



# ILLINOIS VALLEY COMMUNITY COLLEGE

## COURSE OUTLINE

**DIVISION:** Natural Sciences and Business

**COURSE:** MGT 1230 Owning and Operating a Small Business

Date: Fall 2022

Credit Hours: 3

*Complete all that apply or mark "None" where appropriate:*

Prerequisite(s): None

Enrollment by assessment or other measure?  Yes  No

If yes, please describe:

Corequisite(s): None

Pre- or Corequisite(s): None

Consent of Instructor:  Yes  No

Delivery Method:  **Lecture**                    **3 Contact Hours** (1 contact = 1 credit hour)  
 **Seminar**                    **0 Contact Hours** (1 contact = 1 credit hour)  
 **Lab**                                **0 Contact Hours** (2-3 contact = 1 credit hour)  
 **Clinical**                    **0 Contact Hours** (3 contact = 1 credit hour)  
 **Online**  
 **Blended**  
 **Virtual Class Meeting (VCM)**

Offered:  **Fall**     **Spring**     **Summer**

**CATALOG DESCRIPTION and IAI NUMBER (if applicable):**

An introduction to understanding the critical elements that are involved with starting and operating a small business. Among the topics discussed are: entrepreneurial alternatives, the business plan, marketing strategies, financial matters, and human resource considerations. Special topics such as social responsibility and ethics may be covered.

## **ACCREDITATION STATEMENTS AND COURSE NOTES:**

None

## **COURSE TOPICS AND CONTENT REQUIREMENTS:**

(Not necessarily in this order.)

1. The Entrepreneurial Life.
2. Integrity, Ethics and, Social Entrepreneurship.
3. Starting a Small Business.
4. Franchising and Buyouts.
5. The Family Business.
6. Visualizing the Dream: The Business Model and Business Plan
7. The Marketing Plan.
8. The Organizational Plan: Teams, Legal Structures, Alliances, and Directors.
9. The Location Plan.
10. Understanding a Firm's Financial Statements.
11. Forecasting Financial Requirements.
12. A Firm's Sources of Financing.
13. Planning for the Harvest.
14. Building Customer Relationships.
15. Product and Supply Chain Management.
16. Pricing and Credit Decisions.
17. Promotional Planning.
18. Global Opportunities for Small Business.
19. Professional Management and the Small Business.
20. Managing Human Resources.
21. Managing Operations.
22. Managing the Firm's Assets.
23. Managing Risk in the Small Business.

## **INSTRUCTIONAL METHODS:**

Lecture

Discussion

Hands-On Activities

Demonstrations

Group Projects

Case Projects: both individual and team approach.

PowerPoint

## **EVALUATION OF STUDENT ACHIEVEMENT:**

Tests

Final Exam

Homework

Quizzes

Attendance

Participation

Simulation checks

## **INSTRUCTIONAL MATERIALS:**

Textbooks  
Instructor's Manual  
Textbook Web Page  
Internet

## **Resources**

Wall Street Journal  
Kiplinger's Magazine  
Business Week  
Forbes  
Barron's  
Textbook Web Page  
Home Library (Magazines/Books)

## **LEARNING OUTCOMES AND GOALS:**

### **Institutional Learning Outcomes**

- 1) Communication – to communicate effectively;
- 2) Inquiry – to apply critical, logical, creative, aesthetic, or quantitative analytical reasoning to formulate a judgement or conclusion;
- 3) Social Consciousness – to understand what it means to be a socially conscious person, locally and globally;
- 4) Responsibility – to recognize how personal choices affect self and society.

