

# business 4e

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# business

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## M: BUSINESS

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# changes to the fourth edition

## chapter one

- New features: “Demand Eclipses Supply: Bluefin Tuna” and “Gaining a Foot Ahead in the Athletic Industry”
- New entrepreneurship feature: “Mayorga Coffee Combines Business Skills with Social Responsibility”
- Updated figures: Figure 1.3 “Average Annual Unemployment Rate, Civilian Labor Force 16 Years and Over” and Figure 1.4 “Growth in U.S. Gross Domestic Product”
- Updated Table 1.2 “Comparative Analysis of Selected Countries”
- Expanded “Mixed Economies” section and coverage of state capitalism

## chapter two

- New entrepreneurship feature: “Virtual Farm Bears Responsible Fruit”
- New features: “New Orleans Saints Faces Down Bounty Scandal,” “Unilever Makes Palm Oil Sustainable,” and “Web Marketers Experience Limitations on Online Tracking of Children”
- New figures: Figure 2.1 “Global Trust in Industry Sectors” and Figure 2.4 “Consumer Preferences for Doing Business with Sustainable and Socially Responsible Organizations”
- Updated tables: Table 2.2 “Percentage of U.S. Workforce Observing Specific Forms of Misconduct, 2009 and 2011,” Table 2.4 “Ranking of Countries Based on Corruption of Public Sector,” and Table 2.7 “A Selection of the World’s Most Ethical Companies”
- New and updated examples of entities that bounced back from a misconduct disaster stronger than before; employee compensation from Goldman Sachs to JPMorgan; New Orleans mayor Ray Nagin; Lance Armstrong; and examples of misuse of company resources to take into account the growing misuse of social media sites at work
- New content on fairness and honesty; a section on the misuse of company time, ethical leadership, and insider trading; and a section on unemployment
- Expanded coverage on the Foreign Corrupt Practices Act and bribery

## chapter three

- New features: “Viber Gives Skype a Run for Its Money” and “The Danger of Counterfeit Products in India”

- New entrepreneurship feature: “Uniqlo Brings Japanese Fashion to America”
- Examples on population, imports, and exports updated to be more current
- Updated Table 3.1 “U.S. Trade Deficit, 1990–2012,” Table 3.2 “Top Ten Countries with Which United States Has Trade Deficits/Surpluses,” Table 3.4 “U.S. Exporters and Value by Company Size,” Table 3.5 “Top Global Franchises,” and Table 3.6 “Well-Known Multinational Companies”
- Updated Figure 3.1 “Top Exporting Countries”
- New example of the trouble that foreign companies have had expanding into India; WTO’s investigation that the United States unfairly levied anti-dumping measures against certain Chinese imports; and how some companies, including Caterpillar and General Electric, have begun moving their operations back to the United States due to the barriers and costs associated with outsourcing to faraway countries
- Expanded coverage of increasing business opportunity in Mexico, countries struggling economically in Europe (e.g., Greece), government ownership of Chinese companies and how it might increase risk, and Association of Southeast Asian Nations as a trading bloc

## chapter four

- New entrepreneurship feature, “Vital Farms Knows the Value of Its Chickens”
- New features: “Vita Coco: Loved by Celebrities, Athletes, and Health-Conscious Consumers” and “SodaStream Challenges Top Dogs of the Soda Industry”
- New Table 4.4 “American Companies with More than Half of Their Revenues from Outside the United States”
- New examples: Stratus Building Solutions; conflict between Steve Wynn and long-time business partner Kazuo Okada; Facebook IPO; U.S. lawsuit filed against InBev to prevent a merger between the company and Grupo Modelo SAB

## chapter five

- New entrepreneurship feature: “Kickstarter Allows Entrepreneurs to Introduce Products”
- New features: “The Environmentally Friendly Laundromat” and “Five Guys Builds Its Business on a Simpler Concept”
- New tables: Table 5.1 “Great Entrepreneurs of Innovative Companies,” Table 5.3 “Number of Firms by Employment



Size,” Table 5.5 “Challenges in Starting a New Business,” Table 5.6 “Fastest Growing and Hottest New Franchises,” and Table 5.7 “Most Business-Friendly Cities”

- New coverage of social entrepreneurship
- New examples: Oprah and her success, how Matt Chatham opened up a crepe business called SkyCrepers, and how Alexa Andrzejewski financed iPhone photo-sharing app Foodspotting

