

Entrepreneurship
Mrs. Anastasio
Distance Learning Assignment #4
Due Friday, May 15, 2020

1. Vocabulary Chapter 17: Write definition and one sentence for each word in Word document or notebook.
2. Take notes and fill in graphic organizers from PowerPoint in notebook.
3. Complete Chapter 17 worksheet packet.
4. Complete Chapter 17 Study Guide.

Chapter 17 Vocabulary

Write definition and one sentence for each word in a Word document or notebook.

1. Policy
2. Rule
3. Credit
4. Return Policy
5. Rework Policy
6. Line Organization
7. Staff
8. Line-and-Staff Organization
9. Project Organizations
10. Job Description
11. Job Specification
12. Resume
13. Recruit
14. Benefits
15. Wages
16. Piece Rate

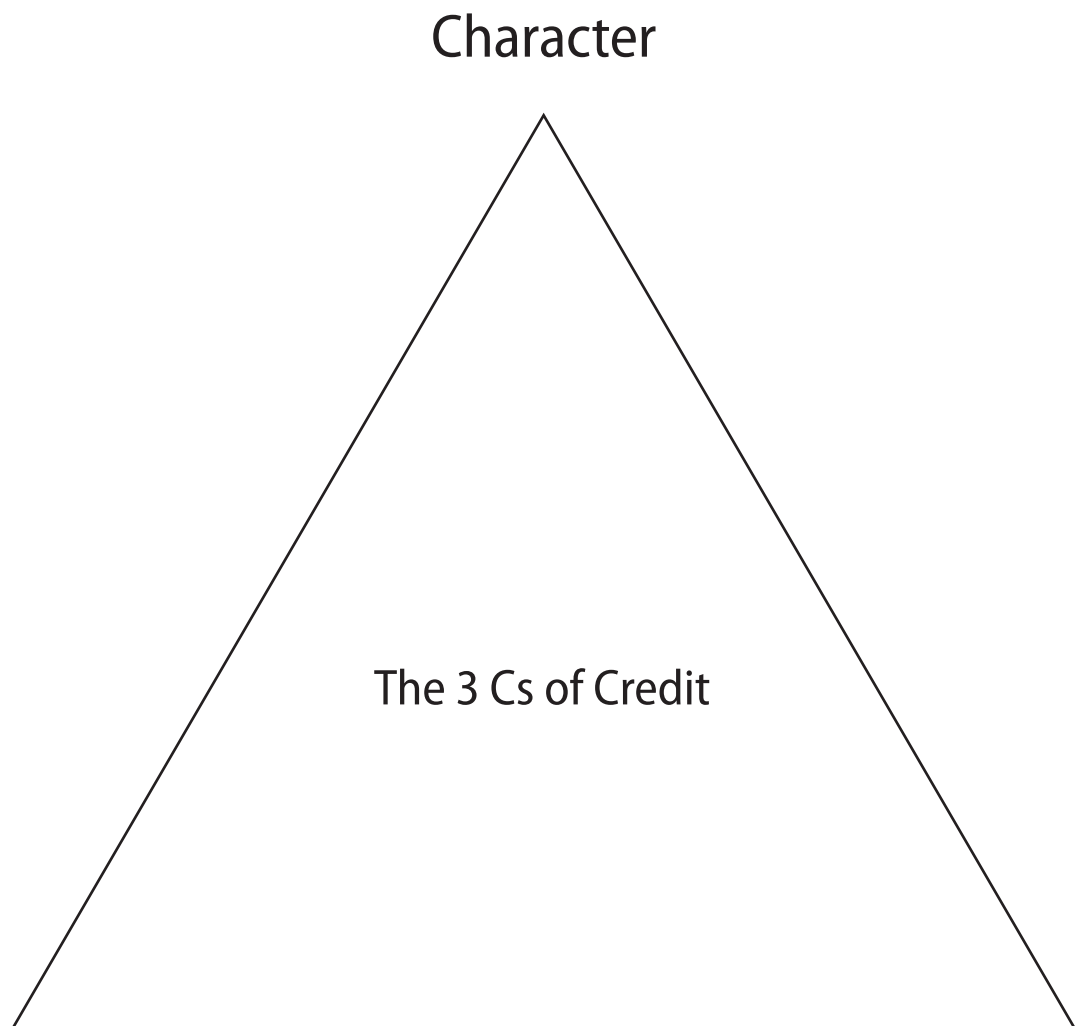
Managing Operations and Staffing

CHAPTER

17

Section 17.1 Managing Operations

Directions Label each point of the triangle with one of the three Cs of credit.



Managing Operations and Staffing**CHAPTER****17**

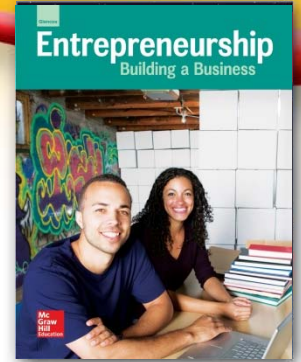
Section 17.2 Stuffing and Company Policies

Directions Write notes about job descriptions on the left and notes about job specifications on the right.

Job Description	Job Specification

CHAPTER
17

Managing Operations and Staffing



Section

17.1

