

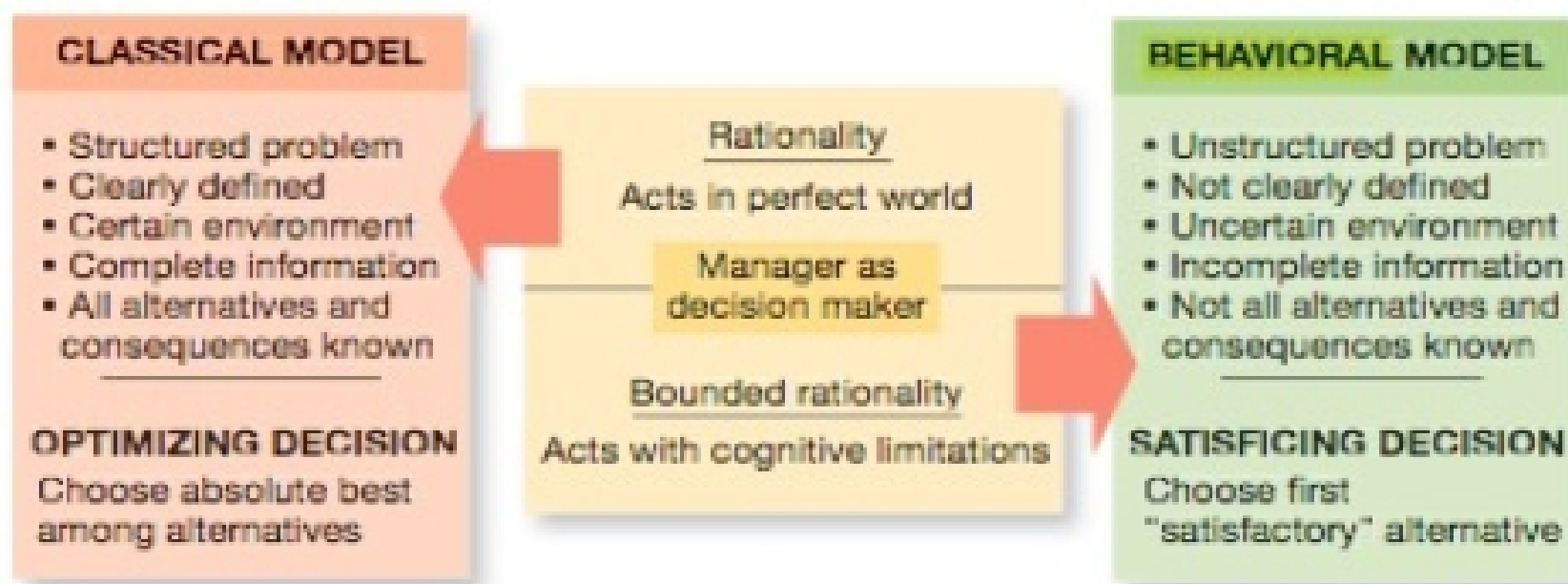
# MGMT 301 Exam 2 Study Guide

## Chapter #4

- Chilean Mine
  - o Sebastian Pinera (President)
    - Centre Rock, Pa. Provided the drill for getting to the Miners
    - Luis Urzua- foreman below ground
- Decision making = problem solving
  - Computer literacy
  - Interpersonal skills
  - Information competency
- o Problem Avoider
  - They ignore information that would otherwise signal the presence of a performance threat or opportunity. They are not active in gathering information, and prefer not to make decisions or deal with problems.
    - Costa Concordia
    - Captain Shatino- problem avoider
      - o Hits rocks with Cruise ship
      - o Jump ship and got away, avoided decisions
- o Problem solver
  - Make decisions and try to solve problems, but only when required. They are reactive, gathering information and responding to problems when they occur, but not before. These managers may deal reasonably well with performance threats, but they are likely to miss many performance opportunities.
- o Problem Seeker (most important role for manager)
  - They are always looking for problems to solve or opportunities to explore. True problem seekers are proactive as information gatherers, and they are forward thinking. They anticipate threats and opportunities, and they are eager to take action to gain the advantage in dealing with them.
  - PSU Ice Hockey
  - Joe Pogula- Sought the problem with the Sandusky scandal
- Cognitive Decision-Making Styles, Systemic Intuitive
  - o Cognitive Style is the way an individual deals with information while making decisions.
  - o Know the Scale (What are we measuring)
  - o Info evaluation and gathering
    - Flight 1549 Video
    - Captain Sulenburger landing plan in Hudson
- Sensing & Intuition and Thinking & Feeling


