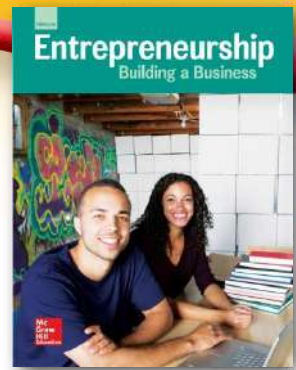


Chapter 14 Vocabulary

Write definition and one sentence for each word in notebook.

1. Manager
2. Planning
3. Strategic Plans
4. Tactical Plans
5. Operational Plans
6. Organizing
7. Directing
8. Controlling
9. Quality Control Program
10. Climate
11. Image
12. Team Building
13. Communication
14. Situational Management
15. Human Relations
16. Nonverbal Communication
17. Networking
18. Time Management
19. Conceptual Skills



Section

14.1

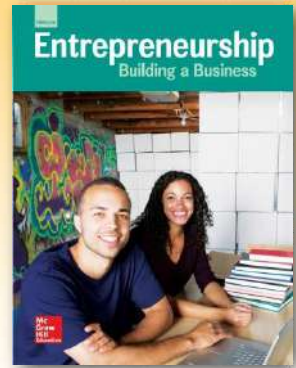
Entrepreneur or Manager?

Section

14.2

Management Styles and Skills

Entrepreneur or Manager?

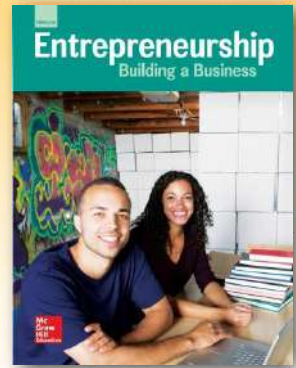


Managers, Leadership, and Teamwork

Each person in a business is a valuable resource.

Everyone works together toward a common goal.

Entrepreneur or Manager?



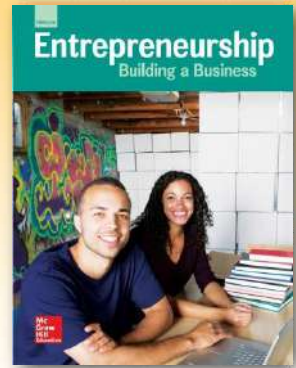
Entrepreneur and Manager

Once you open your business, you wear two hats: that of an entrepreneur and that of a **manager**.

manager

a person who is responsible for directing and controlling the work and personnel of a business, or a particular department within a business

Entrepreneur or Manager?



Performing Management Functions

When managers are managing, they use a series of activities called *management functions* to achieve their objectives.

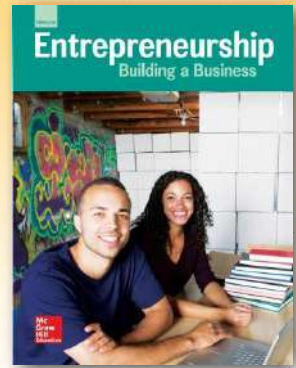
planning

organizing

directing

controlling

Entrepreneur or Manager?



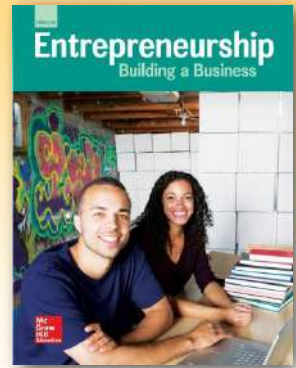
Planning

The first step in managing is **planning**, determining your business's objectives and how you are going to reach them.

planning

the act of setting goals, developing strategies, and outlining tasks and timelines to meet those goals

Entrepreneur or Manager?

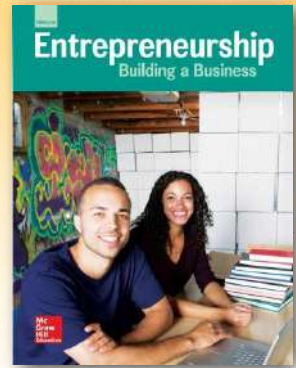


Planning

The three levels of planning are:

- strategic plans
- tactical plans
- operational plans

Entrepreneur or Manager?



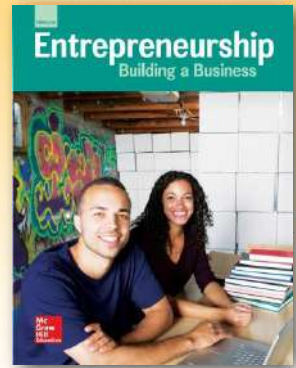
Planning

Strategic plans are long-term plans that do not usually include a specific target date.

strategic plans

long-range objectives based on long-term goals used to map out a business for three to five years

Entrepreneur or Manager?



