

# Glindex

*Note:* The bracketed page numbers refer to the glossary terms in the text.

## A

ABB Asea Brown Boveri, 91

**Absenteeism** when an employee does not show up for work, [197]

**Absolute Advantage** the ability to produce something more efficiently than any other country can, [97]

**Accommodative Stance** approach to social responsibility by which a company, if specifically asked to do so, exceeds legal minimums in its commitments to groups and individuals in its social environment, [49]

**Accountability** obligation employees have to their manager for the successful completion of an assigned task, 41, [149]

**Accounting** comprehensive system for collecting, analyzing, and communicating financial information, [359]  
ethics in, 374–375

**Accounting Equation Assets = Liabilities + Owners' Equity**; used by accountants to balance data for the firm's financial transactions at various points in the year, [363]

**Accounting Information System (AIS)** organized procedure for identifying, measuring, recording, and retaining financial information for use in accounting statements and management reports, [359]

**Accounts Payable (Payables)** current liability consisting of bills owed to suppliers, plus wages and taxes due within the coming year, [367]

Acid rain, 43

**Acquisition** the purchase of one company by another, [79]

**Activity Ratio** financial ratio for evaluating management's efficiency in using a firm's assets, [371]

Adam Hat Company, 210

Adidas, 234

ADT Ltd., 32

Advanced Development Programs (ADP), 157

**Advertising Media** variety of communication devices for carrying a seller's message to potential customers, [317]

**Advertising** promotional tool consisting of paid, nonpersonal communication used by an identified sponsor to inform an audience about a product, [317]  
ethics in, 45  
on Facebook, 80

AES Corporation, 209

**Affirmative Action Plan** written statement of how the organization intends to actively recruit, hire, and develop members of relevant protected classes, [253]

African Americans, 34, 230

**Agent** individual or organization acting for and in the name of another party, [449]  
distribution by, 306

**Aggregate Output** the total quantity of goods and services produced by an economic system during a given period, [17]

Agreeableness, 199

AIDS, 253

AIG, 230

Airbus, 233–234, 275

Airlines industry, 164–166. *See also specific airlines*

Air pollution, 42–43

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American Eagle Outfitters (AEO), 276

American Express, 40, 118, 122

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), 258

American Marketing Association, 270

American Society for Quality, 175

Americans with Disabilities Act, 248, 252

Anderson, Brad, 128

**Angel Investors** outside investors who provide new capital for firms in return for a share of equity ownership, [429]

Anheuser-Busch, 42, 252

**Annual Percentage Rate (APR)** one-year rate that is charged for borrowing, expressed as a percentage of the borrowed principal, [429]

**Anti-Virus Software** product that protects systems by searching incoming e-mails and data files for "signatures" of known viruses and virus-like characteristics, [347]

**Apparent Authority** agent's authority, based on the principal's compliance, to bind a principal to a certain course of action, [449]

**Appellate Court** court that reviews case records of trials whose findings have been appealed, [447]

Apple, 16, 68, 116, 231, 254, 289, 320  
globalization and, 89

Apps, 333–334, 338

**Arbitration** method of resolving a labor dispute in which both parties agree to submit to the judgment of a neutral party, [261]

Archer Farms, 272

Arthur Andersen, 40

Ash, Mary Kay, 226

Asian Americans, 69, 230

**Assembly Line** a same-steps layout in which a product moves step by step through a plant on conveyor belts or other equipment until it is completed, [175]

**Asset Allocation** relative amount of funds invested in (or allocated to) each of several investment alternatives, [429]

**Asset** any economic resource expected to benefit a firm or an individual who owns it, [363]

Associated Press, 114

Association of Certified Fraud Examiners (ACFE), 356, 378

**Association of Southeast Asian Nations (ASEAN)** organization for economic, political, social, and cultural cooperation among Southeast Asian nations, [93]

AT&T, 254

**Attitudes** a person's beliefs and feelings about specific ideas, situations, or people, [201]

**Audit** systematic examination of a company's accounting system to determine whether its financial reports reliably represent its operations, [359]

**Authority** power to make the decisions necessary to complete a task, [149]

Auto Clearing House (ACH), 401

**Automated Teller Machine (ATM)** electronic machine that allows bank customers to conduct account-related activities 24 hours a day, 7 days a week, [395]

*Avatar*, 288

Avon, 305

Aylett, Matthew, 342

## B

Bailouts, 182

Bakery, 98

Bakke, Dennis, 209

**Balance of Payments** flow of all money into or out of a country, [95]

**Balance of Trade** the economic value of all the products that a country exports minus the economic value of all the products it imports, [21], [93]

negative, 20–21

positive, 20

**Balance Sheet** financial statement that supplies detailed information about a firm's assets, liabilities, and owners' equity, [365]

Bananas, 105

**Banker's Acceptance** bank promise, issued for a buyer, to pay a designated firm a specified amount at a future date, [393]

Bank of America, 39

**Bankruptcy** court-granted permission for a company to not pay some or all debts, [431]

Bank Secrecy Act (BSA), 400

Barbados, 69

Barbato, Mike, 285

**Bargain Retailer** retailer carrying a wide range of products at bargain prices, [307]

Bartering, on Internet, 340

BarterQuest.com, 340

Bath &Body Works, 79

Bay Area Rapid Transit (BART), 170

Beacon, 80

**Bear Market** period of falling stock prices marked by negative investor sentiments with motivation to sell ahead of anticipated losses, [423]

**Behavioral Approach to Leadership**

focused on determining what behaviors are employed by leaders, [225]

Behavioral segmentation, 278

**Behavioral Variables** behavioral patterns displayed by groups of consumers and that are used in developing a segmentation strategy, [279]

**Benefits** compensation other than wages and salaries, [251]

Bergdorf Goodman, 278

Bergen, Candice, 308

Best Buy, 128

Betrix, 290

**"Big Five" Personality Traits** five fundamental personality traits especially relevant to organizations, [199]

Big Mac, 18, 20, 289

Blackberry, 330, 331, 337, 338

Black &Decker, 284

Blink credit cards, 402

Blockbuster, 66, 71, 80

Blue Bell, 127–129

**Blue-Chip Stock** common stock issued by a well-established and respected company with a sound financial history and a stable pattern of dividend payouts, [419]

**Board of Directors** governing body of a corporation that reports to its shareholders and delegates power to run its day-to-day operations while remaining responsible for sustaining its assets, [79]

Bob's Big Boy, 103

Boeing, 15, 230, 233–234, 275, 331

Bonaparte, Napoleon, 223

**Bondholders' Claim** request for court enforcement of a bond's terms of payment, [431]

Bond Indenture legal document containing complete details of a bond issue, [431]

Bonds, 21

**Bonus** individual performance incentive in the form of a special payment made over and above the employee's salary, [251]

**Book-Entry Ownership** procedure that holds investors' shares in book-entry form, rather than issuing a physical paper certificate of ownership, [423]

**Bookkeeping** recording of accounting transactions, [359]

**Book Value** value of a common stock expressed as the firm's owners' equity divided by the number of common shares, [417]

**Boycott** labor action in which workers refuse to buy the products of a targeted employer, [261]

BP, 30–32, 52

**Branch Office** foreign office set up by an international or multinational firm, [103]

**Brand Awareness** extent to which a brand name comes to mind when a consumer considers a particular product category, 15, 275, [287]

**Brand Competition** competitive marketing that appeals to consumer perceptions of benefits of products offered by particular companies, [275]

**Brand Extension** a company's use of a national brand on several additional related products, [289]

**Branding** process of using symbols to communicate the qualities of a product made by a particular producer, [287]

**Brand Loyalty** pattern of regular consumer purchasing based on satisfaction with a product's performance, [279]

Brazil, 35, 98

Bread, 98

**Breakeven Analysis** for a particular selling price, assessment of the seller's costs *versus* revenues at various sales volumes, [301]

**Breakeven Point** sales volume at which the seller's total revenue from sales equals total costs (variable and fixed) with neither profit nor loss, [303]

Breaking and entering, 344

Breathe Right Nasal Strips, 290

Bribes, 34, 35

Brin, Sergey, 112–113

**Broker** independent intermediary who matches numerous sellers and buyers as needed, often without knowing in advance who they will be, [307]

distribution by, 306

**Budget** detailed statement of estimated receipts and expenditures for a future period of time, [369]

**Bull Market** period of rising stock prices, lasting 12 months or longer, featuring investor confidence for future gains and motivation to buy, [423]

Burger King, 285

**Business Continuation Agreement** special form of business insurance whereby owners arrange to buy the interests of deceased associates from their heirs, [445]

**Business Cycle** short-term pattern of economic expansions and contractions, 9, [17]

**Business Ethics** ethical or unethical behaviors by employees in the context of their jobs, [33]

**Business** organization that provides goods or services to earn profits, 5. *See also* **Small Business Administration (SBA)** government agency charged with assisting small businesses

benefits of, 4

**Business Plan** document in which the entrepreneur summarizes her or his business strategy for the proposed new venture and how that strategy will be implemented, [65]

**Business Practice Law** law or regulation governing business practices in given countries, [105]

**Business (or Competitive) Strategy** strategy, at the business-unit or productline level, focusing on improving a firm's competitive position, [125]

Business-to-business (B2B), 271, 281–282

Business-to-consumer (B2C), 271

**Buzz Marketing** promotional method that relies on word of mouth to create buzz about products and ideas, [287], [289]

## C

- Cabot Cheese, 74
- Cafeteria Benefits Plan** benefit plan that sets limits on benefits per employee, each of whom may choose from a variety of alternative benefits, [253]
- Calvin Klein, 45
- Canada, 93, 97, 114
- CAN-SPAM Act of 2003, 348
- Canyon River Blues, 289
- Capacity** amount of a product that a company can produce under normal conditions, [173]
- Capacity** competence required of individuals entering into a binding contract, [447]
- Capital** funds needed to create and operate a business enterprise, [7]  
small business failure and, 70
- Capital Gain** profit realized from the increased value of an investment, [427]
- Capitalism** system that sanctions the private ownership of the factors of production and encourages entrepreneurship by offering profits as an incentive, 4, [11]
- Capital Item** expensive, long-lasting, infrequently purchased industrial product, such as a building, or industrial service, such as a long-term agreement for data warehousing services, [283]
- Carbon offsets, 44
- Caring, 36, 37
- Cartel** association of producers whose purpose is to control supply and prices, [105]
- Casualty, of insurable risk, 445
- Catalog Showroom** bargain retailer in which customers place orders for catalog items to be picked up at on-premises warehouses, [309]
- Caterpillar, 184–185
- Centralized Organization** organization in which most decision-making authority is held by upper-level management, [147]
- CereProc, 342
- Certified Development Company, 68
- Certified Fraud Examiner (CFE)** professional designation administered by the Association of Certified Fraud Examiners in recognition of qualifications for a specialty area within forensic accounting, [363]
- Certified Management Accountant (CMA)** professional designation awarded by the Institute of Management Accountants in recognition of management accounting qualifications, [361]
- Certified Public Accountant (CPA)** accountant licensed by the state and offering services to the public, [359]
- Chain of Command** reporting relationships within a company, [141]
- Chambers, John, 69
- Change management, 131
- Charismatic Leadership** type of influence based on the leader's personal charisma, [227]
- Charities, 33
- Check Clearing for the 21st Century Act, 401
- Check** demand deposit order instructing a bank to pay a given sum to a specified payee, [389]
- Checking Account (Demand Deposit)** bank account funds, owned by the depositor, that may be withdrawn at any time by check or cash, [389]
- Cheer, 15
- Chen, Andrew, 80
- Chenault, Kenneth, 122
- Chettero, Nicole, 89
- Chevrolet, 117
- Chicago Climate Exchange (CCX), 436
- Chief Executive Officer (CEO)** top manager who is responsible for the overall performance of a corporation, [79], 118  
leadership by, 228
- Chief Financial Officer (CFO), 118
- Chief information officer (CIO), 119
- Child labor, 86–89
- Children's Online Privacy Protection Act, 44
- China, 3, 89, 91, 93, 99, 103, 104, 186, 350  
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- Chiquita, 105
- Chocolate, 86–89
- Chrysler, 11, 102, 182
- CircuitCity, 4, 22, 102, 128
- Cisco, 69, 288
- Citigroup, 40, 254, 431
- Clark Equipment, 148–149
- Classical Theory of Motivation** theory holding that workers are motivated solely by money, [203]
- Clayton Act, 16
- Clean Harbors, 71
- Clean Water Act, 30
- Client-Server Network** common business network in which clients make requests for information or resources and servers provide the services, [337]
- Clorox, 286, 288
- Closely Held (or Private) Corporation** corporation whose stock is held by only a few people and is not available for sale to the general public, [77]
- Coaching, 229
- Coalition** an informal alliance of individuals or groups formed to achieve a common goal, [235]
- Coast Distribution System, 281
- Coblin, James M., 244
- Coca-Cola, 15, 80, 100, 287, 289
- Code of Professional Conduct** code of ethics for CPAs as maintained and enforced by the AICPA, [375]
- Collateral** asset pledged for the fulfillment of repaying a loan, [429]
- Collective Bargaining** process by which labor and management negotiate conditions of employment for union-represented workers, [259]
- Collectivism, 229–230
- Collusion** illegal agreement between two or more companies to commit a wrongful act, [45]
- Commercial Bank** company that accepts deposits that it uses to make loans, earn profits, pay interest to depositors, and pay dividends to owners, [391]
- Committee and Team Authority** authority granted to committees or teams involved in a firm's daily operations, [149]
- Common Law** body of decisions handed down by courts ruling on individual cases, [447]
- Common Stock** most basic form of ownership, including voting rights on major issues, in a company, [417]
- Communism** political system in which the government owns and operates all factors of production, [11]
- Comparative Advantage** the ability to produce some products more efficiently than others, [97]
- Compensation System** total package of rewards that organizations provide to individuals in return for their labor, [249]
- Competition** vying among businesses for the same resources or customers, [15]  
degrees, 14
- Competitive advantage, 97
- Competitive environment, 274–275
- Competitive Product Analysis** process by which a company analyzes a competitor's products to identify desirable improvements, [183]
- Compound Growth** compounding of interest over time—with each additional time period, interest returns accumulate, [417]
- Computer-Aided Design (CAD)** IS with software that helps knowledge workers design products by simulating them and

