

The slide features a person with a bag walking away on the left. In the top right corner is a circular logo. The main title is 'Lesson 3 General Concepts of Management'. Below it, a blue bar contains the text 'Subject: Business I'. At the bottom right, it says 'Professor: Rocío Cortés Grao' and the number '1'.

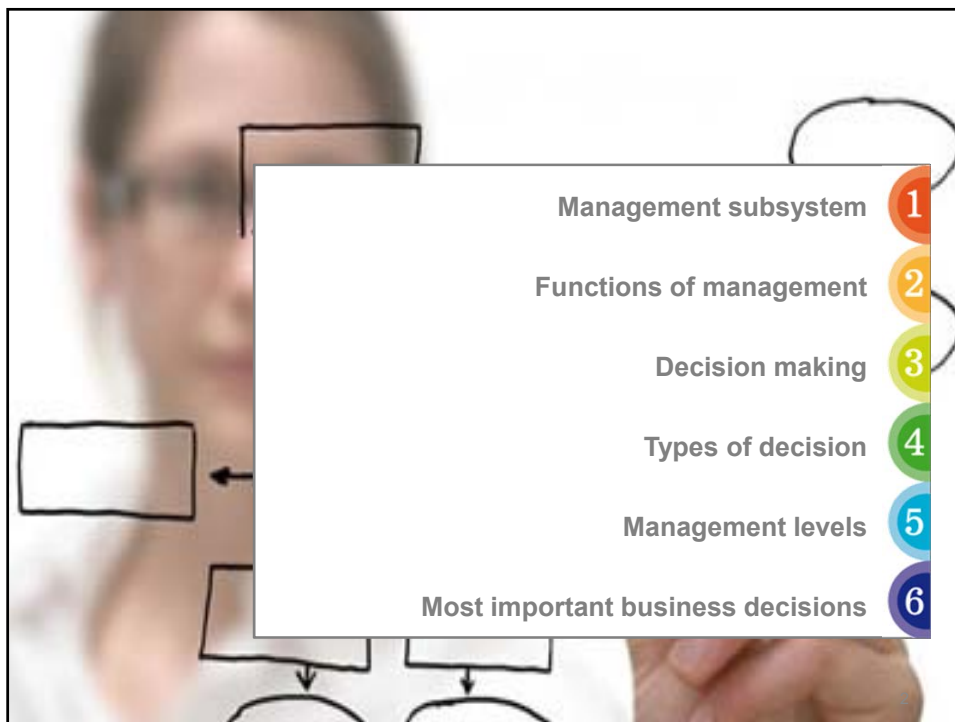
Lesson 3

General Concepts of Management

Subject: Business I

Professor: Rocío Cortés Grao

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The slide shows a woman in the background with a hand-drawn diagram. A white box in the foreground contains a table of contents with six items, each next to a colored circle with a number from 1 to 6.

Management subsystem	1
Functions of management	2
Decision making	3
Types of decision	4
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1 Management subsystem

What is Management?

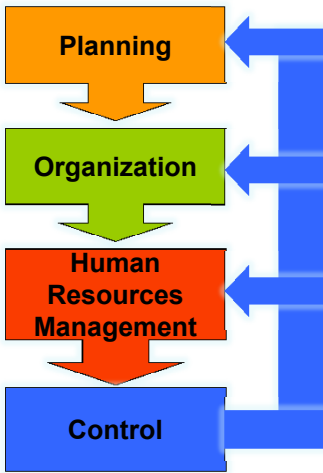

It is the function that coordinates the efforts of people to accomplish goals and objectives using available resources efficiently and effectively.



- Encourages the **improvement of existing resources** as well as promotes the creation of **new resources**, especially the intangible ones (*knowledge, brand image*)
- It is present at **every level** within the **business** (*manager, Department Director, Head of Department, etc.*)
- Similar concepts: *direction, administration, management*


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2 Business Management Functions