Managing Operations

Section

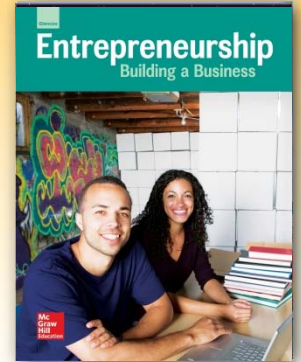
17.2

Staffing and Company Policies

SECTION

17.1

Managing Operations



Implementing Operational Plans

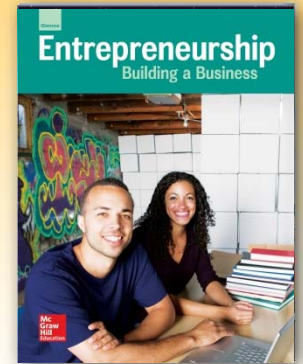
The goal of first-line management is to put operational plans into action.

As your business grows, you may have to delegate some responsibilities to your employees.

SECTION

17.1

Managing Operations



Operating Policies, Rules, and Regulations

Having a **policy** on how to deal with a recurring situation helps simplify day-to-day management.

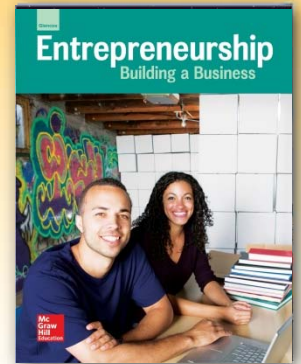
policy

a statement of goals, purposes, and principles that serves as a guideline for daily business operations and supports the company's goals and objectives

SECTION

17.1

Managing Operations



Operating Policies, Rules, and Regulations

In contrast to a policy, a **rule** leaves no room for interpretation.

rule

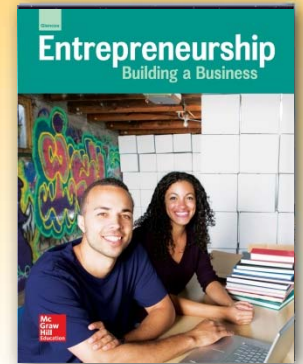
a standard set forth to guide behavior and actions; a rule tells employees exactly what they should and should not do

SECTION

17.1

Managing Operations

Operating Policies, Rules, and Regulations



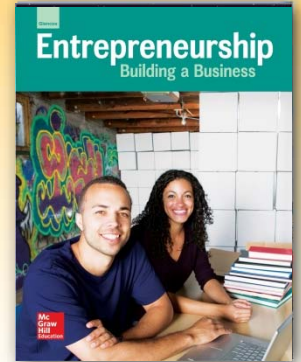
Most policy statements cover these issues:

- hours of operation
- credit
- return and rework
- delivery
- customer service
- employee and customer safety

SECTION

17.1

Managing Operations



Credit Policies

A business that offers **credit** may encourage sales, but offering credit also ties up money.

credit

an arrangement for deferred payment for goods and services; credit allows a business or individual to obtain products in exchange for a promise to pay later

SECTION

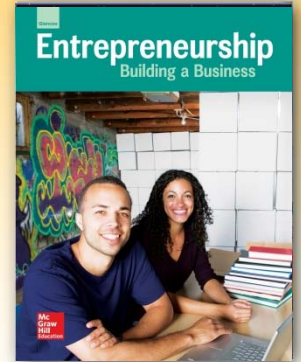
17.1

Managing Operations

Credit Policies

There are four major credit plans:

- bank credit cards
- charge accounts
- installment plans
- financing



Graphic Organizer

Three Cs of Credit

Businesses that extend consumer credit use the three Cs of credit to determine whether to extend credit to customers.

Character

Capacity

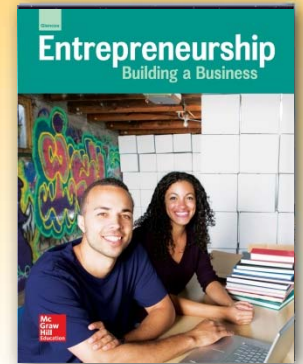
Capital

SECTION

17.1

Managing Operations

Credit Policies



Credit bureaus give higher credit ratings to people who have good **character**.

character

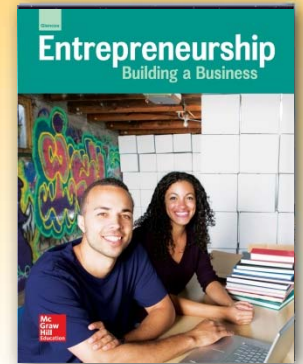
a person's reputation for honest dealings, such as that of a borrower of money

SECTION

17.1

Managing Operations

Credit Policies



Applicants for credit must document their **capacity** by stating income and expenses when filling out credit application forms.

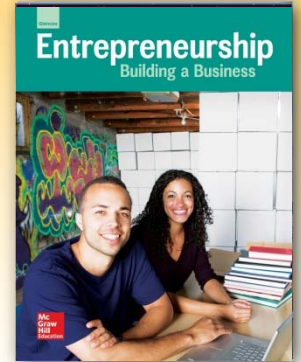
capacity

a borrower's ability to repay a debt as judged by lenders

SECTION

17.1

Managing Operations



Credit Policies

A lender is more likely to extend credit to individuals or businesses with substantial **capital** than to those with modest means.

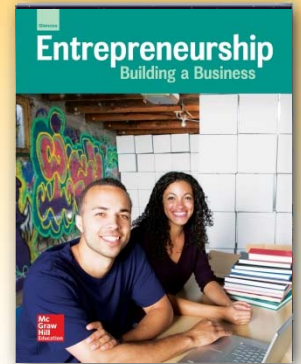
capital

the overall assets of an individual or a business

SECTION

17.1

Managing Operations



Return and Rework Policies

When you choose to have a **return policy** or a **rework policy**, your business is guaranteeing the quality of the goods or services you sell or provide.

rework policy

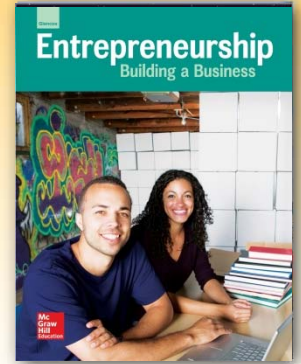
a policy that establishes conditions under which items will be reworked; that is, doing something again because it was not done right the first time

SECTION

17.1

Managing Operations

Delivery Policies



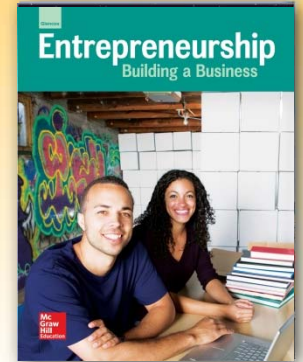
Whether or not to deliver is another part of your place strategy.

