



Introduction to Business Management

Session 1

ADM1100
Dr. Patrick Woodcock

Class

- Manager
- Business
- Production in the economy
- Course Overview



**HAVE YOU EVER HAD A
GOOD MANAGER?**

- WHAT MAKES THEM GOOD?



Sarah McLachlan

Video

Video

- Born 1968
- Studied classical guitar, piano and voice at Nova Scotia Conservatory of Music
- Aged 17 joined a “successful” punk rock band
- Age 20 signed record label, moved to Vancouver and went independent

Music Honours

- Nominated for twenty-one Juno Awards and awarded eight
- Won three Grammy Awards
- “Building A Mystery” one of 100 Greatest Songs of 90s
- Cover stories for *Rolling Stone*, *Time* magazine, *Entertainment Weekly*, *Flare*, plus other mainstream media articles.
- Rated as one of Canada’s Top Ten Canadian Female musicians in history
- 2015 Governor General’s award for life time achievement
- 2017 inducted into Canadian Music Hall of Fame



IS SHE A MANAGER?

WHAT ARE HER BUSINESS SKILLS?

Businesses Started & Managed

- Founded the Lilith Fair tour
 - showcased female musicians
 - When ended it was the most successful music tour in history grossing over \$60 million & raising \$1.5 million for women's shelters.
- Other Major Business Units
 1. Never Get off the Boat Inc. Tours
 2. Amp Merchandising – over \$50 million sales
 3. McLachlan Foundation – philanthropic organization
 4. Sarah McLachlan Schools of Music

Business Management Skills

- Underlying skills – singing, writing, playing instrument
- Arranging publishing contract & recording
- Arranging & doing tour
 - Labour
 - Capital
 - Equipment
 - Production
- Agreeing on product & selling merchandise
- Finding & working with band members

Entrepreneurial Activities

- *More than just a singer song writer*
- Marketing skills
 - Differentiated from others
 - focused on women
 - Developed her own sound
 - Wrote & collaborated on song writing – ballad type songs
- Developing & managing other aspects
 - Hiring manager & other band members, etc.
 - Organizing operation, tours, etc.
 - Getting financing for different ventures

Partnered with others

(Creating and managing relationships effectively)

- Phil Collins
- Bryan Adams
- Cheryl Crow
- Jann Arden
- Barenaked Ladies
- Chantal Kreviazuk
- and others

Non-Music Honours

- Elizabeth Cady Stanton Visionary Award for advancing the careers of women
- Appointed an Officer of the Order of Canada
- Inducted to the Order of British Columbia
- Honorary PhD. From Simon Fraser University
- Honorary Doctor of Laws degree from the University of Alberta
- Pacific Canada Entrepreneur of the year award
- Kiwanis International World Service Medal



INTRODUCTION TO BUSINESS & MANAGEMENT



WHAT ATTRIBUTES MAKE A GOOD MANAGER?

Good Manager

- Critical thinking
- Vision
- Creativity
- Leadership

McLachlan - Management

- Critical thinking – contracts, etc.
- Vision – understanding that a market focus (women) would be effective.
- Creativity – songs, other products, etc.
- Leadership – organizations, band, partnerships, etc.

What is Business?



- Business: All profit-seeking activities and enterprises that provide goods and services for clients.
- Profits: Financial rewards for businesspeople (usually owners) who take the risks involved to offer goods and services to customers