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graph TD; Planning[Planning] --> Organization[Organization]; Organization --> HRM[Human Resources Management]; HRM --> Control[Control]; Control --> Planning; Control --> Organization; Control --> HRM;
```

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3 DECISION-Making

It is an essential activity of managers. It is equivalent to problem-solving. To decide goes beyond choosing. Good information is required.

Model of rational decision-making

7 steps

Problem detection and diagnosis

Example: Decreased production because an old machine

Establishment of evaluation criteria

Production, quality, cost, etc..

Search for alternatives

Several machine models: X, Y, Z

Evaluation of alternatives


Models are evaluated against the criteria

Choice


The "best" model is chosen: X

Putting into practice

Rationality




Control




This model helps to increase the probability of decisions to be logical and well supported.

Alternatives	Production	Quality	Cost
<i>Machine X</i>	++	+++	++
<i>Machine Y</i>	+	++	+++
<i>Machine Z</i>	+++	+	++



3 DECISION-Making

How to make decisions?



The trie in your way

6

4 Types of decisions

Types of problem / situation

Unusuales and ambiguous

Innovative solutions
Newest, little information, creativity, unscheduled

Adapted solutions
Small changes, continuous improvement

Routine solutions
Scheduled standard solutions

Types of solutions

Known and well defined

Ambiguous and little known

Examples: Routine: What supplier to contact for a usual order?
Adaptive: How to increase sales?
Innovative: What to do to face a change in the market situation?

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4 Types of decisions


Exercise - types of decision: innovative, adapted and routinary


Decisions	Types of decision
Decisions on purchase orders	
Create new business line	
Changing a production line	
Addressing a return of goods	
Creation of a new product	
Account a very peculiar seat	
Decision of a new marketing campaign	

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Types of decisions






Exercise - types of decision: *innovative, adapted and routinary*

Decisions	Types of decision
Decisions on purchase orders	Routinary
Create new business line	Innovative
Changing a production line	Adapted
Addressing a return of goods	Routinary
Creation of a new product	Innovative
