

Business Management

1. INTRODUCTION

(2021/2022 - 1st Semester)

Course Objectives



This course seeks to familiarize students with the fundamental principles and concepts in the management area. This should allow students, from the outset, a dialogue with people from the business and business world. This learning is particularly useful for those students who will assume leadership positions within organizations, as well as in the case of partnerships with managers to launch new ideas on the market through the creation of new companies and/or their own businesses.

Program **Production and Human Resources** Introduction: Business Management? Production, Stocks and Quality What is Business Management? i The role of the Manager Organizational Structure i i Why study Business Management? Human Resource Management i **Strategy and Marketing** Finance i Mission; Target Market and Positioning The time value of Money i The SWOT / TOWS Matrix; The BCG Matrix Rents (different types) i Marketing Mix: Product, Price, Place, Promotion (4 Ps) Main Accounts **Financial Analysis** i Digital Marketing Project Analysis "Ideias Business"

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Readings

Some Reference books in English

- Principles of Management
 https://www.pdfdrive.com/principles-of-management-saylororg-e7057851.html
- Introduction to Financial Markets, Business Finance and Portfolio Management
 https://www.pdfdrive.com/the-basics-of-finance-an-introduction-to-financial-marketsnosiness-finance-and-portfolio-management-frank-j-fabozzi-series-e184936291.html

Additional References:

- Libby, R. Libby, P. and Short, D. 2008, Financial Accounting, McGraw-Hill/Irwin.
- Lindon, D., Lendrevie, J., Rodrigues, J. and Dionísio, P-, 2000, Mercator.



Course Evaluation

Course evaluation is the result of three evaluation elements:

- (1) One assignment: Students will carry out a practical assignment, in groups of 6, on a real company, covering its functional areas. After submitting a written version, they present and discuss their findings in class.
- (2) One Final Test: At the end of the semester, an individual test will be given, online (covering the last three blocks of the course). The test will take place on January 4th.
- (3) Class Participation: Students' participation in class

Grade is determined according to a weighted average of their results, 35% for the Assignment, 45% for the test and 20% for class participation.

Approval requires a minimum average of 9,5 and a minimum test grade and assignment grade of 7 (out of 20 points)



Complementary knowledge useful in your future professional life Increased capacity for dialogue (being familiar with terms and concepts used in the working environment) Likely to be directly involved in making management decisions Entrepreneur - creating value





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What is the difference between CEO and President?

The president is elected by the company's equity holders representing their interests CEO is the manager and must report to the president

What is the most valuable brand in the world?

https://interbrand.com/best-global-brands/



Technology and Consumer Power

The Digital Era has become more relevant than the Industrial Era



The Client in the Digital Era

Clients are more selective, filtering information in an instantaneous way

VALUE PROPOSAL DE VALOR is even more important

If you cannot impress, the search engine will take your potential cliente to a competitor

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Disintermediation of the distribution chain

- 1. Online sales: prices are decreasing
- 2. The boundaries between industries are less clear: products and services end up being obtained from unexpected situations



Globalization and Consumer Power

Some small niche businesses that are not regionally viable become globally viable

Example: DNA App Bird Sexing (STABVIDA)



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Who is the client?

The customer is, objectively, the decision maker

The one who pays for the product

Clients

Example 1. Who is the Client for a Hardware Manufacturer? *the distributors, who in turn sell to end users.*

Example 2. Who is the Client for the pharmaceutical industry? Pharmacies/Hospitals/Clinics and laboratories. The pharmacy customer may be the final consumer (or someone who buys for him). The doctor is a prescriber who decides, having a very important role

Example 3. Who is the Client for the toy industry? Toy stores whose customers are their parents. The child is an influencer – a very strong one!

Example 4. Who is the Client for Facebook? Companies that advertise in Facebook

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Types of Clients

Universities

ONGs

Distributors

Governments

etc...

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Clients are People

Who are they? Where do thet shop? What interests them? What motivates them? Who influences them? What do they read? Do they have a budget? How large is their budget?





Who wants to purchase...

