

NINTH EDITION

BUSINESS IN ACTION

THRIVING IN THE DIGITAL ENTERPRISE




Courtland L. Bovée | John V. Thill

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Economic Systems

LO 1.2 Describe the different types of global economic systems according to the means by which they control the factors of production.

Watch The External Environments of Business

POLITICAL-LEGAL ENVIRONMENT

The political-legal environment refers to very significant relationship between the business and government.



A U.S. business operates differently from a business in France or the People's Republic of China, and businesses in those countries differ from those in Japan or Brazil. A key factor in these differences is the economic system of a firm's home country, the nation in which it does most of its business. An economic system is a nation's system for allocating its resources.

1.1.2: The External Environments of Business

1.2.2: Types of Economic Systems

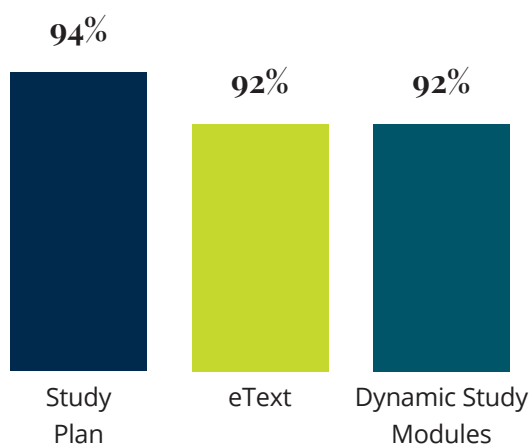


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92% 

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Dedication

This book is dedicated to the many thousands of instructors and students who use Bovée and Thill texts to develop career-enhancing business skills. We appreciate the opportunity to play a role in your education, and we wish you the very best with your careers.

Courtland L. Bovée
John V. Thill

NINTH EDITION

Business in Action

Courtland L. Bovée

Professor of Business
C. Allen Paul Distinguished Chair
Grossmont College

John V. Thill

Chairman and Chief Executive Officer
Global Communication Strategies

Vice President, Business, Economics, and UK Courseware:

Donna Battista

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New to This Edition

Streamlined Coverage of Essential Business Topics

The Introduction to Business course is tasked with such a wide range of topics that fitting them all in is an endless challenge. To better align the textbook with your course curriculum, the 9th Edition of *Business in Action* has been streamlined from 20 chapters to 16—without losing any essential coverage.

New Learning and Career-Development Features

Three new activities in every chapter help students prepare for today's workplace challenges:



- **Growing as a Professional.** These activities encourage students to apply the business concepts they are learning about in each chapter to facets of their academic and personal lives right now. By developing professional behaviors now, they will impress interviewers and be ready to succeed from day one.
- **Resolving Ethical Dilemmas.** Enlightened companies expect their employees to navigate today's complex business environment with clear ethical thinking. These exercises challenge students with realistic ethical dilemmas that require thoughtful analysis and decision-making.
- **Intelligent Business Technology.** Recruiters are impressed when students show awareness and curiosity regarding the challenges and opportunities in contemporary business. These research activities help students grasp the benefits of the smart systems that their future employers are likely to be using.

Preparing Students to Thrive in the Digital Enterprise



The *digital transformation* is reshaping every functional area in business, and more than three-quarters of executives say that digital technology will have a “major” or “transformative” impact on their industries. Alert companies are scrambling to reinvent themselves by implementing new business models or optimizing existing models. In fact, students will encounter the digital enterprise before they even land a job, because many firms now use artificial intelligence and other smart tools throughout the recruiting and hiring process.

Business in Action, 9/e, is the only textbook in this market that helps students appreciate the full scope of this transformation. To give students a competitive advantage, every chapter has a new learning objective that focuses on a key aspect of thriving in the digital enterprise. These nontechnical overviews explain the business implications of innovations that students are hearing about in the media and that they will likely be expected to use on the job.

Extensive Content Enhancements

All new *Behind the Scenes* vignette/case study pairs. These chapter-opening vignettes and end-of-chapter case studies show students how professionals apply the same skills and concepts they are reading about in the chapter. All 16 vignette/case study pairs are new in this edition.

Nearly 30 new exhibits. *Business in Action*'s visual presentation features nearly 150 *Exhibits That Teach*—diagrams, graphs, quick-reference tables, and other exhibits that address the challenge of getting students to read long passages of text by presenting vital concepts visually. The emphasis throughout is on productive learning—on helping students minimize the time they spend reading while maximizing their learning outcome.

More than 275 new questions and student activities. Every chapter has fresh project ideas and evaluation questions.

Numerous revisions and updates. Dozens of chapter sections are new, updated, or substantially revised to reflect the latest research and practices in business; here is a partial list:

The Social Environment
 The Technological Environment
 The Economic Environment
 The Market Environment
 Thriving in the Digital Enterprise: Disruptive Technologies and Digital Transformation
 The Spectrum of Economic Systems
 Fiat Money and Cryptocurrency
 The Money Supply
 The Fed's Major Responsibilities
 Banking's Role in the Economy
 The Too-Big-to-Fail Dilemma
 Time for Another Wall?
 Thriving in the Digital Enterprise: Fintech
 Making Financial Services More Inclusive
 Improving the Efficiency of Financial Activities
 Strengthening the Security of Financial Systems
 Improving the Customer Experience in Financial Services
 Enhancing Financial Decision-Making
 Thriving in the Digital Enterprise: AI-Assisted Translation
 Forces That Promote Unethical Behavior
 Management Pressure and Corporate Culture
 A Willful Blindness to Harm
 A Sense of Impunity
 Strategies for Supporting Ethical Behavior
 The Proactive Stance: Moving Beyond CSR
 Resolving the CSR Dilemma
 The Right to Digital Security
 Thriving in the Digital Enterprise: The Ethics of Artificial Intelligence
 Human Biases Embedded in AI Systems
 The Efforts to Make AI a Force for Good
 Shareholders
 Joint Ventures
 Thriving in the Digital Enterprise: Big Data and Analytics
 The Big World of Small Business
 Innovating Without Leaving: Intrapreneurship
 The New-Business Failure Rate
 Pivoting: When a Better Idea Comes Along
 Business Incubators and Accelerators
 The Franchise Alternative
 Thriving in the Digital Enterprise: Machine Learning and Deep Learning
 Defining the Company's Purpose and Values
 Managing Change
 Building a Positive Organizational Culture
 Thriving in the Digital Enterprise: Cognitive Automation
 Rethinking Organization in the Age of Agility
 Cross-Functional Teams
 Virtual Teams
 Characteristics of Effective Teams
 Team Development
 Sources of Team Conflict

Thriving in the Digital Enterprise: Taskbots and Robotic Process Automation
 Extending Organizations with Value Webs
 Supply Chain Systems and Methods
 Lean Systems
 Strategies for Ensuring Product Quality
 Thriving in the Digital Enterprise: Industry 4.0 and the Smart Factory
 Motivating with Challenging Goals
 Addressing Workplace Negativity
 Thriving in the Digital Enterprise:
 Performance Management Systems
 Guiding the Human Side of Business
 Aligning the Workforce with Business Requirements
 Creating Safe Workplaces
 Ensuring Fair Treatment and Equal Opportunity
 The Evolving Role of HR
 Diversity and Inclusion Initiatives
 Managing the Employment Life Cycle
 Appraising Employee Performance
 Understanding the Role of Labor Unions in Today's Business World
 Thriving in the Digital Enterprise: Workforce Analytics
 The Marketing Concept
 Involving the Customer in the Marketing Process
 Making Data-Driven Marketing Decisions
 Marketing as Part of a Sustainable Business Strategy
 Creating Satisfying Customer Experiences
 The Consumer Decision Process
 Thriving in the Digital Enterprise: Marketing Analytics
 Algorithmic Pricing
 Subscription Pricing
 Thriving in the Digital Enterprise: Virtual and Augmented Reality
 Inbound Versus Outbound Marketing
 Communication Laws and Ethics
 Advertising Media
 Direct Response Marketing
 Personal Selling
 Consumer Promotions
 Trade Promotions
 Marketing Communication Strategies for Social Media
 Social Customer Care
 Retailing's Role in the Buying Process
 The Challenging Economics of Retailing
 The Outlook for Retailing: Innovation, Disruption, and the Great Divide
 Thriving in the Digital Enterprise: Augmented and Automated Writing
 Thriving in the Digital Enterprise: Distributed Ledgers and Blockchain
 Types of Budgets
 Venture Capital and Other Private Equity
 Thriving in the Digital Enterprise: Smart Contracts



Solving Teaching and Learning Challenges

To improve student results, we recommend pairing this text content with **MyLab Intro to Business**, which is the teaching and learning platform that empowers you to reach every student. By combining trusted author content with digital tools and a flexible platform, MyLab personalizes the learning experience and will help your students learn and retain key course concepts while developing skills that future employers are seeking in their candidates. From **Mini Sims** to Videos, MyLab Intro to Business helps you teach your course, your way. Learn more at www.pearson.com/mylab/intro-to-business.

High-Efficiency, Objective-Driven Learning. Every chapter is divided into seven concise segments, each focused on its own learning objective and offering a comprehensive checkpoint to help students review and reinforce what they've learned. With this approach, each learning objective segment is treated as a mini-chapter within the chapter, letting students pace their intake and memorization, rather than trying to review an entire chapter at once.

1 LEARNING OBJECTIVE

Explain the concept of adding value in a business, and identify four useful ways to categorize businesses.



CHECKPOINT

LEARNING OBJECTIVE 1: Explain the concept of adding value in a business, and identify four useful ways to categorize businesses.

SUMMARY: Businesses add value by transforming lower-value inputs to higher-value outputs. In other words, they make goods and services more attractive from the buyer's perspective, whether it's creating products that are more useful or simply making them more convenient to purchase. Companies can be categorized by product types and ranges, company size, geographic reach, and ownership.

CRITICAL THINKING: (1) What inputs does a musical group use to create its outputs? (2) Can not-for-profit organizations benefit from practices used by for-profit companies? Why or why not?

IT'S YOUR BUSINESS: (1) Think back to the last product you purchased; how did the companies involved in its creation and sale add value in a way that benefited you personally? (2) Can you see yourself working for a not-for-profit organization after you graduate? Why or why not?

KEY TERMS TO KNOW: business, revenue, business model, profit, competitive advantage, not-for-profit organizations

Interpreting and Summarizing the Changes in Contemporary Business. The world of business continues to evolve at a dizzying pace. *Business in Action* prepares students for these changes with thoughtful interpretations on subjects ranging from inclusiveness in financial services to the ethics of artificial intelligence.

Thriving in the Digital Enterprise: Disruptive Technologies and Digital Transformation

To a large extent, business strategy revolves around change—whether creating change, capitalizing on change, or surviving change. The basic concept of business is fixed: It's always going to be a question of adding value to satisfy customers in a way that generates a sustainable level of profit. However, the way that companies go about adding value and satisfying customers is always evolving, and the business world is currently going through an extra years to come.

FIAT MONEY AND CRYPTOCURRENCY

The U.S. dollar and other modern currencies are often called **fiat money**, because they are issued and maintained through government *fiat*, or proclamation, and their value isn't tied to a physical asset such as gold. The dollar is *legal tender* in the United States, which means it can be used for any financial obligation. (This doesn't mean that every seller or lender must accept it or accept every *form* of it. Individuals and companies can accept or refuse to accept credit cards, large bills, coins, cash of any kind, and so on.²⁴)

Although each country has an official legal tender, this situation doesn't prevent parties

Mini Sims—Real-world simulations that put students in professional roles and give them the opportunity to apply course concepts and develop decision-making skills through real-world business challenges.

These **branching** Mini Sims strengthen a student's ability to think critically, help students understand the impact of their decisions, engage students in active learning, and provide students with immediate feedback on their decisions.

Each decision point remediates to the Learning Objective in the eText.

The image displays three overlapping screenshots from a digital learning platform. The top screenshot, titled 'Marketing Mix', shows a 'Background' section with text about a new product line and a woman holding a shopping bag. The middle screenshot, titled 'Organizational Structure', presents a 'Decision Point: Choosing an Organizational Form' with a text box explaining that organizational form is not the best choice and a 'Next' button. The bottom screenshot, also titled 'Organizational Structure', shows a 'Results' screen with a circular progress indicator at 51% and a list of feedback points.

Chapter Warm-Ups

Assessment helps you hold your students accountable for **READING** and demonstrating their knowledge on key concepts in each chapter before coming to class.

The screenshot shows the 'Homework: Chapter 2 Warm-up' interface. It includes a progress bar for 'Score: 0 of 1 pt' and a 'HW Score: 0%, 0 of 14 pts'. Below the progress bar, there is a question: 'Which of the following is NOT a function of a firm?' with five multiple-choice options: A. What are our markets?, B. What do we want to do?, C. What do we want to become?, D. Where do we want to operate?, and E. What is our purpose?. At the bottom, there are buttons for 'Check Answer' and 'Next'.

Chapter Quiz

Every chapter has quizzes written by our authors so you can assess your students' understanding of chapter learning objectives.