Account a very peculiar seat	Routinary
Decision of a new marketing campaign	Adapted

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DECISION-Making



Group Dynamics

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Survival in the Andes

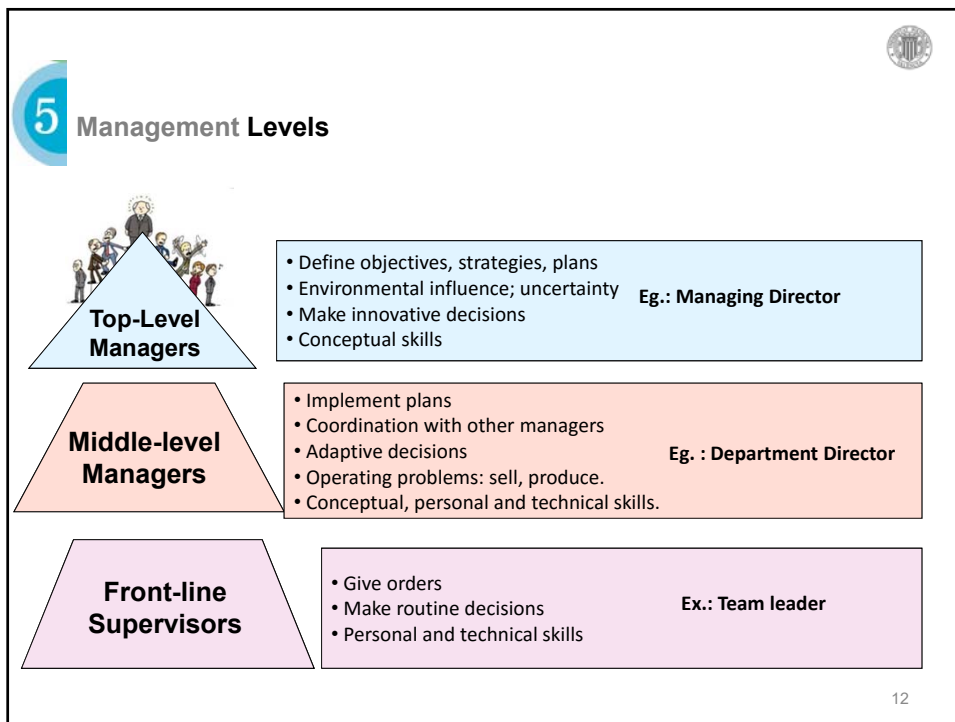
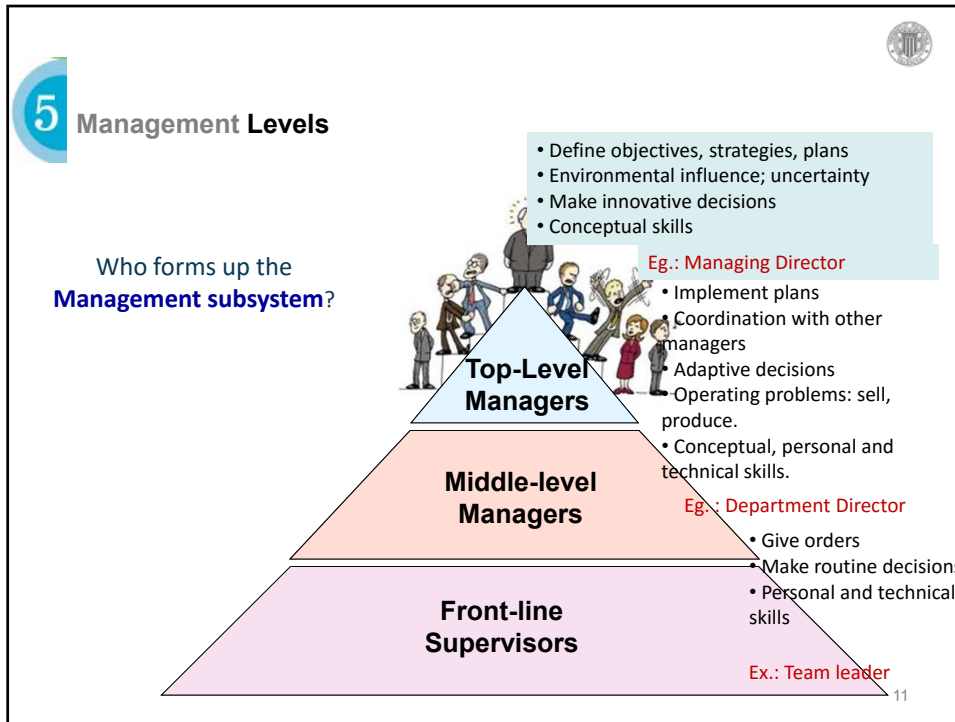


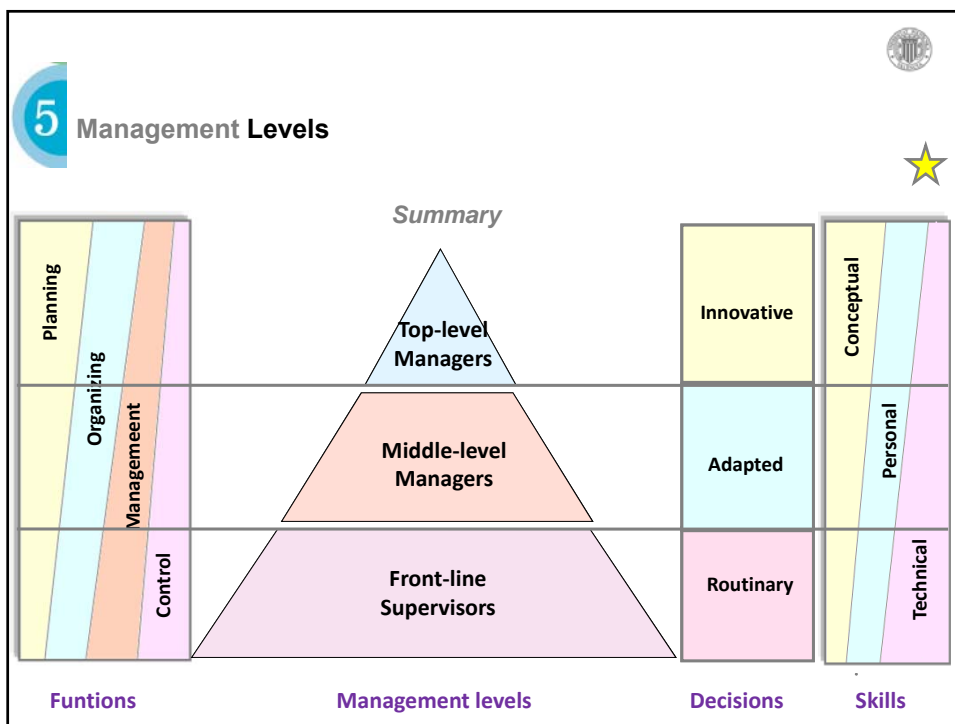
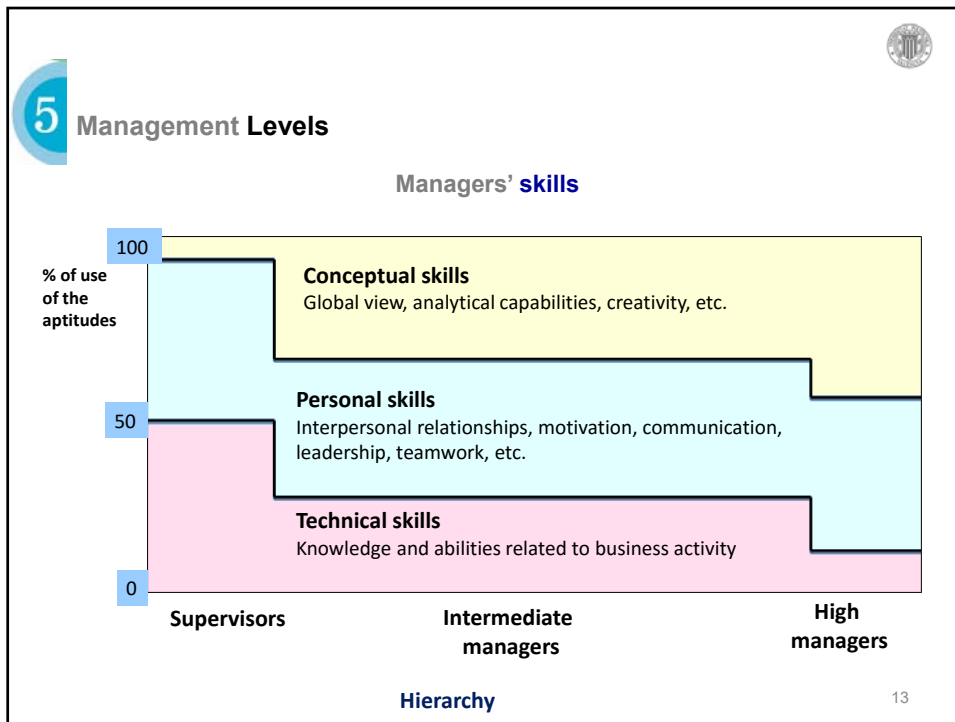
The tragedy occurred in the Andes. A plane crashed there and the survivors who managed to survive narrated that they had to appeal to cannibalism in order to stay alive, because they were totally isolated.

Which team member had to die first in order to be eaten by the others?

Which part of the body will they begin to eat first?

Importance of a leader, decision making, values, beliefs (motivation) and nonverbal communication.







5 Management Levels


Exercise of Management levels

In the following job offers what management level do they search for? Justify your answer by saying which **functions, decisions** and **skills** are mainly asked in each case.

Offer 1: We are looking for a Mechanical Engineer. Good level of English Technical (Reading and Written). Need to know how to use Programs of Electronic Design. Knowledge of programming in low-level languages: C for microcontrollers, assembler, etc. Ability to organize and lead a group of people. Adaptive capacity will be assessed. The vacancy is in the Department of R & D Zennio.

Offer 2: Company internationalized in the field of technological services, wants to integrate a mechanical engineer for the management of its subsidiary in Morocco. Requirements: Leadership, management and team leadership of technical profiles persons. Person with inner energy, initiative, ability to work and organization, determined and dynamic. Reports to the Board of Directors and will be responsible for the planning and budgeting of the subsidiary company. Available right away.

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Answer: Line Supervisor - Control - Routinary - Technical

Offer 2: Company internationalized in the field of technological services, wants to integrate a mechanical engineer for the **management** of its subsidiary in Morocco. Requirements: **Leadership**, management and **team leadership** of technical profiles persons. Person with inner energy, **initiative**, ability to work and **organization**, determined and dynamic. Reports to the Board of Directors and will be responsible for **the planning and budgeting** of the subsidiary company. Available right away.