- A telephone with internet and email butmwithout:
- A physical keyboard
- Only 2G Speed
- Without a frontal camera
- With no access to other partners' apps
- That is tied to a single mobile services company....





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Clients today

• The client has changed radically in the last 20 years:

Due to the digital revolution and globalization as already mentioned but also with more concerns related to sustainability:

- Environment/climate change
- Poverty
- Lack of water
- Pandemic, war...

Sustainability and Today's Organizations

- In turn, organizations and companies have increased their social and environmental concerns.
- New business models have increasingly incorporated responsible behavior towards the environment and society

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Sustainability

"Traditional" Business Models Have a Mindset

make – take – waste.

More updated and Sustainable Business Models have a new mindset

recycle – reuse – give

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Sustainability

- The United Nations have set 17 sustainable development goals (SDGs) for 2030
- The 17 SDGs are integrated it is recognized that action in one area will affect results in other areas, and that development must be balanced considering social, economic and environmental sustainability.



Sustainable Development Goals to kick in with start of new year

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Corporate Social Responsibility (CSR)

• Globally, corporate social responsibility or CSR has been pursued by themselves

Definition of CSR: the way in which a company seeks to align its values and way of acting with that of its stakeholders.

• A company's *stakeholders* include: employees, shareholders, customers, suppliers, government, interest groups (eg environmental groups) and broader societal interests on which the company's operations may have an impact.

Corporate Social Responsibility (CSR)

• Definition of CSR of companies according to the Green Paper (European Commission, 2001):

"Integrating social and environmental concerns into its operations as well as its interaction with its stakeholders on a voluntary basis. Being socially responsible means not only meeting legal expectations but also going beyond compliance and investing "more" in human capital, the environment and stakeholder relations.

Corporate Social Responsibility (CSR)

• **Difficult balance:** The perceived needs of various stakeholders are often disparate. Some companies seem much more successful at this balance than others.

Ex. shareholders seek profit, employees seek higher wages, customers seek more affordable prices and more sustainable products (which sometimes increase the cost of production, etc.)

Corporate Social Responsibility

• <u>https://www.youtube.com/watch?v=xoE8XlcDUI8</u>

(2:56)

Corporate Social Responsibility (CSR)

Prizes and Certifications

Certification B Corporation (cost of up to 25.000 USD/year)

https://www.bcorporation.net/en-us/certification/

 The entire social and environmental impact of a company is measured and certification is given to companies in which charters are explicit in order to make it clear that management decisions are aimed at social ends in addition to profit.





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Netwotk of 600 stores in 33 countries

Sales: 500 million USD/year



2018 Global CR RepTrak® Top 10 Companies

Rank	Home	2018	Score	
1	United States	Google	71.9 👚]- (stro
2	United States	The One Disnep Company	69.5 懀	٦
3	Denmark	LEGO	69.4 🖊	
4	Brazil	natura	69.4	
5	Denmark	covo ina diek	68.7	
6	United States	Microsoft	68.1 🖊	- Aver
7	Germany	BOSCH	68.1	
8	Japan	Canon	67.6 懀	
9	France	MICHELIN	67.6 懀	
10	Sweden		67.2 👚	1

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"Edible water bottles" developed by Imperial start-up to be trialled at Marathon

by Joanna Wilson 16 April 2019 7 comments 5hare this Tweet this Share on reddit Share on Linkedin Print this story RELATED STORIES





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• Ética Business ethics is related to CSR and can be defined as:

"Moral principles that serve as guidelines for the company's activities and in its transactions"

The same guidelines that individuals rely on to behave in an acceptable manner – in personal and professional settings – also apply to companies..

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Business ethics

• <u>https://www.youtube.com/watch?v=MbkIcnviORE</u>

(1:34)

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Business ethics

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Determining which practices are ethical or not is more difficult.

There is a gray area where the lines between the ethical and the unethical can blur.

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Sustainability/CSR/Ethics

Conclusion

Sustainability and business ethics are elements that reflect on Corporate Social Responsibility