PRINCIPLES OF BUSINESS MANAGEMENT

Lessons In Leadership

Leadership is a process of social influence which maximizes the positive efforts of others towards the achievement of a collective goal. A leader is a person who establishes a vision, who maintains the drive & commitment toward the vision, & who possesses the skills & aptitude necessary to successfully achieve the overall objective. Leadership is **not** inherently synonymous with management & is **not** necessarily determined by one's title, power, position, seniority, authority, or personality. A great leader demonstrates traits of honesty, integrity, industrialism, delegation, management, perseverance, positive motivation, & effective communication.

A Transformational Leader inspires followers to eagerly commit to a shared vision that provides meaning to associated objectives, while also serving as a role model who helps others develop their own potential & view problems from new perspectives. This type of leadership requires solution-centric goals, actions, & strategies that can be integrated to establish a solid foundation for positive change & entrepreneurial innovation within the group or organization.

Principles of Management

Management involves the efficient organization & effective coordination of the activities of a firm or business in order to achieve defined objectives & deliverables. It is often considered to be a component of production along with other resources such as machines, materials, & operating capital. Management comprises the integrated functions of creating corporate policy along with Organizing, Planning, Controlling, & Directing an organization's resources in order to achieve the objectives of that policy. This therefore necessitates a team of managers or directors who have the power & responsibility to make decisions & oversee the operations of an enterprise (per the Span of Control). The size of a management group can range from one person in a small organization to hundreds or thousands of managers in Multi-National Companies (MNC's). For large corporations, a board of directors defines the policy which is then carried out by the CEO (Chief Executive Officer). In the evaluation of a firm's potential for future growth & success, some of the most important factors are the quality & experience of the senior management team.

Project Management

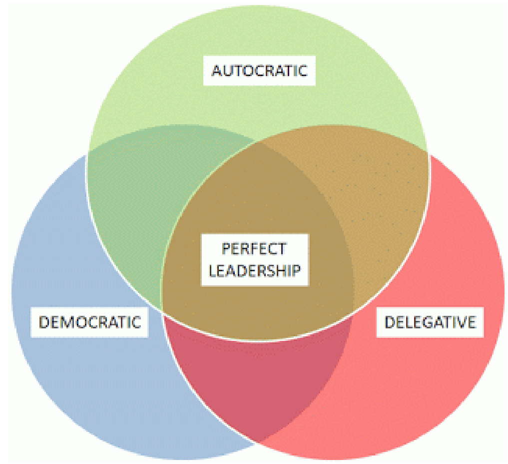
PMP PMI Project Management Professional

What is a project? It is a temporary group activity designed to produce a specific product, service, or result. A project is temporary in that it has a designated beginning & end in time… & therefore has a defined scope & resources. A project is also unique in that it is not a routine operation, but instead a specific set of operations designed to accomplish a singular goal. A project team often includes people who don't normally work together, sometimes from different organizations & across multiple geographic regions. All projects must be expertly managed to provide the learning, integration, on-time delivery, & on-budget results that organizations need.

Project Management is the application of knowledge, skills, & techniques to execute projects both effectively & efficiently. This is a core strategic competency for organizations, thus enabling them to link project results to targeted business goals for an improved Competitive Advantage. The core processes of Project Management consist of the following (5) actions: Initiating, Planning, Executing, Monitoring + Controlling, & Closing. The core knowledge base of Project Management consists of these (10) elements: Project Integration, Project Scope, Time Management, Cost Management, Quality Control, Communication Management, Risk Management, Human Resource Management, & Stakeholder Accountability.

PMI® Project Management Institute

Organizational Management



This is the scientific process of Organizing, Planning, Leading, & Controlling resources of a business entity with the overall aim of achieving its objectives in order to attain a Sustainable Competitive Advantage. The Organizational Management team must understand the invaluable connection between people & profits, must have the capability to make informed decisions, & must be able to resolve any internal conflicts or obstacles in order to be effective & beneficial to the company. Organizational Management requires a strategic focus on employee behavior, performance metrics, corporate culture, organizational structure, & social environments. The objective is to motivate individuals & cross-functional teams to maximize their potential, achieve greater levels of success, & ultimately increase organizational commitment.

Strategic Management

Strategic Management consists of an organization's quest for achieving superior performance & its methodology for sustaining a Competitive Advantage in order to increase market share & maximize stakeholder value. This ultimately requires value creation in the midst of cost reduction, price or product differentiation from competing rivals, making informed business decisions regarding the appropriate actions to take & also those to avoid, integrating a strategy & set of tactics to stake out a distinct market position, & forging long-term commitments that are **not** easily reversible.

Strategic Management advocates the AFI framework (Analyze, Formulate, & Implement) for improving performance metrics across all levels of the business model with various distinctions in terms of Corporate Strategy, Business Strategy, & Functional Strategy. This can be accomplished by utilizing the SCP, SWOT, or PESTEL frameworks & also "Porter's (6) Forces" to perform analytical diagnostics regarding market position & threats of competition.