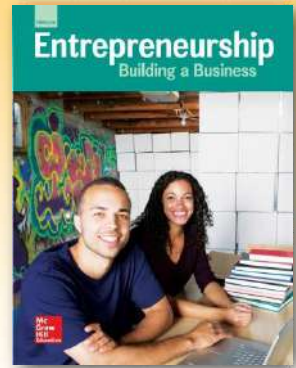
Planning

Tactical plans are medium-range plans that help ensure that you accomplish specific objectives to meet your plans.

tactical plans

midrange objectives that focus on a period of one to three years, built on specific objectives with target dates

Entrepreneur or Manager?



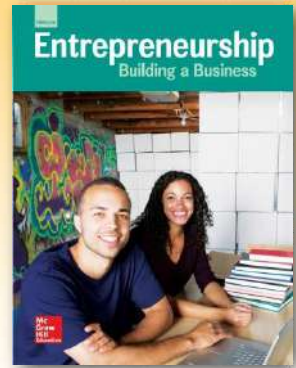
Planning

Operational plans are short-term plans that bring tactical plans to life.

operational plans

short-term objectives that help achieve tactical plans, including policies, rules and regulations, and budgets for day-to-day operations

Entrepreneur or Manager?



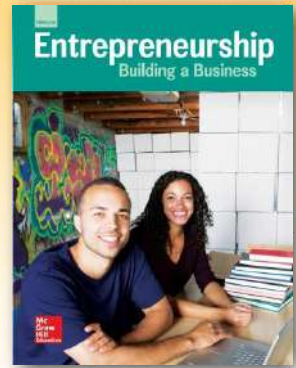
Organizing

Organizing people, equipment, materials, and other resources is an essential part of managing.

organizing

the grouping of resources in combinations that will help you reach your objectives

Entrepreneur or Manager?



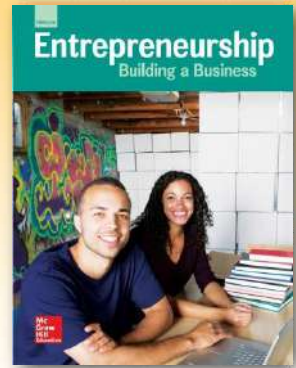
Directing

Directing the efforts of your people and resources will help your company accomplish its planned objectives.

directing

the process of guiding and supervising employees, often one-on-one, while they work

Entrepreneur or Manager?



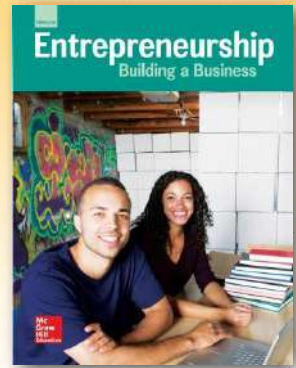
Controlling

The final step in managing, **controlling**, helps you take corrective action if things are not working out as planned.

controlling

the process of comparing expected results (objectives) with actual performance

Entrepreneur or Manager?



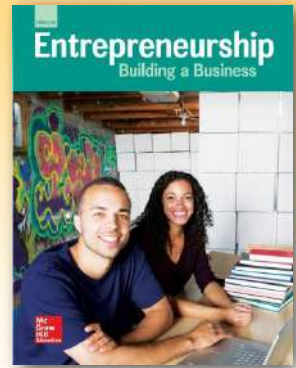
Controlling

A **quality control program** can prevent problems.

quality control program

a set of measures built into the production process to make sure that products or services meet certain standards and performance requirements

Entrepreneur or Manager?



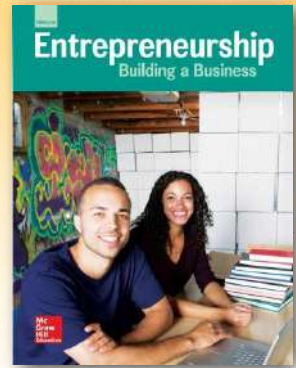
Establishing a Positive Climate

The **climate** that exists in a new business is linked to the tone the manager sets.

climate

the prevailing atmosphere or attitude in a business

Entrepreneur or Manager?

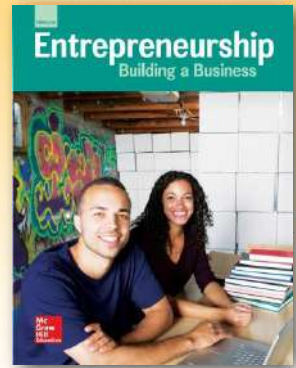


Establishing a Positive Climate

The three elements of a positive business climate are:

- image
- team building
- communication

Entrepreneur or Manager?