Canada's Most Profitable Businesses

Rank	Company and Year-end	Profit	Revenue	Assets	Industry
1	Toronto-Dominion Bank(Oc11)	5,889,000	27,222,000	686,360,000	BANKS
2	Bank of Nova Scotia(Oc11)	5,268,000	26,730,000	575,256,000	BANKS
3	Royal Bank of Canada(Oc11)	4,852,000	35,750,000	751,702,000	BANKS
4	Barrick Gold(De11)	4,484,000	14,662,000	48,884,000	PRECIOUS METALS
5	Suncor Energy(De11)	4,304,000	39,790,000	74,777,000	INTEGRATED OILS
6	Imperial Oil(De11)	3,371,000	30,714,000	25,429,000	INTEGRATED OILS
7	Bank of Montreal(Oc11)	3,266,000	17,554,000	477,423,000	BANKS
8	CIBC(Oc11)	3,079,000	15,998,000	353,699,000	BANKS
9	Potash Corp. of Saskatchewan(De11)	3,081,000	9,127,000	16,257,000	CHEMICALS
10	Teck Resources(De11)	2,668,000	11,634,000	34,219,000	INTEGRATED MINES
11	Cdn. Natural Resources(De11)	2,643,000	15,548,000	47,2,07800	OIL AND GAS PRODUCERS
12	Canadian National Railway Co.(De11)	2,457,000	9,429,000	26,026,000	TRANSPORTATION
13	BCE Inc.(De11)	2,340,000	19,588,000	39,426,000	TELEPHONE UTILITIES
14	Husky Energy(De11)	2,224,000	24,774,000	32,426,000	INTEGRATED OILS
15	Great-West Lifeco(De11)	2,118,000	30,019,000	238,768,000	INSURANCE - LIFE
16	Brookfield Asset Management(De11)	1,957,000	19,273,000	91,030,000	MANAGEMENT AND DIVERSIFIED
17	Goldcorp Inc.(De11)	1,881,000	5,302,000	29,374,000	PRECIOUS METALS
18	Power Financial(De11)	1,826,000	32,400,000	252,678,000	FINANCE AND LEASING
19	Brookfield Office Properties(De11)	1,690,000	3,364,000	25,144,000	PROPERTY MGMNT & INVESTMENT
20	TransCanada Corp.(De11)	1,582,000	9,195,000	48,995,000	MANAGEMENT AND DIVERSIFIED

Not-for-Profits

- Goal is to provide a public service to its clientele, not profits.
- Financial objective is normally to have a no profits (i.e., expenses equal revenues)



WHAT MAKES A COMPANY ADMIRABLE?

Admired Company

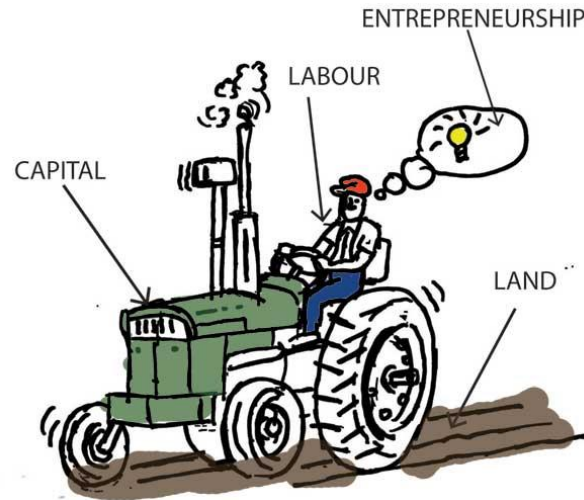
- Profitability, growth, new product development, etc.
- Ethics, social responsibility, worker satisfaction, etc.

