

Principles of Management

PRACTICAL SESSION 4

ISEG – FALL 2019

Agenda



Presentations 1-B
and 2-A



Systems Approach to Student
Life



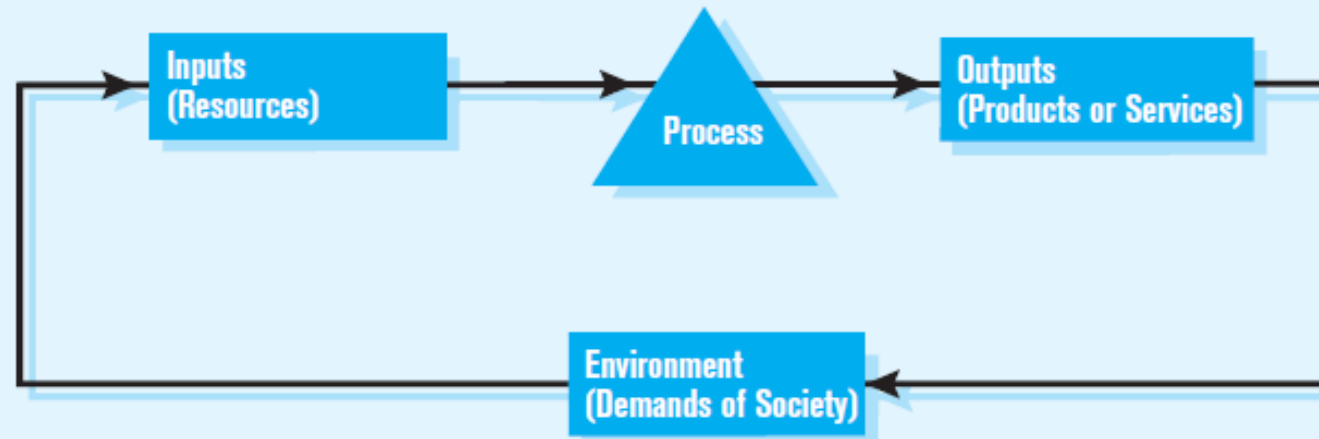
Strategies for a local
restaurant

Systems Approach to Management

IDENTIFY THE INPUTS AND OUTPUTS OF STUDENT LIFE

EXHIBIT 1-5**A Systems View of Organization**

A systems perspective keeps the manager focused on the external environment.



Systems Perspective

Systems Perspective

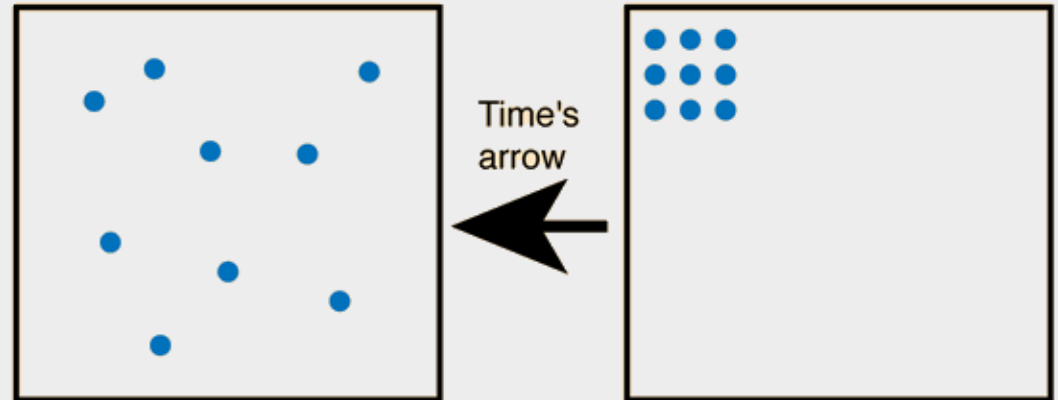
- ▶ Organizations as interrelated systems
- ▶ Entropy
 - ▶ An organization will die without continuous input from the outside environment
- ▶ Synergy
 - ▶ The whole organization working together will produce more than the parts working independently