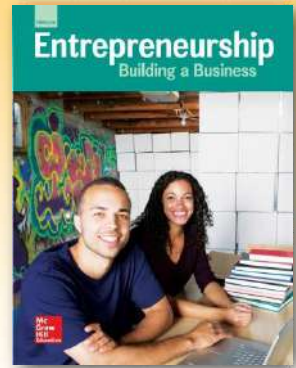
Image

To begin building a positive business climate, strengthen your company's **image** with customers and in the community.

image

the mental picture and feelings people have when thinking about a business or its products or services

Entrepreneur or Manager?



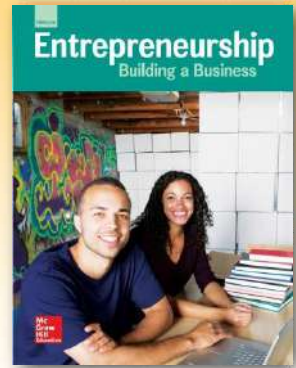
Team Building

Team building contributes to a positive climate by allowing employees to pursue common goals.

team building

the act of encouraging teamwork through activities designed to foster respect, trust, cooperation, camaraderie, and communication among employees

Entrepreneur or Manager?



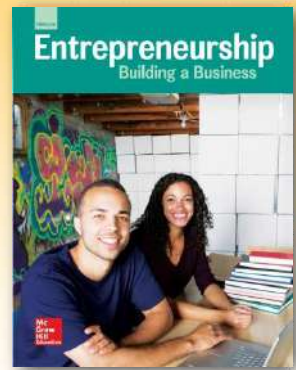
Communication

Effective staff **communication** takes place in an atmosphere of respect and trust.

communication

the process of exchanging information

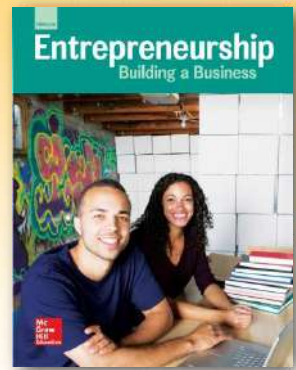
Management Styles and Skills



Adopting a Management Style

Management style is the manner in which you approach your management responsibilities.

Management Styles and Skills

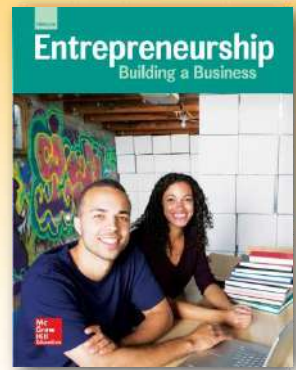


Adopting a Management Style

The three styles of management are:

- power-oriented
- routine-oriented
- achievement-oriented

Management Styles and Skills

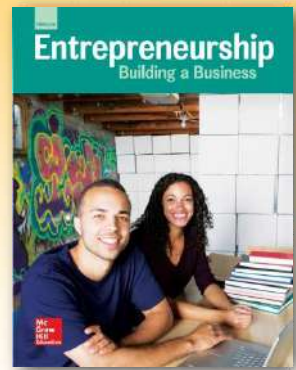


Adopting a Management Style

Good managers use **situational management** as a supplement to their basic approach.

situational management
the style of adapting the management approach to particular circumstances

Management Styles and Skills



Developing Management Skills

To manage activities successfully, you must draw on a specific set of skills.

These skills can be gained through education and training and improved with practice and experience.

Graphic Organizer

Developing Management Skills

Fundamental Management Skills

human relations

communication

networking

math

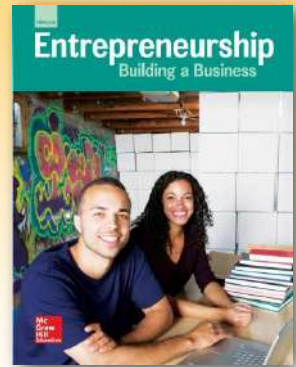
problem solving and decision making

technical

time management

conceptual

Management Styles and Skills



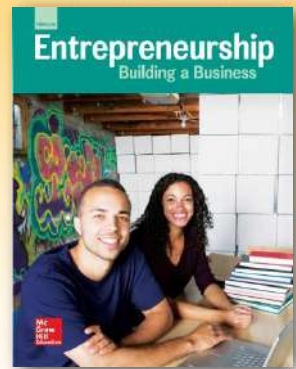
Human Relations

Human relations skills, considered the most important of the management skills, are tied closely to communication skills.

human relations

the study of how people relate to each other

Management Styles and Skills



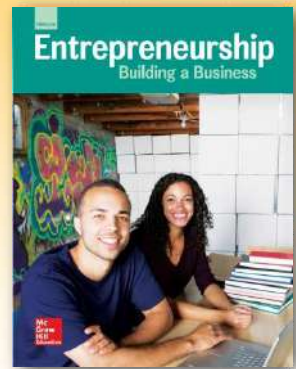
Communication

Nonverbal communication is one of the communication skills essential to effective planning, organizing, directing, and controlling.

