction

*Management Structures

➤ **Line authority:** Managers are on _____ level, with others below them

- **Line and staff authority:** There is a _____ as well as staff who advise the line personnel
 - Enables managers to get advice
 - Can also lead to overstaffing
 - Line & Staff Authority Organization Chart

***Management Structures**

- **Centralized authority:** Authority in one place (_____)
 - Consistent in decision-making
- **Decentralized authority:** Authority is given to _____
 - Often used in international businesses
 - People working there know the markets better

***Management Structures**

- _____:
 - **Departmentalization:** _____ among specific units, or departments
 - Organized by:
 - Geographic
 - Function
 - Customer Groups
 - Product

***Management Structures**

- _____:
 - Smaller businesses
 - Employees can be more flexible
 - Share duties
 - Work alone or together

***Skills Needed by Managers**

- _____
- Prioritize (yourself and others)
- Keep _____ records
- Work under pressure/_____
- _____/interacting with others
- Understand the _____ world as a whole

***Advantages/Disadvantages of Managers**

➤ Advantages:

- Earn more money
- Respected
- Have influence & authority
- Greater control of time

➤ Disadvantages:

- Often blamed
- Mistakes can be costly to company