• *I.E., Benefits society*



ECONOMIC PRODUCTIVITY

Factors of Production

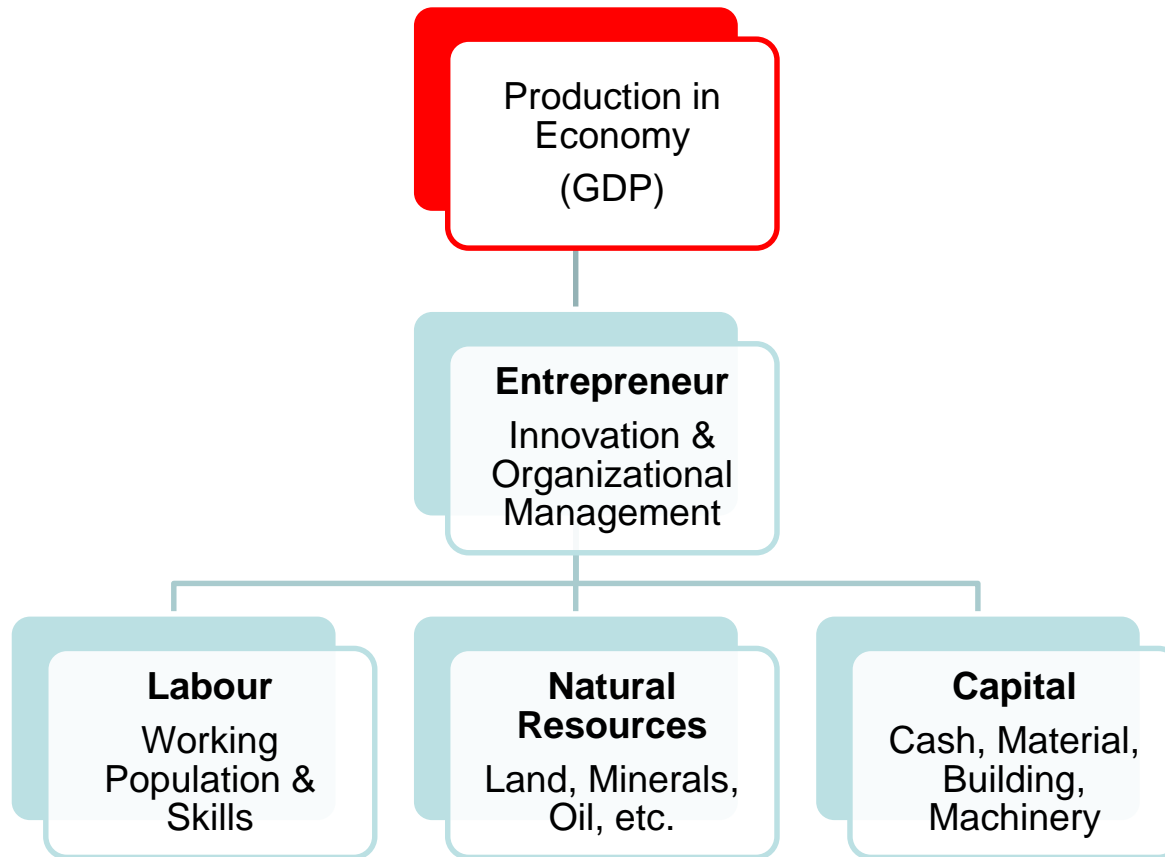


Factors of Production



Produce Value in the Economy

Factors of Production



Natural Resources

- Minerals, coal, iron ore, etc.
- Oil & Gas
- Timber – pulp & paper
- Wind & water
- Scenic regions – lakes, mountains, coasts, beaches,
- Weather

Capital

- Money & assets that can be converted to money relatively easily.
 - Equipment
 - Building, machines
 - Cash, bonds, etc.

Labour or Human Resources

- People – their labour plus their associated knowledge & skills

Entrepreneurship

- The act of creating & managing a business
 - Creating products & services
 - Organizing a company
 - Managing & motivating people
 - Negotiating with others
 - Etc.

