

## CHAPTER 1- The Exceptional Manager

### Section 1

1. The Multiplier Effect-
  - a. Good managers create value
  - b. Your influence on the organization is multiplied far beyond the results that can be achieved by just one person acting alone
2. Financial Rewards of Being a Star Manager
  - a. 2007 median salary of a small business chief executive was \$233,500
  - b. Lower rung managers- between \$25,000-50,000 a year
  - c. Mid level managers- #35,000-110,000
  - d. Fringe benefits- Range from health insurance to stock options
3. Rewards of practicing management-
  - a. You and your employees can experience a sense of accomplishment
  - b. You can stretch your abilities and magnify your range
  - c. You can build a catalog of successful products and services

### Section 2

1. There are **6 Challenges** to being a star manager-
  - a. Managing for **Competitive Advantage**
    - i. Competitive Advantage is the ability of an organization to produce goods or services more effectively than competitors do, thereby outperforming them
    - ii. This means an organization must stay ahead in four key areas
      1. Being responsive to customers
      2. Innovation
      3. Quality
      4. Efficiency
  - b. Managing for **Diversity**-The future won't resemble the past
    - i. In the next ½ century, the mix of American racial or ethnic groups will change considerably with the US becoming ½ minority.
    - ii. The challenge to the managers of the near future is to maximize the contributions of employees diverse in gender, age, race, and ethnicity
  - c. Managing for **Globalization**-The expanding management universe
    - i. Gestures and symbols don't have the same meaning to everyone throughout the world- we must be aware of cultural differences
    - ii. New York Times columnist Thomas Friedman, in his book- *The World Is Flat*, a phenomenon in which globalization has leveled the competitive playing field between industrial and emerging- market countries

1. Foreigners actually send far more office work to the US than American companies send abroad.
- d. **Managing for Information Technology**
- i. Most important is the internet-
    1. According to the International Data Corp. Internet trade between businesses will surpass \$10 trillion worldwide.
    2. E-Commerce is reshaping industries and revamping the very notion of what a company is and has facilitated e-businesses.
  - ii. Implications of E-Business
    1. Far-ranging e-management and e-communication- use of **project management software**
    2. Accelerated decision making, conflict, and stress
      - a. Use of databases- much of which is useful, but much of it isn't- can be overwhelming
    3. Changes in organizational structure, jobs, goal setting, and knowledge management-
      - a. Organizations and teams have become "virtual"- no longer bound by time zones and locations
      - b. Employees can **telecommute, videoconference**, and use **collaborative computing**
      - c. Emphasis on **knowledge management**
- e. **Managing for Ethical Standards**
- i. It is not just a nicety, it is a very important part of doing business
  - ii. Not since sociologist, Edwin Sutherland, invented the term "White-collar crime" in the 1930s were so many top-level executives being hauled to court.
    1. Example- the executives of Enron, Tyco, WorldCom, Adelphia, etc that were paraded in handcuffs before television cameras
- f. **Managing for Your Own Happiness and Life Goals**
- i. Many people don't find being a manager fulfilling
  - ii. Some complain that they have too many meetings, they can't do enough for their employees, that they are caught in the middle between bosses and subordinates.

## Section 3

### 1. Management has **4 functions**- called the **Management Process**

- i. Abbreviation-**POLC**
- b. **Planning**- setting goals and deciding how to achieve them
- c. **Organizing**-Arranging tasks, people, and other resources to accomplish work
- d. **Leading**-Motivate, direct, and influence people to work hard to achieve the organization's goals
- e. **Controlling**-Monitor performance, compare with goals, and take corrective action if needed

## Section 4

### 1. Three levels of Management

#### a. Top Managers

- i. Have titles such as: Chief Executive Officer (CEO), Chief Operating Officer (COO), President, and Senior Vice President
- ii. Great salaries and bonuses- average \$290,000 for CEO's and Presidents of small and mid sized companies
- iii. Make long-term decisions about the overall direction of the organization and establish the objectives, policies, and strategies for it.
- iv. Pay a lot of attention to the environment outside the organization, being alert for long-run opportunities and problems and devising strategies for dealing with them- must be future oriented, dealing with uncertain, highly competitive conditions

#### b. Middle Managers

- i. Implement the policies and plans of the top managers above them and supervise and coordinate the activities of the first-line managers below them
- ii. Titles include- Clinic Director, Dean of Student Services, Division Head, Plant Manager, Branch Sales Manager
- iii. Salaries range from \$50,000-\$110,000

#### c. First-Line Managers-

- i. Make short-term operating decisions, directing the daily tasks of non-managerial personnel
- ii. Titles include- Department Head, Foreman, Forewoman, Team Leader, Supervisor, Clerical Supervisor, Production Supervisor, Research Supervisor, etc
- iii. Supervisor is the name often given to first-line managers as a whole

#### d. Levels of Management Pyramid:

Top Managers

Middle Managers

First-line Managers

Non-Managerial Personal

### 2. Areas of Management-**Functional Managers** versus **General Managers**

#### a. **Functional Manager**- responsible for just one organizational activity

- i. Ex- Vice President of Production, Director of Finance, Administrator for Human Resources
- ii. Leading a specialized sort of research-and-development activity

#### b. **General Manager**- responsible for several organizational activities

- i. Ex- Executive Vice President
- ii. Top of the pyramid- generally the ones you see as the subject of news stories

### 3. Managers for Three Types of Organizations: For-Profit, Nonprofit, Mutual Benefit