Business in Action 9th edition Bovee Solutions Manual

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Chapter 1
DEVELOPING A BUSINESS MINDSET

Chapter Overview

An introduction to business course offers something to everyone, from students who are still deciding whether business is the right major for them to workers who already have practical experience in the business world. This chapter introduces some fundamental concepts of business, including the definitions of business, major types of business, as well as the positive and negative impact of business in society. It also addresses the multiple environments in which businesses exist and operate. It identifies the main functional areas of business and explores various careers in the business world and the key success factors of such careers. Finally, it discusses the seven components of professionalism.

Chapter Outline

I. Understanding What Businesses Do
   A. A **business** is a profit-seeking organization that provides goods and services designed to satisfy customers' needs
      1. A company's **business model** is an outline of how the business intends to generate **revenue** (money received through the sale of goods and services)
      2. If revenue exceeds expenses, the business makes a **profit**
   B. Businesses add value for customers by transforming lower-value inputs into higher-value inputs
      1. Businesses seek a **competitive advantage** that makes its products more appealing than those of its competitors
      2. Businesses make decisions involving some risk in anticipation of receiving future rewards
   C. The driving force behind most businesses is the prospect of earning profits and building assets. **Not-for-profit** (nonprofit) organizations such as charities, museums, and most universities do not have a profit motive. Four helpful ways to categorize businesses are:
      1. Product types and ranges
      2. Company size
      3. Geographic reach
      4. Ownership

II. Making the Leap from Buyer to Seller
   A. A **business mindset** considers decisions to be made and problems to be overcome before companies can deliver goods/services that satisfy customers' needs
   B. Businesses contribute to society through:
      1. Offering valuable goods and services
      2. Providing employment

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3. Paying taxes
4. Contributing to national growth, stability, and security

C. Businesses can have negative effects on society such as:
1. Generating pollution and creating waste
2. Creating health and safety risks
3. Disrupting communities
4. Causing financial instability

III. Recognizing the Multiple Environments of Business

A. The **social environment** consists of trends and forces in society at large, such as population trends
1. A company is responsible to its **stakeholders** (all those groups affected by its activities)

B. The **technological environment** is comprised of forces resulting from the practical application of science to innovations, products, and processes

C. The **economic environment** encompasses conditions and forces that:
1. Affect the cost and availability of goods, services, and labor
2. Shape the behavior of buyers and sellers
3. **Gig economy**: portion of the economy composed of people who work as independent contractors on a series of short-term projects or tasks

D. The **legal and regulatory environment** is comprised of laws and regulations at local, state, national, and international levels

E. The **market environment** is composed of three important groups:
1. A company's target customers
2. Buying influences that shape those customers' behaviors
3. A company's competitors

Barriers to entry are resources or capabilities a company must have before it can start competing in a given market.

IV. Identifying the Major Functional Areas in a Business Enterprise

A. **Research and development (R&D)** is the functional area responsible for conception and design of products

B. Manufacturing, production, and/or operations—the functional area charged with producing the goods and/or services of the company. It includes functions such as purchasing, logistics, and facilities management

C. Marketing, sales, distribution, and customer support—customer-related functions that provide customers with the right product at the right price and place and then make sure customers have needed support and information. The advent of social media has put buyers on more equal footing with sellers

D. Finance and accounting—responsible for all aspects of a firm's finances, including financial planning, monitoring, and reporting

E. Human resources—responsible for the recruitment, hiring, development, and support of employees

F. Business services—other services performed by in-house staff, external firms, or a combination of the two in areas such as law, banking, and real estate

V. Exploring Careers in Business

A. Operations Manager/**Operations Management:** management of the people and processes involved in creating goods and services