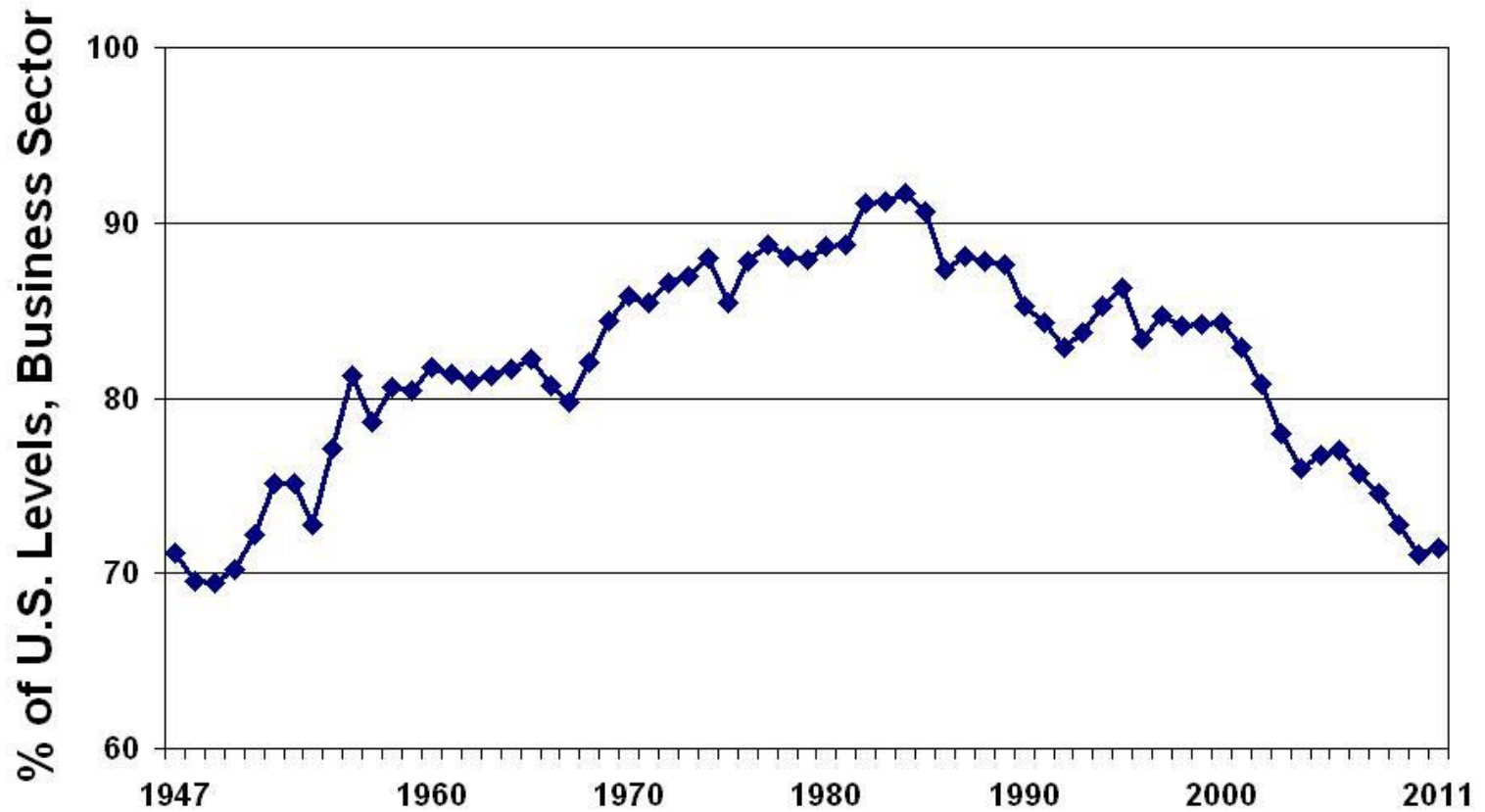
Economic Performance

- Economic Productivity is the value ratio of