Answer: Top-Level Manager-Planning-Innovative-Conceptual


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Most Important Business Decisions


Most important decisions of a company:



- ✓ Business **Mission**
- ✓ Business **Vision**
- ✓ Business **Values**



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Most Important Business Decisions


Mission of a Business

What is our business?

- ◆ Formal, clear and permanent statement of the **purpose of a business** which distinguishes it from other similar businesses.
- ◆ Elements it usually includes: who its **clients** are, what its **products** and **services** are; what the target markets are; role given to **technology**; concern about **growth and profitability**; what its **philosophy** is (ethical principles and values).
- ◆ It is the **starting point** for the development of a business, since it defines its essence.
- ◆ It is **important** since it informs decision-making, the establishment of objectives and the formulation of strategies.

Example of a Mission:

Turn knowledge into value for the benefit of our customers, our people and the capital markets.




6 Most Important Business Decisions

Vision of a business


What do we wish to be?

Picture of desired **future** that we seek to create with our efforts and actions.



Requirements:

- Feasible to achieve
- Motivator
- Shared
- Clear and simple
- Easy to communicate.

Example of Vision: 

Be leaders of the markets in which we participate.

6 Most Important Business Decisions

Examples of mission

The objective of Google is organizing information coming from all over the world and make it accessible and useful at a universal level.


 The mission of DELL COMPUTER is being the most successful computer company in the world to offer the client the best expertise in the markets that we target. In so doing, DELL meets the expectations of clients regarding the highest quality standards, cutting-edge technology, competitive prices, individual and business responsibility, the best service in its class (including technical support), flexibility to offer customized products, good business practices and financial stability.

Diagram labels: Vision, Clients, Philosophy, Profitability, Business, Product