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B. Human Resources Specialist: HR specialists and managers plan and direct personnel-related activities, including recruiting, training and development, compensation and benefits, employee and labor relations, and health and safety
C. Information Technology (IT) Manager/**IT**: the functional area of business as well as systems responsible for gathering, processing, and distributing information where needed throughout an organization
D. Marketing Specialist: a wide range of career opportunities in the interrelated tasks of identifying and understanding market opportunities and shaping the product, pricing, and communication strategies needed to pursue those opportunities
E. Sales Professional: professionals responsible for building relationships with customers and helping them make purchase decisions
F. Accountant: accounting professionals need to have an affinity for numbers, analytical minds, and attention to detail
G. Financial Manager: financial managers perform a variety of leadership and strategic functions; unlike accounting tasks, for which there is a long tradition of outsourcing, the work of financial managers is generally kept in-house

VI. Achieving Professionalism
A. **Professionalism** is the quality of performing at a high level and conducting oneself with purpose and pride
B. Professionalism encompasses seven traits:
1. Striving to excel
2. Being dependable and accountable
3. Being a team player
4. Communicating effectively
5. Demonstrating **etiquette**: the expected norms of behavior in any particular situation
6. Communicating effectively:
a. Listen actively
b. Provide practical information
c. Give facts rather than vague impressions
d. Don't present opinions as facts
e. Present information in a concise, efficient manner
f. Clarify expectations and responsibilities
g. Offer compelling, persuasive arguments and recommendations
7. Making ethical decisions

VII. Thriving in the Digital Enterprise: Disruptive Technologies and Digital Transformation
A. A **digital enterprise** is any company that uses digital systems as one of the foundations of its value-creation processes, regardless of what industry it is in or what product it makes
B. **Disruptive innovation**: development so fundamentally different and far reaching that it can create new professions, companies, or even entire industries while damaging or destroying others
C. **Digital transformation**: process of reimagining a company's business model and operations to become a digital enterprise
1. Big data
2. Internet of Things
3. Cloud computing

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4. Social media
5. Mobile apps
6. AI
7. Robotics
8. Robotic process automation

VIII. Developing Skills for Your Career
- A. Communication
- B. Critical thinking
- C. Collaboration
- D. Knowledge application and analysis
- E. Business ethics and social responsibility
- F. Information technology skills
- G. Data literacy

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Classroom Activities

Break-out group discussion*: *Why are you taking the course?
Goal: Ask students to name the top three reasons as why they are taking this course in an effort to introduce students to each other and to better understand their background and motivations.

Time Limit: 15 minutes.

Details:
1. Break students into groups of five. (2 minutes)
2. Ask each group to come up with the top three reasons as why students are taking this introduction to business course, for example, business majors deciding whether business is the right major for them, non-business majors seeking business knowledge, and workers looking for a theoretical foundation for their practical business experience. Ask each group to finalize their top three reasons from notes and then elect group representatives/speakers. Use votes and tally if necessary. (10 minutes)
3. Ask representatives/speakers from each group to present their results to the whole class, either verbally or written (on the blackboard). (3 minutes)

Summary: Instructor summarizes the top reasons that are common across groups, describes the various student segments, and reassures them that the course has something to offer everyone.

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In-class activity*: *Career track options

Goal: Ask students to vote on the seven types of career track options outlined in the section "Exploring Careers in Business" to determine which option is the most popular for the class as a whole. Have students discuss the pros and cons of the various options in order for them to understand that each option has its own advantages and disadvantages.

Time Limit: 10 minutes.

Details:

1. On the blackboard, list the seven types of career track options as outlined in the section "Exploring Careers in Business" and assign a number (1 to 7) to each of the options.
2. Have students vote which option they are most interested in pursuing as a professional career by raising their hands. Make it clear before the vote that each student can only vote once. Then go through the career track options on the list from 1 to 7 and have students raise their hands when their favorite option is mentioned. Tally up the votes for each option.
3. Rank the seven options in order of popularity. Pick the most popular option first and ask students to name one or two pros and cons for that option. For instance, possible pros of the career option "Finance and Accounting" are "higher pay" and "more job security" and possible cons are "math-heavy" and "boring." Help students understand that even the most popular career options have disadvantages.
4. If time allows, pick the next most popular career track option(s) and brainstorm more pros and cons.