outputs to inputs.

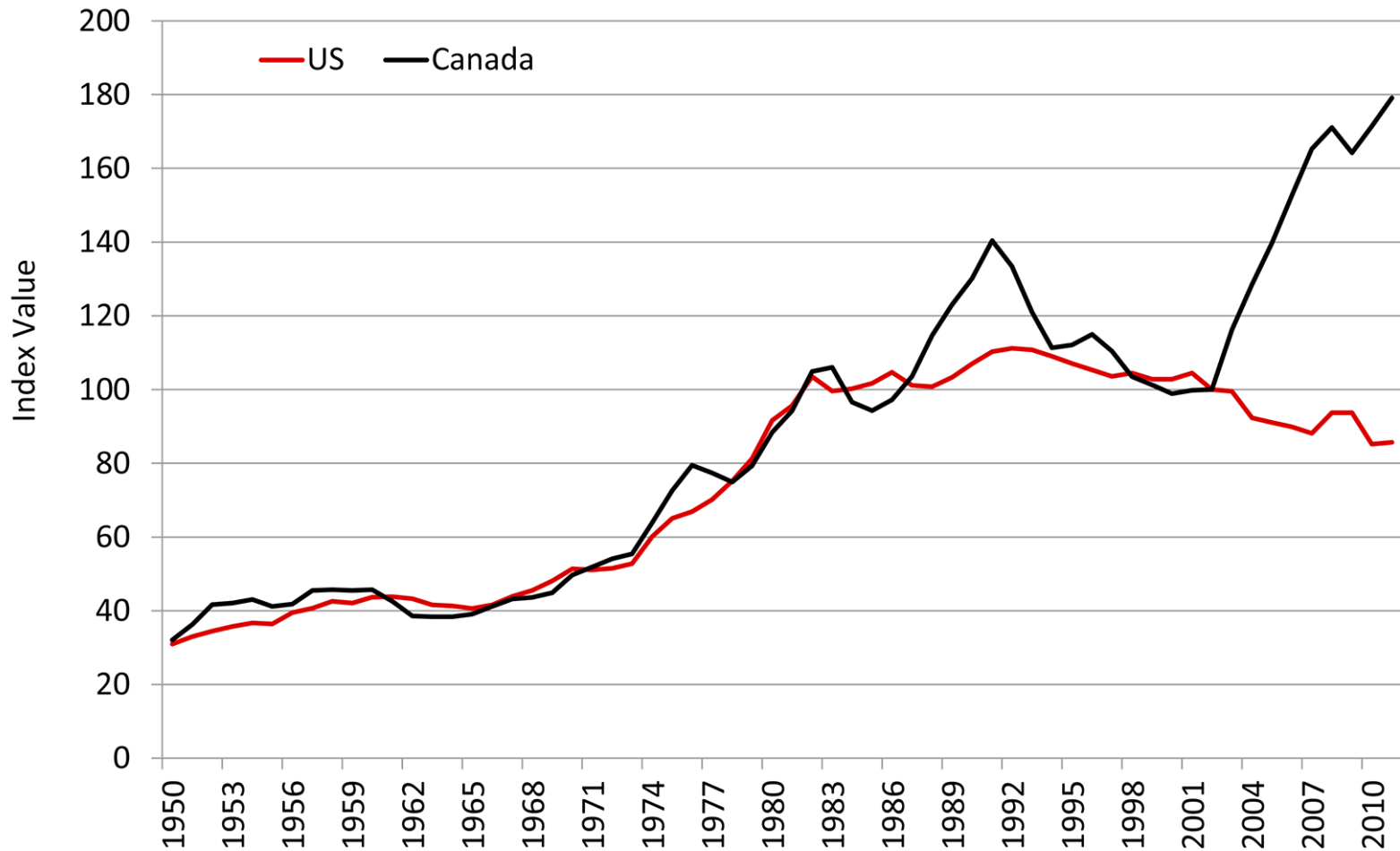
Economic Productivity = \$ Outputs / \$ Inputs