The screenshot shows the 'Quiz: Chapter 2 Quiz' interface. It includes a progress bar for 'This Question: 1 pt' and a 'This Quiz: 25 pts possible' score. Below the progress bar, there is a question: 'Which of the following is NOT a function of a firm?' with five multiple-choice options: A. Vision is viewed negatively by some stakeholders of a firm, B. Profit and vision statements are usually found in an Annual Report, C. Profit is viewed negatively by some stakeholders of a firm, D. Manager and employee bonuses are usually based on profit, and E. Top executive bonuses are often based on accomplishing a mission and vision. At the bottom, there are buttons for 'Check Answer' and 'Next'.

Visual Learning for a New Generation of Students.

Business in Action takes efficiency and student-friendly design to an entirely new level, with nearly 150 *Exhibits That Teach*. With these unique diagrams, infographics, and other exhibits, the emphasis throughout is on productive learning—on helping students minimize the time they spend reading while maximizing their learning outcome.

EXHIBIT 4.4 Perspectives on Corporate Social Responsibility

The perspectives on CSR can be roughly divided into four categories, from minimalist to proactive. Companies that engage in CSR can pursue either generic *philanthropy* or strategic *CSR*.

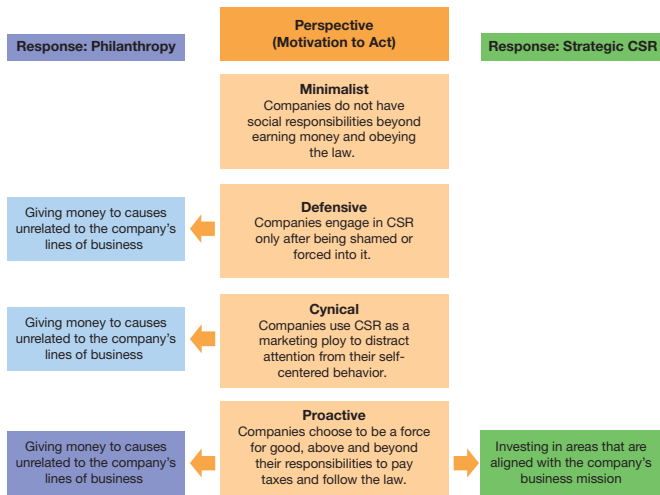


EXHIBIT 10.4 Expectancy Theory

Expectancy theory suggests that employees base their efforts on expectations of their own performance, expectations of rewards for that performance, and the value of those rewards.

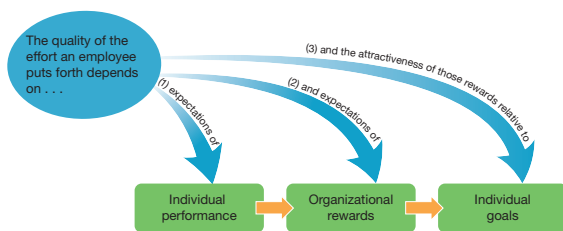


EXHIBIT 10.6 Reinforcement and Punishment

The terminology of reinforcement theory can be confusing because the terms are used differently in everyday speech than in psychology. Three points will help you keep the terms straight in your mind. First, both positive and negative reinforcement encourage a behavior to be repeated—they *reinforce* it, in other words. The difference is in how they work. Second, punishment (not negative reinforcement) is the opposite of positive reinforcement. Third, positive reinforcement can encourage undesirable behaviors, so it isn't necessarily a good thing, despite the "positive" label.

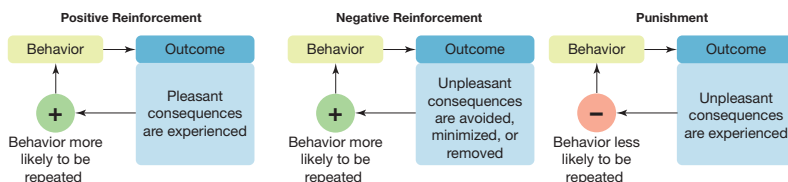


EXHIBIT 5.4 Types of Mergers

A *vertical merger* occurs when a company purchases a complementary company at a different stage or level in an industry, such as a furniture maker buying a lumber supplier. A *horizontal merger* involves two similar companies at the same level; companies can merge to expand their product offerings or their geographic market coverage. In a *conglomerate merger*, a parent company buys one or more companies in unrelated industries, often to diversify its business to protect against downturns in specific industries.

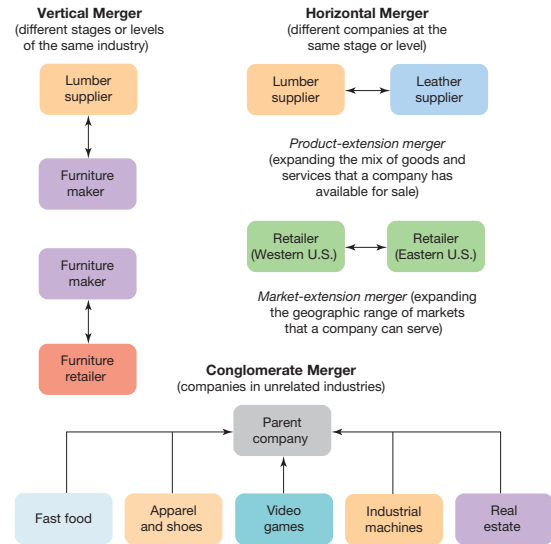
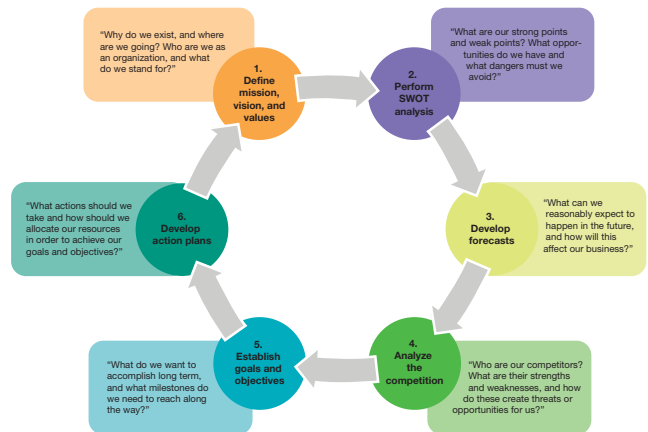


EXHIBIT 7.1 The Strategic Planning Process

Specific firms have their own variations of the strategic planning process, but these six steps offer a good general model. The circular arrangement is no coincidence, by the way. Strategic planning should be a never-ending process as you establish strategies, measure outcomes, monitor changes in the business environment, and make adjustments as needed.



Vignettes and Case Studies That Bring Business Concepts to Life. Every chapter is bookended with a vignette/case study pair that help students grasp the principles covered in the chapter. The chapter-opening vignette introduces a company faced with a major strategic challenge or opportunity and encourages students to imagine how they would address that challenge. The chapter-closing case study describes the strategic choices the company's leaders made, including how they applied the concepts students just learned in the chapter. Three critical thinking questions require students to apply the concepts covered in the text.

BEHIND THE SCENES

Airbnb: From Making a Few Bucks to Disrupting the Global Travel Industry



Airbnb cofounders Brian Chesky, Joe Gebbia, and Nathan Blecharczyk faced the intriguing challenge of expanding the home-sharing

www.airbnb.com

Entrepreneurs launch companies for a variety of reasons, sometimes grand and ambitious reasons. For San Francisco roommates and design-school graduates Brian Chesky and Joe Gebbia, the goal was slightly less lofty: They couldn't afford to pay their rent and needed to leverage whatever they could to make some quick money.

What they had was a bit of extra space in their apartment and the knowledge that a major design conference was coming to town. Hotel rooms would be scarce—and expensive for other young designers like themselves. They bought three air mattresses and launched their humble venture as Air Bed and Breakfast, a play on the established lodging category of “bed and breakfast.” In addition to offering an inexpensive place to sleep and breakfast during the conference, they planned to make additional money serving as tour guides for visiting designers—

BEHIND THE SCENES

Airbnb Succeeds with Global Vision but Local Touch

Brian Chesky, Joe Gebbia, and Nathan Blecharczyk knew they were on to something with the idea of playing matchmaker between people with extra rooms or vacant homes to rent and travelers looking for cheaper or more interesting alternatives to hotels. However, in those early days they might not have realized they were setting a course to disrupt the global travel industry and become a major force in what is now known as the *sharing economy*.

Among other things, Airbnb's growth is a story of dogged persistence. Despite multiple rejections from investors and several failed attempts at launching the company, the trio kept at it. They learned, adapted, and in the parlance of entrepreneurship, *pivoted* multiple times in search of the right product-market fit.

Many companies view international expansion as an opportunity to grow. Airbnb saw it as a necessity. The network

REAL-TIME UPDATES

Learn More by Reading These Articles



The evolving relationship between us and our robot colleagues

This special series on GeekWire looks at the many facets of human-robot collaboration. Go to real-timeupdates.com/bia9 and select Learn More in the Students section.

REAL-TIME UPDATES

Learn More by Exploring This Interactive Website



Find the best place to launch your career

For more than 20 years, *Fortune* magazine has been ranking the best 100 companies to work for in the United States. Go to real-timeupdates.com/bia9 and select Learn More in the Students section.

Adding Value with Unique Resources. The unique *Real-Time Updates-Learn More* feature connects students with dozens of carefully selected online media items that complement the text's coverage with additional examples and valuable insights. Media items range from interactive websites and online videos to infographics, presentations, and podcasts.

In addition, students can explore thousands of curated media items in the Real-Time Updates system and subscribe to weekly updates.

Visit Real-Time Updates at real-timeupdates.com/bia9.

Developing Employability Skills

With its comprehensive coverage of contemporary business topics and a broad array of student activities, *Business in Action* helps students develop the skills that experts say are vital for success in the 21st-century workplace:

TEST YOUR KNOWLEDGE

Questions for Review

- 3-4. What is economic globalization?
- 3-5. What is the balance of trade, and how is it related to the balance of payments?
- 3-6. What is a floating exchange rate?
- 3-7. What is free trade?
- 3-8. How can protectionist moves create conflict within a country?

EXPAND YOUR KNOWLEDGE

Discovering Career Opportunities

If global business interests you, consider working for a U.S. government agency that supports or regulates international trade. Search the USAJobs website at www.usajobs.gov for an opening in international trade administration, such as an international trade specialist. Study the job description and answer the following questions:

PRACTICE YOUR SKILLS

Resolving Ethical Dilemmas

You're excited by the possibility of expanding your company internationally, and you have engaged the services of a consultant to help guide you into some promising new markets. While discussing the difficulty of getting government approval to sell your products in one particular country, the consultant advises you to be prepared to "spend a little cash to make things happen—be ready to wine and dine 'em."

- **Communication.** The Sharpening Your Communication Skills activity in every chapter is an opportunity to practice communication skills while exploring real-life business issues and challenges.
- **Critical thinking.** In many assignments and activities, students need to define and solve problems and make decisions or form judgments.
- **Collaboration.** The Building Your Team Skills activity in each chapter provides students with multiple opportunities to work with classmates on reports, presentations, and other projects.
- **Knowledge application and analysis.** The five diverse Practice Your Skills activities in every chapter let students put their developing business skills to work right away.
- **Business ethics and social responsibility.** Ethical choices are stressed from the beginning of the book, and the Resolving Ethical Dilemmas activity in every chapter encourages students to be mindful of the ethical implications that they could encounter in similar projects on the job.
- **Information technology skills.** Projects and activities in every chapter help students build skills with technology, and the Intelligent Business Technology research activity in each chapter encourages students to explore the major tools in use today.
- **Data literacy.** Many of the activities require students to develop data literacy skills, including the ability to access, assess, interpret, manipulate, summarize, and communicate data.

Instructor Teaching Resources

This program comes with the following teaching resources.

Supplements available to
instructors at
www.pearsonhighered.com

Features of the Supplement

Instructor's Manual
authored by Maureen Steddin

- Chapter summary
- Chapter outline
- Teaching notes
- Suggested classroom exercises
- Test Your Knowledge answers
- Expand Your Knowledge answers
- Practice Your Skills answers

Test Bank
authored by Susan Schanne from
Eastern Michigan University

- Over 1,500 multiple-choice, true/false, and essay questions
- Answer explanations
- Keyed by learning objective
- Classified according to difficulty level
- Classified according to learning modality: conceptual, application, critical thinking, or synthesis
- Learning outcomes identified
- AACSB learning standard identified (Ethical Understanding and Reasoning; Analytical Thinking Skills; Information Technology; Diverse and Multicultural Work Environments; Reflective Thinking; and Application of Knowledge)

Computerized TestGen

- TestGen allows instructors to
- customize, save, and generate classroom tests.
 - edit, add, or delete questions from the Test Item Files.
 - analyze test results.
 - organize a database of tests and student results.

PowerPoints
authored by Jeffrey Anderson
from Ohio University

- Slides include all the graphs, tables, and equations in the textbook. PowerPoints meet accessibility standards for students with disabilities. Features include:
- Keyboard and screen reader access
 - Alternative text for images
 - High contrast between background and foreground colors

About the Authors



Court Bovée



John Thill

Courtland L. Bovée and John V. Thill have been leading textbook authors for more than two decades, introducing millions of students to the fields of business and business communication. Their award-winning texts are distinguished by proven pedagogical features, extensive selections of contemporary case studies, hundreds of real-life examples, engaging writing, thorough research, and the unique integration of print and digital resources. Each new edition reflects the authors' commitment to continuous refinement and improvement, particularly in terms of modeling the latest practices in business and the use of technology.