End-of-Chapter

Chapter 1: Behind the Scenes

An Unexpected Turn Launches an Innovative New Company

Critical Thinking Questions

1.1

Rana el Kaliouby refers to herself as the "chief evangelist" for Affectiva. What do you think this means in a business context, and how important is this activity for a CEO?

Being the "chief evangelist" in a business likely means passionately promoting the company's mission and products, both to internal and external stakeholders. This could have a profound effect on creating a motivated, effective workforce, and cultivating demand from clients/consumers. (LO: 1, AACSB: Information technology)

1.2

How does Affectiva add value in the markets where it does business?

Affectiva adds value by creating AI that can recognize human emotion. It can help businesses determine if the billions of dollars of advertising they use each year are triggering the emotional responses in consumers that they are designed

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to elicit. It can also monitor driver attention and emotion levels in self-driving cars. (LO: 1, AACSB: Information technology)

1.3
How might the social environment influence Affectiva's growth in the future?
Students' responses will vary, but possible answers might include a rise in the demand of automated products like self-driving cars and an increase in the population of people who have difficulty noticing and interpreting social cues. (LO: 3, AACSB: Information technology)

Learn More Online
Students' responses will depend, in large part, on the material currently posted on the website, as well as their personal experiences and opinions. (LO: 5, AACSB: Information technology)

Test Your Knowledge

Questions for Review

1.4 What is a business model?
A business model is a clear, simple outline of how the business intends to generate revenue. (LO: 1)

1.5 What is moral hazard?
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. (LO: 1, AACSB: Ethical understanding and reasoning)

1.6 What are four ways that business can benefit society?
Business can benefit society by offering valuable goods and services, providing employment, paying taxes, and contributing to national growth, stability, and security. (LO: 2)

1.7 What are four potential ways that business activity can cause harm?
Business activity can cause harm by generating pollution and waste, creating health and safety risks, disrupting communities, and causing financial instability. (LO: 2)

1.8 What is meant by the economic environment?
The economic environment involves the conditions and forces that affect the cost and availability of goods, services, and labor and thereby shapes the behavior of buyers and sellers. (LO: 3)

1.9 Do all companies have an R&D function? Explain your answer.
No. Many companies simply resell products that other firms make or continue to make the same goods or perform the same services year after year. (LO: 4)

1.10 How does the role of a financial manager different from the role of an accountant?

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A financial manager is responsible for planning, while an accountant is responsible for monitoring and reporting. (LO: 5)

1.11 What is professionalism?

Professionalism is the quality of performing at a high level and conducting oneself with purpose and pride. True professionals exhibit seven distinct traits: striving to excel, being dependable and accountable, being a team player, communicating effectively, demonstrating a sense of etiquette, making ethical decisions, and maintaining a positive outlook. (LO: 6)

1.12 What is a digital enterprise?

Digital enterprise is any company that uses digital systems as one of the foundations of its value-creation processes, regardless of what industry it is in or what product it makes. (LO: 7, AACSB: Information technology)

1.13 What is disruptive innovation?

Disruptive innovation is development so fundamentally different and far reaching that it can create new professions, companies, or even entire industries while damaging or destroying others (LO: 7, AACSB: Information technology)

Questions for Analysis

1.14 Would you consider a job offer from a company if the company's recruiters have trouble describing the firm's business model? Why or why not?