Economic Productivity = Products & Services Produced in the Economy/
Factors of Production Used
(Values \$)

Canadian Relative Productivity



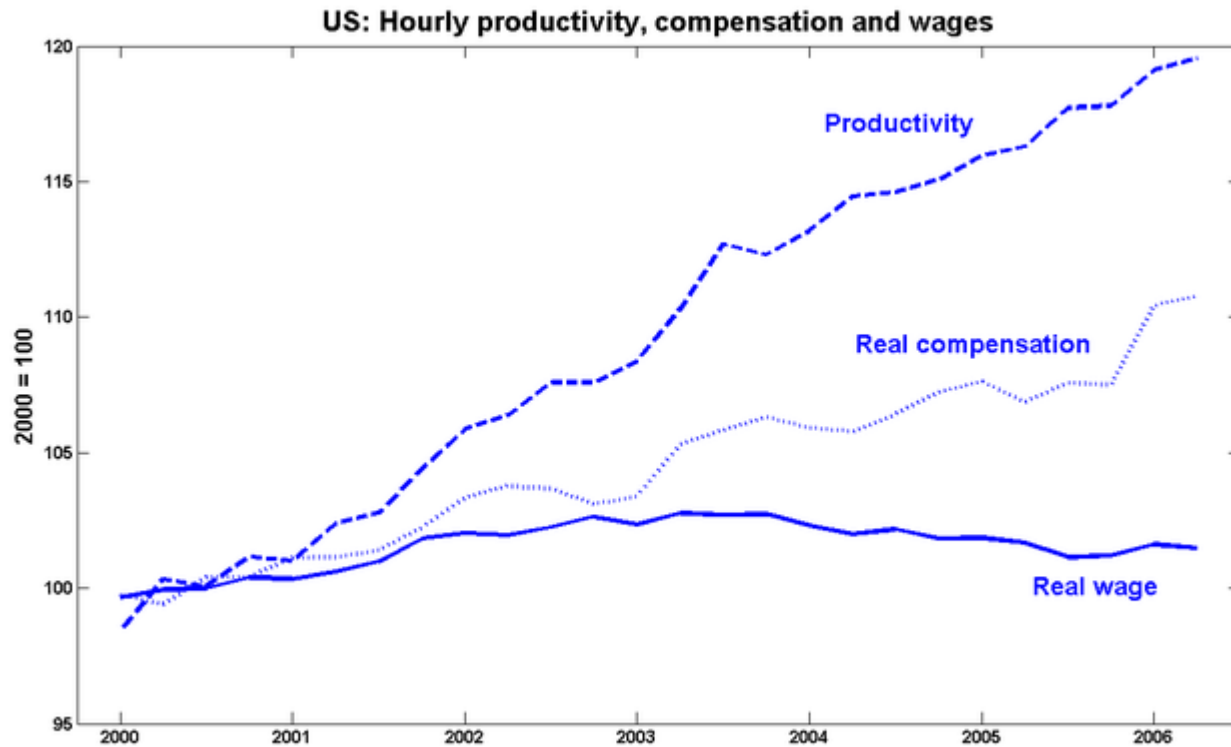
Unit Labor Costs in Manufacturing



© Mauldin Economics 2013

Source: Federal Reserve Bank of St. Louis

US Productivity Growth





ERAS IN BUSINESS

Colonial Period

- Agricultural & trading are the principle businesses
- Trading & transportation hubs
- Wealthy – owned land and trading hubs.
- Examples. Ranches, farms, Chicago trading companies (Sears, Mercantile exchange, etc.)

Colonial Period

Key Factors

- Resources - Land - agricultural
- Labour – unskilled labour
- Entrepreneurial – trading & transportation hub creation & management
- Capital – inventory of goods

Industrial Revolution

- Beginning of mass production & specialization begins.
- Mechanization invented for transportation, agriculture, and harvesting resources.
- Beginning of the transition to full industrial production. Labour skills are starting to become specialized.
- Industrial period is in its initial development.

Industrial Revolution

Key Factors

- Labour – becoming specialized
- Capital – machinery, plants, and mechanization
- Entrepreneurial – knowledge and creativeness to create mechanization
- Resources - coal

Industrial Entrepreneurs

- Machinery becomes wide spread and people begin to innovate new concepts around the principles of “engineering”
- Industrial Revolution is in full motion.
- New product and service opportunities begin to stimulate customer demand.
- Industrial period is in full swing and high growth.

Industrial Entrepreneurs

Key Factors

- Labour – getting to be highly specialized
- Capital – machinery, plants, and mechanization
- Entrepreneurial – knowledge and creativeness to enter new markets & businesses
- Resources – oil, gas, energy, iron, etc.

Production Era

- Large factories are built & mass production
- Specialization of work becomes more intense.
- Focus is on internal processes, becoming larger and more productive (efficiency & effectiveness).
- Demand blossoming because of the new products and lower (relative) costs.
- Industrial period is maturing.

Production Era

Key Factors

- Labour – highly specialized
- Capital – machinery, plants, and mechanization
- Entrepreneurial – knowledge and creativeness to analyze costs and drive them lower
- Resources – same as previous era

Marketing Era

- Competition has intensified
- Recession (poor economy) - customer demand has tanked.
- Marketing, branding, customer orientation becomes important.
- Focus on finding and educating the customer on the value of the product or service.
- Customer orientation & branding try and make products to suit customers.

Marketing Era

Key Factors

- Labour – highly specialized
- Capital – machinery, plants, and mechanization
- Entrepreneurial – knowledge and creativeness to analyze customers and generate demand
- Resources – same as previous era, plus new minerals (rare), tourist locations.

Creating Brand Value

Brand	Brand Value	1-Yr Value Change	Company Advertising	Industry
Apple	\$145.3 B	17%	\$1.2 B	Technology
Microsoft	\$69.3 B	10%	\$2.3 B	Technology
Google	\$65.6 B	16%	\$3 B	Technology
Coca-Cola	\$56 B	0%	\$3.5 B	Beverages
IBM	\$49.8 B	4%	\$1.3 B	Technology
McDonald's	\$39.5 B	-1%	\$808 M	Restaurants
Samsung	\$37.9 B	8%	\$3.8 B	Technology
Toyota	\$37.8 B	21%	\$3.8 B	Automotive
General Electric	\$37.5 B	1%	-	Diversified
Facebook	\$36.5 B	54%	\$135 M	Technology

Source: Forbes 2014

Relationship Era

- Transaction management
- Focus is on building long-term relationships with suppliers, buyers, customers, etc.
- Want to enhance & keep relationships rather than continually build them (e.g., customers).
- Alliances, joint ventures, etc. become popular.
- Internet makes relationships easier & businesses built around relationships arise (e.g., social media, etc.)