### **Course Outcomes and Competencies**

Upon completion of the course, the student will be able to:

#### **1. The Entrepreneurial Life**

- 1-1. Small Size, Great Significance
- 1-2. Small Business and Entrepreneurial Opportunity: Is There a Difference?
  - 1-2a. What Is a Small Business?
  - 1-2b. What Is an Entrepreneurial Opportunity?
- 1-3. Entrepreneurial Qualities: Big Ego Not Required
  - 1-3a. Founders and Second-Stage Entrepreneurs
  - 1-3b. Franchisees
  - 1-3c. Entrepreneurial Teams
  - 1-3d. Social Entrepreneurs
  - 1-3e. Women Entrepreneurs
  - 1-3f. Be a Small Business Owner Who Thinks and Acts Like an Entrepreneur
- 1-4. Your Motivations for Owning a Business
  - 1-4a. Types of Entrepreneurial Motivations
  - 1-4b. Understanding Your Paradigm
- 1-5. The Entrepreneur's Competitive Edge
  - 1-5a. Integrity and Responsibility
  - 1-5b. Customer Focus
  - 1-5c. Quality Performance
  - 1-5d. Innovation
  - 1-5e. Niche Markets
- 1-6. Building an Entrepreneurial Legacy
- 1-7. Where to from Here?

#### **2. Integrity, Ethics, and Social Entrepreneurship**

- 2-1. What Is Integrity?
- 2-2. Integrity and the Interests of Major Stakeholders

- 2-2a. The “Big Three” Stakeholders—Owners, Customers, and Employees
- 2-2b. Social Responsibility and Small Business
- 2-2c. Integrity and Governmental Regulations
- 2-3. The Challenges and Benefits of Acting with Integrity
  - 2-3a. Small Companies and the Legitimacy Lie
  - 2-3b. Integrity and the Internet
  - 2-3c. Integrity and Doing Business Abroad
  - 2-3d. The Integrity Edge
- 2-4. Building a Business with Integrity
  - 2-4a. The Foundations of Integrity
  - 2-4b. Leading with Integrity
  - 2-4c. An Ethical Organizational Culture
  - 2-4d. Better Business Bureaus
  - 2-4e. The Ethical Decision-Making Process
- 2-5. Social Entrepreneurship: A Continuing Trend
  - 2-5a. Social Entrepreneurship and the Triple Bottom Line
  - 2-5b. Small Business and the Natural Environment
- 3. Starting a Small Business**
  - 3-1. Developing Startup Ideas
    - 3-1a. Types of Startup Ideas
    - 3-1b. Common Sources of Startup Ideas
  - 3-2. Using Innovative Thinking to Generate Business Ideas
    - Borrow Heavily from Existing Product and Service Ideas or Other Industries
  - 3-3. Using Internal and External Analyses to Assess New Business Ideas
    - 3-3a. Outside-In Analysis
    - 3-3b. Inside-Out Analysis
    - 3-3c. Integrating Internal and External Analyses
  - 3-4. Selecting Strategies That Capture Opportunities
    - 3-4a. Broad-Based Strategy Options
    - 3-4b. Focus Strategies
  - 3-5. Screening New Business Ideas
  - 3-6. Is Your Startup Idea Feasible?
    - 3-6a. Market Potential
    - 3-6b. Industry Attractiveness
    - 3-6c. New Venture Leadership
- 4. Franchises and Buyouts**
  - 4-1. What Is a Franchise?
    - 4-1a. Franchising Terminology
    - 4-1b. The Impact of Franchising
  - 4-2. The Pros and Cons of Franchising
    - 4-2a. The Pros
    - 4-2b. The Cons
    - 4-2c. The Costs of Being a Franchisee
  - 4-3. Evaluating Franchise Opportunities
    - 4-3a. Selecting a Franchise
    - 4-3b. Investigating the Potential Franchise
    - 4-3c. Becoming a Franchisor
    - 4-3d. Legal Issues in Franchising
  - 4-4. Buying an Existing Business
    - 4-4a. Reasons for Buying an Existing Business
    - 4-4b. Finding a Business to Buy
    - 4-4c. Investigating and Evaluating Available Businesses
    - 4-4d. Quantitative Factors in Valuing the Business
    - 4-4e. Nonquantitative Factors in Valuing a Business
    - 4-4f. Negotiating and Closing the Deal