SECTION

17.1

Managing Operations

Customer Service Policies



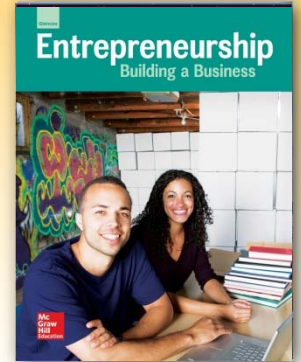
Common customer service policies include:

- complaint handling
- product servicing
- customer courtesy
- shopping climate
- restroom access
- response time
- warranties

SECTION

17.1

Managing Operations



Customer Service Policies

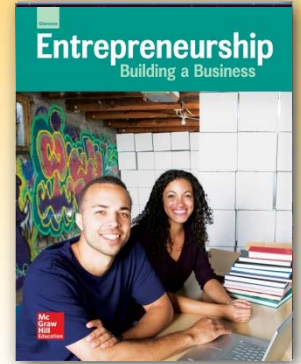
Businesses can take two basic precautions to reduce liability and ensure the safety of their customers and employees:

1. Train employees in safety and emergency procedures.
2. Reinforce training with signs posted throughout the workplace.

SECTION

17.2

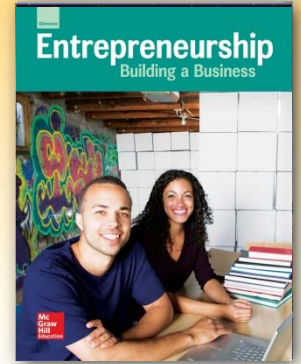
Staffing and Company Policies



Staffing Your Operation

You make staffing decisions based on how many and what kinds of employees you need.

Staffing and Company Policies

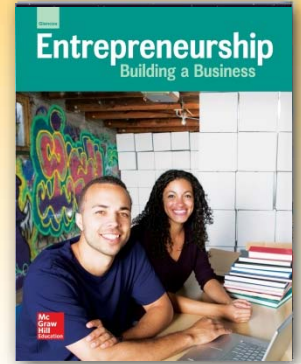


Staffing Your Operation

To determine your specific staffing needs, you need to assemble four types of documents:

- organization chart
- job descriptions
- job specifications
- résumés

Staffing and Company Policies



Types of Organization

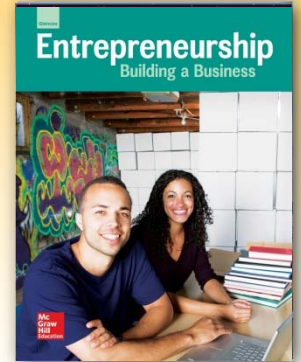
The easiest way to begin staffing your business is to design an organization chart that includes all of the jobs in your business and shows how they are related.

This structure should help delegate responsibility, authority, and work.

SECTION

17.2

Staffing and Company Policies



Types of Organizations

In a **line organization**, top management makes the decisions that affect the entire company; middle management implements the decisions; supervisory, or first-line, management supervises the activities of employees; and employees carry out the plans made by top and middle management.

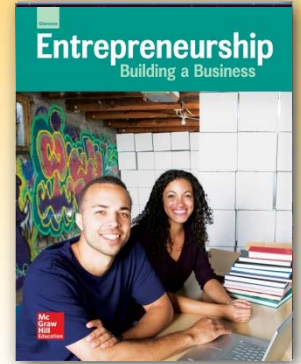
line organization

a form of business organization where managers are responsible for accomplishing the main objectives of the business and are in the direct chain of command.