nonverbal communication

communication not involving words, transmitted through actions and behaviors, such as facial expressions, gestures, posture, and eye contact

Management Styles and Skills



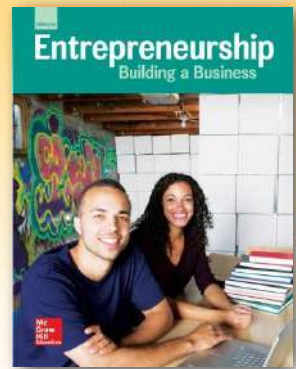
Networking

You can use business **networking** to discuss mutual opportunities, solve problems, and share or maximize resources.

networking

the process of building and maintaining informal relationships with people whose friendship could bring business opportunities

Management Styles and Skills



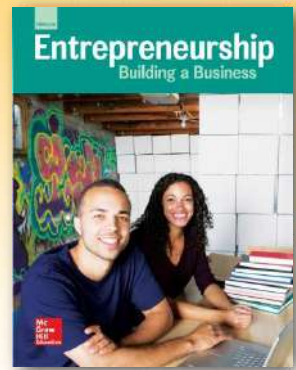
Time Management

Time management can help managers because at any given time, managers may have several objectives to accomplish.

time management

the process of allocating time effectively

Management Styles and Skills

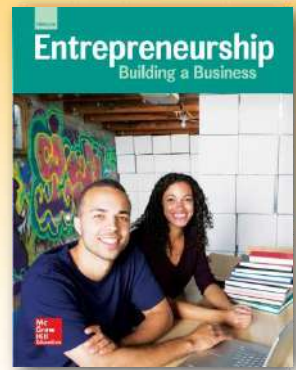


Time Management

Here are some useful time management techniques:

- Set and prioritize your goals.
- Delegate work to others whenever possible.
- Plan to spend specific blocks of time on specific activities that help you achieve your goals.
- Schedule your activities on a planning calendar.
- Schedule your most important work for times when you do your best work.
- Group your activities for the most efficient use of time.
- Handle or eliminate interruptions so they take up as little time as possible.

Management Styles and Skills



Conceptual Skills

As a small business owner/manager, your **conceptual skills** enable you to appreciate how day-to-day decisions affect your business's future.

conceptual skills

skills that enable a manager to understand concepts, ideas, and principles

Graphic Organizer

Principles of Management Excellence

Take action.

Keep operations under control.

Listen to customers.

Keep organization simple, flexible, efficient.

Encourage employees to act independently.

Keep business focused on what it does best.

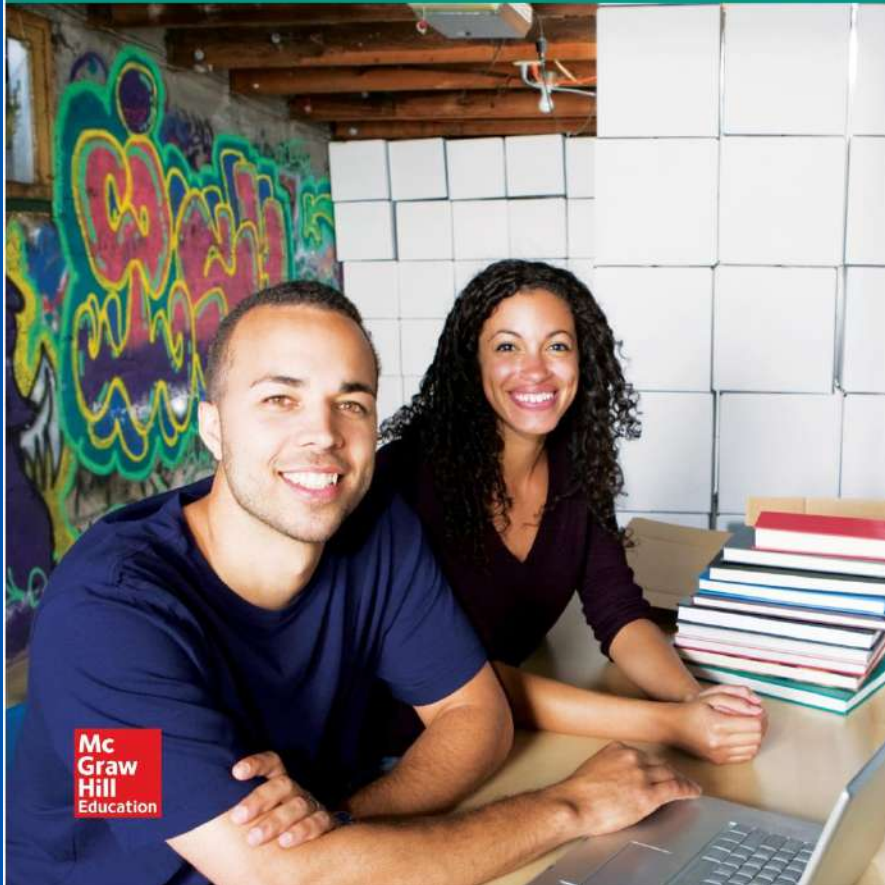
Stress respect.