## **5. The Family Business**

- 5-1. What Is a Family Business?
  - 5-1a. Family and Business Overlap
  - 5-1b. Advantages and Disadvantages of a Family Business
- 5-2. Dynamic Family Businesses
  - 5-2a. The Imprint of Founders on the Family Business Culture
  - 5-2b. The Commitment of Family Members
- 5-3. Family Roles and Relationships
  - 5-3a. Co-preneurs
  - 5-3b. Mom or Dad, the Founder
  - 5-3c. Sons and Daughters
  - 5-3d. Sibling Cooperation, Sibling Rivalry
  - 5-3e. In-Laws In and Out of the Business
  - 5-3f. The Entrepreneur's Spouse
- 5-4. Good Governance in the Family Firm
  - 5-4a. Nonfamily Employees in a Family Firm
  - 5-4b. Family Retreats
  - 5-4c. Family Councils
  - 5-4d. Family Business Constitutions
- 5-5. The Process of Leadership Succession
  - 5-5a. Available Family Talent
  - 5-5b. Preparing for Succession
  - 5-5c. Transfer of Ownership

## **6. The Business Plan: Visualizing the Dream**

- 6-1. An Overview of the Business Plan
- 6-2. Will Writing a Plan Make a Difference?
  - 6-2a. The Balance Between Planning and Executing
  - 6-2b. What Form Will the Business Plan Take?
- 6-3. Begin with the Business Model
  - 6-3a. What Is a Business Model?
  - 6-3b. Developing a Business Model
- 6-4. Preparing a Business Plan: The Content and Format
  - 6-4a. Cover Page
  - 6-4b. Table of Contents
  - 6-4c. Executive Summary (Overview)
  - 6-4d. Company Description
  - 6-4e. Industry, Target Customer, and Competitor Analysis
  - 6-4f. Product/Service Plan
  - 6-4g. Marketing Plan
  - 6-4h. Operations and Development Plan
  - 6-4i. Management Team
  - 6-4j. Critical Risks
  - 6-4k. Offering
  - 6-4l. Exit Strategy
  - 6-4m. Financial Plan
  - 6-4n. Appendix of Supporting Documents
- 6-5. Advice for Writing a Business Plan
  - 6-5a. Analyze the Market Thoroughly
  - 6-5b. Provide Solid Evidence for Any Claims
  - 6-5c. Think Like an Investor
  - 6-5d. Don't Hide Weaknesses—Identify Potential Fatal Flaws
  - 6-5e. Maintain Confidentiality
  - 6-5f. Pay Attention to Details
- 6-6. Pitching to Investors
- 6-7. Resources for Business Plan Preparation
  - 6-7a. Computer-Aided Business Planning

- 6-7b. Professional Assistance in Business Planning
- 6-8. Keeping the Right Perspective

## **7. The Marketing Plan**

- 7-1. What Is Small Business Marketing?
  - 7-1a. Marketing Philosophies Make a Difference
  - 7-1b. A Consumer Orientation—The Right Choice
- 7-2. The Formal Marketing Plan
  - 7-2a. Market Analysis
  - 7-2b. The Competition
  - 7-2c. Marketing Strategy
- 7-3. Marketing Research for the Small Business
  - 7-3a. The Nature of Marketing Research
  - 7-3b. Steps in the Marketing Research Process
- 7-4. Understanding Potential Target Markets
  - 7-4a. Market Segmentation and Its Variables
  - 7-4b. Marketing Strategies Based on Segmentation Considerations
- 7-5. Estimating Market Potential
  - 7-5a. The Sales Forecast
  - 7-5b. Limitations of Forecasting
  - 7-5c. The Forecasting Process