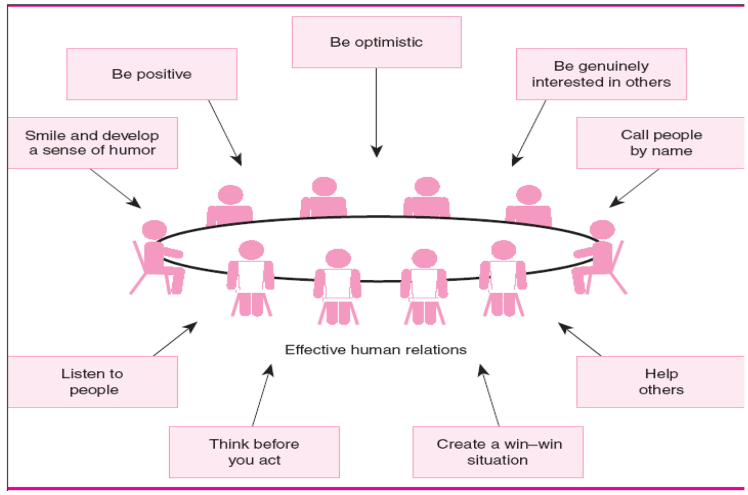
Operations Management

"OM" refers to the administration of best practices & business methods to create optimal levels of sustainable efficiency within an organization. The objective of Operations Management is the gross conversion of inputs (materials, labor resources, proprietary information, etc.) into outputs (goods, services, value-added products, etc.) as efficiently as possible in order to reach profit maximization, all while maintaining superior levels of productivity & Quality Control.

Supply Chain Management

"SCM" is the management of the flow & storage of raw materials, work-in-process inventory, & finished goods from point-of-origin to point-of-consumption. Interconnected networks, interlinked channels, & node businesses are involved in the provision of products & services required by end customers in a Supply Chain. "SCM" involves the Design, Planning, Execution, Control, & Monitoring of Supply Chain activities to create net value, build a competitive infrastructure, leverage worldwide logistics, synchronize supply with demand, & measure performance on a global scale. "SCM" depends heavily on the integrated disciplines of "OM", logistics, procurement, & also Information Technology.

Human Relations in Management

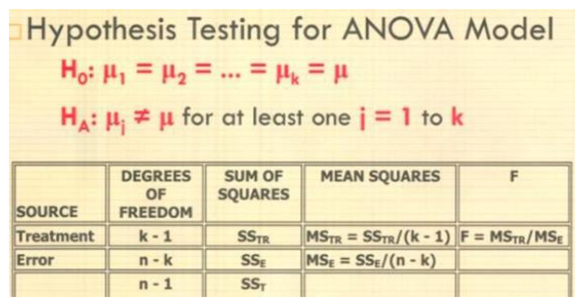


Understanding the System Effect of the complex dynamics between human relations, employee behavior, & corporate performance aids in the ethical & collective achievement of personal, professional, & organizational goals. Successful Human Relations at all levels (Individual, Group, & Organizational Levels) can promote healthy interaction in the midst of multi-cultural diversity, communication barriers, & other potential sources of conflict. The principles of Scientific Management establish a foundation for navigating perceptual bias, emotional intelligence, stress management, & conflict resolution in the workplace environment.

International Management

International Management involves the efficient organization & effective coordination of the activities of a business or Multi-National Corporation in order to achieve defined objectives & deliverables in the midst of expanding Globalization. An "MNC" is a firm that sustains international sales, Foreign Direct Investments, operations in more than one country, & a nationality mix among company owners, managers, or employees. Globalization is the process of social, political, economic, cultural, & technological integration among countries around the world.

Statistical Methods in Quantitative Analysis



Hypothesis Testing for ANOVA Model

$H_0: \mu_1 = \mu_2 = \ldots = \mu_k = \mu$

$H_A: \mu_j \neq \mu$ for at least one $j = 1$ to k

SOURCE	DEGREES OF FREEDOM	SUM OF SQUARES	MEAN SQUARES	F
Treatment	k - 1	SS_{TR}	$MS_{TR} = SS_{TR}/(k-1)$	$F = MS_{TR}/MS_E$
Error	n - k	SS_E	$MS_E = SS_E/(n-k)$	
	n - 1	SS_T		

This is the economic field of study consisting of the collection, analysis, interpretation, & presentation of empirical data. Quantitative Analysis affects nearly every aspect of the modern enterprise, while Statistical Methods are used by consultants & industry professionals to collect, review, process, & project important business or financial records in order to make solid managerial decisions. Quantitative Data is much more detailed than Categorical Data, so it is therefore more useful & valuable in managerial decision-making since Categorical Data cannot produce conclusive Statistical Analysis. Quantitative Data is typically displayed by Histograms, Scatterplots, Correlations, Equations, & Trend or Regression Lines… while Categorical Data is typically displayed by Data Tables, Tally Sheets, Bar Graphs, & Pie Graphs. The (2) primary types of Statistical Analysis are: 1] Descriptive Statistics (Categorical Data) & 2] Inferential Statistics (Quantitative Data).