displaying them in three-dimensional graphics, [343]

**Computer-Aided Manufacturing (CAM)** IS that uses computers to design and control equipment in a manufacturing process, [343]

**Computer Network** group of two or more computers linked together by some form of cabling or by wireless technology to share data or resources, such as a printer, [337]

**Conceptual Skills** abilities to think in the abstract, diagnose and analyze different situations, and *see* beyond the present situation, [121]

Condé Nast, 80

Conflict of interest, 34

Conscientiousness, 199

**Consideration** item of value exchanged between parties to create a valid contract, [447]

**Consistency** dimension of quality that refers to sameness of product quality from unit to unit, [175]

Construction, in small business, 63

**Consumer Behavior** study of the decision process by which people buy and consume products, [279]

Consumer Bill of Rights, 44, 45

Consumer choice, 4

**Consumer Goods** physical products purchased by consumers for personal use, [271], 283

**Consumerism** form of social activism dedicated to protecting the rights of consumers in their dealings with businesses, [45]

**Consumer Price Index (CPI)** a measure of the prices of typical products purchased by consumers living in urban areas, [23]

The Container Store, 40

Contemporary Landscape Services, 140

Continental, 78

**Contingency Planning** identifying aspects of a business or its environment that might entail changes in strategy, [131]

**Contingent Worker** employee hired on something other than a full-time basis to supplement an organization's permanent workforce, [257]

Continuity, with corporations, 75

**Contract** agreement between two or more parties enforceable in court, [447]

**Controller** person who manages all of a firm's accounting activities (chief accounting officer), [359]

**Controlling** management process of monitoring an organization's performance to ensure that it is meeting its goals, [117]

**Convenience Good/Convenience**

**Service** inexpensive good or service purchased and consumed rapidly and regularly, [283]

**Convenience Store** retail store offering easy accessibility, extended hours, and fast service, [309]

Cool Whip, 15

**Cooperative** form of ownership in which a group of sole proprietorships and/or partnerships agree to work together for common benefits, [75]

Coors, 289

Co-pay, 260

**Copyright** exclusive ownership right belonging to the creator of a book, article, design, illustration, photo, film, or musical work, [449]

**Core Competencies For Accounting** the combination of skills, technology, and knowledge that will be necessary for the future CPA, [361]

**Corporate Blogs** comments and opinions published on the web by or for an organization to promote its activities, [289]

**Corporate Bond** formal pledge obligating the issuer (the company) to pay interest periodically and repay the principal at maturity, [431]

**Corporate Culture** the shared experiences, stories, beliefs, and norms that characterize an organization, [131]

**Corporate Governance** roles of shareholders, directors, and other managers in corporate decision making and accountability, [77]

**Corporate Raider** investor conducting a type of hostile corporate takeover against the wishes of the company, [433]

**Corporate Strategy** strategy for determining the firm's overall attitude toward growth and the way it will manage its businesses or product lines, [125]

**Corporation** business that is legally considered an entity separate from its owners and is liable for its own debts; owners' liability extends to the limits of their investments, [75]

advantages, 75

disadvantages, 75–76

foundations of, 49

management of, 77–78

types of, 76–77

**Cost of Goods Sold** costs of obtaining materials for making the products sold by a firm during the year, [367]

**Cost-Of-Living Adjustment (COLA)** labor contract clause tying future raises to changes in consumer purchasing power, [261]

**Cost of Revenues** costs that a company incurs to obtain revenues from other companies, [367]

**Cost-Oriented Pricing** pricing that considers the firm's desire to make a profit and its need to cover production costs, [301]

**Counterproductive Behaviors** behaviors that detract from organizational performance, [197]

**Coupon** sales-promotion technique in which a certificate is issued entitling the buyer to a reduced price, [319]

Courtyard by Marriott, 175

CPA Vision Project, 360

Craftsman, 289

**Creative Selling** personal-selling task in which salespeople try to persuade buyers to purchase products by providing information about their benefits, [319]

Credit cards, 126, 402, 455

Creditor nation, 21

Credit standards, 394

Credit Suisse First Boston, 40

**Credit Union** nonprofit, cooperative financial institution owned and run by its members, usually employees of a particular organization, [393], 397

**Crisis Management** organization's methods for dealing with emergencies, [131]

Cruise lines, 129–130

Culture, leadership and, 229–230

**Currency (Cash)** government-issued paper money and metal coins, [389]

**Current Asset** asset that can or will be converted into cash within a year, [365]

**Current/Interest Dividend Yield** yearly dollar amount of income divided by the investment's current market value, expressed as a percentage, [427]

**Current Liability** debt that must be paid within one year, [367]

**Current Ratio** financial ratio for measuring a company's ability to pay current debts out of current assets, [373]

**Customer Departmentalization** dividing an organization to offer products and meet needs for identifiable customer groups, [145]

**Customer Relationship Management (CRM)** organized methods that a firm uses to build better information connections with clients, so that stronger company-client relationships are developed, [273]

Customers

in operations process, 169

quality control and, 184

social responsibility for, 43–45

as stakeholders, 39

Customer service improvement, 176

**Custom-Products Layout** physical arrangement of production activities that groups equipment and people according to function, [175]

**Cybermall** collection of virtual storefronts (business websites) representing a variety of products and product lines on the Internet, [311]

Cyclical unemployment, 22

## D

Daewoo, 91

Daimler, 41

DaimlerChrysler, 258

d'Amore, Massimo F., 145

**Data Mining** the application of electronic technologies for searching, sifting, and reorganizing pools of data to uncover useful information, [341]

**Data** raw facts and figures that, by themselves, may not have much meaning, [339]

**Data Warehousing** the collection, storage, and retrieval of data in electronic files, 272, [341]

Davis, James, 198

*The Day After Tomorrow*, 42

**Debit Card** plastic card that allows an individual to transfer money between accounts, [403]

**Debt** company's total liabilities, [373]

**Debt Financing** long-term borrowing from sources outside a company, [435]

Debtor nation, 20–21

**Decentralized Organization** organization in which a great deal of decision-making authority is delegated to levels of management at points below the top, [147]

**Decision Making** choosing one alternative from among several options, [231]  
behavioral aspects of, 234–235  
hierarchy for, 145–150  
rational, 232–235

**Decision-Making Skills** skills in defining problems and selecting the best courses of action, [121]

**Decision Support System (DSS)** interactive system that creates virtual business models for a particular kind of decision and tests them with different data to see how they respond, [345]

**Deductible** amount of the loss that the insured must absorb prior to reimbursement, [445]

*Deepwater Horizon* (oil rig), 30, 52

**Default** failure of a borrower to make payment when due to a lender, [431]

**Defensive Stance** approach to social responsibility by which a company meets only minimum legal requirements in its commitments to groups and individuals in its social environment, [49]

Deflation, 22, 398

**Delegation** process through which a manager allocates work to subordinates, [149]

Dell, Michael, 61, 120, 186

Dell Computer, 11, 39, 61, 67

supply chain management at, 186

**Demand and Supply Schedule** assessment of the relationships among different levels of demand and supply at different price levels, [13]

**Demand Curve** graph showing how many units of a product will be demanded (bought) at different prices, [13]

**Demand** the willingness and ability of buyers to purchase a good or service, [13]

**Demographic Variables** characteristics of populations that may be considered in developing a segmentation strategy, [279]

Denial of service (DoS), 344

**Departmentalization** process of grouping jobs into logical units, [143]

**Department Store** large product-line retailer characterized by organization into specialized departments, [307]

Dependability, 170

**Depreciation** accounting method for distributing the cost of an asset over its useful life, [365]

**Depression** a prolonged and deep recession, [23]

**Deregulation** elimination of rules that restrict business activity, [447]

**Detailed Schedule** schedule showing daily work assignments with start and stop times for assigned jobs, [177]

Dickerson, Ron, 262

Diesel jeans, 15

Digital video recorders (DVRs), 288

**Direct Channel** distribution channel in which a product travels from producer to consumer without intermediaries, [305]

Direct distribution, 305

**Direct (or Interactive) Marketing** one-on-one nonpersonal selling by nonstore retailers and B2B sellers using direct contact with prospective customers, especially via the Internet, [319]

**Direct-Response Retailing** form of nonstore retailing in which firms directly interact with customers to inform them of products and to receive sales orders, [309]

**Direct Selling** form of nonstore retailing typified by door-to-door sales, [309]

DIRECTTV, 254

Discount brokers, 422

**Discount House** bargain retailer that generates large sales volume by offering goods at substantial price reductions, [307]

**Discount** price reduction offered as an incentive to purchase, [305]

**Discount Rate** interest rate at which member banks can borrow money from the Fed, [399]

Discrimination, 34

Disney, 131, 289

Disney, Roy, 142

Disney, Walt, 116, 142

*Disney Magic*, 129–130

**Distribution Channel** network of interdependent companies through which a product passes from producer to end user, [305]

**Distribution Mix** combination of distribution channels by which a firm gets its products to end users, [305]

**Diversification** purchase of several different kinds of investments rather than just one, [429]

**Divestiture** strategy whereby a firm sells one or more of its business units, [79]

**Dividend** payment to shareholders, on a per-share basis, out of the company's earnings, [419]

**Divisional Structure** organizational structure in which corporate divisions operate as autonomous businesses under the larger corporate umbrella, [151]

**Division** department that resembles a separate business in that it produces and markets its own products, [151]

Dole, 105

**Domestic Business Environment** the environment in which a firm conducts its operations and derives its revenues, [7]

Double Click, 114

**Double Taxation** situation in which taxes may be payable both by a corporation on its profits and by shareholders on dividend incomes, [77]