## **8. The Organizational Plan: Teams, Legal Structures, Alliances, and Directors**

- 8-1. Building a Management Team
  - 8-1a. Achieving Balance
  - 8-1b. The Solo Startup Is Still an Option
  - 8-1c. Expanding Social Networks
- 8-2. Common Legal Forms of Organization
  - 8-2a. The Sole Proprietorship Option
  - 8-2b. The Partnership Option
  - 8-2c. The C Corporation Option
- 8-3. Considerations in Choosing an Organizational Form
  - Initial Organizational Requirements and Costs
- 8-4. Specialized Legal Forms of Organization
  - 8-4a. The Limited Partnership
  - 8-4b. The S Corporation
  - 8-4c. The Limited Liability Company
  - 8-4d. The Professional Corporation
  - 8-4e. The Nonprofit Corporation
  - 8-4f. The B Corporation
- 8-5. Forming Strategic Alliances
  - 8-5a. Strategic Alliances with Large Companies
  - 8-5b. Strategic Alliances with Small Companies
  - 8-5c. Setting Up and Maintaining Successful Strategic Alliances
- 8-6. Making the Most of a Board of Directors
  - 8-6a. Selection of Directors
  - 8-6b. Contributions of Directors
  - 8-6c. Compensation of Directors
  - 8-6d. An Alternative: An Advisory Board

## **9. The Location Plan**

- 9-1. Locating the Brick-and-Mortar Startup
  - 9-1a. The Importance of the Location Decision
  - 9-1b. Key Factors in Selecting a Good Location
- 9-2. Designing and Equipping the Physical Facilities
  - 9-2a. Challenges in Designing the Physical Facilities
  - 9-2b. Challenges in Equipping the Physical Facilities
  - 9-2c. Business Image
- 9-3. Locating the Startup in the Entrepreneur's Home

- 9-3a. The Attraction of Home-Based Businesses
- 9-3b. The Challenges of Home-Based Businesses
- 9-4. E-Commerce: Locating a Startup on the Internet
  - 9-4a. Benefits of E-Commerce for Startups
  - 9-4b. E-Commerce Business Models
  - 9-4c. Internet-Based Businesses and the Part-Time Startup Advantage

## **10. Understanding a Firm's Financial Statements**

- 10-1. The Income Statement
- 10-2. The Balance Sheet
  - 10-2a. Assets
  - 10-2b. Debt and Equity
- 10-3. Viewing the Income Statement and Balance Sheet Together
- 10-4. The Cash Flow Statement
  - 10-4a. Profits versus Cash Flows
  - 10-4b. Measuring a Firm's Cash Flows
- 10-5. Evaluating a Firm's Financial Performance
  - 10-5a. Liquidity (Ability to Pay Debt)
  - 10-5b. Profitability on Assets
  - 10-5c. Use of Debt Financing
  - 10-5d. Return on Owners' Equity

## **11. Forecasting Financial Requirements**

- 11-1. The Purpose of Financial Forecasting
- 11-2. Forecasting Profitability
- 11-3. Forecasting Asset and Financing Requirements
  - 11-3a. Determining Asset Requirements
  - 11-3b. Determining Financing Requirements
- 11-4. Forecasting Cash Flows
  - 11-4a. Pro Forma Statement of Cash Flows
  - 11-4b. The Cash Budget
- 11-5. Use Good Judgment When Forecasting

## **12. A Firm's Sources of Financing**

- 12-1. Firm Characteristics and Sources of Financing
  - 12-1a. Firm's Economic Potential
  - 12-1b. Company Size and Maturity
  - 12-1c. Nature of Firm's Assets
  - 12-1d. Owners' Preferences for Debt or Equity
- 12-2. Debt or Equity Financing?
  - 12-2a. Potential Profitability
  - 12-2b. Financial Risk
  - 12-2c. Voting Control
- 12-3. Sources of Early Financing
  - 12-3a. Personal Savings
  - 12-3b. Friends and Family
  - 12-3c. Credit Cards
- 12-4. Bank Financing
  - 12-4a. Types of Loans
  - 12-4b. Understanding a Banker's Perspective
  - 12-4c. Selecting a Banker
  - 12-4d. Negotiating the Loan
- 12-5. Business Suppliers and Asset-Based Lenders
  - 12-5a. Accounts Payable (Trade Credit)
  - 12-5b. Equipment Loans and Leases
  - 12-5c. Asset-Based Lending
- 12-6. Private Equity Investors
  - 12-6a. Business Angels
  - 12-6b. Venture Capital Firms