Micro + Macro Economics

Economics can be classified into (2) distinct areas of study: Micro vs Macro Economics. Micro Economics is the branch that analyzes the Market Behavior of individual consumers & focuses on patterns of Supply & Demand with the determination of price & output in specific markets or industries. Conversely, Macro Economics analyzes national economy levels (with variables such as Gross Domestic Product) & evaluates mass financial operations of the general business environment.

Managerial Accounting

Managerial Accounting (also known as Cost Accounting) is the process of identifying, measuring, analyzing, interpreting, planning, & communicating financial data & economic trends for the pursuit of an organization's own fiscal objectives. The financial information derived from Managerial Accounting is intended to assist internal managers within an organization to make informed strategic decisions & implement corporate business plans in the commercial sector. In contrast, the field of Financial Accounting is essentially aimed at providing a company's comprehensive financial data to external groups outside the organization primarily for compliance & reporting purposes.

Corporate Finance & Taxation

This subject concerns the financial activities related to the operation of a company or corporation. The financial objectives of an organization should **not** simply focus on profit maximization while ignoring the timing of Returns (Time Value of Money) or the uncertainty of Returns (Risk Management). Instead, an organization should focus on maximization of Shareholder Wealth through short-term & long-term financial planning & the implementation of various strategies in order to increase the firm's Stock Value & overall Equity. These financial strategies may include the management of capital investments, assets & liabilities, resource procurement, inventory control, ratio analysis, stock valuation, dividend allocation, & compliance with state & federal tax legislation.

$$IO = \sum_{t=1}^{n} \frac{ACF_t}{(1+IRR)^t} \qquad NPV = \sum_{t=1}^{n} \frac{ACF_t}{(1+k)^t} - IO \qquad V_b = \sum_{t=1}^{n} \frac{\$ I_t}{(1+k_d)^t} + \frac{\$M}{(1+k_d)^n} \qquad \sigma = \sqrt{\frac{1}{N}\left(\sum_{i=1}^{N} x_i^2 - N\overline{x}^2\right)}$$

Principles of Sales & Marketing

The fundamental purpose of marketing is to create value & effectively satisfy the needs & desires of consumers *(**not** merely to sell a product or service)*, which establishes a long-term relationship of consumer loyalty & retention. The genesis of marketing occurs in Psychology & Sociology, while the sales process requires an exchange resulting from the optimal Marketing Mix of Product, Price, Place, & Promotion (the 4 P's). The Product creates value, the Price captures value, the Place delivers value, & the Promotion communicates value to the prospective consumer. The (3) phases of a Marketing Strategic Plan involve Planning, Implementation, & Controlling.

Negotiation & Conflict Resolution

Integrative Negotiation is a social process whereby interdependent people with conflicting interests determine how to allocate resources or work together in the future to achieve mutually-desired outcomes. It is a Collaborative Process that involves compound strategies to find the best solutions for everyone involved by using the Interest-Based, Rights-Based, or Power-Based Approaches. Effective Conflict Resolution requires certain tactical strategies for managing conflict (resulting from internal or external environmental factors) & emotional responses in a professional & diplomatic manner.

Business Enterprise & Entrepreneurship

Entrepreneurship is a vital component of our society & national economy, primarily because it is the genesis for creative innovation, new concepts, & new business enterprises. Entrepreneurship has become the most powerful growth engine of GDP for the US economy by producing exponential net job creation in the commercial sector, & this subsequently creates all new private wealth in our society. All business ventures operate within Fragmented or Concentrated Markets, depending primarily on the degree of direct or indirect competition. Enterprises theoretically become profitable by sustaining a Competitive Advantage, by achieving positive Cash Flow, by maintaining legal compliance, & also by properly evaluating the Demographic & Psychographic variables of their Target Consumer Base.

Business Law, Ethics, & Social Responsibility

In order to achieve success & ensure a positive impact on all potential Stakeholders *(not just stockholders)*, an organization must consider the unique variables & consequences in each of the Customer, Competitor, Economic, Technological, Social, Political, Legal, & Geophysical Environments. An organization may attain comprehensive legal, ethical, social, & environmental responsibility by implementing the Compliance Based or the Integrity-Based Approach within its Corporate Culture, which will deter unethical conduct using various methods & practices depending on the internal Ethical Climate that has been established (based upon the objective criteria of Egoism, Benevolence, or Principle).