Dower's Paradise Laundry, 174

**Dow Jones Industrial Average (DJIA)** oldest and most widely cited market index based on the prices of 30 blue-chip, large-cap industrial firms on the NYSE, [425]

Dr. Pepper, 285

Duke Energy, 130

**Dumping** practice of selling a product abroad for less than the cost of production, [105]

Duncan, David, 40

Dunkin' Donuts, 269

DVD players, 98  
Dynamic pricing, 304

## E

**Earnings Per Share** profitability ratio measuring the net profit that the company earns for each share of outstanding stock, [373]

eBay, 68, 310, 332–333  
brand awareness for, 287

Ebbers, Bernard, 40–41

**E-Catalog** nonstore retailing in which the Internet is used to display products, [311]

**E-commerce** use of the Internet and other electronic means for retailing and business-to-business transactions, 68, 330, [331]

**Economic Environment** relevant conditions that exist in the economic system in which a company operates, [7], 273

**Economic Indicator** a statistic that helps assess the performance of an economy, [17]

**Economic System** a nation's system for allocating its resources among its citizens, [7]

Edmunds, Gladys, 70–71

Edmunds Travel Consultants, 70–71

**E-Intermediary** Internet distribution channel member that assists in delivering products to customers or that collects information about various sellers to be presented to consumers, [309]

Electrolux, 42

Electronic Arts, 147–148

**Electronic Communication Network (ECN)** electronic trading system that brings buyers and sellers together outside traditional stock exchanges, [423]

**Electronic Conferencing** IT that allows groups of people to communicate simultaneously from various locations via e-mail, phone, or video, [337]

**Electronic Funds Transfer (EFT)** communication of fund-transfer information over wire, cable, or microwave, [395]

Electronic Payments Association, 401

**Electronic Retailing (Online Retailing)** nonstore retailing in which information about the seller's products and services is connected to consumers' computers, allowing consumers to receive the information and purchase the products in the home, [311]

**Electronic Storefront** commercial website at which customers gather information about products and buying opportunities, place orders, and pay for purchases, [311]

Eli Lilly, 40

E-mail, 40

E-mail servers, 337

**Embargo** government order banning exportation and/or importation of a particular product or all products from a particular country, [105]

**Eminent Domain** principle that the government may claim private land for public use by buying it at a fair price, [449]

Emissions trading (ET), 414, 436

**Emotional Intelligence (Emotional Quotient, EQ)** the extent to which people are self-aware, can manage their emotions, can motivate themselves, express empathy for others, and possess social skills, [201]

Emotionality, 199–200

**Emotional Motives** reasons for purchasing a product that are based on nonobjective factors, [281]

Empathy, 200

**Employee Behavior** the pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness, 33–34, [197]

**Employee-Focused Leader Behavior** leader behavior focusing on satisfaction, motivation, and well-being of employees, [225]

**Employee Information System (Skills Inventory)** computerized system containing information on each employee's education, skills, work experiences, and career aspirations, [247]

Employee Retirement Income Security Act of 1974, 253

Employees

entrepreneurship and, 209

social responsibility for, 46

as stakeholders, 40

**Employee Stock Ownership Plan (ESOP)** arrangement in which a corporation holds its own stock in trust for its employees, who gradually receive ownership of the stock and control its voting rights, [79]

**Employment at Will** principle, increasingly modified by legislation and judicial decision, that organizations should be able to retain or dismiss employees at their discretion, [255]

**Encryption System** software that assigns an e-mail message to a unique code number (digital fingerprint) for each computer so only that computer, not others, can open and read the message, [347]

Enron, 34, 37, 40, 120, 230

Entergy, 254

Enterprise, 4

Enterprise resource planning (ERP), 332

**Entrepreneur** businessperson who accepts both the risks and the opportunities involved in creating and operating a new business venture, 7, [9], [65]

**Entrepreneurship** the process of seeking businesses opportunities under conditions of risk, [65]

employees and, 209

globalization and, 98–99

Environment, social responsibility for, 42–43

**Environmental Analysis** process of scanning the business environment for threats and opportunities, [127]

Environmental management system, 184

E-partnering, 125

**Equal Employment Opportunity Commission (EEOC)** federal agency enforcing several discrimination-related laws, [253]

**Equal Employment Opportunity** legally mandated nondiscrimination in employment on the basis of race, creed, sex, or national origin, [253]

Equality theory, 206

**Equity Financing** using the owners' funds from inside the company as the source for long-term funding, [435]

Equity Marketing Inc., 285

**Equity Theory** theory of motivation holding that people evaluate their treatment by the organization relative to the treatment of others, [207]

**Escalation of Commitment** condition in which a decision maker becomes so committed to a course of action that she or he stays with it even when it appears to have been wrong, [235]

**Ethical Behavior** behavior conforming to generally accepted social norms concerning beneficial and harmful actions, [33]

**Ethical Leadership** leader behaviors that reflect high ethical standards, [231]

Ethical norms, 36

**Ethics** beliefs about what is right and wrong or good and bad in actions that affect others, [33]

in accounting, 374–375

in IT, 348–349

E\*TRADE, 423

**Euro** a common currency shared among most of the members of the European Union (excluding Denmark, Sweden, and the United Kingdom), [97]

European Central Bank (ECB), 404

European marketplace, 90–91

**European Union (EU)** agreement among major European nations to eliminate or

make uniform most trade barriers affecting group members, [93]

**Evoked Set (or Consideration Set)**

group of products consumers will consider buying as a result of information search, [281]

**Exchange Rate** rate at which the currency of one nation can be exchanged for the currency of another nation, [97], [403]  
fixed, 96  
floating, 96

**Exchange-Traded Fund (ETF)** bundle of stocks or bonds that are in an index that tracks the overall movement of a market but, unlike a mutual fund, can be traded like a stock, [419]

Executive Succession System (ESS), 246

**Expectancy Theory** theory of motivation holding that people are motivated to work toward rewards that they want and that they believe they have a reasonable chance of obtaining, [207]

Expense accounts, 35–36

**Expense Item** industrial product purchased and consumed within a year by firms producing other products, [283]

**Exporter** firm that distributes and sells products to one or more foreign countries, [101]

**Export** product made or grown domestically but shipped and sold abroad, [89]

**Express Authority** agent's authority, derived from written agreement, to bind a principal to a certain course of action, [449]

**Express Warranty** warranty whose terms are specifically stated by the seller, [449]

**External Environment** everything outside an organization's boundaries that might affect it, [5], 272

**External Recruiting** attracting persons outside the organization to apply for jobs, [247]

**Extranet** system that allows outsiders limited access to a firm's internal information network, [335]

Extraversion, 200

ExxonMobil, 30, 38, 41, 100

**F**

Facebook, 58–60, 64, 67  
advertising on, 80  
profits for, 80

**Face Value (Par Value)** amount of money that the bond buyer (lender) lent the issuer and that the lender will receive upon repayment, [431]

**Factors of Production** resources used in the production of goods and services—labor, capital, entrepreneurs,

physical resources, and information resources, [7]

**Factory Outlet** bargain retailer owned by the manufacturer whose products it sells, [309]

Fair and Accurate Credit Transactions Act (FACTA), 347

Fair Labor Standards Act, 253

Fairmont Resort Hotels, 272

Fair trade, 88–89

Fairtrade Labelling Organizations International (FLO), 88

False Claims Act of 1863, 46

Fannie Mae, 400, 431

Fantasy stock markets, 427–428

**Federal Deposit Insurance Corporation (FDIC)** federal agency that guarantees the safety of deposits up to \$250,000 in the financial institutions that it insures, [397]

Federal Emergency Management Agency, 254

Federal Housing Finance Agency (FHFA), 400, 431

Federal Reserve System, 23

**Federal Reserve System (The Fed)** central bank of the United States, which acts as the government's bank, serves member commercial banks, and controls the nation's money supply, [397]

FedEx, 40, 68, 98, 152, 172, 252

Ferguson, Mark, 140

Ferrari, 289

Ferriola, John J., 262

Fidelity Bank, 402

Finance, in small business, 63

**Finance Company** nondeposit institution that specializes in making loans to businesses and consumers, [393]

**Financial Accounting** field of accounting concerned with external users of a company's financial information, [359]

Financial Accounting Standards Board (FASB), 359, 371

Financial Industry Regulatory Authority (FINRA), 435

Financial managers, 119

**Financial Planning** process of looking at one's current financial condition, identifying one's goals, and anticipating requirements for meeting those goals, [451]

**Financial Statement** any of several types of reports summarizing a company's financial status to stakeholders and to aid in managerial decision making, [365]

Fiorina, Carly, 156

**Firewall** security system with special software or hardware devices designed to keep computers safe from hackers, [347]

**First-Line Manager** manager responsible for supervising the work of employees, [119]

**Fiscal Policies** policies used by a government regarding how it collects and spends revenue, [23]

Fitch, 432

**Fixed Asset** asset with long-term use or value, such as land, buildings, and equipment, [365]

**Fixed Cost** cost that is incurred regardless of the quantity of a product produced and sold, [301]

Fixed exchange rates, 96

Fixed pricing, 304

**Flat Organizational Structure** characteristic of decentralized companies with relatively few layers of management, [147]

Flexibility, 170

**Flextime Programs** method of increasing job satisfaction by allowing workers to adjust work schedules on a daily or weekly basis, [213]

Floating exchange rate, 96

Florida Citrus Growers, 74

**Follow-Up** operations control activity for ensuring that production decisions are being implemented, [179]

Food and Drug Administration (FDA), 284

Ford Motor Company, 42, 91, 100, 103, 141, 152

Foreign Corrupt Practices Act, 35

**Foreign Direct Investment (FDI)** arrangement in which a firm buys or establishes tangible assets in another country, [103]

**Forensic Accounting** the practice of accounting for legal purposes, [361]

Form utility, 168, 270

*Fortune*, 40

Foundations, 49

France, 103–104

**Franchise** arrangement in which a buyer (franchisee) purchases the right to sell the good or service of the seller (franchiser), [67], 102

Fraud examiners, 356–357, 378

Freddie Mac, 400, 431

Free enterprise system, 14

FTC, 43–44

**Full Disclosure** guideline that financial statements should not include just numbers but should also furnish management's interpretations and explanations of those numbers, [371]

Full-service brokers, 423

**Functional Departmentalization** dividing an organization according to groups' functions or activities, [145]

**Functional Strategy** strategy by which managers in specific areas decide how best to achieve corporate goals through productivity, [127]

**Functional Structure** organization structure in which authority is determined by the relationships between group functions and activities, [151]

## G

**Gainsharing** Plan incentive plan that rewards groups for productivity improvements, [251]

Galleon Group, 435

Gamesa Corporation, 272

GameStop, 42

**Gantt Chart** production schedule that breaks down large projects into steps to be performed and specifies the time required to perform each step, [179]

Gasoline, 2–4, 24

Gates, Bill, 236

Geek Squad, 128

GEICO, 305

Gender, leadership and, 229

**General Agreement on Tariffs and Trade (GATT)** international trade agreement to encourage the multilateral reduction or elimination of trade barriers, [93]

General Electric (GE), 124, 154, 166, 210

**Generally Accepted Accounting Principles (GAAP)** accounting guidelines that govern the content and form of financial reports, 47, [359], 376–377

General Motors, 11, 22, 42, 74, 91, 182, 258, 277

**General (or Active) Partner** partner who actively manages a firm and who has unlimited liability for its debts, [75]

**General Partnership** business with two or more owners who share in both the operation of the firm and the financial responsibility for its debts, [73]

**Geo-Demographic Variables** combination of geographic and demographic traits used in developing a segmentation strategy, [279]

**Geographic** Departmentalization dividing an organization according to the areas of the country or the world served by a business, [145]