Instill commitment to values and objectives.

Glencoe

Entrepreneurship

Building a Business



Mc
Graw
Hill
Education

End of

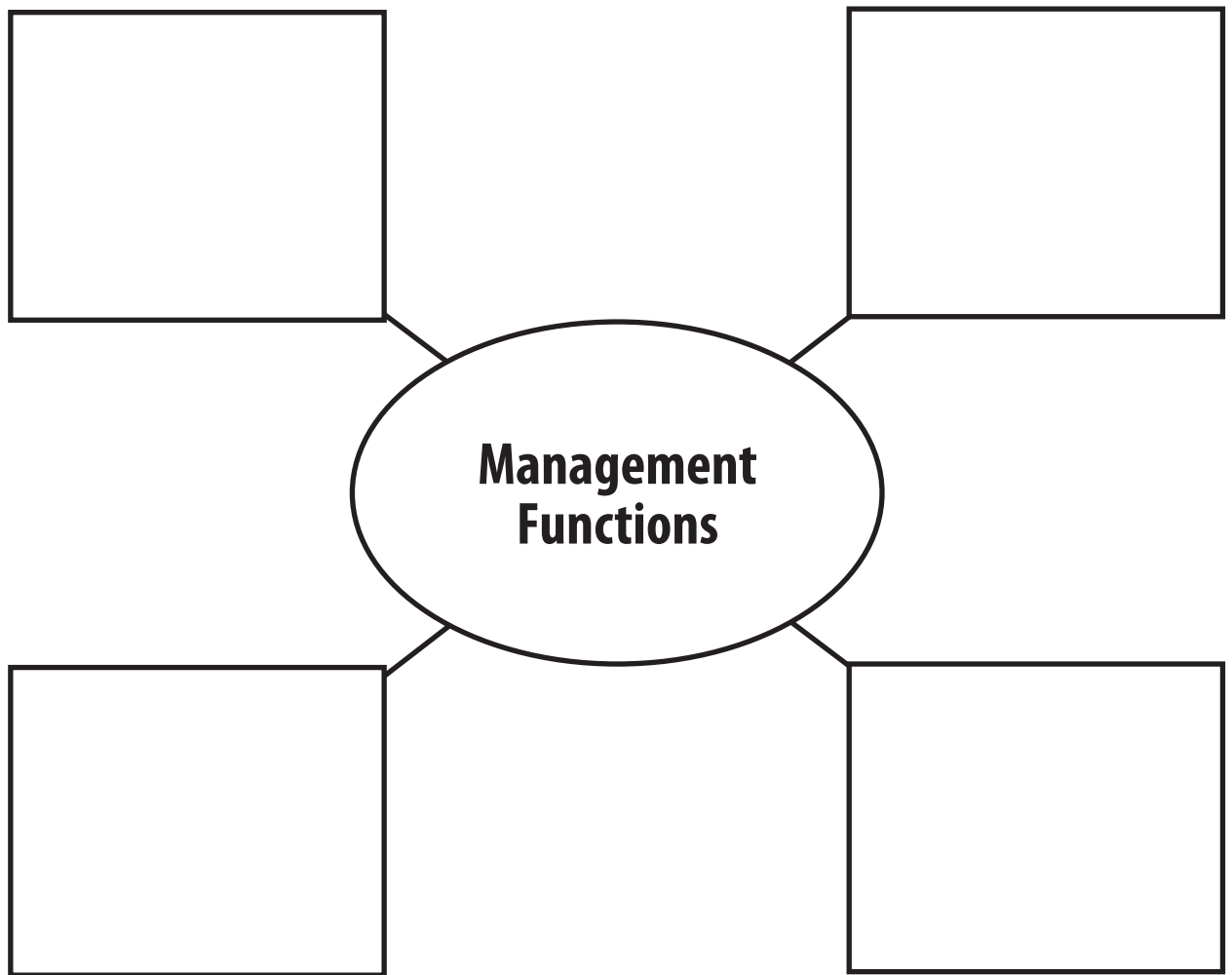
Chapter 14

Preparing and Planning to Manage

Preparing and Planning to Manage

Section 14.1 Entrepreneur or Manager?

