

# Answers for Case Studies

## Unit 1- Management Today

### 1. E-Commerce: Is it Practical for an Entrepreneur?

As an entrepreneur, Lindsay must invest her own time and money to research enough facts so she can make a “good” business decision. Unlike a manager in a large corporation, Lindsay does not have a guaranteed salary.

Lindsay also must consider whether the cost of setting up and maintaining the web site is likely to cover expenses of computer equipment. She must decide if she can price the baskets high enough to cover shipping costs if she begins to sell outside her local delivery area. She must also consider whether or not she needs to change the basket composition—silk flowers, vs. fresh, for instance, or shelf-stable vs. perishable foods, if she has no control over delivery conditions.

As an entrepreneur and manager, Lindsay needs to work out a “what if” plan in case orders pile up faster than they can fill them. She needs to be able to adjust her scheduling, planning, and inventory requirements if the number of orders suddenly rises or drops.

If she expands her potential customer base through e-commerce, she will undoubtedly need to ponder her marketing and advertising expenditures—allocating them to reach the new market.

Lindsay’s risk is greater than a manager’s in a larger corporation. Almost certainly, she has less capital to invest because she probably doesn’t have the financial backing or credit rating that such a company has established. Like corporate managers, however, she must pay close attention to cash flow and operating expenses.

### 2. Performance Review

There are a variety of ways Shawn can increase sales. First, he can start advertising more by disseminating fliers, coupon books, and running commercials on local broadcasting stations. Additionally, he could gain the support from major food producers whose products are displayed and sold in his store. Shawn could also offer promotional tie-ins with local businesses and services (i.e., Pet Adoption Days, senior discount day).

He can set up new “value” services, such as cooking classes featuring ethnic foods and recipes or a supervised playroom where parents can leave toddlers while they shop.

In order to help get a good performance review, Shawn needs to document his store’s changes. He needs to track all promotional costs and closely analyze the store’s revenue. Before he meets with his supervisor to discuss these results, Shawn needs to prepare a document listing his contributions to the store’s bottom line.

### 3. The Continuum of Time and Education

**Part One** Frederick W. Taylor and the early time and efficiency experts treated workers as cogs in a machine. In the Industrial Age, the labor was physical instead of mentally challenging. Laborers were not valued as independent thinkers at a company.

In the 1920s and 1930s as the union movement grew and the Hawthorne experiments became well known, it was apparent that the better the workers were treated the more efficiently they performed.

After the Second World War the industrial arena changed since many women entered that workforce during the war. During this time in history, management theories became more complex and people-oriented because people were credited for increased productivity.

After the 1960s the economy moved from predominantly industrial to the service mode, where it has remained. Intellectual challenges are more dominant than physical challenges in a service economy.

**Part Two** Some of the changes that may occur in the economy include

- increased use of preplanning with the computer—role-playing, situation analysis, and dynamic interaction with customers;
- understanding consumer behavior;
- efficient planning (in terms of distribution of goods);
- e-commerce;
- use of computers to schedule, organize, and distribute goods;
- practicing tolerance in a diverse workforce.

#### **4. The Spreading of a Virus**

The essence of the JIT inventory system is that the communication and transportation systems manage to provide the goods in an orderly manner every day. If a system breaks down (which could happen with a computer virus), the system might not work.

Computer viruses can attack almost anything when a computer is necessary for the functioning of an operation. Companies are advised to spend significant amounts of money to protect themselves from viruses.

#### **5. Corporate Culture**

Talk to people who work for the company. Look at the company's annual report. Check out their web site. Read their classified ads and note how responsibilities are described. See what you would have to know in order to qualify for a job in your area of expertise. Identify what skills or proficiencies are required. Make a practical plan to get these skills if you do not yet have them.

List your own "positives"—your talents and accomplishments. Chart these out next to what you have discovered about the corporate culture in the company you have researched. Look for 2-3 key areas that seem to match. Then before any interview, practice talking about the "fit," and how your strengths can benefit the company.