Responses will vary based on students' opinions and experiences. Many may feel that without a clearly stated outline of how a business intends to generate revenue, the job offer might be too risky. On the other hand, some may feel that the nature of disruptive innovation may make it hard to articulate the business model at the outset, though the company has much potential upside. (LO: 4)

1.15 Does a downturn in the economy hurt all companies equally? Provide several examples to support your answers.

No. For instance, the latest recession has hurt luxury department stores (e.g. Saks Fifth Avenue, Neiman Marcus) significantly more than discount retailers such as Walmart or Target. In a downturn economy, necessity goods such as food and medicine tend not to suffer as much of a decrease in sales compared to discretionary spending items such as spa or massage services. (LO: 3, AACSB: Analytical thinking)

1.16 Ethical considerations. Is managing a business in ways that reflect society's core values always ethical? Explain your answer.

Students' answers may vary according to their personal opinions, but their answers may reflect some of the following concerns:

- There are ethical dilemmas or situations in which a business must choose among conflicting but arguably valid options.
- Each of these options may reflect core values of various segments of society.
- Nevertheless, a choice needs to be made, which means the chosen option may reflect the core values of certain segments of society but still be

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considered as ethically unsound by other segments of society. (LO: 6, AACSB: Ethical understanding and reasoning)

1.17 How can business knowledge and skills help social entrepreneurs reach their goals?
Social entrepreneurs, people who apply entrepreneurial strategies to enable large-scale social change, use business concepts as well. For example, such entrepreneurs will need to use HR skills in order to manage the people that will be involved in working toward their goals. They will also need to obtain financing so finance and accounting skills will be necessary. Technology is essential to almost every facet of life these days and would be vital in organizing information and resources, as well as using online presence and social media to promote the cause. (LO: 2, AACSB: Analytical thinking)

1.18 Why is it so difficult to predict whether an innovation might disrupt an industry and when it could happen?
It is difficult because in many cases, multiples other forces from the technological, economic, social, and legal regulatory environments need to converge before an innovation has a major impact. It is difficult to predict when the disruption will happen because many promising technologies can take years to have an impact. (LO: 7, AACSB: Information technology)

Questions for Application

1.19 How will you be able to apply your experience as a consumer of educational services to the challenges you'll face in your career after graduation?
Students' answers will vary but may reflect some of the following key points:

- As a consumer of educational services, a student has likely learned a great deal about such services in the context of business offerings, thus leaning a lot about business principles.
- For instance, a student understands the impact of good or poor customer service related to educational services and thus understands the needs and wants of customers and how such needs and wants may best be met by businesses and other organizations.
- Such understanding of businesses and customers can be transferable to post-graduation careers and can help a student deal with challenges that exist in such careers. (LO: 2, AACSB: Reflective thinking)

1.20 If you were planning to launch an AI-related company like Affectiva, which elements of the social environment should you be aware of?
Students' responses will vary but possible answers might include a rise in the demand of automated products like self-driving cars and an increase in the population of people who have difficulty noticing and interpreting social cues. (LO: 3, AACSB: Information technology)

1.21 What are some of the ways a company in the health-care industry could improve its long-term planning by studying population trends?
Students' answers will vary but may include the following:

- Studying population trends will help the health care industry in gauging future demand for medical and healthcare services.

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- For example, one major population trend is that the baby boomers are reaching retirement age. That translates to increasing demand for both pharmaceutical drugs and medical services that will serve the aging baby boomer generation, for example, drugs and treatment for diseases that are prevalent for elders such as heart disease and cancer.
- The healthcare industry may also choose to focus on preventative care such as educating baby boomers on nutrition and exercise and provide corresponding goods and services. (LO: 3, AACSB: Diverse and multicultural work environments)

1.22 Identify three ways in which the principles of professionalism described in this chapter can make you a more successful student.