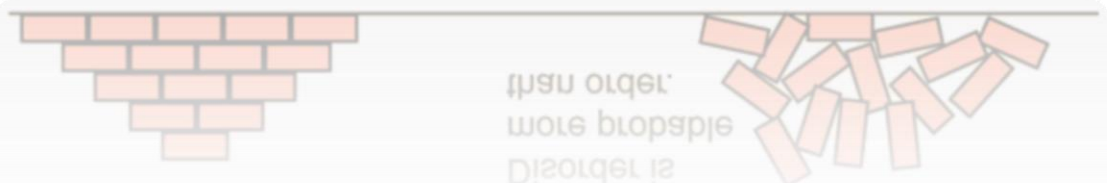
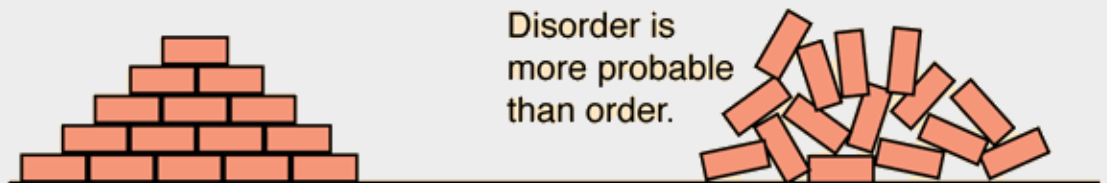
Entropy

- ▶ The gradual decline into chaos if order or predictability aren't used as inputs into the system

If the particles represent gas molecules at normal temperatures inside a closed container, which of the illustrated configurations came first?



If you tossed bricks off a truck, which kind of pile of bricks would you more likely produce?