SECTION

17.2

Staffing and Company Policies



Types of Organization

As your business grows, you must hire **staff**.

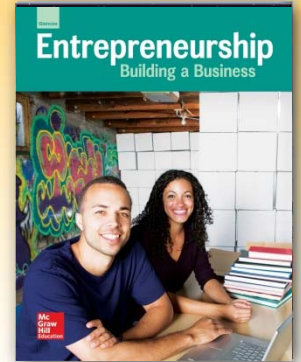
staff

the managers and others who provide support and advice to line managers, such as accounting, legal services, and training

SECTION

17.2

Staffing and Company Policies



Types of Organization

A **line-and-staff organization** is another common form of business organization.

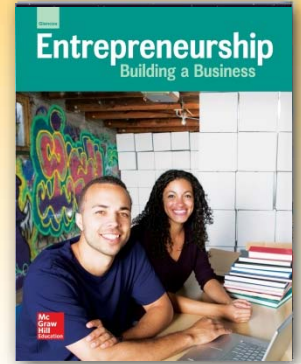
line-and-staff organization

a form of business organization that incorporates staff into line organization

SECTION

17.2

Staffing and Company Policies



Types of Organization

Project organizations supplement the line and line-and-staff structures.

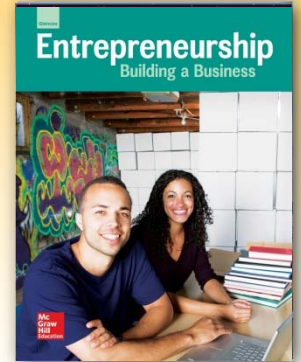
project organizations

temporary organizations brought together from different parts of a business for a special project

SECTION

17.2

Staffing and Company Policies



Job Descriptions and Job Specifications

For each position in your organization chart, you need to write a **job description** and an accompanying **job specification**.

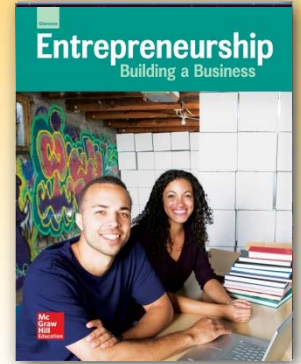
job specification

document that details the abilities, skills, educational level, and experience needed by an employee to perform a job

SECTION

17.2

Staffing and Company Policies



Job Descriptions and Job Specifications

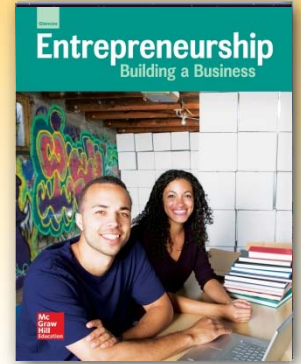
To identify staffing needs in a start-up business, examine the **résumé** of each employee to recognize gaps in your company's staffing.

résumé

a summary of the work and academic history, skills, and experience of a prospective employee

Staffing and Company Policies

Personnel Policies



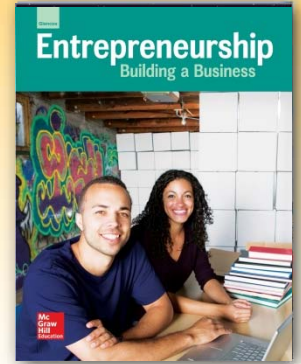
Businesses must establish policies to oversee:

- employee standards
- recruiting and screening employees
- pay and benefits
- training and development
- personnel recordkeeping

SECTION

17.2

Staffing and Company Policies



Personnel Policies

When staffing, you can use school and college placement offices, union hiring halls, and word of mouth to **recruit** new employees.