Students' answers may vary; however, some possible ideas are as follows:

- "Striving to excel" inspires students to be the best they can be academically and in extracurricular activities.
- "Being a team player" helps students do well in team class projects that are becoming increasingly popular in colleges and universities.
- "Communicating effectively" enables students to excel in class discussions, presentations, and written assignments. (LO: 6, AACSB: Reflective thinking)

1.23 What are some of the ways a locally owned retail store could become a digital enterprise?

Students' answers will vary but may include some of the following: a digital cashier system, a digital payment system, a digital inventory system, a digital ordering system so customers can order items in advance and pick them up at the shop, digital loyalty programs that engage customer and drive repeat business, and social media advertising. (LO: 7, AACSB: Information technology)

Expand Your Knowledge

Discovering Career Opportunities

Your college's career center offers numerous resources to help you launch your career. Imagine that you write a blog for students at your college and you want to introduce them to the center's services. Write a blog post of 300 to 400 words, summarizing what the center can do for students.

Students' blog content will vary but it may involve resume and cover letter writing, interviewing preparation, and inviting firms to recruit on campus. (LO: 2, AACSB: Written and oral communication)

Intelligent Business Technology: Text Mining

Text mining, a type of data analytics, uses natural language processing to extract meaning from textual sources. For instance, companies can use it for social listening to identify themes (such as prevailing customer sentiment or threats to a company's reputation) hidden in mountains of written information, from Twitter and Facebook posts to customer emails and surveys.

Research one current business application of text mining and write a one-paragraph summary of how companies are using it and how it helps them compete or satisfy customers more effectively.

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Students' email messages will vary depending upon the business application they select. (LO: 3, AACSB: Information technology)

Practice Your Skills

Resolving Ethical Dilemmas

Imagine that you have a great idea for a new product and you'd like to start a company to produce and sell it. It's unlike anything on the market now, so you are not entirely sure how well it will sell. You haven't done any formal marketing research yet, but most of the people who've tried the prototype seemed interested in it. Plus, an executive with years of experience in this market has already signed on as an investor and will consider joining the company if you can line up enough other investors to get things rolling.

You know several other people who occasionally invest in start-ups, and you plan to pitch the idea to them. What are your responsibilities to them in terms of risk? After all, they could lose all the money they invest with you, for a variety of reasons—the product might not sell as well as you hope, another company could get something similar to market sooner, the economy could tank and dry up disposable income, and so on.

In a brief report, identify some general steps you could take to reduce the risk for investors and how you would communicate the risk to them when you pitch the idea.

Students' answers will vary but might include some of the following points: including a business model could help potential investors make an informed decision about the risk involved in the enterprise; conveying any competitive advantage their venture might have could help investors assess the risk/reward; extensive research of the field in which the product will operate, as well as any competitors in the field, would be helpful toward assessing risk as well. (LO: 1, AACSB: Written and oral communication)

Sharpening Your Communication Skills

Select a local service business where you have been a customer. How does that business try to gain a competitive advantage in the marketplace? Write a brief summary describing whether the company competes on speed, quality, price, innovation, service, or a combination of these attributes. Be prepared to present your analysis to your classmates.

Students' answers will vary depending on the service they investigate. Whatever they choose to investigate, they are likely to notice one major area of competition. Help students see the ways in which competition takes place on several levels at the same time, and ask them to consider how these areas work together to give the company a competitive advantage over others. (LO: 1, AACSB: Written and oral communication)

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Building Your Team Skills

In teams assigned by your instructor, each member will first identify one career path (such as marketing or accounting) that he or she might like to pursue after graduation and share that choice with the rest of the team. Each team member will then research the others' career options to find at least one significant factor, positive or negative, that could affect someone entering that career. For example, if there are four people on your team, you will research the three careers identified by your three teammates. After the research is complete, convene an in-person or online meeting to give each member of the team an informal career counseling session based on the research findings.

Students' answers will vary depending on the careers they research. (LO: 5, AACSB: Analytical thinking)

Developing Your Research Skills

Gaining a competitive advantage in today's marketplace is critical to a company's success. Research any company that sounds interesting to you and identify the steps it has taken to create competitive advantages for individual products or the company as a whole.