Professor Bovée has 22 years of teaching experience at Grossmont College in San Diego, where he has received teaching honors and was accorded that institution's C. Allen Paul Distinguished Chair. Mr. Thill is a prominent communications consultant who has worked with organizations ranging from Fortune 500 multinationals to entrepreneurial start-ups. He formerly held positions with Pacific Bell and Texaco.

Courtland Bovée and John Thill were recently awarded proclamations from the Governor of Massachusetts for their lifelong contributions to education and for their commitment to the summer youth baseball program that is sponsored by the Boston Red Sox.

Acknowledgments

The Ninth Edition of *Business in Action* reflects the professional experience of a large team of contributors and advisors. A very special acknowledgment goes to George Dovel, whose superb writing and editing skills, distinguished background, and wealth of business experience assured this project of clarity and completeness. Also, we recognize and thank Jackie Estrada for her outstanding skills and excellent attention to details.

The supplements package for *Business in Action* has benefited from the able contributions of numerous individuals. We would like to express our thanks to them for creating a superb set of instructional supplements. We'd like to sincerely thank the following contributors for taking the time to create new content for MyLab Intro to Business for this edition: Susan Leshnower, Patricia Buhler, Storm Russo, Susan Schanne, Chris Parent (accuracy checker), and Kerri Tomasso (copyeditor).

We want to extend our warmest appreciation to the devoted professionals at Pearson Higher Education for their commitment to producing high-value, student-focused texts, including Donna Battista, Vice President, Business Publishing; Stephanie Wall, Director of Portfolio Management; Melissa Feimer, Managing Producer, Business; Yasmita Hota, Content Producer; Ashley Santora, Director of Production, Business; Becky Brown, Product Marketer; and Nicole Price, Field Marketing Manager. We are also grateful to Nicole Suddeth and Liz Kincaid of SPi Global, Angela Urquhart and Andrea Archer of Thistle Hill Publishing, and Melissa Pellerano.

Courtland L. Bovée

John V. Thill

Prologue

Using This Course to Launch Your Business Career

Have you already chosen a business profession or field of concentration? If so, this course will help you see how that specialty fits within the larger environment of business. If you haven't chosen a particular field, this course will introduce you to the wide range of professional specialties within business and help you explore the possibilities. And even if you're not planning a career in business, this course will help you put the functions of business in a broader social and economic context and show you how business practices can be put to productive use in not-for-profit, government, and community organizations.

SUCCEEDING IN THIS COURSE

In addition to the study and test-taking skills you've developed in your other courses, here are a few specific tips to help you succeed in this course:

- **Get organized.** This course covers a lot of territory, touching on every aspect of business. Make sure you have a system in place to take notes and study for exams, and schedule enough time for required readings, assignments, and team projects.
- **Focus on important themes and concepts.** If you find yourself getting overwhelmed by the details of a topic, back up and revisit the introduction to that section. The accounting chapter, for example, presents a number of terms you might be unfamiliar with. If things get confusing, refresh your memory of the basic categories of assets versus liabilities and revenues versus costs.
- **Relate what you're learning to your own experience.** As a consumer and an employee, you already know a lot about business, and one of the primary goals of

this course is to help you leverage that knowledge by seeing business concepts from the other side—from the perspective of an owner or a manager. As you encounter each new concept, such as how companies set the prices of products, think about the question from both sides. In the case of pricing, for example, think about the *value* a product offers you as a consumer and about the *costs* that go into its production and distribution.

- **Pay attention to business and economic news, and relate it to course content.** Whenever you catch a bit of business or economic news, figure out how it relates to what you're learning in the course. If you read about a store closing, for instance, think about the possible reasons, from broader shifts in the economy to specific issues that affected the company. As the store's owner or manager, could you have done anything to prevent its closure?



Use this course as the first step in your business career—or as the next step in your new career, if you're a returning student.

- **Practice professional behavior.** A vital part of becoming a business professional is learning how to conduct yourself professionally. You'll have opportunities throughout the course (and in every course) to demonstrate the qualities of professionalism that are described in Chapter 1.
- **Develop your business skills as you learn.** You don't have to wait until you're on the job to hone your business skills. At the end of each chapter, you'll find an activity called *Growing as a Professional*. Use this activity to apply the concepts you studied in the chapter.



REAL-TIME UPDATES

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GETTING THE MOST FROM YOUR TEXTBOOK

This book and its supporting media are designed to help you absorb and retain all the fundamental concepts of business.

- **Objective-driven structure.** Each chapter is divided into seven sections, each with its own learning objective and checkpoint. The first six sections focus on various fundamentals of business, and the seventh is a special section that explores the digital transformation that is reshaping virtually every aspect of business today. Each section functions as a self-contained “mini” chapter, so you can study it on its own, without getting overwhelmed by the entire chapter all at once.
- **Learning objectives.** The learning objectives at the beginning of the chapter give you an idea of what you'll be studying. Each objective is tied to a major section heading, so it's easy to navigate through the chapter to study specific sections.
- **Checkpoints.** The checkpoints are a major feature to help you confirm what you've learned. Read the *Summary* to get a quick rundown on the learning objective, then ponder the *Critical Thinking* and *It's Your Business* questions to strengthen your understanding. If you need a quick refresher on any chapter, simply browse the checkpoints for a reminder of important concepts and key terms.
- **Behind the Scenes vignette and case study.** Each chapter opens with a brief story about a challenge or opportunity that a real-life professional or company faced. Read this short vignette to get a sense of the subject matter you'll be exploring in the chapter. At the end of the chapter, you'll see a more in-depth *Behind the Scenes* case study that describes how the person or firm applied the concepts you studied in the chapter.
- **Exhibits.** The many diagrams and illustrations throughout the book summarize essential information covered within each chapter. Particularly if you are a visual learner, use the exhibits to understand and confirm important concepts.
- **Key terms.** The book offers several ways to learn the most important terms in each chapter. Key terms are in bold type within the chapter, and you'll see a definition beside each one in the margin. By scanning the margins in each chapter, you can get a quick refresher on these terms. The Key Terms list at the end of the chapter shows the page number where each term is defined and discussed, and the Glossary at the end of the book compiles all the key terms in alphabetical order.
- **Test Your Knowledge.** These 20 questions in each chapter help you review information, analyze implications, and apply concepts. The questions include ethical considerations and concept integration from other chapters.
- **Expand Your Knowledge.** *Discovering Career Opportunities* gives you the chance to learn about various career paths and business specialties. *Intelligent Business Technology* is a brief research challenge involving technologies that are in widespread use in business or on their way to being widely adopted. Knowing about these tools and systems can give you an advantage in job interviews.

- **Practice Your Skills.** Enlightened employers expect you to make ethical choices, and the *Resolving Ethical Dilemmas* activity gives you practice in every chapter. *Growing as a Professional* lets you apply chapter concepts now to develop important analysis skills you can use on the job. *Sharpening Your Communication Skills* lets you practice listening, writing, and speaking in a variety of real-life scenarios. *Building Your Team Skills* teaches important team skills, such as brainstorming, collaborative decision making, developing a consensus, debating, role playing, and resolving conflict. *Developing Your Research Skills* familiarizes you with a wide variety of business reference materials and offers practice in developing research skills.
- **Real-Time Updates.** This free online service connects you with hundreds of media items that supplement your textbook, including articles, interactive websites, infographics, videos, and presentations. Plus, you'll see *Real-Time Updates Learn More* highlights throughout the book; these are linked to a special set of media items that expands on specific points in each chapter. Visit real-timeupdates.com/bia9 for more information.
- **MyLab Intro to Business.** If your instructor uses MyLab, see page xvi for more information.

Finding Your Place in the World of Business

The field of business offers a rich and diverse range of opportunities, whether you're a generalist or someone with specific technical or creative interests. Chapter 1 offers an overview of the primary functions within business, and most of the remaining chapters focus on specific functional areas. To help put all this in context, the following discussions identify what employers look for in new hires and help you find your ideal fit in the world of business.

UNDERSTANDING WHAT EMPLOYERS LOOK FOR IN NEW HIRES

An important first step in finding your ideal place in the business world is understanding why companies choose some applicants and reject others. Companies take risks with every hiring decision—the risk that the person hired won't meet expectations and the risk that a better candidate slipped through their fingers. Many companies judge the success of their recruiting efforts by *quality of hire*, a measure of how closely new employees meet the company's needs. Given this perspective, what steps can you take to present yourself as the low-risk, high-reward choice?

Of course, your perceived ability to perform the job is an essential part of your potential quality as a new hire. However, hiring managers consider more than just your ability to handle the job. They want to know if you'll be reliable and motivated—if you're somebody who “gets it” when it comes to being a professional in today's workplace. Exhibit 1 lists the attributes companies list most frequently when looking for new employees. Chapter 1 discusses many of these attributes in more detail in the sections on professionalism (pages 18–21) and career skills (pages 25–26).

FINDING YOUR BEST FIT

Figuring out where and how you can thrive professionally is a lifelong quest. You don't need to have all the answers now, and your answers will no doubt change in the coming years. However, start thinking about it now so that you can bring some focus to your job search. Organize your strategic planning with three questions: What do you want to do? What do you have to offer? How can you make yourself more valuable?

EXHIBIT 1**Attributes That Will Help You Stand Out in the Job Market**

Employers judge their hiring efforts with a metric known as *quality of hire*. Develop these attributes, and you'll stand out as a quality hire in any field.

Core Business Skills

- Oral and written communication
- Communication with diverse audiences
- Information technology skills
- Data literacy
- Collaboration
- Situation analysis and problem solving
- Time and resource management
- Project management
- Leadership
- Critical thinking

Personal Qualities

- Committed to excellence; dissatisfied with mediocrity
- Dependable and accountable
- Committed to something greater than oneself
- Confident but not brash
- Curious, driven to learn
- Flexible, adaptable, and open to change
- Respectful and inclusive
- Ethical; lives and works with integrity
- Positive, resilient, able to roll with the punches and recover from setbacks
- Sensitive to expectations of etiquette
- Self-reliant
- Proactive; taking initiative without waiting to be told
- Ambitious and goal-oriented

Sources: Based in part on Alison Doyle, "The Top Skills Employers Seek in College Grads," *The Balance*, 17 April 2018, www.thebalance.com; "Career Readiness Defined," National Association of Colleges and Employers, accessed 19 April 2018, www.naceweb.org; Penny Loretto, "The Top 10 Work Values Employers Look For," *The Balance Careers*, 15 March 2018, www.thebalancecareers.com; Liz Ryan, "12 Qualities Employers Look for When They're Hiring," *Forbes*, 2 March 2016, www.forbes.com.

What Do You Want to Do?

Economic necessities and the dynamics of the marketplace will influence much of what happens in your career, and you may not always have the opportunity to do the kind of work you would really like to do. Even if you can't get the job you want right now, though, start your job search by examining your values and interests. Doing so will give you a better idea of where you want to be eventually, and you can use those insights to learn and grow your way toward that ideal situation. Consider these factors:



The day-to-day activities of different professions can vary widely. Do as much research as you can before you choose a career path to make sure it's the right path for you.

EXHIBIT 2**Career Planning Self-Assessment**

Consider these questions to help identify the type of work you want to pursue in your career.

Activity or Situation	Strongly Agree	Agree	Disagree	No Preference
1. I want to work independently.	_____	_____	_____	_____
2. I want variety in my work.	_____	_____	_____	_____
3. I want to work with people.	_____	_____	_____	_____
4. I want to work with technology.	_____	_____	_____	_____
5. I don't want to be stuck in an office all day.	_____	_____	_____	_____
6. I want mentally challenging work.	_____	_____	_____	_____
7. I want to work for a large organization.	_____	_____	_____	_____
8. I want to work for a not-for-profit organization.	_____	_____	_____	_____
9. I want to work for a small business.	_____	_____	_____	_____
10. I want to work for a service business.	_____	_____	_____	_____

- **What would you like to do every day?** Research occupations that interest you. Find out what people really do every day. Ask friends, relatives, alumni from your school, and contacts in your social networks. Read interviews with people in various professions to get a sense of what their careers are like.
- **How would you like to work?** Consider how much independence you want on the job, how much variety you like, and whether you prefer to work with products, systems, people, ideas, words, figures, or some combination thereof.
- **How do your financial goals fit with your other priorities?** For instance, many high-paying business jobs involve a lot of stress, sacrifices of time with family and friends, and frequent travel or relocation. If other factors, such as stability, location, lifestyle, or intriguing work, are more important to you, you may have to sacrifice some level of pay to achieve them.
- **Have you established some general career goals?** For example, do you want to pursue a career specialty such as finance or manufacturing, or do you want to gain experience in multiple areas with an eye toward general management or entrepreneurship?
- **What sort of work culture are you most comfortable with?** Would you be happy in a formal hierarchy with clear reporting relationships? Or do you prefer less structure? Do you prefer teamwork or individualism? Do you prefer a competitive environment or a more cooperative culture?

You might need some time in the workforce to figure out what you really want to do, but it's never too early to start thinking about where you want to be. Filling out the assessment in Exhibit 2 can help you get a clearer picture of the nature of work you would like to pursue.