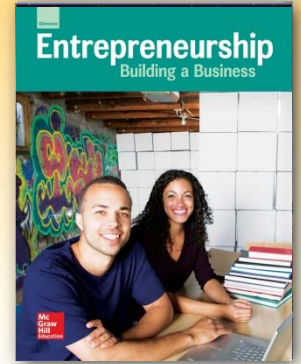
recruit

to bring in prospective employees; businesses use classified ads, employment agencies, and other placement offices to find potential employees

SECTION

17.2

Staffing and Company Policies



Personnel Policies

To attract and keep good employees, you must offer competitive **wages** or **salary**.

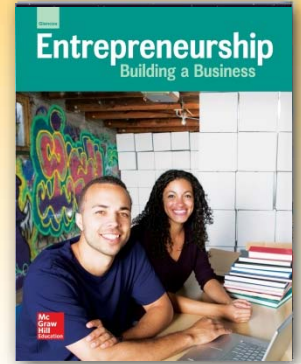
salary

an amount of pay an employee receives for each week, month, or year the employee works

SECTION

17.2

Staffing and Company Policies



Personnel Policies

Competitive employee **benefits** are also necessary to attract and retain good employees.

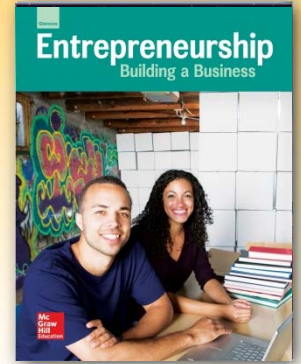
benefits

extra compensation that workers receive on a job, such as paid vacation and sick days, flextime, and child care

SECTION

17.2

Staffing and Company Policies



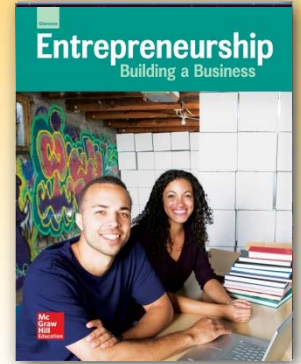
Personnel Policies

Another way to pay employees is based on productivity, either by a **piece rate** or with a **commission**.

commission

a means of compensation based of percentage of sales

Staffing and Company Policies



Personnel Policies

To make sure that you do not overlook any important policies and rules for your operation:

1. Make a list of operational rules and policies that apply to your business.
2. Find out about competitors' policies.
3. Get feedback from potential customers.

Chapter 17 Managing Operations and Staffing

Section 17.1 Managing Operations

Section Review: Identify

Directions In Chapter 17, the three Cs of credit were identified as *character*, *capacity*, and *capital*. Each of the following statements addresses one of these. Identify which by writing the correct term in the space provided to the left of each sentence.

1. _____ The applicant owns three homes.
2. _____ The applicant filed for bankruptcy one month ago.
3. _____ The applicant has a large savings account.
4. _____ A credit check on the applicant reveals several delinquent accounts.
5. _____ The applicant has been unemployed for six months.
6. _____ A business contacts the credit bureau regarding all new applications for credit.
7. _____ The applicant's monthly bills equal 50 percent of his/her monthly income.
8. _____ The applicant has a large stock portfolio.
9. _____ The applicant has no previous credit history.
10. _____ The applicant collects classic cars.
11. _____ The applicant has a half-dozen credit cards and charge accounts and keeps payments current on all of them.
12. _____ The applicant is making monthly payments on a number of large loans—education, new car, condominium mortgage, and personal.
13. _____ The applicant has reached the credit limits on all of his or her bank cards and charge accounts.
14. _____ The applicant's assets are limited to an older model car and a small checking account.
15. _____ The applicant has a credit history that goes back more than 15 years.
16. _____ The applicant works two jobs.

Chapter 17 Managing Operations and Staffing

Academic Integration Activity



Mathematics Piece Rate

Directions Some jobs pay on a piece rate basis. Employees are paid a certain amount for each item of work they produce.