1.24 What goods or services does the company manufacture or sell?

Students' answers may vary depending upon selection of company. (LO: 1)

1.25 How does the company set its goods or services apart from those of its competitors? Does the company compete on price, quality, service, innovation, or some other attribute?

Students' answers may vary depending upon selection of company. (LO: 1)

1.26 How do the company's customer communication efforts convey those competitive advantages?

Students' answers may vary depending upon selection of company. (LO: 1, AACSB: Written and oral communication)

Assisted-graded Questions

1.27 If individual accountability is an essential element of professionalism, why is it also important to be an effective team player? Explain your answer.

Professionals know that they are contributors to a larger cause, that it's not all about them. Just as in athletics and other team efforts, being a team player in business is something of a balancing act. On the one hand, you need to pay enough attention to your own efforts and skills to make sure you're pulling your own weight. On the other hand, you need to pay attention to the overall team effort to make sure the team succeeds. Remember that if the team fails, you fail, too. If each member of the team is personally accountable, then the team as a whole will function more smoothly and productively. (LO: 6, AACSB: Interpersonal relations and teamwork)

1.28 Do laws and regulations always restrict or impede the efforts of business professionals, or can they actually help businesses? Explain your answer.

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Laws and regulations do not always restrict or impede the efforts of businesses. For instance, intellectual property right laws such as those governing copyrights, patents, and trademarks help protect businesses from firms and individuals who may infringe on such rights.
(LO: 3)

CHECKPOINTS

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

Critical thinking:
(1) What inputs does a musical group use to create its outputs?
Students' responses may vary but the following addresses some possible answers. The inputs for a musical group may include labor (musicians), capital (financial resources for the group), equipment (musical instruments), information (musical knowledge), and creativity.

(2) Can not-for-profit organizations benefit from practices used by for-profit companies? Why or why not?
Yes. Many of the business principles and practices utilized by for-profit companies, such as those in the business functional areas of marketing, finance, management, technology, and human resources can also be used by not-for-profit organizations.

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?
Students' responses will vary depending upon the different products they last purchased and corresponding firms that manufactured such products.

(2) Can you see yourself working for a not-for-profit organization after you graduate? Why or why not?
Students' responses will vary depending on personal interests.

LEARNING OBJECTIVE 2: List three steps you can take to help make the leap from consumer to business professional.

Critical thinking:
(1) How can consumer experiences help a business professional excel on the job?
Consumer experiences allow one to know a great deal about businesses, including aspects such as the quality of products or customer services, which will in turn help one excel on the job as a business professional.

(2) If organized businesses didn't exist and the economy were composed of individual craftspeople, would the result be more or less pollution? Explain your answer.

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There wouldn't necessarily be less pollution because organized businesses that operate under the principles of sustainable development might conceivably produce less pollution than craftspeople that use a lot more energy or employ practices that hurt the environment.

It's your business:
(1) How might you contribute to society as a business professional?
Students' responses will vary depending on personal experiences and opinions.

(2) What is your view of business at this point in your life? Negative? Positive? A mixture of both? What experiences have shaped your view?
Students' responses will vary depending on personal opinions.

LEARNING OBJECTIVE 3: Discuss the five major environments in which every business operates.

Critical thinking:
(1) Is it wise for cities and states to compete with each other to be more business friendly, specifically with regard to lower tax rates on businesses? Why or why not?
It may not be wise for such competition to get out of control because each competing state will hurt from low tax revenues.

(2) Even though it never sells directly to consumers, does a company such as Boeing need to pay attention to population trends? Why or why not?
Yes, even a company such as Boeing needs to pay attention to population trends because consumers account for a large proportion of the airline passengers and any trends affecting them will affect airlines, which ultimately will affect Boeing.

It's your business:
1) How has technology made your educational experience in college different from your experience in high school?
Students' responses will vary depending on personal experiences.

(2) In what ways are you a market influencer? Do your buying choices and recommendations affect the decisions of other consumers?
Students' responses will vary depending on personal experiences.