- 12-7. Crowdfunding
- 12-8. Government Loan Programs
  - 12-8a. The Small Business Administration
  - 12-8b. State and Local Government Assistance
  - 12-8c. Community-Based Financial Institutions
- 12-9. Where Else to Look
  - 12-9a. Large Corporations
  - 12-9b. Stock Sales

### **13. Planning for the Harvest**

- 13-1. The Importance of the Harvest
- 13-2. Methods of Harvesting a Business
  - 13-2a. Selling the Firm
  - 13-2b. Distributing the Firm's Cash Flows
  - 13-2c. Initial Public Offering (IPO)
  - 13-2d. Private Equity Recapitalization
- 13-3. Firm Valuation and Payment Methods
  - 13-3a. The Harvest Value
  - 13-3b. The Method of Payment
- 13-4. Developing an Effective Harvest Plan
  - 13-4a. Anticipate the Harvest
  - 13-4b. Expect Conflict—Emotional and Cultural
  - 13-4c. Get Good Advice
  - 13-4d. Understand What Motivates You
  - 13-4e. What's Next?

### **14. Building Customer Relationships**

- 14-1. What Is Customer Relationship Management?
  - 14-1a. Benefits of CRM to a Small Firm
  - 14-1b. Essential Materials for a CRM Program
- 14-2. Outstanding Customer Relationships through Extraordinary Service
  - 14-2a. Managing Customer Satisfaction
  - 14-2b. Evaluating a Firm's Customer Service Health
- 14-3. Using Technology to Support Customer Relationship Management
  - 14-3a. Creating a CRM Database
  - 14-3b. Using a CRM Database
  - 14-3c. Data Use and Privacy Concerns
- 14-4. Customers as Decision Makers
  - 14-4a. Need Recognition
  - 14-4b. Information Search and Evaluation
  - 14-4c. Purchase Decision
  - 14-4d. Post-Purchase Evaluation
- 14-5. Understanding Psychological Influences on Customers
  - 14-5a. Needs
  - 14-5b. Perceptions
  - 14-5c. Motivations
  - 14-5d. Attitudes
- 14-6. Understanding Sociological Influences on Customers
  - 14-6a. Cultures
  - 14-6b. Social Classes
  - 14-6c. Reference Groups
  - 14-6d. Opinion Leaders

### **15. Product Development and Supply Chain Management**

- 15-1. To Grow or Not to Grow
- 15-2. Innovation: A Path to Growth
  - 15-2a. Gaining a Competitive Advantage
  - 15-2b. Achieving Sustainability
- 15-3. The Product Life Cycle and New Product Development



- 15-3a. The Product Life Cycle
- 15-3b. The New Product Development Process
- 15-4. Building the Total Product
  - 15-4a. Branding
  - 15-4b. Packaging
  - 15-4c. Labeling
  - 15-4d. Warranties
- 15-5. Product Strategy
  - 15-5a. Product Marketing versus Service Marketing
  - 15-5b. Product Strategy Options
- 15-6. The Legal Environment
  - 15-6a. Consumer Protection
  - 15-6b. Protection of Marketing Assets
- 15-7. Supply Chain Management
  - 15-7a. Intermediaries
  - 15-7b. Channels of Distribution
  - 15-7c. The Scope of Physical Distribution
- 16. Pricing and Credit Decisions**
  - 16-1. Setting a Price
    - 16-1a. Pricing Starting with Costs
    - 16-1b. Pricing Starting with Customers
  - 16-2. Applying a Pricing System
    - 16-2a. Break-Even Analysis
    - 16-2b. Markup Pricing
  - 16-3. Selecting a Pricing Strategy
    - 16-3a. Penetration Pricing
    - 16-3b. Price Skimming
    - 16-3c. Follow-the-Leader Pricing
    - 16-3d. Variable Pricing
    - 16-3e. Price Lining
    - 16-3f. Optional Product and Service Pricing
  - 16-4. Offering Credit
    - 16-4a. Benefits of Credit
    - 16-4b. Factors That Affect Selling on Credit
    - 16-4c. Types of Credit
  - 16-5. Managing the Credit Process
    - 16-5a. Evaluation of Credit Applicants
    - 16-5b. Sources of Credit Information
    - 16-5c. Aging of Accounts Receivable
    - 16-5d. Billing and Collection Procedures
    - 16-5e. Credit Regulation
- 17. Promotional Planning**
  - 17-1. Promotion Is Communication
  - 17-2. Determining the Promotional Budget
    - 17-2a. Budgeting a Fixed Percentage of Sales
    - 17-2b. Deciding How Much Is Left Over after Other Expenses Are Covered
    - 17-2c. Spending at the Same Level as Competitors
    - 17-2d. Determining How Much Is Needed to Achieve Objectives
  - 17-3. Promotion Using the Internet and Social Media
    - 17-3a. The Small Business Website
    - 17-3b. Social Media
  - 17-4. Personal Selling in the Small Firm
    - 17-4a. The Importance of Product Knowledge
    - 17-4b. The Sales Presentation
    - 17-4c. Cost Control in Personal Selling
    - 17-4d. The Compensation Program for Salespeople