Use the following formula for calculating the answers to the following questions:

$$\text{Total Pay} = \text{Rate per Item} \times \text{Number Produced}$$

- Christian Olfert works for Drummond Machine Company. He earns \$1.30 for every molding he presses. What is his total pay for a week in which he presses 340 moldings?

- Kelly Cantor delivers newspapers for *The Melodyville Standard*. He is paid \$0.08 for every daily paper (Mon.–Fri.) he delivers and \$0.75 for every Sunday paper. What is his pay for a week in which he delivers 454 daily papers and 132 Sunday papers?

- During the spring Nina Milling assembles bicycles at The Wheeler Dealer. She is paid \$13.50 for each bicycle assembled during a regular work week, \$14.50 for each bicycle assembled on a Saturday, and \$16.00 for each bicycle assembled on a Sunday. What is her total pay for a week in which she assembled the following number of bicycles?

Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.
4	7	6	10	8	4	5

- James Hosford has a job with the Acme Bottling Company. He fills cartons with bottles, seals the cartons, and stacks them on pallets. Monday through Friday he is paid \$0.51 for each carton he fills. On Saturday he is paid an additional \$0.23 for each carton he fills. What is his total pay for a week in which he filled the following number of cartons?

Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
210	175	224	160	216	90

- Amy Chang works in the upholstery department of a furniture factory. She upholsters couches, loveseats, and chairs. She receives \$100 for each couch, \$80 for each loveseat, and \$70 for each chair. During the last 4 weeks she upholstered 6 couches, 5 loveseats, and 5 chairs.

- What is her total pay for the 4 weeks?
- If she worked 120 hours, what was her hourly rate?

Chapter 17 Managing Operations and Staffing

Case Study Activity

Supermarket Strategies

Directions Read the *BusinessWeek* Case Study feature in this chapter. Then read the article and answer the questions that follow.

SUPERMARKET STRATEGIES: WHAT'S NEW AT THE GROCER

By Damian Joseph

Today's newly frugal consumers are cranking up the pressure on retailers to innovate. Though an average grocery store has 46,852 items, the sector's big chains also stock pretty much the same brand-name goods. So with little room to further cut prices or wow consumers with unique products, food retailers are seeking out new trends and technology that might differentiate them from competitors. "Grocery stores lose or gain about 10 percent of their customer base each year," says Neil Stern, a senior partner at Chicago-based retail consultancy McMillan Doolittle. "So the question is: Can you grab your share of new customers?"

One way a grocer can impress consumers is to get out of the way. Smart shopping carts, mobile coupons, and self-checkout lanes let consumers help themselves. They can pull up product reviews; keep a running tab by scanning goods as they are placed in a cart; download coupons for them on cell phones; and pay without ever entering a line.

Another tool is convenience. With most people on tight schedules, fewer shoppers want to go out of their way for food. Large chains are filling in the gaps between their bigger locations with smaller stores and stocking them with ready-made meals, basics, and extras like in-store baby-sitters. The average sale might be smaller, but the repeat business can add up.

As the purchasing power of minorities grows, grocers are increasingly attempting to accommodate their tastes. Wal-Mart's Supermercado and Publix's Sabor are examples of smaller, ethnic stores that cater to Latinos or immigrants from Asia and the Middle East. More employees are bilingual, too.

And now, there's no place for a customer to escape targeted advertising. Wal-Mart spent two years and \$10 million developing Smart Network, an advanced in-store television market that can provide detailed product info and control the ads on each individual screen. The conveyor belts at Kroger's cashier stations are being branded, too.

Meantime, Walgreens and Wal-Mart are testing embedded microchips that let employees know when to restock empty shelves and track in-store advertising. A Procter & Gamble trial boosted sales nearly 20%.

Supermarkets may not be able to pull shoppers away from the competition by putting soda on sale, but convenience, green products, or a ready-to-eat meal just might do the trick.