**Geographic Variables** geographic units that may be considered in developing a segmentation strategy, [279]

Germany, 105, 272

Ghosn, Carlos, 221

**Global Business Environment** the international forces that affect a business, 6, [7]

**Globalization** process by which the world economy is becoming a single interdependent system, 63, [89]

barriers to, 103–105

entrepreneurship and, 98–99

management with, 99–103, 121–122

ups and downs of, 102

**Goal** objective that a business hopes and plans to achieve, [123]

Goetzmann, Gordon, 39

Goldberg, Whoopi, 308

Goldman Sachs, 431

**Goods Operations (Goods Production)** activities producing tangible products, such as radios, newspapers, buses, and textbooks, [167]

**Goodwill** amount paid for an existing business above the value of its other assets, [367]

Goodyear, 252

Google, 68, 71, 112–114, 332

brand awareness for, 287

Gordon, Gil, 212

**Grapevine** informal communication network that runs through an organization, [157]

Greenhouse emissions, 42

Green marketing, 44, 274, 414–415

Greenpeace, 52

Grocery Dash, 173

Gross, Bill, 222

**Gross Domestic Product (GDP)** total value of all goods and services produced within a given period by a national economy through domestic factors of production, [17]

**Gross National Product (GNP)** total value of all goods and services produced by a national economy within a given period regardless of where the factors of production are located, [19]

**Gross Profit** preliminary, quick-to-calculate profit figure calculated from the firm's revenues minus its cost of revenues (the direct costs of getting the revenues), [367]

Group manager, 118

Groupware, 339

Grubman, Jack, 40

Grupo Gigante, 105

Gucci, 278

## H

H1N1, 130

**Hacker** cybercriminal who gains unauthorized access to a computer or network, either to steal information, money, or property or to tamper with data, [345]

Halliburton, 246, 251

**Hardware** physical components of a computer network, such as keyboards, monitors, system units, and printers, [339]

Hastings, Reed, 71, 248

**Hawthorne Effect** tendency for productivity to increase when workers believe they are receiving special attention from management, [203]

Hayward, Tony, 30

Health care, 11

H-E-B Grocery Company, 314

Henderson, Jill, 201–202

Hershey Foods, 332

Herzberg, Frederick, 204

Hewlett-Packard, 37–38, 115–116, 131, 141, 288

formal structure at, 156

**Hierarchy of Human Needs Model** theory of motivation describing five levels of human needs and arguing that basic needs must be fulfilled before people work to satisfy higher-level needs, [205]

**High-Contact System** level of customer contact in which the customer is part of the system during service delivery, [171]

Hispanics, 69, 230

Hitler, Adolf, 223

HIV, 253

Hoffman, Reid, 291

Home country, 7

Home Depot, 89

Home ownership, 455–458

**Hostile Work Environment** form of sexual harassment deriving from off-color jokes, lewd comments, and so forth, [255]

*The HP Way*, 37–38

H&R Block, 286

**Human Relations Skills** skills in understanding and getting along with people, [121]

**Human Resource Management (HRM)** set of organizational activities directed at attracting, developing, and maintaining an effective workforce, [245]

Human resource manager, 119

Hurricane Katrina, 32, 45, 254

Hurricane Rita, 45

Hygiene factors, 204–205

Hypertargeting, 80

**Hypertext Transfer Protocol (HTTP)** communications protocol used for the World Wide Web, in which related pieces of information on separate web pages are connected using hyperlinks, [335]

Hyundai, 91, 288

## I

- IBM, 48, 69, 74, 100  
Lenovo and, 138–140
- IBP, 48
- Identity Theft** unauthorized use of personal information (such as Social Security number and address) to get loans, credit cards, or other monetary benefits by impersonating the victim, [345]
- IKEA, 288
- ImClone, 47
- Implied Authority** agent's authority, derived from business custom, to bind a principal to a certain course of action, [449]
- Implied Warranty** warranty, dictated by law, based on the principle that products should fulfill advertised promises and serve the purposes for which they are manufactured and sold, [449]
- Importer** firm that buys products in foreign markets and then imports them for resale in its home country, [101]
- Import** product made or grown abroad but sold domestically, [89]
- Incentive Program** special compensation program designed to motivate high performance, [251]
- Income Statement (Profit-and-Loss Statement)** financial statement listing a firm's annual revenues and expenses so that a bottom line shows annual profit or loss, [367]
- Independent Agent** foreign individual or organization that agrees to represent an exporter's interests, [101]
- India, 103, 186
- Individual Differences** personal attributes that vary from one person to another, [199]
- Individualism, 230
- Individual Retirement Account (IRA)** tax deferred pension fund that wage earners set up to supplement retirement funds, [393]
- Industrial Goods** physical products purchased by companies to produce other products, [271]
- Industrial Market** organizational market consisting of firms that buy goods that are either converted into products or used during production, [281]
- Inflation** occurs when widespread price increases occur throughout an economic system, [21], 398
- Informal groups, 156
- Informal Organization** network, unrelated to the firm's formal authority structure, of everyday social interactions among company employees, [155]
- Information manager, 119
- Information** meaningful, useful interpretation of data, [339]
- Information Resources** data and other information used by businesses, [9]
- Information Systems Managers** managers who operate the systems used for gathering, organizing, and distributing information, [341]
- Information System (IS)** system that uses IT resources to convert data into information and to collect, process, and transmit that information for use in decision making, [339]
- Information Technology (IT)** various appliances and devices for creating, storing, exchanging, and using information in diverse modes, including visual images, voice, multimedia, and business data, [331]  
ethics in, 348–349
- Initial Public Offering (IPO)** first sale of a company's stock to the general public, 79, [433]
- Innovation, by small business, 61
- Insider Trading** illegal practice of using special knowledge about a firm for profit or gain, [47], [435], 435
- Institute of Management Accountants (IMA), 361
- Institutional Investor** large investor, such as a mutual fund or a pension fund, that purchases large blocks of corporate stock, [79]
- Institutional Market** organizational market consisting of such nongovernmental buyers of goods and services as hospitals, churches, museums, and charitable organizations, [281]
- Insurance, in small business, 63
- Insurance Company** nondeposit institution that invests funds collected as premiums charged for insurance coverage, [393]
- Insurance Policy** formal agreement to pay the policyholder a specified amount in the event of certain losses, [445]
- Insurance Premium** fee paid to an insurance company by a policyholder for insurance coverage, [445]
- Intangibility, 168–169
- Intangible Asset** nonphysical asset, such as a patent or trademark, that has economic value in the form of expected benefit, [365]
- Intangible Personal Property** property that cannot be seen but that exists by virtue of written documentation, [449]
- Integrated Marketing Strategy** strategy that blends together the Four Ps of marketing to ensure their compatibility with one another and with the company's non-marketing, [277]
- Intel, 68
- Intellectual Property** something produced by the intellect or mind that has commercial value, [345], [449]
- Intentional Tort** tort resulting from the deliberate actions of a party, [449]
- Interactive retailing** nonstore retailing that uses a website to provide real-time sales and customer service, [311]
- Interbrand, 287
- Interest** fee paid to a lender for the use of borrowed funds; like a rental fee, [429]
- Intermediary** individual or firm that helps to distribute a product, [305]
- Intermediate Goal** goal set for a period of one to five years into the future, [125]
- Internal environment, 5
- Internal Recruiting** considering present employees as candidates for openings, [247]
- Internal Revenue Service (IRS), 73, 77
- International Accounting Standards Board (IASB)** organization responsible for developing a set of global accounting standards and for gaining implementation of those standards, [377]
- International communities, as stakeholders, 41
- International Competition** competitive marketing of domestic products against foreign products, [275]
- International Firm** firm that conducts a significant portion of its business in foreign countries, [101]
- International Law** general set of cooperative agreements and guidelines established by countries to govern the actions of individuals, businesses, and nations, [449]
- International Monetary Fund (IMF)** UN agency consisting of about 150 nations that have combined resources to promote stable exchange rates, provide temporary short-term loans, and serve other purposes, [405]
- International Organizational Structures** approaches to organizational structure developed in response to the need to manufacture, purchase, and sell in global markets, [153]
- Internet** gigantic system of interconnected computer networks linked together by voice, electronic, and wireless technologies, 68, 334–337, [335]  
bartering on, 340  
small business and, 65
- Internet service providers (ISPs), 348

Intraday trading, 419

**Intranet** organization's private network of internally linked websites accessible only to employees, [335]

**Intrapreneuring** process of creating and maintaining the innovation and flexibility of a small-business environment within the confines of a large organization, [157]

**Intuition** an innate belief about something, often without conscious consideration, [235]

**Inventory Control** process of receiving, storing, handling, and counting of all raw materials, partly finished goods, and finished goods, [181]

**Investment Bank** financial institution that specializes in issuing and reselling new securities, [421]

Investors

- social responsibility for, 46–47
- as stakeholders, 40–41

**Involuntary Bankruptcy** bankruptcy proceedings initiated by the creditors of an indebted individual or organization, [449]

**ISO 9000** program certifying that a factory, laboratory, or office has met the quality management standards set by the International Organization for Standardization, [185]

**ISO 14000** certification program attesting to the fact that a factory, laboratory, or office has improved its environmental performance, [185]

iTunes, 298–299, 320

Iverson, Ken, 242

Ivory Coast, 86–89

## J

J. C. Penney, 131

Jackson, Phil, 226

Japan, 3, 34, 64–65, 289

*Jaroshi* (death by overwork), 194

*Jeitinho*, 35

Jet Blue, 228

**Job Analysis** systematic analysis of jobs within an organization, [245]

Job creation, by small business, 60–61

**Job Description** description of the duties and responsibilities of a job, its working conditions, and the tools, materials, equipment, and information used to perform it, [245]

**Job Enrichment** method of increasing job satisfaction by adding one or more motivating factors to job activities, [211]

**Job Redesign** method of increasing job satisfaction by designing a more

satisfactory fit between workers and their jobs, [211]

Jobs, Steve, 116, 226, 231, 298

**Job Satisfaction** degree of enjoyment that people derive from performing their jobs, [201]

**Job Specification** description of the skills, abilities, and other credentials and qualifications required by a job, [245]

John Hancock Insurance, 212

John Paul II (Pope), 226

Johnson, Kelly, 157

Johnson & Johnson, 38, 39, 341  
divisional structure at, 151

**Joint Venture** strategic alliance in which the collaboration involves joint ownership of the new venture, [79]

Justice, 36, 37

**Just-in-Time (JIT)** Production type of lean production system that brings together all materials at the precise time they are required at each production stage, [181], 313

## K

Karlgaard, Richard, 196

Kautzman, Frank, 285

Kelleher, Herb, 116

Kelman, Glenn, 228

Kenmore, 289

Kennedy, John F., 44

**Key Person Insurance** special form of business insurance designed to offset expenses entailed by the loss of key employees, [445]

KFC, 103, 125

King, Martin Luther, Jr., 226

Kinko's Copy Centers, 174

**Knowledge Information System** information system that supports knowledge workers by providing resources to create, store, use, and transmit new knowledge for useful applications, [343]

**Knowledge Workers** employees who are of value because of the knowledge they possess, [257]

Koch, James, 123

Kodak, 22

Kozlowski, Dennis, 42

Kraft Foods, 15, 143

Kroc, Ray, 66

## L

**Labor (Human Resources)** physical and mental capabilities of people as they contribute to economic production, [7]

**Labor Relations** process of dealing with employees who are represented by a union, [257]

**Labor Union** group of individuals working together to achieve shared job-related goals, such as higher pay, shorter working hours, more job security, greater benefits, or better working conditions, [257]

Land pollution, 43

Lands' End, 39

**Law of Demand** principle that buyers will purchase (demand) more of a product as its price drops and less as its price increases, [13]

**Law of Supply** principle that producers will offer (supply) more of a product for sale as its price rises and less as its price drops, [13]

**Laws** codified rules of behavior enforced by a society, [447]

Layout planning, 174–175

**Leadership Neutralizers** factors that may render leader behaviors ineffective, [227]

**Leadership Substitutes** individual, task, and organizational characteristics that tend to outweigh the need for a leader to initiate or direct employee performance, [227]