Directions List the four management functions.



Preparing and Planning to Manage

CHAPTER

14

Section 14.2 Management Styles and Skills

Directions List the three different leadership styles.

Management Styles	
1:	_____
2:	_____
3:	_____

Chapter 14 Preparing and Planning to Manage

Section 14.1 Entrepreneur or Manager?

Section Review: Apply

Directions This story is, in a way, an example of management at its best and its worst in a particular situation. While it is obviously not a business story, you will be applying some of the key points from Chapter 14 to assess the captain's management style and effectiveness.

Below and on the next page are questions about this story. Be sure to relate each response to actual business management as it was discussed in the chapter.

BATTLESHIP

Two battleships assigned to the training squadron had been at sea on maneuvers in heavy weather for several days. I was serving on the lead battleship and was on watch on the bridge as night fell. The visibility was poor with patchy fog, so the captain remained on the bridge keeping an eye on all activities.

Shortly after dark, the lookout on the wing of the bridge reported, "Light, bearing on the starboard bow."

"Is it steady or moving astern?" the captain called out.

Lookout replied, "Steady, captain," which meant we were on a dangerous collision course with that ship.

The captain then called to the signalman, "Signal that ship: We are on a collision course and advise you change course 20 degrees."

Back came a signal, "Advisable for you to change course 20 degrees."

The captain said, "Send: I'm a captain, change course 20 degrees."

"I'm a seaman second class," came the reply. "You had better change course 20 degrees."

By that time, the captain was furious. He spat out, "Send: I'm a battleship. Change course 20 degrees."

Back came the flashing light, "I'm a lighthouse."

We changed course.

1. Using the four management functions (planning, organizing, directing, and controlling), explain how the captain of the battleship was an effective manager.

a. Planning

b. Organizing

c. Directing

d. Controlling

Chapter 14 Preparing and Planning to Manage

Section 14.2 Management Styles and Skills

Section Review: Time Management

Directions How well do you manage your time? How often do you hear someone say, “I really want to do that, but I don’t have any time.” Are you one of those people? The test is to see how you spend your time. Find out if you are spending it doing the things that will help you get where you want to go. That is really all that time management is: managing time so you can achieve what you want to achieve (even if all you want is to sleep in on Saturday morning). Use the charts on the next pages to evaluate your time management skills.

Activity 1 First, ask yourself how you spend your time. Use Chart 1 on page 172 to record how many hours a day you think you spend on a given activity. Some categories of activities are listed for you. Use an additional sheet of paper if you have more activities to list than there is room for in each box. (You can design your own grid if you wish.) Complete this first chart before moving on to the next activity.

Activity 2 Now you have a chart of how you think you spend your time. But wait! Does it represent the best use you can make of your time? Think—how would you spend your time if you wanted to do your best to accomplish your goals? Summarize your conclusions by filling in Chart 2 on page 173. (Note: You may need to take a few minutes to consider what your goals are before you begin—educational, social, personal, career, and so on.) Complete this second chart before moving on to the next activity.

Activity 3 Now it is time to find out how you actually spend your time. For one week, keep a daily record of every activity you engage in and the amount of time you spend on it. At the end of each day, summarize your data by making appropriate entries in Chart 3 on page 174.

Activity 4 At week’s end, you will have three charts—one showing how you think you spend your time, another showing how you could most effectively spend your time, and a third showing how you actually spend your time. When you have these three charts completed, you will be ready to answer the questions that begin on page 175.

Chapter 14 Preparing and Planning to Manage

Chart 1—How You Think You Spend Your Time

	Sun.	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.
Sleeping							
Eating							
Classes							
Homework							
Hygiene							
Athletics							
Daydreaming							
Social time							
Bus/car/subway rides							
Shopping							
Chores							
Leisure							
Religious activities							
Other activities							

Chart 2—How You Could Spend Your Time Most Effectively

	Sun.	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.
Sleeping							
Eating							
Classes							
Homework							
Hygiene							
Athletics							
Daydreaming							
Social time							
Bus/car/subway rides							
Shopping							
Chores							
Leisure							
Religious activities							
Other activities							

Chart 3—How You Actually Spend Your Time

	Sun.	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.
Sleeping							
Eating							
Classes							
Homework							
Hygiene							
Athletics							
Daydreaming							
Social time							
Bus/car/subway rides							
Shopping							
Chores							
Leisure							
Religious activities							
Other activities							

1. After comparing the three charts, what new discovery have you made about the way you spend your time?

2. What are the major differences between how you think you spend your time (Chart 1) and how you actually spend it (Chart 3)?

3. What are the major differences between how you believe you should spend your time (Chart 2) and how you actually spend it (Chart 3)?