- 17-5. Advertising Practices
  - 17-5a. Advertising Objectives
  - 17-5b. Types of Advertising
  - 17-5c. Advertising Specialists
  - 17-5d. Frequency of Advertising
  - 17-5e. Where to Advertise
- 17-6. Sales Promotion
  - 17-6a. Specialties
  - 17-6b. Trade Show Exhibits
  - 17-6c. Coupons
  - 17-6d. Publicity
  - 17-6e. When to Use Sales Promotion
- 18. Global Opportunities for Small Businesses**
  - 18-1. Small Businesses as Global Enterprises
  - 18-2. The Forces Driving Global Businesses
    - 18-2a. Expanding Markets
    - 18-2b. Gaining Access to Resources
    - 18-2c. Cutting Costs
    - 18-2d. Capitalizing on Special Features of Location
  - 18-3. Strategy Options for Global Firms
    - 18-3a. Exporting
    - 18-3b. Importing
    - 18-3c. Foreign Licensing
    - 18-3d. International Franchising
    - 18-3e. International Strategic Alliances
    - 18-3f. Locating Facilities Abroad
  - 18-4. Challenges to Global Businesses
    - 18-4a. Political Risk
    - 18-4b. Economic Risk
    - 18-4c. The Ease of Doing Business Index
  - 18-5. Assistance for Global Enterprises
    - 18-5a. Analyzing Markets and Planning Strategy
    - 18-5b. Connecting with International Customers
    - 18-5c. Financing
- 19. Professional Management and the Small Business**
  - 19-1. Small Business Leadership
    - 19-1a. What Is Leadership?
    - 19-1b. Leadership Qualities of Founders
    - 19-1c. What Makes a Leader Effective?
    - 19-1d. Leadership Styles
    - 19-1e. Shaping the Culture of the Organization
  - 19-2. The Small Firm Management Process
    - 19-2a. From Founder to Professional Manager
    - 19-2b. Firm Growth and Managerial Practices
  - 19-3. Managerial Responsibilities of Entrepreneurs
    - 19-3a. Planning Activities
    - 19-3b. Creating an Organizational Structure
    - 19-3c. Delegating Authority
    - 19-3d. Controlling Operations
    - 19-3e. Communicating
    - 19-3f. Negotiating
  - 19-4. Personal Time Management
    - 19-4a. The Problem of Time Pressure
    - 19-4b. Time Savers for Busy Managers
  - 19-5. Outside Management Assistance
    - 19-5a. The Need for Outside Assistance

19-5b. Sources of Management Assistance

## **20. Managing Human Resources**

### 20-1. Recruiting Personnel

- 20-1a. The Need for Quality Employees
- 20-1b. The Lure of Entrepreneurial Firms
- 20-1c. Sources of Employees
- 20-1d. Diversity in the Workforce
- 20-1e. Job Descriptions