Synergies



The creation of a whole that is greater than the simple sum of its parts



Cost synergies

Economies of scale and scope, quantity discounts, lesser financing constraints



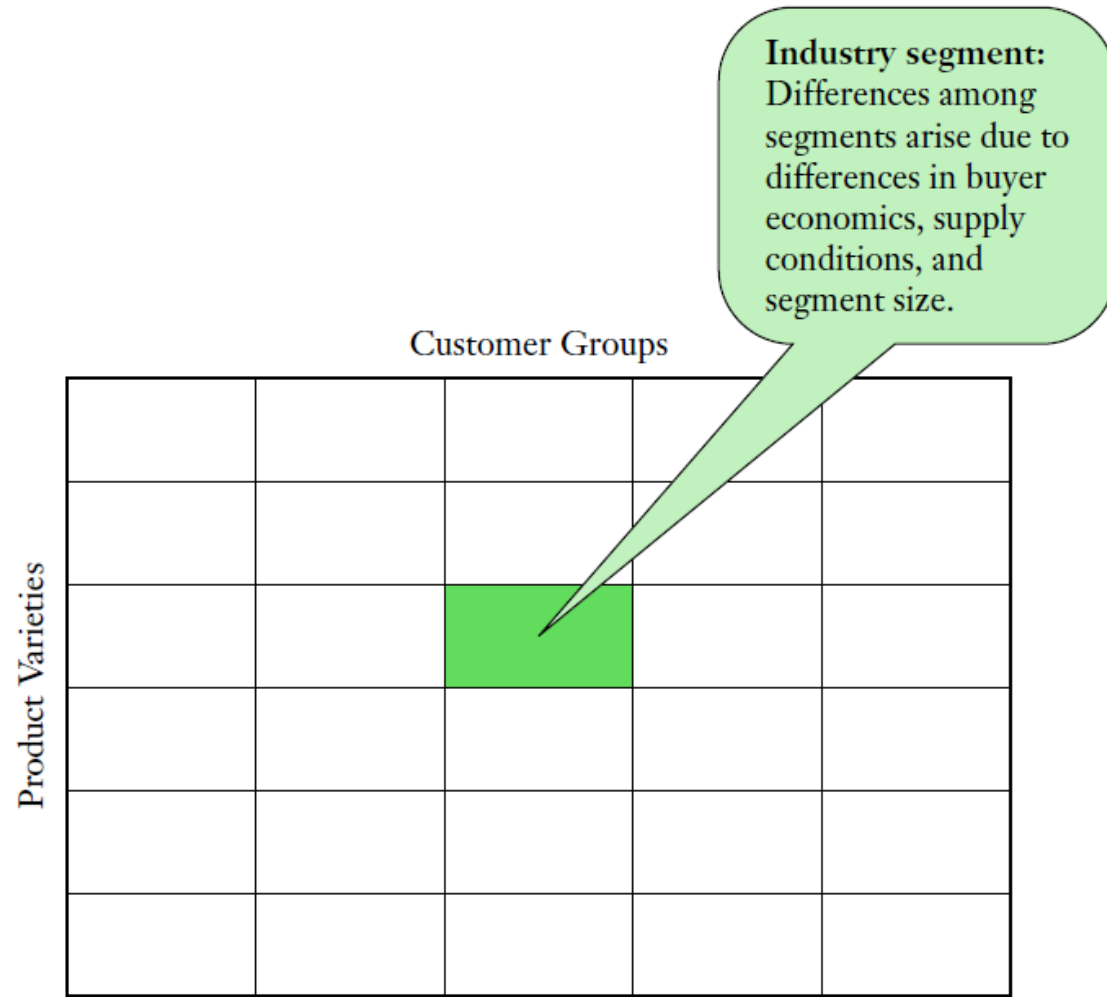
Revenue synergies

Greater turnover from combined product lines

Local Restaurant

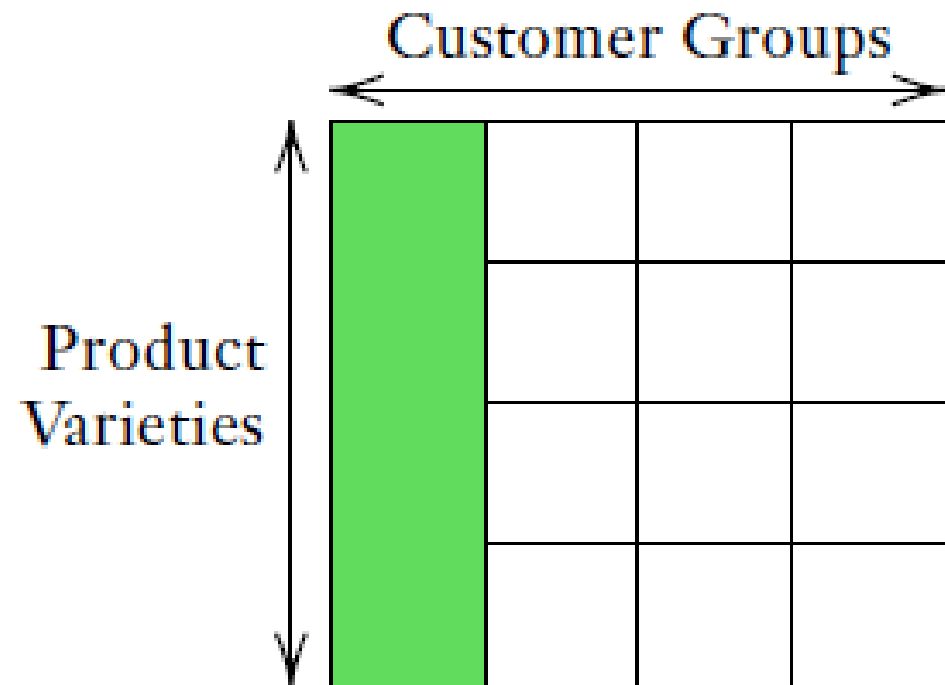
PREPARE FIVE ACTIONS A DOWNTON RESTAURANT CAN IMPLEMENT IN ORDER TO ATTRACT MORE TOURISTS TO THE VENUE

INDUSTRY SEGMENTATION MATRIX



Customer Specialization Focus

- Offer an array of product varieties to a limited class of customers.
- Cater to the particular needs of the customer group served.



- **Product Specialization Focus**
 - Offer a limited set of products to an array of different customer groups.
 - Do an especially good job satisfying a subset of the needs of the customer groups being served.