Activity or Situation	Strongly Agree	Agree	Disagree	No Preference
11. I want to start or buy a business someday.	_____	_____	_____	_____
12. I want regular, predictable work hours.	_____	_____	_____	_____
13. I want to work in a city location.	_____	_____	_____	_____
14. I want to work in a small town or suburb.	_____	_____	_____	_____
15. I want to work in another country.	_____	_____	_____	_____
16. I want to work from home, even if I'm employed by someone else.	_____	_____	_____	_____
17. I want to work in a highly dynamic profession or industry, even if it's unstable at times.	_____	_____	_____	_____
18. I want to have as much career stability as possible.	_____	_____	_____	_____
19. I want to enjoy my work, even if that means making less money.	_____	_____	_____	_____
20. I want to become a high-level corporate manager.	_____	_____	_____	_____

What Do You Have to Offer?

Knowing what you want to do is one thing. Knowing what companies or clients are willing to pay you to do is another thing entirely. You may already have a good idea of what you can offer employers. If not, some brainstorming can help you identify your skills, interests, and characteristics. Start by listing achievements you're proud of and experiences that were satisfying, and identify the skills that enabled those achievements. For example, leadership skills, speaking ability, and artistic talent may have helped you coordinate a successful class project. As you analyze your achievements, you may begin to recognize a pattern of skills. Which of these would be valuable to potential employers?

Next, look at your educational preparation, work experience, and extracurricular activities. What do your knowledge and experience qualify you to do? What have you learned from volunteer work or class projects that could benefit you on the job? Have you held any offices, won any awards or scholarships, or mastered a second language? What skills have you developed in nonbusiness situations that could transfer to a business position?

Take stock of your personal characteristics. Are you assertive, a born leader? Or are you more comfortable contributing under someone else's leadership? Are you outgoing, articulate, and comfortable around people? Or do you prefer working alone? Make a list of what you believe are your four or five most important qualities. Ask a relative or friend to rate your traits as well.

If you're having difficulty figuring out your interests, characteristics, or capabilities, consult your college career center. Many campuses administer a variety of tests that can help you identify interests, aptitudes, and personality traits. These tests won't reveal your "perfect" job, but they'll help you focus on the types of work best suited to your personality.

How Can You Make Yourself More Valuable?

While you're figuring out what you want from a job and what you can offer an employer, you can take positive steps toward building your career. First, look for opportunities to develop skills, gain experience, and expand your professional network. This might involve internships, volunteer work, freelance projects, part-time jobs, or projects that you initiate on your own. You can look for freelance projects on Craigslist and numerous other websites; some of these jobs have only nominal pay, but they do provide an opportunity for you to display your skills. Also consider applying your talents to *crowdsourcing* projects, in which companies and not-for-profit organizations invite the public to contribute solutions to various challenges. Look for ways to expand your *employment portfolio* and establish your *personal brand* (see the following sections).

Second, learn more about the industry or industries in which you want to work, and stay on top of new developments. Join networks of professional colleagues and friends who can help you keep up with trends and events. Follow the leading voices in a profession on social media. Many professional societies have student chapters or offer students discounted memberships. Take courses and pursue other educational or life experiences that would be difficult while working full time.

BUILDING YOUR NETWORK

Networking is the process of making informal connections with mutually beneficial business contacts. Networking takes place wherever and whenever people talk: at industry functions, at social gatherings, at alumni reunions—and all over the internet, from LinkedIn to Twitter to Facebook. In addition to making connections through social media tools, you might get yourself noticed by company recruiters.

Networking is more essential than ever because the vast majority of job openings are never advertised to the public. To avoid the time and expense of sifting through thousands of applications and the risk of hiring complete strangers, many companies start by asking their employees for recommendations—and these referrals are one of the most important sources of new employees.¹ The more people who know you, the better chance you have of being recommended for one of these hidden job openings.

Creative Ways to Build Your Network

Start building your network now. Your classmates could end up being some of your most valuable contacts, if not right away then possibly later in your career. Then branch out by identifying people with similar interests in your target professions, industries, and companies. Read news sites, blogs, and other online sources. Follow industry leaders on Twitter. You can also follow individual executives at your target companies to learn about their interests and concerns. Connect with people on LinkedIn and Facebook, particularly in groups dedicated to your career interests.

Participate in student business organizations, especially those with ties to professional organizations. Don't overlook volunteering; you not only meet people but also demonstrate your ability to solve problems, manage projects, and lead others. You can do some good while creating a network for yourself.

Keys to Being a Valued Networker

Remember that networking is about people helping each other, not just about other people helping you. Pay close attention to networking etiquette²:

- Be polite in every exchange. Not only is this the professional way to behave, but people are more inclined to help those who are positive and respectful.
- Don't speak poorly of your current employer or any past employers. Doing so is off-putting to other people, and it harms your reputation.

- Respect other people's time. Don't inundate people with messages, questions, or requests for help.
- Stay away from politics and other volatile topics. Remember that you're building a business network, not a circle of friends.
- Follow through on your promises. If you agree to make an introduction or provide information, make sure you do so.
- Follow up after meeting people. If you meet someone with shared interests, send a brief message within a day or two to solidify the connection you've made.

To become a valued network member, you need to be able to help others in some way. You may not have any influential contacts yet, but because you're researching industries and trends as part of your own job search, you probably have valuable information you can share via your online and offline networks. Or you might simply be able to connect one person with another who can help. The more you network, the more valuable you become in your network—and the more valuable your network becomes to you.

Finally, be aware that your online network reflects on who you are in the eyes of potential employers, so exercise some judgment in making connections and giving recommendations on LinkedIn.

Developing Your Personal Brand

You have probably heard the advice to develop a “personal brand” but might not know how to proceed or might not be comfortable with the concept of “branding” yourself. This section offers five steps that can make the task easier and more authentic.

Note that the process outlined here isn't about coming up with three or four words that are supposed to describe you, such as *Visionary*, *Creator*, *Problem Solver*, or things like that, as you may come across in some discussions of personal branding. This is a much more practical and comprehensive process that identifies the specific qualifications you can bring to the job, backs them up with solid evidence, and makes sure you are ready with a concise answer when an employer asks, “So, tell me about yourself.”

DON'T CALL IT PERSONAL BRANDING IF YOU DON'T CARE FOR THE TERM

Some people object to the term *personal branding*, with its associations of product marketing, the implied need to “get out there and promote yourself,” and perhaps the unseemly idea of reducing something as complex as yourself to an advertising slogan. If you are just starting your career, you might also wonder how to craft a meaningful brand when you don't have any relevant work experience.

Moreover, although personal branding makes obvious sense for professional speakers, authors, consultants, entrepreneurs, and others who must promote themselves in the public marketplace, those who aspire to professional or managerial positions in a corporate structure may rightly wonder why they need to “brand” themselves at all.

However, the underlying concept of branding as a *promise* applies to everyone, no matter the career stage or trajectory. A brand is fundamentally a promise to deliver on a specific set of values. For everyone in business, that promise is critical, whether it extends to a million people in the online audience for a TED Talk or a half-dozen people inside a small company. And even if you never think about your personal brand, you are continuously creating and re-creating it by the way you conduct yourself as a professional. In other words, even if you reject the idea of personal branding, other people will form an opinion of you and your “brand” anyway, so you might as well take charge and help create the impression that you want others to have of you.

As an alternative to a personal brand, think of your *professional promise*. Frame it this way: When people hear your name, what do you want them to think about you and your professional attributes and qualifications?

WRITE THE “STORY OF YOU”

When it's time to write or update your résumé, step back and think about where you've been in your life and your career and where you'd like to go. Helpful questions include *Do*

you like the path you're on, or is it time for a change? Are you focused on a particular field, or do you need some time to explore?

This is also a great planning tool for developing a personal brand. Outline your story in three sections:

- **Where I have been**—the experiences from my past that give me insight into where I would like to go in the future
- **Where I am now**—where I currently stand in terms of education and career, and what I know about myself (including knowledge and skills, personal attributes, and professional interests)
- **Where I want to be**—the career progress and experiences I want to have, areas I want to explore, and goals I want to achieve

Think in terms of an image or a theme you'd like to project. *Am I academically gifted? A daring innovator? A well-rounded professional with wide-ranging talents? A technical wizard? A dependable, "go-to" problem solver that people can count on? A "connector" who can bring people and resources together?*

Writing this story arc is a valuable planning exercise that helps you think about where you want to go in your career. In essence, you are clarifying who you are professionally and defining a future version of yourself—and these are the foundations of the personal brand or professional promise. Another important benefit is that it makes the personal branding effort authentic, because it is based on your individual interests and passions.

CONSTRUCT YOUR BRAND PYRAMID

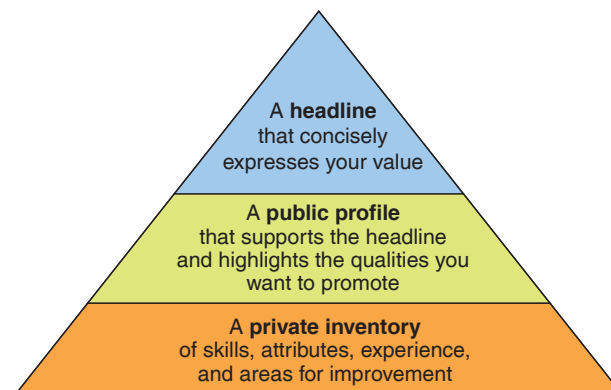
With your professional story arc as a guide, the next step is to construct a *brand pyramid* that has all the relevant support points needed to build a personal brand message (see Exhibit 3).

Start by compiling a *private inventory* of skills, attributes, experience, and areas for improvement. This should be a positive but realistic assessment of what you have to offer now and a "to-grow" list of areas where you want to develop or improve. Obviously, this inventory isn't for public consumption. As much as possible, provide evidence to back up each quality you list. If you are diligent and detail oriented, for instance, identify a time that you saved a project by methodically analyzing the situation to find a problem that others had overlooked. If you are a creative thinker, identify a time when you came up with an

EXHIBIT 3

Your Personal Brand Pyramid

Build your personal brand at three levels: a *private inventory* of your skills and assets, a *public profile* based on that inventory and how you want to present yourself to the world, and a *headline* that encapsulates what you can do for employers or clients.



unusual new idea at work. Employers want to know *how* you can apply your skills, attributes, and experience; the more evidence you can provide, the better.

Next, select the appropriate materials from your inventory to develop a *public profile* that highlights the qualities you want to promote. As “Put Your Promise to Work” explains, this profile can take on a variety of forms for different communication platforms.

Finally, distill your professional promise down to a single, brief headline, also known as a *tagline* or *elevator pitch*. The headline should be a statement of compelling value, not a generic job title. Instead of “I’m a social media specialist,” you might say, “I help small companies get the same reach on social media as giant corporations.”

Of course, many students won’t have the relevant job experience to say something like this, and your personal brand might be more an expression of potential. Even if you have no relevant professional experience, you still have personal attributes and educational qualifications that are the foundations of your brand.

The key is to make sure it’s realistic and suggests a logical connection between the present and the future. Someone pursuing an MBA in finance can reasonably claim to have a strong toolset for financial analysis, but someone with no corporate work experience can’t claim to be a bold, high-impact executive.

Here’s a good example: “I am a data science major ready to make numbers come alive through leading-edge techniques in deep learning, data mining, and visualization.”

Note that both your public profile and your headline should use relevant *keywords* from target job descriptions.



Whether you call it your personal brand or your professional promise, figure out what you want to be as a professional and how you should communicate that to others.

REDUCE OR ELIMINATE FACTORS THAT COULD DAMAGE YOUR BRAND

Every brand, no matter how popular and powerful, can be damaged by negative perceptions or performance issues. After identifying all the positives, do an objective analysis of areas that could undermine your career building efforts. For example, someone who tends to overpromise and underdeliver is going to develop a reputation for unreliability that could outweigh whatever positive qualities he or she can bring to the job. Other concerns might be related to specific skills that you need to develop in order to progress toward your career goals.

Be constantly mindful of the “multimedia you” that the world sees—your online presence, your personal appearance, your conduct in business and social settings, the way you sound on the phone, your mannerisms, your vocabulary, and anything else that shapes your reputation. Careers can be derailed by a single misjudged social media post, so always be putting the best “you” on display.

PUT YOUR PROMISE TO WORK

Now it’s time to put the branding message to work. Your public profile could be expressed in a variety of ways—as a conventional résumé, the summary section on LinkedIn, an infographic résumé, or the introductory section of a personal webpage or e-portfolio.

The headline can be adapted and used in multiple ways as well, including in the headline field on LinkedIn, the qualifications summary on your résumé, and your Twitter profile, and as a ready answer to the common interview question “So, tell me about yourself.”

Naturally, your brand message should be consistent across all the platforms and conversations where it used. For instance, an employer reviewing your résumé is likely to visit your LinkedIn profile as well, so it’s important that the messages match. If you complete your branding pyramid first, it’ll be easy to adapt it to a variety of different purposes while keeping your message consistent.

As you progress through your career, bear in mind that all this planning and communication is of no value if you fail to deliver on your brand promise. Remember that branding is only a *promise*—it's your *performance* that ultimately counts. When you deliver quality results time after time, your talents and professionalism will speak for you.