LEARNING OBJECTIVE 4: Explain the purpose of the six major functional areas in a business enterprise.

Critical thinking:
(1) Do companies that deliver services rather than creating tangible goods ever need to engage in research and development? Why or why not?
Yes. Even though services are intangible, service companies still engage in research and development to create new services or add new features for existing services to better serve their customers and attract new customers.

(2) Why is good customer support essential to the success of marketing and sales activities?

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A good support is essential to the success of marketing sales because customer support goes to work after the sale, making sure customers have the support and information they need, it improves customer satisfaction. Such efforts are important in developing repeat customers and building customer loyalty.

It's your business:
(1) Think of a strongly positive or strongly negative experience you've had with a product or company. What feedback would you like to give the company, and to which functional area would you direct your feedback?
Students' responses will vary depending on personal experiences and opinions.

(2) Have you already chosen the functional area where you want to work after graduation? If so, what led you to that choice?
Students' responses will vary depending on personal experiences.

LEARNING OBJECTIVE 5: Summarize seven of the most important business professions.

Critical thinking:
(1) Why are communication skills essential in all seven of the functional areas discussed in this section?
Communication skills are essential because all seven functional areas require communications with various stakeholders of businesses, including customer, employees, investors, suppliers, and the community in which businesses exist.

(2) Why would financial managers be in a good position to rise up the company ladder?
Financial managers are in a good position to rise up the company ladder because the work of the financial managers is generally kept in-house. In addition, the work of a financial manager touches every part of the company.

It's your business:
(1) Which of these seven general career areas appeals to you the most? Why?
Students' responses will vary depending on personal opinions.

(2) If you eventually plan to start your own company but want to gain experience working in a corporation first, which of these career paths would you choose? Why?
Students' responses will vary depending on personal opinions.

LEARNING OBJECTIVE 6: Identify six components of professionalism.

Critical thinking:
(1) How much loyalty do employees owe to their employers? Explain your answer.
Students' responses will vary depending on personal experiences and opinions but points to consider include the employers' perspective; that is, many employers consider their employees disposable and may lay them off when the companies experience a bad financial quarter.

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(2) Would it be unethical to maintain a positive public persona if you have private doubts about the path your company is pursuing? Why or why not?
Students' responses will vary depending on personal experiences and opinions.

It's your business:
(1) In what ways do you exhibit professionalism as a student?
Students' responses will vary depending on personal experiences and opinions.

(2) You can see plenty of examples of unprofessional business behavior in the news media and in your own consumer and employee experiences. Why should you bother being professional yourself?
Students' responses will vary depending on personal experiences and opinions.

LEARNING OBJECTIVE 7: Describe the concepts of disruptive innovation and digital transformation.

Critical thinking:
(1) Consider a local coffee shop or café that doesn't sell anything digital. Can it still become a digital enterprise? Explain your answer.
A coffee shop could become a digital enterprise by incorporating some of the following: a digital cashier system, a digital payment system, a digital ordering system so customers can order items in advance and pick them up at the shop, digital loyalty programs that engage customer and drive repeat business, and social media advertising.

(2) How many of the technologies and services you routinely use in your daily life were once disruptive innovations?
Students' responses will vary depending on personal experiences but examples to consider include mobile phones, handheld computers, streaming video, and mobile payment apps.

It's your business:
(1) If you don't have that much interest in technology and are instead intrigued by finance, sales, or some other aspect of business, how can you still thrive in a digital enterprise?
Students' responses will vary depending on personal interests and experiences.

(2) Would you consider going to work for a company that is betting its future on a potentially disruptive innovation that hasn't yet taken hold in the marketplace? Why or why not?
Students' responses will vary depending on personal experiences and opinions.

LEARNING OBJECTIVE 8: Identify seven essential business skills that you will have the opportunity to develop during this course.

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