**Leadership** the processes and behaviors used by someone, such as a manager, to motivate, inspire, and influence the behaviors of others, [223]

- coaching and, 229
- culture and, 229–230
- gender and, 229

**Leading** management process of guiding and motivating employees to meet an organization's objectives, [117]

**Lean Production System** production system designed for smooth production flows that avoid inefficiencies, eliminate unnecessary inventories, and continuously improve production processes, [181]

Learning organization, 155

Lehman Brothers, 431

Lenovo, 138–140

Leonard, Wayne, 254

Lesar, David, 251

**Letter of Credit** bank promise, issued for a buyer, to pay a designated firm a certain amount of money if specified conditions are met, [393]

**Leverage** ability to finance an investment through borrowed funds, [373]

Levi Strauss, 144, 210

**Liability** debt owed by a firm to an outside organization or individual, [363]

**Liability Insurance** insurance covering losses resulting from damage to people or property when the insured party is judged liable, [445]

**Licensed Brand** brand-name product for whose name the seller has purchased the right from an organization or individual, [289]

**Licensing Arrangement** arrangement in which firms choose foreign individuals or organizations to manufacture or market their products in another country, [103]  
Life insurance, 459

**Limited Liability Corporation (LLC)** hybrid of a publicly held corporation and a partnership in which owners are taxed as partners but enjoy the benefits of limited liability, [77]

**Limited Liability** legal principle holding investors liable for a firm's debts only to the limits of their personal investments in it, [75]

**Limited Partner** partner who does not share in a firm's management and is liable for its debts only to the limits of said partner's investment, [75]

**Limited Partnership** type of partnership consisting of limited partners and a general (or managing) partner, [75]

**Line Authority** organizational structure in which authority flows in a direct chain of command from the top of the company to the bottom, [149]

**Line Department** department directly linked to the production and sales of a specific product, [149]

Linens-N-Things, 4, 128

LinkedIn, 291

**Liquidity** ease with which an asset can be converted into cash, [365]

Little League, 41

Liu Chuanzhi, 138–139

Livermore, Ann, 115–116

L.L. Bean, 39

**Load Fund** mutual fund in which investors are charged sales commissions when they buy in or sell out, [419]

**Loan Principal** amount of money that is loaned and must be repaid, [429]

**Local Area Network (LAN)** computers that are linked in a small area, such as all of a firm's computers within a single building, [337]

Local communities, as stakeholders, 41

**Local Content Law** law requiring that products sold in a particular country be at least partly made there, [105]

Location planning, 174

Lockheed Martin, 157, 331, 336

**Lockout** management tactic whereby workers are denied access to the employer's workplace, [261]

Lombardi, Vince, 226

**Long-Term Goal** goal set for an extended time, typically five years or more into the future, [125]

**Long-Term Liability** debt that is not due for at least one year, [367]

Louis Vuitton, 105, 278

**Low-Contact System** level of customer contact in which the customer need not be part of the system to receive the service, [171]

Lucky jeans, 15

## M

**M-1** measure of the money supply that includes only the most liquid (spendable) forms of money, [389]

**M-2** measure of the money supply that includes all the components of M-1 plus the forms of money that can be easily converted into spendable forms, [391]

Madoff, Bernard, 34, 46, 425

**Mail Order (Catalog Marketing)** form of nonstore retailing in which customers place orders for catalog merchandise received through the mail, [309]

**Make-to-Order Operations** activities for one-of-a-kind or custom-made production, [169]

**Make-to-Stock Operations** activities for producing standardized products for mass consumption, [169]

Malware, 347

**Management Accountant** private accountant who provides financial services to support managers in various business activities within a firm, [361]

**Management Advisory Services** assistance provided by CPA firms in areas such as financial planning, information systems design, and other areas of concern for client firms, [361]

**Management by Objectives (MBO)** set of procedures involving both managers and subordinates in setting goals and evaluating progress, [209]

**Management Information System (MIS)** computer system that supports managers by providing information-reports, schedules, plans, and budgets-that can be used for making decisions, [343]

**Management** process of planning, organizing, leading, and controlling an organization's resources to achieve its goals, [115]  
areas of, 118–119  
basic skills of, 120–122

corporate culture and, 130–131  
globalization and, 121–122  
levels of, 117–118

**Managerial (Management) Accounting** field of accounting that serves internal users of a company's financial information, [359]

**Managerial Ethics** standards of behavior that guide individual managers in their work, [33]

Managers, 117–119

Managing emotions, 200

Manufacturing, in small business, 63

**Market Capitalization (Market Cap)** total dollar value of all the company's outstanding shares, [433]

**Market Economy** economy in which individuals control production and allocation decisions through supply and demand, [11]

**Market Index** statistical indicator designed to measure the performance of a large group of stocks or track the price changes of a stock market, [423]

**Marketing Manager** manager who plans and implements the marketing activities that result in the transfer of products from producer to consumer, 119, [275]

**Marketing Mix** combination of product, pricing, promotion, and place (distribution) strategies used to market products, [275]

**Marketing** organizational function and a set of processes for creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders, [271]

**Marketing Plan** detailed strategy for focusing marketing efforts on consumers' needs and wants, [275]

**Market** mechanism for exchange between buyers and sellers of a particular good or service, [11]

**Market Price (Equilibrium Price)** profit-maximizing price at which the quantity of goods demanded and the quantity of goods supplied are equal, [13]

**Market Segmentation** process of dividing a market into categories of customer types, or "segments," [277]

**Market Share (or Market Penetration)** company's percentage of the total industry sales for a specific product type, [301]

**Market Value** current price of a share of stock in the stock market, [417]

**Markup** amount added to an item's purchase cost to sell it at a profit, [301]

Martha Stewart Living Omnimedia, 152–153

- Marx, Karl, 10
- Maslow, Abraham, 204
- Mass-Customization** principle in which companies produce in large volumes, but each item features the unique options the customer prefers, [333]
- MasterCard, 126
- Master Limited Partnership** form of ownership that sells shares to investors who receive profits and that pays taxes on income from profits, [75]
- Master Production Schedule** schedule showing which products will be produced, and when, in upcoming time periods, [177]
- Materials Management** process of planning, organizing, and controlling the flow of materials from sources of supply through distribution of finished goods, [181]
- Matrix Structure** organizational structure created by superimposing one form of structure onto another, [151]
- Maturity Date (Due Date)** future date when repayment of a bond is due from the bond issuer (borrower), [431]
- Matz, Jack, 64
- Max Factor, 290
- Mayer, Marissa, 221
- Maytag, 186–187
- McCain, John, 220, 431
- McDonald's, 48–49, 99, 174, 269, 278, 285, 287
  - centralization at, 146
  - franchises of, 66–67, 102
  - globalization and, 89
- McGregor, 204
- MCI, 40–41
- McKim, Alan, 71
- McNamara, Anne, 43
- MediaBids, 304
- Media Mix** combination of advertising media chosen to carry a message about a product, [317]
- Mediation** method of resolving a labor dispute in which a third party suggests, but does not impose, a settlement, [261]
- Mellinger, Doug, 69
- Merck & Co., 44, 285
- Merger** the union of two corporations to form a new corporation, [79]
- Merit Salary System** individual incentive linking compensation to performance in nonsales jobs, [251]
- Merrill Lynch, 201–202
- Methods improvement, 176
- Methods planning, 176
- Metropolitan Life, 212
- Mexico, 103, 105, 186
- Microsoft, 40, 58, 67, 80
  - globalization and, 89
- Middle Manager** manager responsible for implementing the strategies and working toward the goals set by top managers, [119]
- Middlemen, 305
- Mini Cooper, 288
- Minimum payment due (MPD), 455
- Minority** enterprise small-business investment companies (MESBICs), 68
- Minute Maid, 288
- Missionary Selling** personal-selling task in which salespeople promote their firms and products rather than try to close sales, [319]
- Mission Statement** organization's statement of how it will achieve its purpose in the environment in which it conducts its business, [125]
  - organizational structure and, 141
- Mixed Market Economy** economic system featuring characteristics of both planned and market economies, [11]
- Modified work schedules, 211
- Monetary Policies** policies used by a government to control the size of its money supply, [23]
- Monetary Policy** management of the nation's economic growth by managing the money supply and interest rates, [399]
- Money Market Mutual Fund** fund of short-term, low-risk financial securities purchased with the pooled assets of investor-owners, [391]
- Money** object that is portable, divisible, durable, and stable, and that serves as a medium of exchange, a store of value, and a measure of worth, [389]
- Monopolistic Competition market or industry characterized by numerous buyers and relatively numerous sellers trying to differentiate their products from those of competitors, [15]
- Monopoly** market or industry in which there is only one producer that can therefore set the prices of its products, [17]
- Montgomery Ward, 120
- Moody's, 432
- Morgan, J. P., 41
- Mortgage-Backed Security (MBS)** mortgages pooled together to form a debt obligation—a bond—that entitles the holder (investor) to cash that flows in from the bundled mortgages, [431]
- Mortgage Loan** loan secured by property (the home) being purchased, [457]
- Motivation** the set of forces that cause people to behave in certain ways, [203]
  - enhancement of, 207–213
- Mr. Pibb, 285
- Multinational (or Transnational) Corporation** form of corporation spanning national boundaries, 63, [77]
- Multinational Firm** firm that designs, produces, and markets products in many nations, [101]
- Murdoch, Rupert, 26
- Mutual Fund** company that pools cash investments from individuals and organizations to purchase a portfolio of stocks, bonds, and other securities, [419]
- Mutual Savings Bank** financial institution whose depositors are owners sharing in its profits, [393]
- MySpace, 60, 291

## N

NASA, 151

NASCAR, 289

**Nasdaq Composite Index** market index that includes all NASDAQ-listed companies, both domestic and foreign, with a high proportion of technology companies and small-cap stocks, [425]

**National Association Of Securities**

**Dealers Automated Quotation**

(NASDAQ) System world's oldest electronic stock market consisting of dealers who buy and sell securities over a network of electronic communications, [423]

**National Brand** brand-name product produced by, widely distributed by, and carrying the name of a manufacturer, [289]

**National Competitive Advantage**

international competitive advantage stemming from a combination of factor conditions, demand conditions, related and supporting industries, and firm strategies, structures, and rivalries, [99]

National Credit Union Administration (NCUA), 397

National Debt Clock, 21

**National Debt** the amount of money the government owes its creditors, [21]

National Education Association (NEA), 258

National Federation of Independent Business, 67

National Institute for Occupational Safety and Health (NIOSH), 198

**Natural Monopoly** industry in which one company can most efficiently supply all needed goods or services, [17]

Natural Resource Defense Council, 31

NBC, 124

**Negligence** conduct that falls below legal standards for protecting others against unreasonable risk, [449]

Neiman Marcus, 278

Nestlé, 91, 99, 100

Netflix, 71, 248

**Net Income (Net Profit, Net Earnings)** gross profit minus operating expenses and income taxes, [369]

Newington, Tim, 40

News Corp., 26

New ventures, 64

New York Stock Exchange (NYSE), 74, 421

New York Times Company, 74

New York Yankees, 234

Night Dragon, 350

Nike, 234

Nippon Steel, 91

Nissan, 221

**No-load Fund** mutual fund in which investors pay no commissions when they buy in or sell out, [419]

**Nominal GDP gross domestic product (GDP)** measured in current dollars or with all components valued at current prices, [19]

Nondirect distribution, 306

Nonstore retailing, 309

Nooyi, Indra, 122, 145

Nordex AG, 272

North America marketplace, 90

**North American Free Trade Agreement (NAFTA)** agreement to gradually eliminate tariffs and other trade barriers among the United States, Canada, and Mexico, 43, [91], 275

Nucor, 242–244, 262

Nutrisystem, 310

## O

Obama, Barack, 11, 23, 331

**Obstructionist Stance** approach to social responsibility that involves doing as little as possible and may involve attempts to deny or cover up violations, [49]