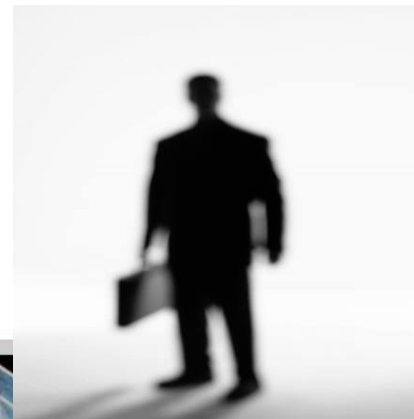
Relationship Era

Key Factors

- Labour – highly specialized
- Capital – machinery, plants, computerization, and mechanization
- Entrepreneurial – knowledge and creativeness of developing new relationships that improve efficiency and effectiveness
- Resources – same as previous era, more energy related resources

Managing Relationships through Technology

- **Relationship Management**
 - The collection of activities that build and maintain ongoing, mutually beneficial ties with customers and others
- Relationship management depends on technology



Social Era

- Businesses seek to connect and interact with customers (as well as other businesses) using technology.
- Technology and human knowledge around technology become critical inputs.

Social Era

Key Factors

- Labour – highly trained & specialized
- Capital – computerization
- Entrepreneurial – knowledge and creativeness of developing new computer capabilities, products and services
- Resources – same as previous, but more energy and rare resources.

Key Business Trends

- Aging population
- Temporary employment/people have many jobs
- New developing economies - globalization
- Technology
 - Communication
 - Knowledge – information, learning, analysis, etc.
 - Competitive Impact – new business models



ADM1100 – Introduction to Management

THE COURSE

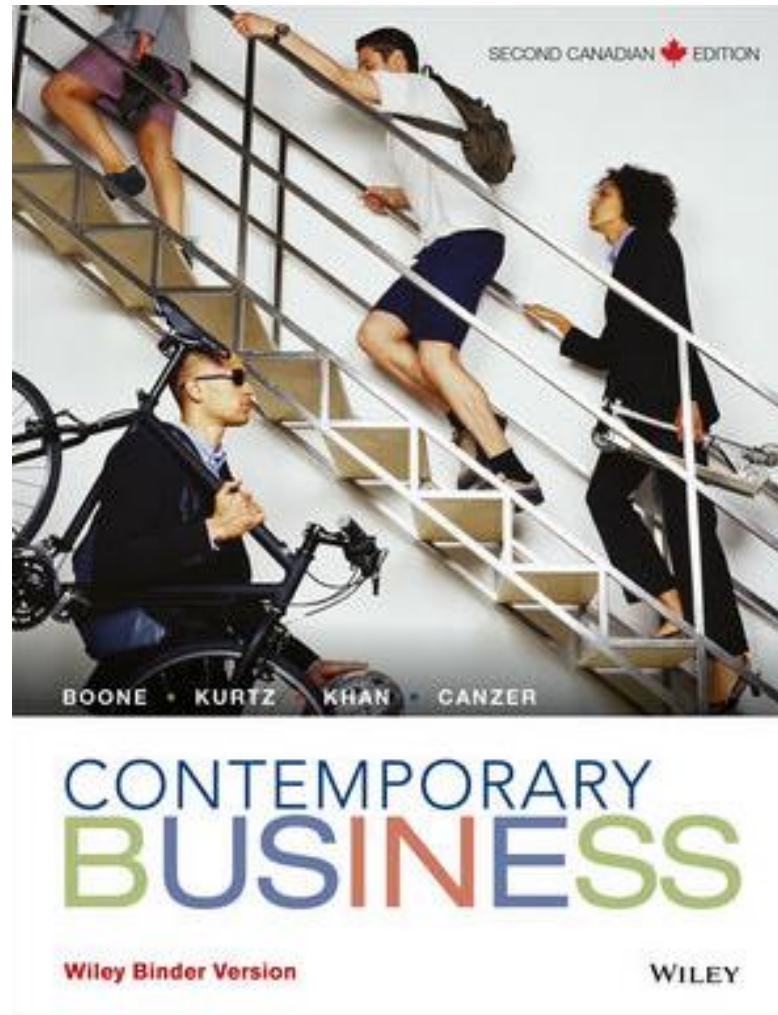
Contact Info

- Office DMS 7118
- Phone Ext. 4791
- Email – woodcock@telfer.uottawa.ca
- Available the hour before class. Students can book appointments at other times during business hours by making an appointment