Lastly, your branding pyramid should be a “living document” that is updated whenever you acquire new skills or job experiences or want to move in a different direction. In addition, periodically revisiting it can be a good way to recapture the passion that initially launched you on your career path.

Crafting Your Résumé, LinkedIn Profile, and Employment Portfolio

Now that you have a clear idea of where you'd like to go in your career and what you have to offer, you're ready to craft three communication vehicles that will take you there: your résumé, your LinkedIn profile, and your employment portfolio.

WRITING AN EFFECTIVE RÉSUMÉ

Although you will create many messages during your career search, your résumé will be the most important document in this process. You will be able to use it directly in many instances, adapt it to a variety of uses such as an e-portfolio, and reuse pieces of it in social networking profiles and online application forms. Even if you apply to a company that doesn't request résumés, the process of developing your résumé will prepare you for interviewing and preemployment testing.

Developing a résumé is one of those projects that really benefits from multiple sessions spread out over several days or weeks. You are trying to summarize a complex subject (yourself!) and present a compelling story to strangers in a brief document.

Planning an effective résumé starts with understanding its true function—as a brief, persuasive business message intended to stimulate an employer's interest in meeting you and learning more about you. In other words, the purpose of a résumé is not to get you a job but rather to get you an interview.³

Organizing Your Résumé Around Your Strengths

Although a résumé can be organized in a number of ways, most are some variation of chronological organization, functional organization, or a combination of the two. The right choice depends on your background and your goals:

- In a *chronological résumé*, the work experience section dominates and is placed immediately after your contact information and introductory statement. The chronological approach is the most common way to organize a résumé, and many employers prefer this format because it presents your professional history in a clear, easy-to-follow arrangement.⁴
- A *functional résumé*, sometimes called a *skills résumé*, emphasizes your skills and capabilities, identifying employers and academic experience in subordinate sections. This arrangement stresses individual areas of competence rather than job history, and it can help you deemphasize periods of unemployment career stagnation. However, you should be aware that because the functional résumé can obscure your work history, some employment professionals are suspicious of it.⁵
- A *combination résumé* meshes the skills focus of the functional format with the job history focus of the chronological format. The chief advantage of this format is that it allows you to highlight your capabilities and education when you don't have a long or steady employment history, without raising concerns that you might be hiding something about your past.

Exhibits 4 through 6 on the following pages show how a job applicant adapted the combination format to work in three job-search scenarios, each of which you might face in your career as well.

EXHIBIT 4

Crafting Your Résumé, Scenario 1: Positioning Yourself for an Ideal Opportunity

Even in an ideal job-search scenario, where your academic and professional experiences and interests closely match the parameters of the job opening, you still need to adapt your résumé content carefully to “echo” the specific language of the job description.⁶

The Scenario

You are about to graduate and have found a job opening that is in your chosen field. You don't have any experience in this field, but the courses you've taken in pursuit of your degree have given you a solid academic foundation for this position.

The Opportunity

The job opening is for an associate market analyst with Living Social, the rapidly growing advertising and social commerce service that describes itself as “the online source for discovering valuable local experiences.” (A market analyst researches markets to find potentially profitable business opportunities.)

The Communication Challenge

You don't have directly relevant experience as a market analyst, and you might be competing against people who do. Your education is your strongest selling point, so you need to show how your course work relates to the position.

Don't let your lack of experience hold you back; the job posting makes it clear that this is an entry-level position. For example, the first bullet point in the job description says “Become an expert in market data . . .,” and the required skills and experience section says that “Up to 2 years of experience with similar research and analysis is preferred.” The important clues here are *become* (the company doesn't expect you to be an expert already) and *preferred* (experience would be great if you have it, but it's not required).

Keywords and Key Phrases

You study the job posting and highlight the following elements:

1. Working in a team environment
2. Research, including identifying trendy new businesses
3. Analyzing data using Microsoft Excel
4. Managing projects
5. Collaborating with technical experts and sales staff
6. Creating new tools to help maximize revenue and minimize risks
7. Bachelor's degree is required
8. Natural curiosity and desire to learn
9. Detail oriented
10. Hands-on experience with social media

Emma Gomes
(847) 555-2153
emma.gomes@mailsystem.net
emmawrites.blogspot.com

Address:

860 North 8th Street, Terre Haute, IN 47809

Permanent Address:

993 Church Street, Barrington, IL 60010

Summary of Qualifications

- 2 • In-depth academic preparation in marketing analysis techniques
- 3 • Intermediate skills with a variety of analytical tools, including Microsoft Excel and Google Analytics
- Front-line experience with consumers and business owners
- 2 10 • Multiple research and communication projects involving the business applications of social media

Education

- 7 B.S. in Marketing (Marketing Management Track), Indiana State University, Terre Haute, IN, anticipated graduation: May 2014

Program coursework

- 6 • 45 credits of core business courses, including Business Information Tools, Business Statistics, Principles of Accounting, and Business Finance
- 2 • 27 credits of marketing and marketing management courses, including Buyer Behavior, Marketing Research, Product and Pricing Strategy, and seminars in e-commerce and social media

Special projects

- 2 • “Handcrafting a Global Marketplace: The Etsy Phenomenon,” in-depth analysis of how Etsy transformed the market for handmade craft items by bringing e-commerce capabilities to individual craftspeople
- 1 2 • “Hybrid Communication Platforms for Small Businesses,” team service project for five small businesses in Terre Haute, recommending best practices for combining traditional and social-media methods of customer engagement and providing a customized measurement spreadsheet for each company
- 4
- 6

Work and Volunteer Experience

Independent math tutor, 2009-present. Assist students with a variety of math courses at the elementary, junior high, and high school level; all clients have achieved combined test and homework score improvements of at least one full letter grade, with an average improvement of 38 percent

- 9
- 1 • **Volunteer, LeafSpring Food Bank, Terre Haute, IN (weekends during college terms, 2012–present).** Stock food and supply pantries; prepare emergency baskets for new clients; assist director with public relations activities, including website updates and social media news releases.

- 5 • **Customer care agent, Owings Ford, Barrington, IL (summers, 2011–2013).** Assisted the service and sales managers of this locally owned car dealership with a variety of customer-service tasks; scheduled service appointments; designed and implemented improvements to service-center waiting room to increase guest comfort; convinced dealership owners to begin using Twitter and Facebook to interact with current and potential customers.
- 10

Professional Engagement

- 8 • Collegiate member, American Marketing Association; helped establish the AMA Collegiate Chapter at Indiana State
- Participated in AMA International Collegiate Case Competition, 2011-2012

Awards

- 8 • Dean's List: 2012, 2013
- Forward Youth award, Barrington Chamber of Commerce, 2010

Gomes includes phone and email contacts, along with a blog that features academic-oriented writing.

Using a *summary of qualifications* for her opening statement lets her target the résumé and highlight her most compelling attributes.

Her education is a much stronger selling point than her work experience, so she goes into some detail—carefully selecting course names and project descriptions to echo the language of the job description.

She adjusts the descriptions and accomplishments of each role to highlight the aspects of her work and volunteer experience that are relevant to the position.

The final sections highlight activities and awards that reflect her interest in marketing and her desire to improve her skills.

Notice how Gomes adapts her résumé to “mirror” the keywords and phrases from the job posting:

- 1 Offers concrete evidence of teamwork (rather than just calling herself a “team player,” for example)
- 2 Emphasizes research skills and experience in multiple instances
- 3 Calls out Microsoft Excel, as well as Google Analytics, a key online tool for measuring activity on websites
- 4 Indicates the ability to plan and carry out projects, even if she doesn't have formal project management experience
- 5 Indicates some experience working in a supportive or collaborative role with technical experts and sales specialists (the content of the work doesn't translate to the new job, but the concept does)
- 6 Suggests the ability to work with new analytical tools
- 7 Displays her B.S. degree prominently
- 8 Demonstrates a desire to learn and to expand her skills
- 9 Tracking the progress of her tutoring clients is strong evidence of a detail-oriented worker—not to mention someone who cares about results and the quality of her work
- 10 Lists business-oriented experience with Facebook, Twitter, and other social media

EXHIBIT 5

Crafting Your Résumé, Scenario 2: Positioning Yourself for Available Opportunities

If you can't find an ideal job opening, you'll need to adjust your plans and adapt your résumé to the openings that are available. Look for opportunities that meet your near-term financial needs while giving you the chance to expand your skill set so that you'll be even more prepared when an ideal opportunity does come along.⁷

The Scenario

You are about to graduate but can't find job openings in the field you'd like to enter. However, you have found an opening that is in a related field, and it would give you the chance to get some valuable work experience.

The Opportunity

The job opening is for a seller support associate with Amazon, the online retail giant. Employees in this position work with merchants that sell products through the Amazon e-commerce system to make sure merchants are successful. In essence, it is a customer service job, but directed at these merchants, not the consumers who buy on Amazon.

The Communication Challenge

This isn't the job you ultimately want, but it is a great opportunity with a well-known company.

You note that the position does not require a college degree, so in that sense you might be a bit over-qualified. However, you also see a strong overlap between your education and the responsibilities and required skills of the job, so be sure to highlight those.

Keywords and Key Phrases

You study the job posting and highlight the following elements:

1. Be able to predict and respond to merchant needs; good business sense with the ability to appreciate the needs of a wide variety of companies
2. Strong written and oral communication skills
3. High degree of professionalism
4. Self-starter with good time management skills
5. Logically analyze problems and devise solutions
6. Comfortable with computer-based tools, including Microsoft Excel
7. Desire to expand business and technical skills
8. Customer service experience
9. Collaborate with fellow team members to resolve difficult situations
10. Record of high performance regarding quality of work and personal productivity

Emma Gomes

(847) 555-2153
emma.gomes@mailsystem.net
emmawrites.blogspot.com

Address:

860 North 8th Street, Terre Haute, IN 47809

Permanent Address:

993 Church Street, Barrington, IL 60010

Summary of Qualifications

- Front-line customer service experience with consumers and business owners
- Strong business sense based on work experience and academic preparation
- Intermediate skills with a variety of software tools, including Microsoft Excel and Google Analytics
- Record of quality work in both business and academic settings

Education

B.S. in Marketing (Marketing Management Track), Indiana State University, Terre Haute, IN, expected graduation May 2014

Program coursework

- 45 credits of core business courses, including Business Information Tools, Business Statistics, Principles of Accounting, and Business Finance
- 27 credits of marketing and marketing management courses, including Marketing Fundamentals, Buyer Behavior, Marketing Research, Retail Strategies and seminars in e-commerce and social media

Special projects

- "Handcrafting a Global Marketplace: The Etsy Phenomenon," in-depth analysis of how the Etsy e-commerce platform helps craftspeople and artisans become more successful merchants
- "Hybrid Communication Platforms for Small Businesses," team service project for five small businesses in Terre Haute, recommending best practices for combining traditional and social-media methods of customer engagement and providing a customized measurement spreadsheet for each company

Work and Volunteer Experience

- **Independent math tutor, 2009-present.** Assist students with a variety of math courses at the elementary, junior high, and high school level; all clients have achieved combined test and homework score improvements of at least one full letter grade, with an average improvement of 38 percent
- **Volunteer, LeafSpring Food Bank, Terre Haute, IN (weekends during college terms, 2012-present).** Stock food and supply pantries; prepare emergency baskets for new clients; assist director with public relations activities, including website updates and social media news releases.
- **Customer care agent, Owings Ford, Barrington, IL (summers, 2011-2013).** Assisted the service and sales managers of this locally owned car dealership with a variety of customer-service tasks; scheduled service appointments; designed and implemented improvements to service-center waiting room to increase guest comfort; convinced dealership owners to begin using Twitter and Facebook to interact with current and potential customers.

Professional Engagement

- Collegiate member, American Marketing Association; helped establish the AMA Collegiate Chapter at Indiana State
- Participated in AMA International Collegiate Case Competition, 2011-2012

Awards

- Dean's List: 2012, 2013
- Forward Youth award, Barrington Chamber of Commerce, 2010

Gomes modified her summary of qualifications to increase emphasis on customer service.

She adjusts the selection of highlighted courses to reflect the retail and e-commerce aspects of this particular job opening.

She adjusts the wording of this Etsy project description to closely mirror what Amazon is—an e-commerce platform serving a multitude of independent merchants.

She provides more detail regarding her customer support experience.

The final sections are still relevant to this job opening, so she leaves them unchanged.

Notice how Gomes adapts her résumé to "mirror" the keywords and phrases from the job posting:

- 1 Suggests strong awareness of the needs of various businesses
- 2 Examples of experience with written business communication; she can demonstrate oral communication skills during phone, video, or in-person interviews
- 3 Results-oriented approach to tutoring business suggests high degree of professionalism, as do the two awards
- 4 The ability to work successfully as an independent tutor while attending high school and college is strong evidence of self-motivation and good time management
- 5 Indicates ability to understand problems and design solutions
- 6 Suggests the ability to work with a variety of software tools
- 7 Demonstrates a desire to learn and to expand her skills
- 8 Highlights customer service experience
- 9 Offers concrete evidence of teamwork (rather than just calling herself a "team player," for example)
- 10 Tracking the progress of her tutoring clients is strong evidence of someone who cares about results and the quality of her work; Dean's List awards also suggest quality of work; record of working while attending high school and college suggests strong productivity

EXHIBIT 6

Crafting Your Résumé, Scenario 3: Positioning Yourself for More Responsibility

When you have a few years of experience under your belt, your résumé strategy should shift to emphasize work history and accomplishments. Here is how Emma Gomes might reshape her résumé if she had held the two jobs described in Exhibits 3 and 4 and is now ready for a bigger challenge.⁸

The Scenario

Moving forward from Exhibits 3 and 4, let's assume you have worked in both those positions, first for two years as a seller support associate at Amazon and then for almost three years as an associate market analyst at LivingSocial. You believe you are now ready for a bigger challenge, and the question is how to adapt your résumé for a higher-level position now that you have some experience in your chosen field. (Some of the details from the earlier résumés have been modified to accommodate this example.)