**Occupational Safety and Health Act of 1970 (OSHA)** federal law setting and enforcing guidelines for protecting workers from unsafe conditions and potential health hazards in the workplace, [253]

Ocean Spray, 74

**Odd-Even Pricing** psychological pricing tactic based on the premise that customers prefer prices not stated in even dollar amounts, [305]

Office manager, 118

Office of Federal Contract Compliance Programs (OFCCP), 253

**Officers** top management team of a corporation, [79]

**Offshoring** the practice of outsourcing to foreign countries, [101]

**Off-the-Job Training** training conducted in a controlled environment away from the work site, [249]

**Oligopoly** market or industry characterized by a handful of (generally large) sellers with the power to influence the prices of their products, [15]

Omniva Policy Systems, 40

Online investing, 423

Online piracy, 328–329, 350

**On-the-Job Training** training, sometimes informal, conducted while an employee is at work, [249]

**Open-Market Operations** the Fed's sale and purchase of securities in the open market, [399]

Openness, 200

**Operating Expenses** costs, other than the cost of revenues, incurred in producing a good or service, [367]

**Operating Income** gross profit minus operating expenses, [369]

**Operational Plan** plan setting short-term targets for daily, weekly, or monthly performance, 115, [129]

**Operations (Production)** activities involved in making products-goods and services-for customers, [167]

planning for, 172–176

scheduling of, 177–179

strategy for, 170–172

**Operations Capability (Production**

**Capability)** special ability that production does especially well to outperform the competition, [171]

**Operations Control** process of monitoring production performance by comparing results with plans and taking corrective action when needed, [179]

**Operations (Production) Management** systematic direction and control of the activities that transform resources into finished products that create value for and provide benefits to customers, [167]

Operations manager, 119

**Operations (Production) Managers** managers responsible for ensuring that operations activities create value and provide benefits to customers, [167]

**Operations Process** set of methods and technologies used to produce a good or a service, [169]

Opportunity, 4

**Order Processing** personal-selling task in which salespeople receive orders and *see* to their handling and delivery, [319]

**Organizational Analysis** process of analyzing a firm's strengths and weaknesses, [127]

**Organizational Citizenship** positive behaviors that do not directly contribute to the bottom line, [197]

**Organizational Commitment** an individual's identification with the organization and its mission, [201]

Organizational products, 283–284

**Organizational Stakeholders** those groups, individuals, and organizations that are directly affected by the practices of an organization and who therefore have a stake in its performance, [39]

**Organizational Structure** specification of the jobs to be done within an organization and the ways in which they relate to one another, [141]

basic forms of, 150–151

**Organization Chart** diagram depicting a company's structure and showing employees where they fit into its operations, 115, [141]

Organization of Petroleum Exporting Countries (OPEC), 105

**Organizing** management process of determining how best to arrange an organization's resources and activities into a coherent structure, [117]

**Outsourcing** the practice of paying suppliers and distributors to perform certain business processes or to provide needed materials or services, [99], 186–187

Overseers, 229

**Owners' Equity** amount of money that owners would receive if they sold all of a firm's assets and paid all of its liabilities, [365]

## P

Pacific Asian marketplace, 91

Pacific Islanders, 69

**Packaging** physical container in which a product is sold, advertised, or protected, [289]

Page, Larry, 112–113

**Paid-In Capital** money that is invested in a company by its owners, [367]

**Participative Management and Empowerment** method of increasing job satisfaction by giving employees a voice in the management of their jobs and the company, [211]

Partnerships, 73–74

- Patent** exclusive legal right to use and license a manufactured item or substance, manufacturing process, or object design, [449]
- Patriot Act, 255, 401
- Pay-for-Knowledge Plan** incentive plan to encourage employees to learn new skills or become proficient at different jobs, [251]
- Pay for Performance (VARIABLE Pay)** individual incentive that rewards a manager for especially productive output, [251]
- PayPal, 58
- Peanut Corporation of America, 48
- Pearson, 122
- Penetration Pricing** setting an initially low price to establish a new product in the market, [303]
- Pension Fund** nondeposit pool of funds managed to provide retirement income for its members, [393]
- People*, 276
- PeopleTradingServices.com, 340
- PepsiCo, 15, 122, 145
- Per-capita income, 90
- Perfect Competition** market or industry characterized by numerous small firms producing an identical product, [15]
- Performance Appraisal** evaluation of an employee's job performance in order to determine the degree to which the employee is performing effectively, [249]
- Performance Behaviors** the total set of work-related behaviors that the organization expects employees to display, [197]
- Performance** dimension of quality that refers to how well a product does what it is supposed to do, [175]
- Permission marketing, 318
- Personal Net Worth** value of one's total assets minus one's total liabilities (debts), [451]
- Personal Selling** promotional tool in which a salesperson communicates one-on-one with potential customers, [317]
- Person-Job Fit** the extent to which a person's contributions and the organization's inducements match one another, [203]
- Pert Chart** production schedule specifying the sequence of activities, time requirements, and critical path for performing the steps in a project, [179]
- Pharmaceutical industry, 34
- Physical Distribution** activities needed to move a product efficiently from manufacturer to consumer, [311]
- Physical Resources** tangible items organizations use in the conduct of their businesses, 7, [9]
- Picketing** labor action in which workers publicize their grievances at the entrance to an employer's facility, [261]
- Pixar Animation Studios, 116
- Pizza Hut, 125  
franchises of, 102
- Place (Distribution)** part of the marketing mix concerned with getting products from producers to consumers, [277]
- Place utility, 167, 271
- Planned Economy** economy that relies on a centralized government to control all or most factors of production and to make all or most production and allocation decisions, [9], 104
- Planning** management process of determining what an organization needs to do and how best to get it done, [115]
- Poilâne, Lionel, 98
- Point-of-Sale (POS) Display** sales-promotion technique in which product displays are located in certain areas to stimulate purchase or to provide information on a product, [319]
- Point-of-Sale (POS) Terminal** electronic device that transfers funds from the customer's bank account to pay for retail purchases, [403]
- Political action committee (PAC), 272
- Political-Legal Environment** the relationship between business and government, [7]
- Pollution, 42–43
- Polo, 15
- Polygraph tests, 248
- Portfolio** combined holdings of all the financial investments of any company or individual, [429]
- Positioning** process of establishing an identifiable product image in the minds of consumers, [315]
- Positive Reinforcement** reward that follows desired behaviors, [209]
- Possession utility, 271
- Postini, 114
- Predictability, of insurable risk, 445
- Premium** sales-promotion technique in which offers of free or reduced-price items are used to stimulate purchases, [319]
- President, 118
- Price Appreciation** increase in the dollar value of an investment at two points in time (the amount by which the price of a security increases), [427]
- Priceline.com, 304
- Price Lining** setting a limited number of prices for certain categories of products, [305]
- Price points, 304
- PriceSCAN, 309
- Price Skimming** setting an initially high price to cover new product costs and generate a profit, [303]
- Pricing Objectives** the goals that sellers hope to achieve in pricing products for sale, [301]
- Pricing** process of determining the best price at which to sell a product, [277], [301]  
strategies and tactics for, 303–305
- Primary agents of interest, 34
- Primary Securities Market** market in which new stocks and bonds are bought and sold by firms and governments, [421]
- Prime Rate** interest rate available to a bank's most creditworthy customers, [393]
- Principal, interest, taxes, and insurance (PITI), 456–458
- Principal** individual or organization authorizing an agent to act on its behalf, [449]
- The Principles of Scientific Management* (Taylor), 203
- Private Accountant** salaried accountant hired by a business to carry out its day-to-day financial activities, [361]
- Private Brand (Private Label)** brand-name product that a wholesaler or retailer has commissioned from a manufacturer, [289]
- Private Enterprise** economic system that allows individuals to pursue their own interests without undue governmental restriction, [15]
- Private Warehouse** warehouse owned by and providing storage for a single company, [311]
- Privatization** process of converting government enterprises into privately owned companies, [11]
- Proactive Stance** approach to social responsibility by which a company actively seeks opportunities to contribute to the well-being of groups and individuals in its social environment, [49]
- Process Departmentalization** dividing an organization according to production processes used to create a good or service, [143]
- Process flowcharts, 176
- Procter & Gamble, 290, 341
- Product Departmentalization** dividing an organization according to specific products or services being created, [143]
- Product Differentiation** creation of a product feature or product image that differs enough from existing products to attract customers, [275]

**Product Features** tangible and intangible qualities that a company builds into its products, [283]

**Product** good, service, or idea that is marketed to fill consumers' needs and wants, [275]

**Production Item** industrial product purchased and used directly in the production process that creates other goods or services, [283]

**Productivity** a measure of economic growth that compares how much a system produces, [19]

**Product Liability** tort in which a company is responsible for injuries caused by its products, [449]

**Product Life Cycle (PLC)** series of stages in a product's commercial life, [285]

**Product Line** group of products that are closely related because they function in a similar manner or are sold to the same customer group who will use them in similar ways, [285]

Product-line retailers, 307

**Product Mix** group of products that a firm makes available for sale, [285]

**Product Placement** a promotional tactic for brand exposure in which characters in television, film, music, magazines, or video games use a real product with its brand visible to viewers, [287]

**Product Positioning** process of fixing, adapting, and communicating the nature of a product, [277]

**Professional Corporation** form of ownership allowing professionals to take advantage of corporate benefits while granting them limited business liability and unlimited professional liability, [77]

**Profitability Ratio** financial ratio for measuring a firm's potential earnings, [371]

**Profit Center** separate company unit responsible for its own costs and profits, [143]

**Profits** difference between a business's revenues and its expenses, [5]

for Facebook, 80

supply of goods, 12

**Profit-Sharing Plan** incentive plan for distributing bonuses to employees when company profits rise above a certain level, [251]

Project manager, 118

Project scheduling, 178–179

**Promotional Mix** combination of tools used to promote a product, [315]

**Promotion** aspect of the marketing mix concerned with the most effective techniques for communicating information about products, [277], [315]

**Property** anything of value to which a person or business has sole right of ownership, [449]

**Property Insurance** insurance covering losses resulting from physical damage to or loss of the insured's real estate or personal property, [445]

**Prospectus** registration statement filed with the SEC, containing information for prospective investors about a security to be offered and the issuing company, [435]

**Protected Class** set of individuals who by nature of one or more common characteristics is protected under the law from discrimination on the basis of that characteristic, [253]

**Protectionism** practice of protecting domestic business against foreign competition, [105]

PRT Group, 69

Psychographics, 278

**Psychological Contract** set of expectations held by an employee concerning what he or she will contribute to an organization (referred to as contributions) and what the organization will in return provide the employee (referred to as inducements), [201]

**Psychological Pricing** pricing tactic that takes advantage of the fact that consumers do not always respond rationally to stated prices, [305]

**Publicity** promotional tool in which information about a company, a product, or an event is transmitted by the general mass media to attract public attention, [319]

**Publicly Held (or Public) Corporation** corporation whose stock is widely held and available for sale to the general public, [77]

**Public Relations** company-influenced information directed at building goodwill with the public or dealing with unfavorable events, [319]

Public Utility Regulatory Policy Act, 209

**Public Warehouse** independently owned and operated warehouse that stores goods for many firms, [311]

**Punishment** unpleasant consequences of an undesirable behavior, [209]

**Punitive Damages** fines imposed over and above any actual losses suffered by a plaintiff, [449]

**Purchasing** acquisition of the materials and services that a firm needs to produce its products, [181]

**Purchasing Power Parity** the principle that exchange rates are set so that the

prices of similar products in different countries are about the same, [19]

**Pure Risk** risk involving only the possibility of loss or no loss, [445]

## Q

**Quality Control** action of ensuring that operations produce products that meet specific quality standards, [181]

**Quality Improvement Team** TQM tool in which collaborative groups of employees from various work areas work together to improve quality by solving common shared production problems, [185]