Course Materials

- Textbook: Contemporary Business: Second Canadian Edition – edition 2016
 - available at Campus Bookstore
 - Also available on Amazon.ca & at Wiley.ca
- Other class material on Website

Textbook



Course Deliverables

- 2 memos 30%
- Mid-term test 30%
- Final Exam 40%

Memos

- Groups for Memos
 - 5 people to a group
- Memo Particulars
 - Complete 2 memos.
 - Memos must be delivered (i.e., Must hand-in a hard copy) at the beginning of the class the memo is due (i.e., generally one week after the case is discussed).
 - Cases are either in the book or available on Website
 - Question and format details for the memos will be on Website.
 - Only those group members whose names are on the memo will get a mark.
 - Memos must include an Ethics Statement & Peer review (available in Website).
 - At least one memo must be handed-in by study week & one after study week.

Mid-Term

- Please refer to the course outline
- Will be on all chapters taken to date.
- Content – true/false, multiple choice.
- If you miss exam must go to undergraduate offices to do a remake

Final Exam

- Date – date to be announced.
- Will cover all of the content in the course.
- Will be discussed more when closer to the exam.
- If you miss exam must go to undergraduate offices to do a remake

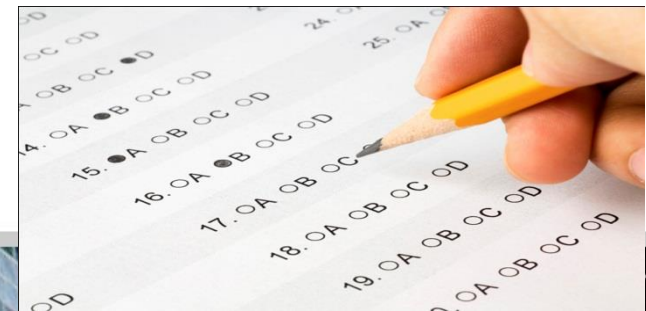
Example Qs

These are sample questions that provide you with examples of Qs that will be on the exam

Test Your Knowledge

Why are the four factors of production important?

- a. The factors of production are regulated by the government.
- b. Human resources will always be the most important factor of production.
- c. Managing all four of the factors of production is critical for the successful operation of a business.
- d. Firms need to understand how to reduce the cost of production if they are going to be successful.



Test Your Knowledge

Why are the four factors of production important?

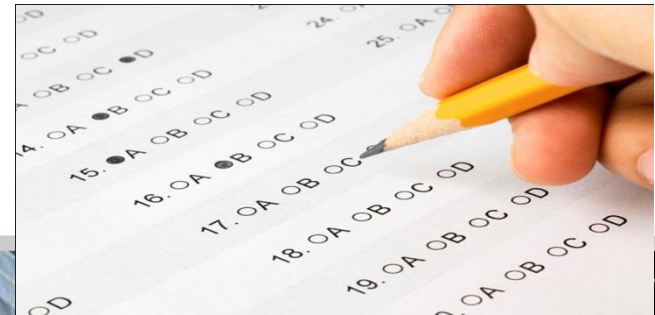
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- b. Human resources will always be the most important factor of production.
- c. Managing all four of the factors of production is critical for the successful operation of a business.
- d. Firms need to understand how to reduce the cost of production if they are going to be successful.

Answer: D

Test Your Knowledge

Identify the business era during which managers began to pay more attention to what consumers wanted and needed rather than simply to what the firm could produce.

- a. The Industrial Revolution
- b. The production era
- c. The marketing era
- d. The relationship era



Test Your Knowledge

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Answer: C

Test Your Knowledge

The Internet has made possible another business tool for staffing flexibility: _____, or using outside vendors to produce goods or fulfill services and functions that were previously handled in-house or in-country.

- a. Outsourcing
- b. Nearshoring
- c. Offshoring
- d. Partnering

Test Your Knowledge

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Answer: A