## chapter six

- New entrepreneurship feature: “Shelli Gardner Leads Stampin’ Up! through Human Resources Skills”
- New features: “Changing Management Styles: Looking through Apple-Colored Lenses” and “Successful Leaders Not Limited by Leadership Styles”
- Turned areas of management section into Table 6.3 “Areas of Management”
- New tables: Table 6.1 “CEO Compensation of Top Companies,” Table 6.5 “Seven Tips for Successful Leadership”
- New examples: how FedEx set a goal of increasing its profit in a three-year period and how it plans to do this; the tactical plan Cisco set to slim down different areas of the company to increase competitiveness; and the preparedness of investment company Fred Alger Management Inc. after the terrorist attacks on September 11, 2001
- Tighter coverage of top management and elimination of “Where Do Managers Come From?” section
- Expanded leadership section, including explaining authentic leadership and adding subsection, “Employee Empowerment”

## chapter seven

- New entrepreneurship feature: “Teamwork Key to Success of Silpada Designs”
- New features: “Peer Performance Reviews Encourage Teamwork and Communication” and “Boss-Less Organizations Have Their Benefits”
- New Table 7.1 “Employees Who View Their Corporate Cultures Positively vs. Negatively”
- New examples: Apple supplier Foxconn; how Susan Cain advises teams to work toward collaboration rather than collectivism; Cisco virtual teams; how Coca-Cola used a task force to examine pay and promotion practices after the company faced lawsuits alleging discrimination; and chemical manufacturing company AMVAC Chemical Corporation
- New concluding section: “Improving Communication Effectiveness”

## chapter eight

- New entrepreneurship feature: “Aspire Group Helps Fill Seats at Stadium”
- New features: “Ford Examines Ways to Increase Sustainability of Cars” and “Panasonic Greens Its Supply Chain”
- New tables: Table 8.1 “The World’s Top Five Outsourcing Providers” and Table 8.2 “2012 Airline Scorecard (best to worst)”

- New Figure 8.4 “J.D. Power and Associates Initial Automobile Quality Study”
- New examples: how Bare Escentuals Cosmetics uses social media to gather marketing research and interact with customers; how Johnson Controls is incorporating sustainability into many facets of its operations; and how Kia improved its quality control and changed consumer perceptions of its brand
- Updated coverage of the Malcolm Baldrige National Quality Award winners
- New concluding section, “Integrating Operations and Supply Chain Management”

## chapter nine

- New features: “Companies Offer Green Incentives for Employees” and “The New Incentives of Generation Y”
- New entrepreneurship feature: “FullContact Wants Employees to Take Vacations”
- Updated tables: Table 9.1 “How to Retain Good Employees,” Table 9.2 “How to Motivate Employees,” and Table 9.5 “Companies with Excellent Motivational Strategies”
- Updated Figure 9.2 “Job Aspects Important to Employee Satisfaction”
- Coverage of variations on Theory Z section eliminated
- New trend in some businesses requiring their telecommuting workers to come back into the office (e.g., Yahoo!, Bank of America)
- Updated paragraph relating equity theory to CEO compensation

## chapter ten

- New entrepreneurship feature: “Coffee & Power’s Unique Compensation Plan for Employees”
- New features: “Hostess Brands Shuttters Doors after Mediation Fails” and “Disabilities Create Diversity in the Workplace”
- Updated figures: Figure 10.2 “U.S. Population Employed by Age Group,” Figure 10.3 “Performance Reviews: Those Who Believe Reviews Improve Employees’ Performance,” Figure 10.5 “Union Membership Rates by State,” Figure 10.6 “Union Membership Rate for Private-Sector Workers”
- Updated tables: Table 10.7 “Costco versus Walmart” and Table 10.9 “The DiversityInc Top 50 Companies for Diversity”
- New current examples: Examples of firms requesting job applicants’ Facebook passwords; how Yahoo! CEO Scott Thompson was fired after it was found that his résumé was inaccurate; and how many minorities are on the boards of Fortune 500 companies
- New concluding section, “Trends in Management of the Workforce”

## chapter eleven

- New features: “Chinese Brands Struggle to Lift Quality Image” and “Are Your Clothes Green? Ask the Higg Index”

- New entrepreneurship feature: “Sport Clips: A New Kind of Salon”
- Updated Table 11.1 “U.S. Buying Power Statistics by Race” and new Table 11.2 “Companies with the Best Customer Service”
- New examples: Lego’s targeting of its products to young girls; how beer companies Anheuser-Busch InBev and Miller-Coors are trying to attract more of the Hispanic market; and Anheuser-Busch’s niche marketing of Michelob Ultra Light Cider that is gluten free
- Expanded coverage of online surveys
- New concluding section: “Importance of Marketing to Business and Society”