**Quality Ownership** principle of total quality management that holds that quality belongs to each person who creates it while performing a job, [183]

**Quid Pro Quo Harassment** form of sexual harassment in which sexual favors are requested in return for job-related benefits, [255]

Quinlan, Mary Lou, 196

**Quota** restriction on the number of products of a certain type that can be imported into a country, [105]

QVC, 310

## R

Racial harassment, 197

Radio Shack, 105

Rajaratnam, Raj, 435

Raju, Ramalinga, 356

Ralph Lauren, 15

Ramada, 66

Rational decision making, 232–235

**Rational Motives** reasons for purchasing a product that are based on a logical evaluation of product attributes, [281]

**Real GDP gross domestic product (GDP)** adjusted to account for changes in currency values and price changes, [19]

**Recession** a period during which aggregate output, as measured by GDP, declines, [23]

**Recruiting** process of attracting qualified persons to apply for jobs an organization is seeking to fill, [247]

Recycling, 43

Red Cross, 33

Redfin, 228

Reebok, 234

Reengineering, 185

Register of Known Spam Operators (ROKSO), 348

**Regulatory (Administrative) Law** law made by the authority of administrative agencies, [447]

**Relationship Marketing** marketing strategy that emphasizes building lasting relationships with customers and suppliers, [271]

Reliant Energy, 130

RE/Max, 66, 114–115

Renault, 221

**Replacement Chart** list of each management position, who occupies it, how long that person will likely stay in the job, and who is qualified as a replacement, [247]

Research and Development (R&D), 285

Research In Motion (RIM), 337

**Reseller Market** organizational market consisting of intermediaries that buy and resell finished goods, [281]

**Reserve Requirement** percentage of its deposits that a bank must hold in cash or on deposit with the Fed, [399]

**Responsibility** duty to perform an assigned task, [149]

Retail distribution, 306

**Retailer** intermediary who sells products directly to consumers, [305]  
in small business, 62

**Retained Earnings** earnings retained by a firm for its use rather than paid out as dividends, [367]

Reuters, 114

**Revenue Recognition** formal recording and reporting of revenues at the appropriate time, [371]

**Revenues** funds that flow into a business from the sale of goods or services, [367]

Revised Uniform Limited Partnership Act, 73

Revlon, 290

Riceland, 74

Rights, 36, 37

**Risk Avoidance** practice of avoiding risk by declining or ceasing to participate in an activity, [445]

**Risk Control** practice of minimizing the frequency or severity of losses from risky activities, [445]

**Risk Management** process of conserving the firm's earning power and assets by reducing the threat of losses due to uncontrollable events, [445]

**Risk Propensity** extent to which a decision maker is willing to gamble when making a decision, [235]

with entrepreneurs, 65

**Risk Retention** practice of covering a firm's losses with its own funds, [445]

**Risk-Return (Risk-Reward) Relationship** principle that safer investments tend to offer lower returns whereas riskier investments tend to offer higher returns (rewards), [427]

**Risk Transfer** practice of transferring a firm's risk to another firm, [445]

**Risk** uncertainty about future events, [445]

Rockefeller, John D., 41

Ronald McDonald House, 48–49

**Roth IRA** provision allowing individual retirement savings with tax-free accumulated earnings, [459]

Router, 347

Royal Dutch Shell, 30

Rubbermaid, 156

**Russell 2000 Index** specialty index that uses 2,000 stocks to measure the performance of the smallest U.S. companies, [427]

## S

Sabotage, 197

Saint Luke's Hospital, 183

Saks, 252

**Salary** compensation in the form of money paid for discharging the responsibilities of a job, [251]

**Sales Agent** independent intermediary who generally deals in the related product lines of a few producers and forms long-term relationships to represent those producers and meet the needs of many customers, [307]

**Sales Promotion** short-term promotional activity designed to encourage consumer buying, industrial sales, or cooperation from distributors, [319]

Salmonella, 48

Salvation Army, 33

**Same-Steps Layout** physical arrangement of production steps designed to make one type of product in a fixed sequence of activities according to its production requirements, [175]

Samsung, 91, 186

Samuel Adams Lager, 123

Sant, Roger, 209

**Sarbanes-Oxley Act of 2002 (Sarbox or Sox)** enactment of federal regulations to restore public trust in accounting practices by imposing new requirements on financial activities in publicly traded corporations, 47, [363]

Save-A-Lot, 170

**Savings and Loan Association (S&L)** financial institution accepting deposits

and making loans primarily for home mortgages, [393]

Scardino, Marjorie, 122

Schuessler, Jack, 319

Schultz, Howard, 8, 64, 124, 222, 268, 292

Scientific management, 203

**S Corporation** hybrid of a closely held corporation and a partnership, organized and operated like a corporation but treated as a partnership for tax purposes, [77]

Sears, 41

**Secondary Securities Market** market in which existing (not new) stocks and bonds are sold to the public, [421]

**Secured Loan (Asset-Backed Loan)** loan to finance an asset, backed by the borrower pledging the asset as collateral to the lender, [429]

**Securities and Exchange Commission (SEC)** government agency that regulates U.S. securities markets, 40–41, 46, 358, [421], 435

**Securities Investment Dealer (Broker)** financial institution that buys and sells stocks and bonds both for investors and for its own accounts, [393]

Securities Investment Protection Corporation (SIPC), 425

**Securities Markets** markets in which stocks and bonds are sold, [421]

**Securities** stocks, bonds, and mutual funds representing secured, or asset-based, claims by investors against issuers, [421]

Security policy, 346

Self-awareness, 200

Service Corps of Retired Executives (SCORE), 68

**Service Operations (Service Production)** activities producing intangible and tangible products, such as entertainment, transportation, and education, [167]

**Services** products having nonphysical features, such as information, expertise, or an activity that can be purchased, [271]  
in small business, 62

Seth Thomas, 281

7-Eleven, 66

**Sexual Harassment** making unwelcome sexual advances in the workplace, 197, [253]

Shares, 417

Shell Oil, 48, 212

learning organization at, 155

Sherman Antitrust Act, 16

**Shopping Agent (E-Agent)** e-intermediary (middleman) in the Internet distribution channel that assists users in

finding products and prices but does not take possession of products, [309]

Shopping.com, 310

**Shopping Good/Shopping Service** moderately expensive, infrequently purchased good or service, [283]

**Shortage** situation in which quantity demanded exceeds quantity supplied, [13]

**Short-Term Goal** goal set for the very near future, [125]

**Short-Term Solvency Ratio** financial ratio for measuring a company's ability to pay immediate debts, [373]

Silent partners, 73

**Situational Approach to Leadership** assumes that appropriate leader behavior varies from one situation to another, [225]

Skills Inventories, 246

Slovakia, 174

Slowdown, 260

*Slumdog Millionaire*, 100

**Small Business Administration (SBA)** government agency charged with assisting small businesses, [61]

**Small Business Development Center (SBDC)** SBA program designed to consolidate information from various disciplines and make it available to small businesses, [69]

**Small Business** independently owned business that has relatively little influence in its market, [61]

failures of, 70

financing, 67–68

importance of, 60–62

Internet and, 65

marketing for, 290–291

popular areas for, 62–64

social responsibility and, 50–51

starting, 66–67

successes of, 70–71

**Small-Business Investment Company (SBIC)** government-regulated investment company that borrows money from the SBA to invest in or lend to a small business, [69]

**Smart Card** credit-card-sized plastic card with an embedded computer chip that can be programmed with electronic money, [403]

Smisek, Jeffrey, 123

Smith, Fred, 152

Smith, Richard, 332–333

Social-advertising, 80

**Social Audit** systematic analysis of a firm's success in using funds earmarked for meeting its social responsibility goals, [51]

Social consciousness, 41–42

**Socialism** planned economic system in which the government owns and operates only selected major sources of production, [11]

Social networking, 58–60, 291. *See also specific social networking sites*

as service, 334

wowOwow.com, 308

**Social Responsibility** the attempt of a business to balance its commitments to groups and individuals in its environment, including customers, other businesses, employees, investors, and local communities, [39]

for customers, 43–45

for employees, 46

for environment, 42–43

for investors, 46–47

management of, 50

small business and, 50–51

Social skills, 200

**Sociocultural Environment** the customs, mores, values, and demographic characteristics of the society in which an organization functions, [7]

**Software** programs that tell the computer how to function, what resources to use, how to use them, and application programs for specific activities, [339]

**Sole Proprietorship** business owned and usually operated by one person who is responsible for all of its debts, [73]

Sollers, 103

**Solvency Ratio** financial ratio, either short or long-term, for estimating the borrower's ability to repay debt, [371]

Sony, 45, 186

South Korea, 186

Southwest Airlines, 116

**S&P 500** market index of U.S. equities based on the performance of 500 large-cap stocks representing various sectors of the overall equities market, [425]

Spain, 272

**Spam** junk e-mail sent to a mailing list or a newsgroup, [347]

**Span of Control** number of people supervised by one manager, [147]

Spear phishing, 329

Specialization, 142

**Specialty Good/Specialty Service** expensive, rarely purchased good or service, [283]

**Specialty Store** retail store carrying one product line or category of related products, [307]

**Speculative Risk** risk involving the possibility of gain or loss, [445]

**Speed To Market** strategy of introducing new products to respond quickly to customer or market changes, [285]

**Spin-Off** strategy of setting up one or more corporate units as new, independent corporations, [79]

**Spyware** program unknowingly downloaded by users that monitors their computer activities, gathering e-mail addresses, credit card numbers, and other information that it transmits to someone outside the host system, [347]

Sreekanti, Kumar, 40

**Stability** condition in which the amount of money available in an economic system and the quantity of goods and services produced in it are growing at about the same rate, [21]

**Stabilization Policy** government economic policy intended to smooth out fluctuations in output and unemployment and to stabilize prices, [23]

**Staff Authority** authority based on expertise that usually involves counseling and advising line managers, [149]

**Staff Members** advisers and counselors who help line departments in making decisions but who do not have the authority to make final decisions, [149]

**Staff Schedule** assigned working times in upcoming days for each employee on each work shift, [177]

Stahl, Lesley, 308

**Standard of Living** the total quantity and quality of goods and services people can purchase with the currency used in their economic system, [17]

Standard & Poor's, 114, 432

Starbucks, 8, 16, 40, 124, 268–269, 292  
globalization and, 89

Start-ups, 64

**Statement of Cash Flows** financial statement describing a firm's yearly cash receipts and profit cash payments, [369]

**Statutory Law** law created by constitution(s) or by federal, state, or local legislative acts, [447]

*Steamboat Willy*, 142

Stewart, Martha, 47

**Stock Broker** individual or organization that receives and executes buy and sell orders on behalf of outside customers in return for commissions, [423]

**Stock Exchange** an organization of individuals to provide an institutional auction setting in which stocks can be bought and sold, [421]

**Stockholder (or Shareholder)** owner of shares of stock in a corporation, [77]

**Stock** portion of ownership of a corporation, [417]

**Stock Split** stock dividend paid in additional shares to shareholders, thus increasing the number of outstanding shares, [433]

**Strategic Alliance** arrangement (also called joint venture) in which a company finds a foreign partner to contribute approximately half of the resources needed to establish and operate a new business in the partner's country, [103]

**Strategic Alliance** strategy in which two or more organizations collaborate on a project for mutual gain, [79]

**Strategic Goal** goal derived directly from a firm's mission statement, [127]

**Strategic Leadership** leader's ability to understand the complexities of both the organization and its environment and to lead change in the organization so as to enhance its competitiveness, [231]

**Strategic Management** process of helping an organization maintain an effective alignment with its environment, [123]

**Strategic Plan** plan reflecting decisions about resource allocations, company priorities, and steps needed to meet strategic goals, [129]

**Strategy** broad set of organizational plans for implementing the decisions made for achieving organizational goals, [123]

- formulating, 126–127
- in operations, 170–172
- organizational structure and, 141
- for pricing, 303–305
- types of, 125–126