The Opportunity

The job opening is for a senior strategy analyst for Nordstrom. The position is similar in concept to the position at Living Social, but at a higher level and with more responsibility.

The Communication Challenge

This job is an important step up; a senior strategy analyst is expected to conduct in-depth financial analysis of business opportunities and make recommendations regarding strategy changes, merchandising partnerships with other companies, and important decisions.

You worked with a wide variety of retailers in your Amazon and Living Social jobs, including a number of fashion retailers, but you haven't worked directly in fashion retailing yourself.

Bottom line: You can bring a good set of skills to this position, but your financial analysis skills and retailing insights might not be readily apparent, so you'll need to play those up.

Keywords and Key Phrases

You study the job posting and highlight the following elements:

1. Provide research and analysis to guide major business strategy decisions
2. Communicate across business units and departments within Nordstrom
3. Familiar with retail analytics
4. Knowledge of fashion retailing
5. Qualitative and quantitative analysis
6. Project management
7. Strong communication skills
8. Bachelor's required; MBA preferred
9. Advanced skills in financial and statistical modeling
10. Proficient in PowerPoint and Excel

Emma Gomes

(847) 555-2153
emma.gomes@mailsystem.net
Twitter: www.twitter.com/emmagomes
1605 Queen Anne Avenue North, Seattle, WA 98109

Market and Strategy Analyst

- ① ③ • Five years of experience in local and online retailing, with three years of focus on market opportunity analysis
- ④ • Strong business sense developed through more than 60 marketing programs across a range of retail sectors, including hospitality, entertainment, and fashion
- ① ⑤ • Recognized by senior management for ability to make sound judgment calls in situations with incomplete or conflicting data
- ② ⑥ • Adept at coordinating research projects and marketing initiatives across organizational boundaries and balancing the interests of multiple stakeholders
- ⑨ ⑩ • Advanced skills with leading analysis and communication tools, including Excel, PowerPoint, and Google Analytics

Professional Experience

- ① ③ **Associate Market Analyst, LivingSocial, Seattle, WA (July 2011-present).** Analyzed assigned markets for such factors as consumer demand, merchandising opportunities, and seller performance; designed, launched, and managed marketing initiatives in 27 retailing categories, including fashions and accessories; met or exceeded profit targets on 90 percent of all marketing initiatives; appointed team lead/trainer in recognition of strong quantitative and qualitative analysis skills; utilized both established and emerging social media tools and helped business partners use these communication platforms to increase consumer engagement in local markets.

- ④ **Seller support associate, Amazon, Seattle, WA (July 2009–June 2011).** Worked with more than 300 product vendors, including many in the fashion and accessories sectors, to assure profitable retailing activities on the Amazon e-commerce platform; resolved vendor issues related to e-commerce operations, pricing, and consumer communication; anticipated potential vendor challenges and assisted in the development of more than a dozen new selling tools that improved vendor profitability while reducing Amazon's vendor support costs by nearly 15 percent.

Education

- ③ **Evening MBA program, University of Washington, Seattle, WA; anticipated graduation: May 2015.** Broad-based program combining financial reporting, marketing strategy, competitive strategy, and supply chain management with individual emphasis on quantitative methods, financial analysis, and marketing decision models.
- ① **B.S. in Marketing (Marketing Management Track), Indiana State University, Terre Haute, IN, May 2009.** Comprehensive coursework in business fundamentals, accounting and finance, marketing fundamentals, retailing, and consumer communications.

Professional Engagement

- Member, American Marketing Association
- ④ • Member, International Social Media Association
- Active in National Retail Federation and Retail Advertising & Marketing Association

Awards

- Living Social Top Ten Deals (monthly employee achievement award for designing the most profitable couponing deals); awarded seven times, 2011–2013
- Social Commerce Network's Social Commerce Innovators: 30 Under 30; 2012

Gomes stays with a summary of qualifications as her opening statement but gives it a new title to reflect her experience and to focus on her career path as a market analyst.

Work experience is now her key selling point, so she shifts to a conventional chronological résumé that puts employment ahead of education. She also removes the part-time jobs she had during high school and college.

She updates the Education section with a listing for the MBA program she has started (selecting points of emphasis relevant to the job opening) and reduces the amount of detail about her undergraduate degree.

She updates the Professional Engagement and Awards section with timely and relevant information.

Notice how Gomes adapts her résumé to “mirror” the keywords and phrases from the job posting:

- ① Highlights her experience in market and business analysis and her continuing education in this area
 - ② Mentions skill at coordinating cross-functional projects
 - ③ Lists experiences that relate to the collection and analysis of retail data
 - ④ Emphasizes the work she has done with fashion-related retailing and retailing in general
 - ⑤ Identifies experience and education that relates to quantitative and qualitative analysis (this point overlaps #1 and #3 to a degree)
 - ⑥ Mentions project management experience
 - ⑦ Lists areas that suggest effective communication skills
 - ⑧ Lists education, with emphasis on coursework that relates most directly to the job posting
 - ⑩ Mentions work experience and educational background related to these topics
- Includes these programs in the list of software tools she uses

Composing Your Résumé

Write your résumé using a simple and direct style. Use short, crisp phrases instead of whole sentences, and focus on what your reader needs to know. Avoid using the word *I*, which can sound both self-involved and repetitious by the time you outline all your skills and accomplishments. Instead, start your phrases with strong action verbs such as *created*, *managed*, and *transformed*. Whenever you can, quantify the results with carefully selected evidence that confirms your abilities, such as “Led the department in customer acquisition three years in a row.”

Most résumés are now subjected to *keyword searches* in an applicant tracking system (ATS), in which a recruiter searches for résumés most likely to match the requirements of a particular job. Résumés that don’t closely match the requirements may never be seen by a human reader, so it is essential to use the words and phrases that a recruiter is most likely to search for. Identifying these keywords requires some research, but you can uncover many of them while you are researching various industries and companies. In particular, study job descriptions carefully.

The following sections offer brief tips on composing each section of your résumé.

Name and Contact Information

Your name and contact information constitute the heading of your résumé; include the following:

- Name
- Address (both permanent and temporary, if you’re likely to move during the job-search process)
- Email address (something simple and professional, such as deborahwhite@gmail.com)
- Phone number(s)
- The URL of your LinkedIn profile

Introductory Statement

You have three options for a brief introductory statement that follows your name and contact information:⁹

- **Career objective.** A career objective identifies either a specific job you want to land or a general career track you would like to pursue. Some experts advise against including a career objective because it can categorize you too narrowly, and it is essentially about fulfilling your desires, not about meeting the employer’s needs. However, if you have little or no work experience in your target profession, a career objective might be your best option. If you do opt for an objective, word it in a way that relates your aspirations to employer needs.
- **Qualifications summary.** A qualifications summary offers a brief view of your key qualifications. The goal is to let a reader know within a few seconds what you can deliver. You can title this section generically as “Qualifications Summary” or “Summary of Qualifications,” or, if you have one dominant qualification, you can use that as the title. Consider using a qualifications summary if you have one or more important qualifications but don’t yet have a long career history. Also, if you haven’t been working long but your college education has given you a dominant professional “theme,” such as multimedia design or statistical analysis, you can craft a qualifications summary that highlights your educational preparedness.
- **Career summary.** A career summary offers a brief recap of your career with the goal of presenting increasing levels of responsibility and performance (see Exhibit 6 on the previous page for an example). A career summary is particularly good for people who have demonstrated the ability to take on increasing levels of responsibility in their chosen field and who want to continue in that field.

Whichever option you choose, make sure it includes the most essential keywords you identified in your research—and adapt these words and phrases to each job opportunity as needed.

Education

If you are early in your career, education is probably your strongest selling point. Present your educational background in depth, choosing facts that support your professional theme. Under the heading “Education,” list the name and location of each school you have attended, the month and year of your graduation (say “anticipated graduation: _____” if you haven’t graduated yet), your major and minor fields of study, significant skills and abilities you’ve developed in your coursework, and the degrees or certificates you’ve earned. List courses that are most relevant to each job opening, and indicate any scholarships, awards, or academic honors you’ve received.

Work Experience, Skills, and Accomplishments

Like the education section, the work experience section should focus on your overall theme in a way that shows how your past can contribute to an employer’s future. Use keywords to call attention to the skills you’ve developed on the job and to your ability to handle responsibility. Emphasize what you accomplished in each position, not just the generic responsibilities of the job.

List your jobs in reverse chronological order, starting with the most recent. Include military service and any internships and part-time or temporary jobs related to your career objective. Include the name and location of the employer, and if readers are unlikely to recognize the organization, briefly describe what it does. When you want to keep the name of your current employer confidential, you can identify the firm by industry only (“a large video game developer”). If an organization’s name or location has changed since you worked there, state the current name and location and include the old information preceded by “formerly . . .” Before or after each job listing, state your job title and give the years you worked in the job; use the phrase “to present” to denote current employment. Indicate whether a job was part-time.

Activities and Achievements

You can use this optional section to highlight activities and achievements outside of a work or educational context—but only if they make you a more attractive job candidate. For example, traveling, studying, or working abroad and fluency in multiple languages could weigh in your favor with employers that do business internationally.

Because many employers are involved in their local communities, they tend to look positively on applicants who are active and concerned members of their communities as well. Consider including community service activities that suggest leadership, teamwork, communication skills, technical aptitude, or other valuable attributes.

Personal Data

In most cases, your résumé should not include any personal data beyond the information described in the previous sections. When applying to U.S. companies, never include any of the following: physical characteristics, age, gender, marital status, sexual orientation, religious or political affiliations, race, national origin, salary history, reasons for leaving jobs, names of previous supervisors, names of references, Social Security number, or student ID number. Expectations differ in other countries, so research the job application process in specific countries if you need more information.

References

For professional and managerial positions, nearly all employers ask for and check references, so you need to be prepared with a list of people who are willing to speak on your behalf.¹⁰ (The availability of references is assumed, so you don’t need to put “References available upon request” at the end of your résumé.)

Plan to gather three types of references as you begin your job search:¹¹

- *Professional references* are people who have had the opportunity to evaluate the knowledge and skills that you can bring to the jobs you are applying for. Professors and instructors, supervisors, colleagues, and even customers are all good candidates to approach for serving as professional references.

- Some employers may ask for *personal references*, people who are willing to vouch for your character. Good candidates here include people outside your family who have interacted with you in meaningful ways, including coaches, volunteer coordinators, and religious leaders. As appropriate, you may also ask any of your professional references to serve as personal references.
- To complete your LinkedIn profile, you will also need *LinkedIn recommendations* (see the next page).

Producing Your Résumé

Leave yourself plenty of time to finalize your résumé by revising it for clarity and conciseness, producing it in one or more formats, and proofreading it carefully. Your résumé is one of the most important documents you will ever write, and it must reflect a high level of care and quality. Recruiters and hiring managers want to find key pieces of information about you, including your top skills, your current job, and your education, in a matter of seconds. Don't make them work to find or decode this information. Weed out minor details until your résumé is tight, clear, and focused. Above all else, your résumé must be easy to read and easy for recruiters to skim quickly.¹²

You'll find a wide range of résumé designs in use today, from text-only documents that follow a conventional layout to full-color infographics with unique designs. Don't choose a style just because it seems trendy, flashy, or different. For example, you can find some eye-catching infographic résumés online, but many of those are created by graphic designers applying for visually oriented jobs in advertising, fashion, web design, and other areas in which graphic design skills are a must. In other words, the intended audience expects an applicant to have design skills, and the résumé is a good opportunity to demonstrate those. In contrast, a colorful, graphically intense résumé might just look odd to recruiters in finance, engineering, or other professions—and it's almost guaranteed to get rejected by an ATS. You can certainly supplement your conventional résumé with an infographic, a video, or other media elements, but don't submit one of these in place of a résumé.

The sample résumés in Exhibits 4 through 6 use a classic, conservative design that will serve you well for most business opportunities. Notice how they feature simplicity, an easy-to-read layout, effective use of white space, and clear typefaces. Recruiters can pick out the key pieces of information in a matter of seconds.

REAL-TIME UPDATES

Learn More by Exploring This Interactive Website



Design inspiration and easy-to-use templates

Canva is one of many online services that let you create a nicely designed résumé. Go to real-timeupdates.com/bia9 and select Learn More in the Students section.

Writing Application Letters

Whenever you email a résumé to a recruiter or other contact in a company, use the body of your email message as an *application letter*, also known as a *cover letter*. (Even though this message is often not a printed letter anymore, many professionals still refer to it as a letter.) Note that not all recruiters take the time to read application letters, particularly at companies that receive a high volume of applications.¹³ However, if you are emailing someone directly, it's good practice to include one anyway. It might catch the recruiter's eye, and the hiring manager who eventually gets your résumé may be interested in reading it.¹⁴ (Some online application systems allow you to upload an application message, but many don't, so when you apply online, you might not have the opportunity to include an application letter.)