4. What changes will you need to make in your schedule in order to make more time for the activities in Chart 2?

5. Do you believe you are managing your time well? If not, what short-and long-term goals do you think could help you manage your time better? If you are managing your time well, are there changes you might make to fine-tune your use of time? If so, describe them.

6. In the chapter section titled Developing Management Skills, there are seven skills that are needed to carry out management activities successfully. Think back to the story of the captain in the previous section activity. Choose three of these management skills, and show how the captain was effective or ineffective in using them.

a. Skill

b. Skill

c. Skill

Chapter 14 Preparing and Planning to Manage

Academic Integration Activity



English Language Arts Reading Skills

Directions Match each content vocabulary term to its definition. Write the term on the line following the definition.

manager	planning	team building
image	climate	quality control program
controlling	nonverbal communication	operational plans
networking	organizing	time management
human relations	situational management	tactical plans
directing	strategic plans	conceptual skills

1. The process of guiding and supervising employees while they work

2. The mental picture and feelings people have when thinking of a particular business

3. The process of allocating time effectively in order to accomplish several objectives

4. The prevailing atmosphere or attitude of a business

5. Facial expressions, eye contact, and personal space are examples.

6. This person coordinates people, processes, and other resources of a business.

7. The grouping of a business's resources in combinations to accomplish objectives

8. Using a Web site such as LinkedIn® to make business contacts is an example of this.

9. Using logic and reasoning to understand “the big picture” requires this skill set.

10. Activities designed to encourage teamwork and encourage employees to buy into common goals

11. Objectives that help accomplish a business’s short-term goals

12. The ability to use whatever management style is appropriate for a particular circumstance

13. Objectives that map out where you want your business to be in three to five years

14. Interpersonal skills key to a manager’s ability to lead and manage employees

15. The first step of managing, in which a business’s object or desired results are determined

16. A set of measures built into the production process to make sure products or services meet certain standards

17. The final step in managing, in which objectives are measured against actual performance

18. Midrange business objectives meant to be accomplished in one to three years

Chapter 14 Preparing and Planning to Manage

Case Study Activity The Netflix Prize

Directions Read the *BusinessWeek* Case Study feature in this chapter of your textbook. Then read the case study below and use the information to answer the questions.

A NETFLIX CONTEST

It was a bold contest that captured the attention of math enthusiasts and computer scientists everywhere. Looking to improve its already popular movie recommendation system, on October 2, 2006, Netflix announced the Netflix Prize. It was a contest offering \$1 million to the first individual or team to improve accuracy of movie recommendations by 10 percent or more.

Facing competition from a number of movie-streaming Web sites and from video-rental giant Blockbuster, Netflix decided to let anyone have a crack at improving Cinematch, the recommendation engine that has long given Netflix a leg-up on its rivals. For nearly three years, contestants furiously worked to create a computer algorithm (a list of well-defined instructions for completing a task) that would once and for all know for sure whether a customer would rather watch *Transformers: Rise of the Machines* or *Twilight*. They were aided by Netflix itself, which provided contestants with anonymous user data on movie ratings.

Finally, in the summer of 2009, the BellKor's Pragmatic Chaos team submitted an updated solution that increased accuracy by 10.05%. BellKor's Pragmatic Chaos included two AT&T statisticians, two machine learning researchers, an electrical engineer, a software engineer, and a research scientist. Team member Bob Bell said that no single insight put them over the 10 percent mark. He said that careful studying of data eventually showed patterns that helped lead the team to their breakthrough.

What caused the inaccuracies in the first place? National Public Radio reported that Netflix's inaccuracies were caused by popular yet quirky movies, such as *Napoleon Dynamite*, that got large numbers of ratings indicating people either loved these films or hated them. In a sense, the contest was about how accurately a person's feelings about *Napoleon Dynamite* could be predicted.

1. What caused Netflix to decide to improve film recommendations, even though its existing system was already well-liked?

Chapter 14 Preparing and Planning to Manage



Test Prep Sentence Completion

Directions Take the practice test below. Circle the letter of the word or phrase that best completes the following sentence.