Excerpted from *BusinessWeek*, June 9, 2009

Continued on next page

1. According to the article, what percentage of their customer base do grocery stores gain or lose each year?

2. List the five tools that grocers are using to impress customers.

3. Outline a situation in which you might go to a chain's bigger location. Then outline a situation in which you would prefer one of the smaller stores described in the article.

4. Explain how the targeted advertising efforts might backfire on the stores that employ them.

5. Recall the Case Study feature from the book. Why might Publix's employees be motivated to make sure that the new trends and innovations are smoothly implemented?

Chapter 17 Managing Operations and Staffing



Test Prep Unmatching

Directions Circle the term that does not belong. Then explain your choice on the lines below.

1. handling complaints no smoking order response time hours of operation

2. “Employees shall wear name tags at all times.”

“All food and beverages must remain behind the counter.”

“All employees receive two weeks paid vacation each year.”

“Paychecks will be distributed after 1 P.M. only.”

3. owner/manager attorney salesperson delivery person

- 4 payroll clerk training director buyer network administrator

Name _____ Date _____ Class _____

5. line-and-staff organization
project organization

task-team

task team organization

6. nature of job

job pay

job duties

job responsibilities

7. résumés

skills and abilities

experiences

responsibilities

8. classified ads

employment agencies

applications

word-of-mouth

9. piece rate

commission

bonus

hourly rate

10. family history records

payroll records

I-9 forms

medical records

Entrepreneurship Chapter 17 Study Guide

Indicate the answer choice that best completes the statement or answers the question.

1. A type of credit that entails less risk for the merchant.
 - a. installment plan b. financing
 - c. charge accounts d. bank credit cards
2. The intent of these statements is to simplify day-to-day management.
 - a. policies b. credit
 - c. rules d. warranties
3. A type of organization used to supplement line or line-and-staff organizations.
 - a. production b. distribution
 - c. staff d. project organization
4. A fair policy regarding replacements, refunds, or repairs will help a business maintain
 - a. charge accounts. b. policies.
 - c. customer goodwill. d. credit.
5. A no-credit policy is used by many businesses that sell
 - a. high-priced items. b. low-priced items.
 - c. appliances. d. automobiles.
6. A policy that guarantees the quality of the goods a business sells.
 - a. return b. delivery
 - c. service d. credit
7. Form of business organization used when a company is large enough to hire staff, or people who support production and distribution employees.
 - a. line-and-staff organization b. line organization
 - c. project organization d. task team organization
8. General statements of intent about how a business is to be run.
 - a. rules b. policies
 - c. commission d. credit

Enter the appropriate word(s) to complete the statement.

9. Job descriptions and job specifications help determine the kind of _____ a business needs.
10. The three Cs of credit are _____, capacity, and capital.
11. A business that has too many _____ will limit its flexibility to manage its operation.
12. Hours of operation, and credit policies are a part of the _____ of a business.
13. Three of the most common type of organizational structures are line, line-and-staff, and _____ organizations.

Name: _____ Class: _____ Date: _____

Entrepreneurship Chapter 17 Study Guide

14. A(n) _____ helps an entrepreneur delegate responsibility, authority, and work.

15. _____ are necessary for entrepreneurs to manage a business.

16. Businesses use different _____ methods to reach different types of applicants.

Match each item with the correct statement below.

a. recruit

b. credit

c. line organization

d. job descriptions

e. commission

f. piece rate

g. organization chart

h. job specifications

17. chart that presents all the jobs in a business and shows how they are related to each other

18. document that details the duties and responsibilities of a job

19. so much per unit produced

20. an arrangement in which a business or individual can obtain products in exchange for a promise to pay later

21. form of business organization used by many new businesses

22. document that spells out the abilities, skills, educational level, and experience needed by an employee to perform a given job

23. to attract prospective employees

24. pay based on a percentage of sales

Write a 100-word paragraph that answers the following:

25. Explain the difference between policies and rules.