An application letter has three goals: to introduce your résumé, to persuade an employer to read it, and to request an interview. Recognize that this message is a great opportunity, too: You can communicate in a more personal and conversational way than you can with your résumé, you can show that you understand what an employer is looking for, and you can demonstrate your writing skills. Another key opportunity here involves soft skills such as interpersonal communication, which are difficult to quantify in a meaningful way on your résumé. In the letter, you can briefly describe a situation in which you used these skills to reach a measurable business result, for example, which is more compelling than simply listing skills.¹⁵

If the name of an individual manager is at all findable, address your letter to that person rather than to something generic such as "Dear Hiring Manager." Search LinkedIn,

the company's website, industry directories, Twitter, and anything else you can think of to locate an appropriate name. Ask the people in your network if they know a name. If another applicant finds a name and you don't, you're at a disadvantage.

Remember that your reader's in-box is probably overflowing with résumés and application letters, and respect his or her time. Avoid gimmicks, and don't repeat information that already appears in your résumé. Keep your letter straightforward, fact based, short, upbeat, and professional.

DEVELOPING A COMPELLING LINKEDIN PROFILE

LinkedIn (www.linkedin.com) is the most important website to incorporate in your job search. Employment recruiters search LinkedIn for candidates far more than any other social network, and companies doing background checks on you are almost certain to look for your LinkedIn profile.¹⁶

You can think of LinkedIn as a “socially networked multimedia résumé.” An effective LinkedIn profile includes all the information from your conventional résumé, plus some additional features that help you present yourself in a compelling way to potential employers. Here are nine tips for building an effective profile:¹⁷

1. **Photo.** Add a photo that says “professional” without being overly formal. You don't need to hire a professional photographer, but the photo needs to be clear and lit well enough so that your face isn't in shadow. Stand against a visually “quiet” background that won't distract viewers, dress appropriately for the jobs you are pursuing, and remember to smile.
2. **Headline.** Write a headline that expresses who you are or aspire to be as a professional, such as “Data science major ready to make data come alive through leading-edge techniques in data mining, visualization, and AI.” Include keywords that target employers are likely to be searching for. As with other text fields on LinkedIn, you have a limited number of characters to work with here, so focus on your most valuable attributes. Erica Baker, for instance, establishes herself as a technically astute, creative problem solver with her LinkedIn headline: “I like to slay big problems and puzzles. My weapons of choice are logic, data, curiosity, and code.”¹⁸
3. **Summary.** Write a summary that captures where you are and where you are going. Imagine that you are talking to a hiring manager in a personal and conversational tone, telling the story of where you've been and where you would like to go—but expressed in terms of meeting an employer's business needs. Highlight your job experience, education, skills, accomplishments, target industry, and career direction. Unlike the introductory statement on your conventional résumé, which you can fine-tune for every job opportunity, your LinkedIn summary offers a more general picture of who you are as a professional. Be sure to work in as many of the keywords from your research as you can, while keeping the style natural. Employers can use a variety of search tools to find candidates, and they'll look for these keywords.
4. **Experience.** Fill out the experience section using the material from your conventional résumé. Make sure the details of your employment match your résumé, as employers are likely to cross-check. However, you can expand beyond those basics, including linking to photos and videos of work-related accomplishments.
5. **Recommendations.** Ask for recommendations from people you know on LinkedIn. You may have a limited number of connections as you start out, but as your network expands you'll have more people to ask. A great way to get recommendations is to give them to the people in your network.
6. **Featured skills.** List your top skills and areas of expertise. As you expand your network, endorse the skills of people you know; many users will endorse your skills in return.
7. **Education.** Make sure your educational listing is complete and matches the information on your conventional résumé.
8. **Accomplishments.** LinkedIn offers a variety of categories that let you highlight academic achievements, special projects, publications, professional certifications, important coursework, honors, patents, and more. If you don't have an extensive work

history, use this section to feature academic projects and other accomplishments that demonstrate your skills.

9. Volunteer experience and causes. Add volunteering activities and charitable organizations that you support.

For the most current instructions on performing these tasks, visit the LinkedIn Help center at www.linkedin.com/help/linkedin. Remember that the more robust you make your profile, the better your chances are of catching the eye of company recruiters.

BUILDING AN EMPLOYMENT PORTFOLIO

Employers want proof that you have the skills to succeed on the job, which can be challenging if you don't have a lot of relevant work experience in your target field. Fortunately, you can use your college classes, volunteer work, and other activities to assemble compelling proof by creating an *employment portfolio*, a collection of projects that demonstrate your skills and knowledge.

Your portfolio is likely to be a multimedia effort, with physical work samples (such as reports, proposals, or marketing materials), digital documents, web content, blog posts, photographs, video clips, and other items. As appropriate, you can include these items in your LinkedIn profile, bring them to interviews, and have them ready whenever an employer, client, or networking contact asks for samples of your work.

You have a variety of options for hosting a portfolio online. Your LinkedIn profile can function as your portfolio home, your college may offer portfolio hosting, or you might consider one of the many commercial portfolio hosting services. To see a selection of student e-portfolios from colleges around the United States, go to real-timeupdates.com/bia9, select Student Assignments, and locate the link to student e-portfolios.

Your portfolio is also a great resource for writing your résumé, because it reminds you of all the great work you've done over the years. Moreover, you can continue to refine and expand your portfolio throughout your career; many independent professionals use portfolios to advertise their services.

As you assemble your portfolio, collect anything that shows your ability to perform, whether it's in school, on the job, or in other venues. However, you *must* check with employers before including any items that you created while you were an employee and also check with clients before including any *work products* (anything you wrote, designed, programmed, and so on) they purchased from you. Many business documents contain confidential information that companies don't want distributed to outside audiences.

For each item you add to your portfolio, write a brief description that helps other people understand the meaning and significance of the project. Include such details as these:

- **Background.** Why did you undertake this project? Was it a school project, a work assignment, or something you did on your own initiative?
- **Project objectives.** Explain the project's goals, if relevant.
- **Collaborators.** If you worked with others, be sure to mention that and discuss team dynamics, if appropriate. For instance, if you led the team or worked with others long distance as part of a virtual team, point that out.
- **Constraints.** Sometimes the most impressive thing about a project is the time or budget constraints under which it was created. If such constraints apply to a project, consider mentioning them in a way that doesn't sound like an excuse for poor quality. If you had only one week to create a website, for example, you might say that "One of the intriguing challenges of this project was the deadline; I had only one week to design, compose, test, and publish this material."
- **Outcomes.** If the project's goals were measurable, what was the result? For example, if you wrote a letter soliciting donations for a charitable cause, how much money did you raise?
- **Learning experience.** If appropriate, describe what you learned during the course of the project.

Assume that potential employers will find your e-portfolio site, even if you don't tell them about it, so don't include anything that doesn't represent you at your professional best.

Interviewing with Potential Employers

An employment interview is a meeting during which you and a potential employer ask questions and exchange information. The employer's objective is to find the best talent to fill available job openings, and your objective is to find the right match for your goals and capabilities.

The interview process can vary from company to company, but most firms interview candidates in stages as they narrow down the list of possibilities. The process usually starts with a *screening stage* designed to filter out applicants who lack the desired qualifications or who might not be willing to accept the salary range or other parameters of the position. Study the job description carefully, and be ready to respond to questions about the major qualifications of the position, using key points from your résumé. Bear in mind that you're not going to win the job at this point; your goal is to make it past the filter and on to the next stage. Note that in some cases you may be required to pass an assessment before you are allowed to begin the application process, so be prepared to do some online testing.¹⁹

Candidates who make it past screening are invited to more in-depth interviews in the selection stage that help the company select the person who is most likely to succeed in the position. Employers take various approaches to the selection stage, but a typical next step is a telephone interview with the hiring manager. The manager will want to dig a little deeper into your qualifications and start to determine your fit with the company's culture. This conversation also gives you the opportunity to see whether you can build rapport with your future boss. During these interviews, show keen interest in the job, relate your skills and experience to the organization's needs, listen attentively, and ask questions that show you've done your research. The most promising applicants are usually invited to visit the company for in-person interviews with a variety of staff and managers.

Be prepared to encounter a variety of interviewing approaches, often within the same interview or set of interviews. These approaches can be distinguished by the way they are structured, the number of people involved, and the purpose of specific questions.

- In a *structured interview*, the interviewer (or an app or online system) asks a set series of questions in a fixed order. By asking every candidate the same set of questions, the structured format helps ensure fair interviews and makes it easier for an employer to compare and rank candidates.²⁰ In contrast, an *unstructured interview* doesn't follow a predetermined sequence. It is likely to feel more conversational and personal, as the interviewer adapts the line of questioning based on your answers. Even though it may feel like a conversation, remember that it's still an interview, so keep your answers focused and professional.
- Interviews can also vary by the number of people involved. Most of your interviews are likely to be one-on-one conversations, but you may encounter a *panel interview*, where you answer questions from two or more interviewers in the same session. In a *group interview*, one or more interviewers meet with several candidates simultaneously. These sessions can involve group discussions and problem-solving activities. In addition to being an efficient way to interview a number of candidates, group interviews let employers see how individuals function in a group or team setting.²¹
- Effective interviewers use a variety of question types to elicit specific types of answers. *Behavioral interview questions*, such as "Tell me about a time you had to deal with a teammate who refused to do his or her share of the work," require you to

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craft answers based on your own experiences and attributes.²² Effective answers to behavioral questions have three parts: (1) a brief summary of the situation or task, (2) the approach you took to solve the problem or meet the challenge, and (3) the results you achieved. The acronym STAR can help you remember the sequence: **S/T** for situation or task, **A** for approach, and **R** for results.²³ *Situational interview questions* are similar to behavioral questions except they focus on how you would handle various situations that could arise on the job. The situations will relate closely to the job you're applying for, so the more you know about the position and the company, the better prepared you'll be.

Interviews give employers the chance to go beyond the basic data of your résumé to get to know you better and to answer two essential questions. First, can you handle the responsibilities of the position? Naturally, the more you know about the demands of the position, and the more you've thought about how your skills match those demands, the better you'll be able to respond.

Second, will you be a good fit with the organization and the target position? All good employers want people who are confident, dedicated, positive, curious, courteous, ethical, and willing to commit to something larger than their own individual goals. Companies also look for fit with their individual cultures. Just like people, companies have different personalities. Some are intense; others are more laid back. Some emphasize teamwork;

others expect employees to forge their own way and even compete with one another. Expectations also vary from job to job within a company and from industry to industry. An outgoing personality is essential for sales but less so for research, for instance.

Beyond these two general questions, most employers look for the qualities of professionalism described in Chapter 1. Throughout the interview process, look for opportunities to show your commitment to excellence, dependability, teamwork, etiquette, communication skills, and ethical decision-making.

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Succeeding in Your First Job

Your first job sets the stage for your career and gives you an opportunity to explore how you want to position yourself for the long term. If you are already working or are changing careers, you can combine these skills with the professional perspective you already have to take your career to a new level.

If the first job you land isn't quite as exciting as you'd hoped for, don't make the mistake of treating it as an "entry-level" position that is beneath your talents. Instead, view it as an opportunity to learn new skills, expand your business acumen, and demonstrate your professionalism. Remember that most people can succeed in jobs that are easy or fun, but it takes a real pro to succeed when things are difficult or uninspiring.

As you progress along your career path, the time and energy you have invested in this and other business courses will continue to yield benefits year after year. As you tackle each new challenge, influential company leaders—the people who decide how quickly you'll get promoted and how much you'll earn—will be paying close attention to how well you communicate and collaborate. They will observe your interactions with colleagues, customers, and business partners to see how you treat people and take advantage of opportunities to learn. They'll take note of how well you can collect data, find the essential ideas buried under mountains of information, and convey those points to other people. They'll observe your ability to adapt to different audiences and circumstances. They'll be watching when you encounter tough situations that require careful attention to ethics and etiquette. The good news: Every insight you gain and every skill you develop in this course will help you shine in your career.

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PART 1

Setting the Stage: The Business of Business

Start your exploration of business by understanding how companies create value to generate revenue and profits, then continue with a look at disruptive forces in business and life in the digital enterprise. Learn the basics of supply and demand, the definition of money, and the role of contemporary banking. Expand your horizons with an overview of global business strategies. Finish this part by considering the role of business in society and the dimensions of business ethics.

- CHAPTER 1** **Developing a Business Mindset**
- CHAPTER 2** **Economics, Money, and Banking**
- CHAPTER 3** **The Global Marketplace**
- CHAPTER 4** **Business Ethics and Corporate Social Responsibility**

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1

Developing a Business Mindset

LEARNING OBJECTIVES After studying this chapter, you will be able to

- 1 Explain the concept of adding value in a business, and identify four useful ways to categorize businesses.
- 2 List three steps you can take to help make the leap from consumer to business professional.
- 3 Discuss the five major environments in which every business operates.
- 4 Explain the purpose of the six major functional areas in a business enterprise.
- 5 Summarize seven of the most important business professions.
- 6 Identify six components of professionalism.
- 7 Describe the concepts of disruptive innovation and digital transformation.
- 8 Identify seven essential business skills that you will have the opportunity to develop during this course.