### 20-2. Evaluating Prospects and Selecting Employees

- 20-2a. Step 1: Use Application Forms
- 20-2b. Step 2: Interview the Applicant
- 20-2c. Step 3: Check References and Other Background Information
- 20-2d. Step 4: Test the Applicant
- 20-2e. Step 5: Require Physical Examinations

### 20-3. Training and Developing Employees

- 20-3a. Basic Components of Training and Development
- 20-3b. Orientation for New Personnel
- 20-3c. Employee Training
- 20-3d. From Training to Implementation
- 20-3e. Development of Managerial and Professional Employees

### 20-4. Compensation and Incentives for Employees

- 20-4a. Wage and Salary Levels
- 20-4b. Financial Incentives
- 20-4c. Stock Incentives
- 20-4d. Employee Benefits

### 20-5. Special Issues in Human Resource Management

- 20-5a. Co-Employment Agreements
- 20-5b. Legal Protection of Employees
- 20-5c. Labor Unions
- 20-5d. Formalizing Employer-Employee Relationships
- 20-5e. The Need for a Human Resource Manager

## **21. Managing Small Business Operations**

### 21-1. Competing with Operations

### 21-2. The Operations Process

- 21-2a. The Operations Process in a Service Business
- 21-2b. The Operations Process in a Manufacturing Business
- 21-2c. Capacity Considerations
- 21-2d. Planning and Scheduling

### 21-3. Inventory Management and Operations

- 21-3a. Objectives of Inventory Management
- 21-3b. Inventory Cost Control
- 21-3c. Inventory Recordkeeping Systems

### 21-4. Quality and Operations Management

- 21-4a. Quality as a Competitive Tool
- 21-4b. The Customer Focus of Quality Management
- 21-4c. "The Basic Seven" Quality Tools
- 21-4d. Quality Inspection versus Poka-Yoke
- 21-4e. Statistical Methods of Quality Control
- 21-4f. International Certification for Quality Management
- 21-4g. Quality Management in Service Businesses

### 21-5. Purchasing Policies and Practices

- 21-5a. The Importance of Purchasing
- 21-5b. Measuring Supplier Performance
- 21-5c. Building Good Relationships with Suppliers
- 21-5d. Forming Strategic Alliances
- 21-5e. Forecasting Supply Needs

- 21-5f. Using Information Systems
- 21-6. Lean Production and Synchronous Management
  - 21-6a. Lean Production
  - 21-6b. Synchronous Management

## **22. Managing the Firm's Assets**

- 22-1. The Working Capital Cycle
  - 22-1a. The Timing and Size of Working Capital Investments
  - 22-1b. Examples of Working Capital Management
- 22-2. Managing Cash Flows
- 22-3. Managing Accounts Receivable
  - 22-3a. How Accounts Receivable Affect Cash
  - 22-3b. The Life Cycle of Accounts Receivable
  - 22-3c. Accounts Receivable Financing
- 22-4. Managing Inventory
  - 22-4a. Reducing Inventory to Free Cash
  - 22-4b. Monitoring Inventory
  - 22-4c. Controlling Stockpiles
- 22-5. Managing Accounts Payable
- 22-6. Cash Conversion Period Revisited
- 22-7. Capital Budgeting Techniques
  - 22-7a. Accounting Return on Investment
  - 22-7b. Payback Period
  - 22-7c. Discounted Cash Flows
- 22-8. Capital Budgeting Practices in Small Firms

## **23. Managing Risk**

- 23-1. What Is Business Risk?
- 23-2. Basic Types of Pure Risk
  - 23-2a. Property Risks
  - 23-2b. Liability Risks
  - 23-2c. Personnel Risks
- 23-3. Risk Management
  - 23-3a. The Process of Risk Management
  - 23-3b. Risk Management in the Small Business
- 23-4. Basic Principles of a Sound Insurance Program
- 23-5. Common Types of Business Insurance
  - 23-5a. Property and Casualty Insurance
  - 23-5b. Life and Health Insurance