**Strategy Formulation** creation of a broad program for defining and meeting an organization's goals, [127]

**Strict Product Liability** principle that liability can result not from a producer's negligence but from a defect in the product itself, [449]

**Strikebreaker** worker hired as a permanent or temporary replacement for a striking employee, [261]

**Strike** labor action in which employees temporarily walk off the job and refuse to work, [261]

Studebaker, 120

Subprime housing market, 431

**Subsidy** government payment to help a domestic business compete with foreign firms, [105]

**Substitute Product** product that is dissimilar from those of competitors but that can fulfill the same need, [275]

Subway, 66

Sulcer, Louis, 320

Sunday, Robert, 195–196

**Supermarket** large product-line retailer offering a variety of food and food-related items in specialized departments, [307]

Supervisor, 118

Suppliers, as stakeholders, 41

**Supplier Selection** process of finding and choosing suppliers from whom to buy, [181]

**Supply Chain (Value Chain)** flow of information, materials, and services that starts with raw-materials suppliers and continues adding value through other stages in the network of firms until the product reaches the end customer, [185], 312–314

**Supply Chain Management (SCM)** principle of looking at the supply chain as a whole to improve the overall flow through the system, [187]

**Supply Curve** graph showing how many units of a product will be supplied (offered for sale) at different prices, [13]

Supply the willingness and ability of producers to offer a good or service for sale, [13]

**Surplus** situation in which quantity supplied exceeds quantity demanded, [13]

Sustainability, 44

Suzlon Energy Limited, 272

Suzui, 91

Sweat equity, 73

Sweden, 103

Switzerland, 289

**SWOT Analysis** identification and analysis of organizational strengths and weaknesses and environmental opportunities and threats as part of strategy formulation, [127]

## T

Taco Bell, 125, 174

**Tactical Plan** generally short-term plan concerned with implementing specific aspects of a company's strategic plans, 114, [129]

**Tall Organizational Structure** characteristic of centralized companies with multiple layers of management, [147]

Tandy Corp., 105

**Tangible Personal Property** any movable item that can be owned, bought, sold, or leased, [449]

**Tangible Real Property** land and anything attached to it, [449]

Target, 41, 272

**Target Market** group of people who have similar wants and needs and can

be expected to show interest in the same products, [277]

**Tariff** tax levied on imported products, [105]

**Task-Focused Leader Behavior** leader behavior focusing on how tasks should be performed in order to meet certain goals and to achieve certain performance standards, [225]

**Tax Services** assistance provided by CPAs for tax preparation and tax planning, [361]

Tax system overhaul, 23

Taylor, Frederick, 203

Team organization, 154

Team structures, 210

**Technical Skills** skills needed to perform specialized tasks, [121]

**Technological Environment** all the ways by which firms create value for their constituents, [7], 273

**Telecommuting** form of flextime that allows people to perform some or all of a job away from standard office settings, [213]

**Telemarketing** form of nonstore retailing in which the telephone is used to sell directly, to consumers, [309]

Tempstaff, 64–65

**Tender Offer** offer to buy shares made by a prospective buyer directly to a target corporation's shareholders, who then make individual decisions about whether to sell, [75]

Thailand, 103

Theft, 197

**Theory X** theory of motivation holding that people are naturally lazy and uncooperative, [205]

**Theory Y** theory of motivation holding that people are naturally energetic, growth-oriented, self-motivated, and interested in being productive, [205]

Thiel, Peter, 58

3M, 156, 170

TIAA-CREF, 78

Tide, 15

Timbuk2, 332

Time compression, 285

**Time Deposit** bank funds that have a fixed term of time to maturity and cannot be withdrawn earlier or transferred by check, [391]

**Time Management Skills** skills associated with the productive use of time, [121]

Time utility, 167, 270

**Time Value Of Money** principle that invested money grows, over time, by

earning interest or some other form of return, [417]

TNT Post Group N.V., 11

Tobacco industry, 48

Tomlin, Lily, 308

**Top Manager** manager responsible for a firm's overall performance and effectiveness, [119]

**Tort** civil injury to people, property, or reputation for which compensation must be paid, [447]

Toshiba, 91

**Total Quality Management (TQM)** sum of all activities involved in getting high-quality goods and services into the marketplace, [181]

Toxic assets, 371

Toxic waste disposal, 43

Toyota, 41, 91, 170, 172

**Trade Deficit** situation in which a country's imports exceed its exports, creating a negative balance of trade, 20–21, [95]

**Trademark** exclusive legal right to use a brand name or symbol, [449]

**Trade Show** sales-promotion technique in which various members of an industry gather to display, demonstrate, and sell products, [319]

**Trade Surplus** situation in which a country's exports exceed its imports, creating a positive balance of trade, [95]

Trading floor, 421

**Traditional Individual Retirement Account (IRA)** provision allowing individual tax-deferred retirement savings, [459]

**Trait Approach to Leadership** focused on identifying the essential traits that distinguished leaders, [223]

**Transactional Leadership** comparable to management, it involves routine, regimented activities, [227]

TransFair, 88–89

**Transformational Leadership** the set of abilities that allows a leader to recognize the need for change, to create a vision to guide that change, and to execute the change effectively, [225]

**Transportation** activities in transporting resources to the producer and finished goods to customers, [181]  
in small business, 63

Treasurer, 118

Treaty, 91

**Trial Court** general court that hears cases not specifically assigned to another court, [447]

Trojan horses, 345–346

Troubled Asset Relief Program (TARP), 400

**Trust Services** management by a bank of an estate, investments, or other assets on behalf of an individual, [393]

Tupperware, 305

Turner, Ted, 226

**Turnover** annual percentage of an organization's workforce that leaves and must be replaced, [197]

Tweedie, David, 376

Twitter, 373

**Two-Factor Theory** theory of motivation holding that job satisfaction depends on two factors, hygiene and motivation, [205]

Tyco International, 32, 42

## U

Unconnectedness, of insurable risk, 445

**Unemployment** the level of joblessness among people actively seeking work in an economic system, [23]

**Unethical Behavior** behavior that does not conform to generally accepted social norms concerning beneficial and harmful actions, [33]

**Uniform Commercial Code (UCC)** body of standardized laws governing the rights of buyers and sellers in transactions, [449]

Union Butterfield, 198

United Airlines, 78, 116

United Auto Workers (UAW), 258

United Technologies (UT), 36

United Way, 33, 41

**Unlimited Liability** legal principle holding owners responsible for paying off all debts of a business, [73]

Unrelated diversification, 125

**Unsecured Loan** loan for which collateral is not required, [429]

Unstorability, 169

UPS, 152  
materials management at, 180

Urban Outfitters, 7  
decentralization at, 146

U.S. Express, 312

*Us Weekly*, 276

**Utility** ability of a product to satisfy a human want or need, 36, 37, [167], [271]

## V

**Value-Added Analysis** process of evaluating all work activities, materials flows, and paperwork to determine the value that they add for customers, [183], 314

**Value Package** product marketed as a bundle of value-adding attributes, including reasonable cost, [283]

**Value** relative comparison of a product's benefits *versus* its costs, [271]

Vanderbilt, Cornelius, 41

**Variable Cost** cost that changes with the quantity of a product produced and sold, [301]

**Venture Capital Company** group of small investors who invest money in companies with rapid growth potential, [69]

**Venture Capital** private funds from wealthy individuals seeking investment opportunities in new growth companies, [431]

Verifiability, of insurable risk, 445

**Vestibule Training** off-the-job training conducted in a simulated environment, [249]

Vice president, 118

Victoria's Secret, 45, 79

Videoconferencing, 336

**Video retailing** nonstore retailing to consumers via home television, [311]

Vietnam, 104

Vioxx, 44

**Viral Marketing** type of buzz marketing that relies on the Internet to spread information like a "virus" from person to person about products and ideas, [289]

**Virtual leadership** leadership in settings where leaders and followers interact electronically rather than in face-to-face settings, [231]

Virtual organization, 154

Viruses, 345–346

Visual Staff Scheduler Pro (VSS Pro), 178

Vitiene, Erika, 173

Vlasic, 143–144

Volkswagen, 91, 126

**Voluntary Bankruptcy** bankruptcy proceedings initiated by an indebted individual or organization, [449]

Vondra, Al, 356

**Vsat Satellite Communications** network of geographically dispersed transmitter-receivers (transceivers) that send signals to and receive signals from a satellite, exchanging voice, video, and data transmissions, [337]

## W

**Wage Reopener Clause** clause allowing wage rates to be renegotiated during the life of a labor contract, [261]

- Wages** compensation in the form of money paid for time worked, [251]  
 Waksal, Sam, 47  
*Wall Street Journal*, 26  
 Wal-Mart, 16, 67, 74, 105, 116, 131, 174, 313–314, 341  
 Walton, Sam, 116  
 Wang laboratories, 69  
 Ward, Stephen, 139
- Warehousing** physical distribution operation concerned with the storage of goods, [311]
- Warehousing** storage of incoming materials for production and finished goods for distribution to customers, [181]
- Warranty seller's promise to stand by its products or services if a problem occurs after the sale, [449]
- Water pollution, 43
- Waxman, Henry, 431
- Weill, Sandy, 40
- Wells, Mary, 308
- Wells Fargo, 39, 252
- Wendy's, 319
- Wenner, Jann, 276
- Wenner Media, 276
- Whistle-blower** employee who detects and tries to put an end to a company's unethical, illegal, or socially irresponsible actions by publicizing them, [47]
- White Barn Candle Co., 79
- Whole Foods Market, 146, 272
- Wholesale Club** bargain retailer offering large discounts on brand-name merchandise to customers who have paid annual membership fees, [309]
- Wholesale distribution, 306
- Wholesaler** intermediary who sells products to other businesses for resale to final consumers, [305]  
 in small business, 63
- Wide Area Network (WAN)** computers that are linked over long distances through telephone lines, microwave signals, or satellite communications, [337]
- WI-FI** technology using a wireless local area network, [337]
- Winterkorn, Martin, 126
- Wireless Local Area Network (wireless Lan or Wlan)** local area network with wireless access points for PC users, [337]
- Wireless mooching, 344
- Wireless Wide Area Network (WWAN)** network that uses airborne electronic signals instead of wires to link computers and electronic devices over long distances, [337]
- Women, 34
- Work-at-home, 328–329
- Workers' Compensation Coverage** coverage provided by a firm to employees for medical expenses, loss of wages, and rehabilitation costs resulting from job-related injuries or disease, [445]
- Workers' Compensation Insurance** legally required insurance for compensating workers injured on the job, [251]
- Workforce Diversity** the range of workers' attitudes, values, beliefs, and behaviors that differ by gender, race, age, ethnicity, physical ability, and other relevant characteristics, [255]
- Workplace aggression, 197
- Workplace violence, 197, 198
- Work-share programs, 211–212
- Work Sharing (Job Sharing)** method of increasing job satisfaction by allowing two or more people to share a single full-time job, [213]
- Work Slowdown** labor action in which workers perform jobs at a slower than normal pace, [261]
- Work Team** groups of operating employees who are empowered to plan and organize their own work and to perform that work with a minimum of supervision, [149]
- World Bank** UN agency that provides a limited scope of financial services, such as funding improvements in underdeveloped countries, 90, [405]
- WorldCom, 40–41
- World Trade Organization (WTO)** organization through which member nations negotiate trading agreements and resolve disputes about trade policies and practices, [93]
- Worldwide Interoperability for Microwave Access (WiMAX), 338
- World Wide Web** branch of the Internet consisting of interlinked hypertext documents, or web pages, [335]
- Worms, 345–346
- wowOwow.com, 308
- Wright, Nick, 342

## X

Xerox, 156

## Y

Yahoo!, 114

Yoshiko Shinohara, 64–65

YouTube, 114, 228

YUM!, 125

## Z

Zombori, Sandor, 195

Zuckerberg, Mark, 58, 64