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BEHIND THE SCENES

Can Software That Reads Faces Create a New Business?

www.affectiva.com

Like many college students, Rana el Kaliouby pursued her education with an important life goal in mind. In her case, it was developing computer programs that could “read” people’s faces, a goal she pursued from her undergraduate studies in Egypt to a PhD program at the University of Cambridge in England to her work as a research scientist in the Media Lab at the Massachusetts Institute of Technology (MIT).

She had become fascinated by the possibility of using artificial intelligence (AI) to identify emotional states by measuring facial expressions. Her motivation was to help people on the autism spectrum who can struggle to pick up emotional cues when communicating with others. Could a system detect those cues and provide information to help people have richer social interactions?

After el Kaliouby created software at MIT that could track emotional responses by comparing facial movements with a catalog of common expressions, she was surprised by how many of the lab’s corporate sponsors were interested in it. The inquiries ranged from Toyota, which wanted to know if it might help detect



Affectiva

As a university student, Rana el Kaliouby was fascinated by the possibility of using artificial intelligence to identify emotional states by measuring facial expressions.

when drivers were getting drowsy, to Fox television studios, which wanted to use it for audience-testing new shows.

If you were el Kaliouby, what would be your next step? What kind of company could you and your partners create? How would you deal with the ethical questions associated with AI in

general and something as personal as emotion measurement in particular? How would you transform something as esoteric as an artificial intelligence algorithm into a commercially viable product, and how would you communicate its value to potential customers?¹

INTRODUCTION

Rana el Kaliouby's introduction to business (see the chapter-opening Behind the Scenes) was unusual in that she didn't set out to create a company. However, as you'll read at the end of the chapter, she now heads one of the most intriguing companies in the exploding field of artificial intelligence. This chapter prepares you for the whirlwind tour of the business world you'll get in this course, starting with a quick overview of what businesses do and then some advice on making the leap from consumer to business professional.

Understanding What Businesses Do

The term *business* is used in multiple ways:

- As a label for the overall field of business concepts, as in "I plan to major in business."
- As a collective label for the activities of many companies, as in "This legislation is viewed as harmful to American business."
- As a way to indicate specific activities or efforts, as in "Our furniture business earned record profits last year, but our housewares business has lost money for the third year in a row."
- As a synonym for *company*, as in "Apple is a successful business." Other common synonyms here are *firm* and *enterprise*.

In this last sense, a **business** is any profit-seeking organization that provides goods and services designed to satisfy customers' needs.

ADDING VALUE: THE BUSINESS OF BUSINESS

A good way to understand what any business does is to view it as a system for satisfying customers by transforming lower-value inputs into higher-value outputs (see Exhibit 1.1 on the next page). If you want a loaf of bread, for instance, a silo full of wheat isn't of much value to you. After that wheat is milled into flour, it gets one step closer but is valuable only if you want to bake your own bread. A bakery can take care of the baking, but that helps only if you're willing to travel to the bakery instead of going to the supermarket where you normally shop. At every stage, a company adds value to create the product in a way that makes it appealing to the next customer in the chain.

Each company in this chain has made certain choices about what it will do to generate **revenue**, which is money the company brings in through the sale of goods and services. The result of these decisions is a company's **business model**, which is a clearly stated outline of how the business generates or intends to generate revenue. Of course, generating revenue isn't enough. The business model must also indicate how the company is going to realize **profit**, the amount of money left over after *expenses*—all the costs involved in doing business—have been deducted from revenue.

Competing to Attract and Satisfy Customers

As businesses create value-added products and offer them for sale to customers, they obviously don't do so in a vacuum. Other companies are also trying to sell their products to those same customers, and the result is *competition*. Competition gives customers a wider range of options, and it tends to increase quality, improve customer service, and lower prices.

1 LEARNING OBJECTIVE

Explain the concept of adding value in a business, and identify four useful ways to categorize businesses.

business

Any profit-seeking organization that provides goods and services designed to satisfy customers' needs.

revenue

Money a company brings in through the sale of goods and services.

business model

A concise description of how a business generates or intends to generate revenue.

profit

Money left over after all the costs involved in doing business have been deducted from revenue.

EXHIBIT 1.1**Adding Value to Satisfy Customers**

Every company in this chain adds value for the next customer and for the ultimate consumer.



In a free-market economy, companies usually have a lot of flexibility in deciding which customers they want to focus on and how they want to compete. For instance, one bakery might decide to compete on price and thus structure its business model in such a way as to mass-produce bread at the lowest possible cost. Another might decide to compete on quality or uniqueness and structure its business model around handcrafted “artisan” bread that costs two or three times as much as the mass-produced bread. Each company seeks a **competitive advantage** that makes its products more appealing to its chosen customers. Consumers benefit from better products and more choices, and companies get to focus on what they do best.

competitive advantage

Some aspect of a product or company that makes it more appealing to target customers.

Accepting Risks in the Pursuit of Rewards

Take another look at Exhibit 1.1. Notice how every company from the farmer to the grocery store must accept some level of risk in order to conduct its business. Bad weather or disease could destroy the wheat crop. A shift in consumer behavior, such as cash-strapped families in a recession switching to bakery outlet stores instead of regular grocery stores, could leave some bakers, distributors, and retailers with bread nobody wants to buy. Businesses take these risks in anticipation of future rewards.

This linking of risk and reward is critical for two reasons. The first and more obvious is that without the promise of rewards, businesses would have no incentive to take on the risks. And without entrepreneurs and companies willing to accept risk, little would get done in the economy. The second reason that the risk associated with business decisions needs to “stay attached” to those decisions is to encourage smart and responsible decision making. If individuals and companies believe they can pursue rewards without facing the risks that should be attached to those pursuits, they are more likely to engage in irresponsible and even unethical behavior—a situation known as *moral hazard* (see Exhibit 1.2).

not-for-profit organizations

Organizations that provide goods and services without having a profit motive; also called *nonprofit organizations*.

IDENTIFYING MAJOR TYPES OF BUSINESSES

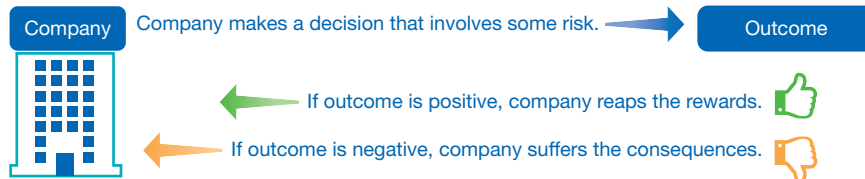
The driving forces behind most businesses are the prospects of earning profits and building *assets*, which are anything of meaningful value, from patents and brand names to real estate and company stock. In contrast, **not-for-profit organizations** (also known as *nonprofit organizations*)

EXHIBIT 1.2

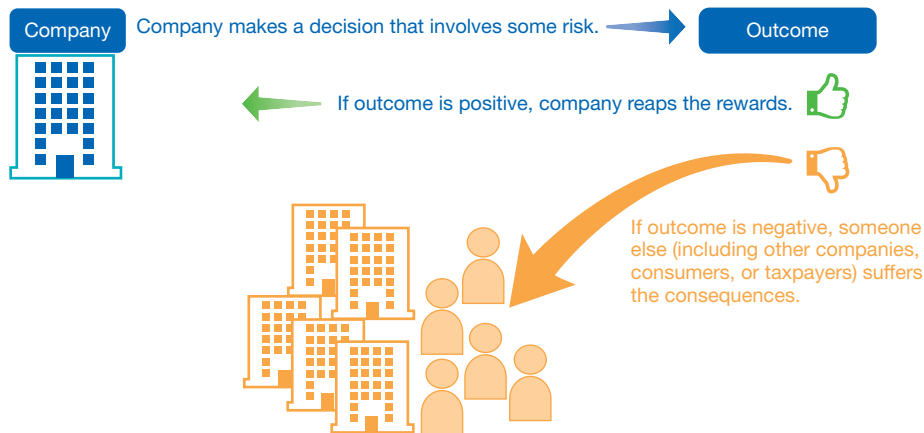
Risk, Reward, and Moral Hazard

The relationship between risk and reward is fundamental to every modern economy. A company needs to see some promise of reward before it will decide to accept the risks involved in creating and selling products. However, to ensure responsible behavior, these risks need to stay attached to those decisions, meaning that if the decisions turn out badly, that company should suffer the consequences. If the risk gets disconnected from a decision—meaning someone else will suffer from a bad decision—a situation known as *moral hazard* is created. A significant recent example of this problem involved mortgage companies lending money to homeowners who were practically guaranteed to default on their loans, but then selling those loans as investments and thereby transferring the risk of nonpayment to someone else.

Healthy connection between risk and reward



Moral hazard: Link between risk and reward is broken



such as museums, most universities, and charities do not have a profit motive. However, they must operate efficiently and effectively to achieve their goals, and successful nonprofits apply many of the business-management principles you'll learn in this course.

Throughout this book, you'll encounter a diverse range of businesses, from independent freelancers to gargantuan corporations that generate more economic activity than many countries. To get a sense of this diversity and to envision where you might want to take your career, here are four helpful ways to categorize businesses:

- **Product types and ranges.** In everyday usage, people tend to divide the output of companies into "products and services." However, as Chapter 13 explains, from a business perspective it's more useful to view all outputs of business as products and divide these into *goods* and *services*. Most goods are *tangible*, meaning they have a physical presence. Other goods, such as software and downloadable music files, are *intangible*. Some companies offer only goods, and others offer only services; many firms offer a combination of the two. Companies also vary widely in the number and range of products they offer, from those with a single product to those with thousands of products in dozens of product lines, sometimes in completely unrelated industries.
- **Company size.** Big companies are truly big: The companies you see in the news most frequently tend to have hundreds or thousands of employees, and several of the largest companies in the world now employ more than a million people.² However, roughly three-quarters of the businesses in the United States are single-person operations

with no employees. And of the 5 million or so companies that have employees, three-quarters of them have fewer than 10 workers.³

- **Geographic reach.** Companies can do business locally, regionally, nationally, or internationally. Thanks to the internet and global transportation services, geography is no longer the limitation it used to be, and even small companies can now serve customers around the world.
- **Ownership.** Firms can be owned and structured in a variety of ways, from sole proprietorships (one owner) to partnerships (typically several owners) to public corporations (which can have thousands of owners). Chapter 5 looks at company ownership in more detail.



CHECKPOINT

LEARNING OBJECTIVE 1: Explain the concept of adding value in a business, and identify four useful ways to categorize businesses.

SUMMARY: Businesses add value by transforming lower-value inputs to higher-value outputs. In other words, they make goods and services more attractive from the buyer's perspective, whether it's creating products that are more useful or simply making them more convenient to purchase. Companies can be categorized by product types and ranges, company size, geographic reach, and ownership.

CRITICAL THINKING: (1) What inputs does a musical group use to create its outputs? (2) Can not-for-profit organizations benefit from practices used by for-profit companies? Why or why not?

IT'S YOUR BUSINESS: (1) Think back to the last product you purchased; how did the companies involved in its creation and sale add value in a way that benefited you personally? (2) Can you see yourself working for a not-for-profit organization after you graduate? Why or why not?

KEY TERMS TO KNOW: business, revenue, business model, profit, competitive advantage, not-for-profit organizations

2 LEARNING OBJECTIVE

List three steps you can take to help make the leap from consumer to business professional.

Making the Leap from Buyer to Seller

Even if this course is your first formal exposure to the business world, you already know a lot about business, thanks to your experiences as a consumer. You understand the impact of poor customer service, for example. You have a sense of product value and why some products meet your needs and others don't. In fact, you're an expert in the entire experience of searching for, purchasing, and using products.

SEEING BUSINESS FROM THE INSIDE OUT

As you progress through this course, you'll begin to look at things through the eyes of a business professional rather than those of a consumer. Instead of thinking about the cost of buying a particular product, you'll start to think about the cost of making it, promoting it, and distributing it. You'll think about what it takes to make a product stand out from the crowd and recognize the importance of finding opportunities in the marketplace. You'll begin to see business as an integrated system of inputs, processes, and outputs. As Rana el Kaliouby did when she cofounded Affectiva (see page 26), you'll start to develop a **business mindset** as you gain an appreciation for the many decisions that must be made and the many challenges that must be overcome before companies can deliver products that satisfy customer needs (see Exhibit 1.3).

business mindset

Adopting an insider's view of business with an appreciation for the decisions to be made and challenges that managers face.

EXHIBIT 1.3**The Business Mindset**

Your experiences as a consumer have taught you a great deal about business already. Now the challenge is to turn those experiences around and view the world from a manager's perspective. Here are a few examples of how a business professional approaches some of the questions you've asked as a consumer.



APPRECIATING THE ROLE OF BUSINESS IN SOCIETY

Your experiences as a consumer, an employee, and a taxpayer have also given you some insights into the complex relationship between business and society. Chapter 4's discussion of *corporate social responsibility* digs deeper into this important topic, but for now, just consider some of the major elements of this relationship. Business has the potential to contribute to society in many useful ways, including the following (see Exhibit 1.4 on the next page):

- **Offering valuable goods and services.** Most of the goods and services you consider essential to your quality of life were made possible by someone with a profit motive.