- Risk- Certain to uncertain- program and Non-program
- A **programmed decision** applies a solution from past experience to a routine problem.
- A **nonprogrammed decision** applies a specific solution that has been crafted to address a unique problem.

- Performance Threat/Opportunity (Coke and Honest Tea)
  - o Opportunity- makes us better
  - o Threat- can hurt us
  - o Honest Tea- Threatens Coke with healthier products
  - o Coke- Buys Honest Tea. Could threaten Honest Tea with similar products or has the opportunity to buy them.
  - o What are the threats and opportunities of Coke and Honest Tea Forming a Partnership
- Issues:
  - o Heuristics: The reason of- ten traces to simplifying strategies we use when making decisions with limited information, time, and even energy. These strategies, known as *heuristics*, can cause decision-making errors.
  - o A **crisis** is an unexpected problem that can lead to disaster if not resolved quickly and appropriately.
  - o Group Decision-Making:
    - Pros:
      - Greater amounts of information, knowledge, and expertise to bear on a problem
      - Expand the number and even the creativity of action alternatives examined
      - Helps group members gain a better understanding of any decisions reached
    - Cons:
      - It is sometimes difficult and time consuming for people to make group decisions
      - More people involved, the longer it can take to reach a group decision, and the more likely that problems will arise
      - Social pressure to conform that leads to premature consensus and agreement in group situations.
      - Feel intimidated or compelled to go along with the apparent wishes of others who have authority, or who act aggressive and uncompromising. Minority domination might cause some members to feel forced or railroaded
- Traditional Decision Making Model
  - o Identify Problems
  - o Develop Alternatives
  - o Decide on Actions
  - o Implement Decision
  - o Evaluate results
    - Know Amazon and Super Soaker Stories (Lonnie Johnson)
- Advanced Decision Making Model (DMAIC)
  - o Define
  - o Measure
  - o Analyze
  - o Improve
  - o Control
    - CISCO Video Example: New owner of News Stations uses DMAIC
- Classic Vs. Behavioral Model



## Chapter 5

- Planning:
  - o The process of setting performance objectives and determining how to accomplish them.
- Personal Planning
  - o Judging- Formal structure planning approach
  - o Perceiving- unstructured, informal planning approach
- Process of Planning (5 Steps)
  - o Define objectives
  - o Compare current to objectives
  - o Compare future alternatives
  - o Analyze Alternatives/make plan
  - o Implement and Evaluate
- 4 Components of good planning
  - o Actions
  - o Priority
  - o Advantage
  - o Change
- Priorities - Big Rocks - 2 Key issues
  - o Empty jar- big rocks firsts, grave, sand, then water
  - o Point is that priorities are key in planning
  - o Must start with most important stuff first
  - o Complacency avoidance
  - o Effective time management
- Amusement Park Planning & Shanghai Disney
  - o Supply chain- Building, infrastructure, cost of shipping, merchandise, logistics, selection and bringing in goods
  - o Marketing- research markets, advertising, leveraging other products, press, communication
  - o MGMT- productivity, efficiency, structure, organize, pricing, cultural, HR
  - o Finance- location, capital and investments, investors, partnerships
  - o Risk Management- safety, liabilities, legal term, insurance, forecasting issues, pensions/benefits
  - o Accounting- budgeting, auditing, taxes
- Planning Hierarchy (5 Components)
  - o Workers → Supervisory MGMT → Middle MGMT → Senior MGMT → Top MGMT obj.
    - Alignment, follow through, good communication
- Long and Short Range Planning
  - o Long range plans= 3+ years
  - o Short range plans = 3-12 months
- Strategic and operational and Functional - Nordstrom (know this case watch the video)
  - o Strategic Plan