1. As a manager, the owner-operator of a business focuses on _____.
 - a. growing and expanding the business
 - b. creating additional new ventures
 - c. coordinating the people, processes, and resources of the operation
 - d. selling, stocking, and other operational activities
2. Managerial plans for a period of one year or less are _____.
 - a. short-term objectives
 - b. operational plans
 - c. tactical plans
 - d. strategic plans
3. Quality control programs are _____.
 - a. programs for organizing people and materials
 - b. built-in checks to ensure standards are met
 - c. communication directives and assignments to employees
 - d. techniques used in planning
4. Using a management approach based on the circumstances is called _____.
 - a. power management
 - b. routine management
 - c. achievement management
 - d. situational management
5. Because managers have many things going on at once they need _____.
 - a. human-relations skills
 - b. problem-solving skills
 - c. time-management skills
 - d. decision-making skills

6. Managers must be able to see the big picture. Therefore, they need _____.
 - a. conceptual skills
 - b. broad technical skills
 - c. computational skills
 - d. two-way communication skills

7. A management style in which a manager tries to maintain control over the whole operation is _____.
 - a. an achievement-oriented style
 - b. a routine-oriented style
 - c. a power-oriented style
 - d. a total-quality style

8. Tactical plans are _____.
 - a. long-range marketing plans
 - b. annual revisions of marketing strategies
 - c. short-term adjustments in marketing strategies
 - d. midrange objectives built on specific objective dates

9. Effective staff communication is communication that takes place in an atmosphere _____.
 - a. of respect and trust
 - b. of competition
 - c. controlled by a strong manager
 - d. of high stress

10. Skills which are a key ingredient in a manager's ability to interact with, lead, and motivate employees are _____.
 - a. networking skills
 - b. technical skills
 - c. human relations skills
 - d. time management skills

Entrepreneurship Chapter 14 Study Guide

Indicate the answer choice that best completes the statement or answers the question.

1. This management style is primarily concerned with keeping the operation running smoothly rather than accomplishing other goals.
 - a. routine-oriented
 - b. power-oriented
 - c. achievement-oriented
 - d. management-oriented

2. The first step in managing is
 - a. organizing.
 - b. directing.
 - c. controlling.
 - d. planning.

3. These skills help managers interact with, lead, and motivate employees.
 - a. foundational skills
 - b. math skills
 - c. technical skills
 - d. human relations skills

4. The process of allocating time effectively is called
 - a. situational management.
 - b. time management.
 - c. total quality management.
 - d. management plan.

5. This is important to a company, because employees like to be associated with a winner.
 - a. image
 - b. climate
 - c. networking
 - d. situation management

6. These activities encourage employees to buy into common goals.
 - a. working management plan
 - b. business plan
 - c. team building
 - d. strategic plan

7. Managers should provide employees with guidance and
 - a. skills.
 - b. supervision.
 - c. education.
 - d. tactical plans.

8. Which of the following is a time management skill?
 - a. delegate
 - b. set and prioritize goals
 - c. group your activities
 - d. all of the above

Enter the appropriate word(s) to complete the statement.

9. Managers who are _____ are open and seek out employee suggestions and ideas.

10. _____ is the act of setting goals, developing strategies, and outlining tasks and timelines to meet these goals.

11. Managers who use a(n) _____ style of leadership try to maintain total control over their whole operation.

12. Tactical objectives help to make _____ a reality.

Name: _____ Class: _____ Date: _____

Entrepreneurship Chapter 14 Study Guide

13. Part of _____ means deciding what jobs need to get done.
14. The traditional channels of _____ among management and staff are interpersonal, departmental, interdepartmental, and company-wide.
15. The company _____ is the prevailing atmosphere or attitude.
16. _____ is the process of comparing your expected results with actual performance.

Match each item with the correct statement below.

- a. quality control programs
- b. strategic plans
- c. situational management
- d. tactical marketing objectives
- e. tactical plans
- f. conceptual skills
- g. manager
- h. operational plans

17. midrange objectives that focus on a period of one year or less
18. checks built into the production process to ensure products meet certain standards
19. person who coordinates the people, processes, and other resources of an operation on a day-to-day basis
20. adapting the management approach to particular circumstances
21. plans that address short-range objectives for the implementation of tactical plans
22. marketing objective that a business plans to reach within one year
23. plans that map out a business's course for the next 3 to 5 years
24. those skills that enable a manager to understand an enterprise as a whole and visualize its future

Write a 100-word paragraph that answers the following:

25. List and discuss at least five of the eight keys to management excellence from the book *In Search of Excellence*.

Name: _____ Class: _____ Date: _____

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Answer Key

1. a
2. d
3. d
4. b
5. a
6. c
7. b
8. d
9. achievement-oriented
10. Planning
11. power-oriented
12. strategic goals
13. organizing
14. communication
15. climate
16. Controlling
17. e
18. a
19. g
20. c
21. h
22. d
23. b
24. f
25. *Answers will vary but should include the following ideas:*

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Excellent managers do the following:

They take action, rather than analyzing plans to death.

They listen to their customers and put themselves in their customers' shoes.

They encourage their employees to act independently, be innovative, and treat the business as if it were their own.

They stress the human side of management.

They instill commitment to the business's values and objectives by keeping in touch with all employees.

They keep the business focused on what it does best.

They keep their organization simple, flexible, and efficient (and don't overstaff).

They keep their operations under control and an eye on detail.