## chapter twelve

- New entrepreneurship feature: “Crocs: A ‘Shoe In’ for Success”
- New features: “Darden Restaurants Changes Tactics to Appeal to Consumers’ Changing Tastes” and “Driving the Tiger: Demand for SUVs Grows in China”
- Updated Figure 12.3 “Colgate-Palmolive’s Product Mix and Product Lines”
- New tables: Table 12.2 “The 10 Most Valuable Brands in the World” and Table 12.3 “Best-Selling Vehicle Brands”
- New examples: the Hewlett-Packard Touchpad failure versus the iPad’s success; Amazon.com’s evolving business model; text marketing; Cat® CT660 Vocational; Ford as an example of why firms must work to maintain their high quality
- New coverage of reference pricing.
- New concluding section, “Importance of Marketing Strategy”

## chapter thirteen

- New features: “Flipping the Pages Is a Thing of the Past: The Rise of E-Textbooks” and “Marketers Find a New Communication Tool with Pinterest”
- New entrepreneurship feature: “Instagram Becomes an Instant Success in Digital Marketing”
- New figures: Figure 13.1 “Do You Use Social Networking Sites?” Figure 13.2 “Smart Phone Ownership by Age,” and Figure 13.3 “Main Sources of Identity Theft”
- New examples, including Baidu as growing competitor to Google in China; Instagram and Pinterest as media-sharing sites; Facebook’s Sponsored Stories; CafeMom, a niche social media site; and New Belgium’s use of Facebook to connect with and analyze fans and customers.
- More emphasis on mobile marketing, new “Applications and Widgets” section

## chapter fourteen

- New features: “Goodwill Contributes Significantly to Firm Value” and “Companies Investigate Ways to Integrate Financial Information and Sustainability Costs”
- New entrepreneurship feature: “Buffalo Wild Wings: From Accounting Mess to Success”

- Updated Table 14.1 “Prestige Ranking of Accounting Firms”
- New example: how Deloitte Touche Tohmatsu was charged by the Public Company Accounting Oversight Board for a violation of U.S. securities law
- Updated ratios and data from company financials: Table 14.4 “Starbucks Corporation Consolidated Statements of Earnings,” Table 14.6 “Starbucks Corporation Consolidated Balance Sheets,” Table 14.7 “Consolidated Statements of Cash Flows,” Table 14.8 “Industry Analysis, Year Ending 2011”
- More information on Dodd-Frank Act, updated information about the financial difficulties of the PIGS nations (Portugal, Ireland, Greece, Spain)
- Concluding section: “Importance of Integrity in Accounting”

## chapter fifteen

- New features: “Are Partnerships between Universities and Debit Card Companies Good for Students?” and “Banks Increase Investment in Sustainability”
- New entrepreneurship feature: “Time to Square Up without Cash or Credit Cards”
- Updated tables: Table 15.2 “Costs to Produce Pennies and Nickels” and Table 15.5 “Facts about ATM Use”; new Table 15.4 “Leading Diversified Financial Services Firms”
- New information regarding the status of credit card debt among lower- and middle-income households and college students; a comparison of the cost of E-Trade’s, TD Ameritrade’s, and Scottrade’s trades compared to one by Morgan Stanley; information on deflation under “Store of Value” section; recent bank failures

## chapter sixteen

- New features: “Finance Executives Recognize the Benefits of Method’s Green Efficiencies” and “Social Media Companies Face Obstacles Going Public”
- New entrepreneurship feature: “Venture Firm Focuses on Smaller Clean-Tech Investments”
- Updated tables: Table 16.1 “Short-Term Investment Possibilities for Idle Cash,” Table 16.3 “A Basic Stock Quote,” and Table 16.4 “Estimated Common Stock Price/Earnings Ratios and Dividends for Selected Companies”
- Updated Figure 16.2 “Recent Performance of Stock Market and Dow Jones Industrial Average (^DJI)”
- Took out paragraph about electronic funds transfers and HSBC Finance Corporation
- Changed “Did You Know?” example of Microsoft to Coca-Cola
- Additional information about capital budgeting; competition between Apple and Android; information on the Dow Jones Industrial Average has been added, with an emphasis on the fact that young investors (such as those just graduating from college) should analyze the long-term trends of a stock when investing rather than just relying on short-term growth