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Most Important Business Decisions



Analyze the mission of REPSOL YPF and identify the aspects it deals with. Point out any deficiency, if applicable.

Example of mission and vision


- **Mission:** Our main objective is to offer growing value for the shareholders through constant improvement of our clients' satisfaction, professional development and attractive career prospects for our staff, and commitment with society within a framework of respect for ethical principles.
- **Vision:** Our purpose is to strengthen the position of Repsol YPF in Spain and Argentina, to increase our activity in the integrated energy business field and grow internationally, with a especial emphasis in Latin America, strongly supported by technological development and by managerial excellence.



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Most Important Business Decisions



Values of a business


What do we believe in and how are we?

Set of **principles, beliefs, rules** governing the management of the organization. Constitutes the institutional philosophy and supports the **organizational culture**.

Requirements:

- Inspiring
- Motivators
- Regular behaviors
- Advisable not more than 7

Values:



- ☀ Lead with example
- ☀ We work together
- ☀ We respect the individual
- ☀ We analyze the facts and provide our opinion
- ☀ We communicate openly and honestly
- ☀ We engage with the community
- ☀ Above all, we act with integrity




6 Most Important Business Decisions

Examples de **Mission**, **Vision** and **Values**







Business Plan – 2nd Delivery. Exercises Units 3, 4, 5 and 6

This is the exercise we propose about what you have just studied.

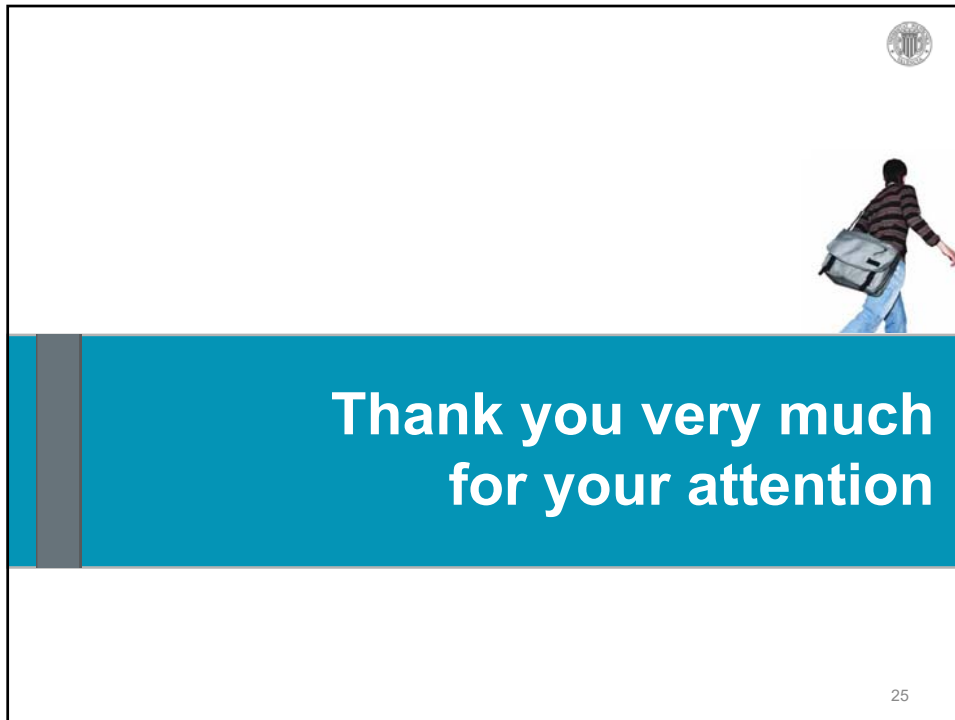
3. Strategic Diagnostic


3.1 Strategic values


The Strategic Values represent the beliefs or philosophy of senior management regarding the practices that will lead us to success, considering both the present and the future. These values convey the main features of the strategy of the organization. As managers you need to decide these values: mission, vision and values of the company.

- a. Search for the mission, vision and values of a company and analyze it.**
- b. Define the mission, vision and values of your company.**

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**Thank you very much
for your attention**

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