**BA101 Week 1 Lecture**

Let's get started with week one. So again go into your course select the last lesson tab and then go into week one. Then once you're in week one go ahead and select the getting started this week activities folder. When you click on and you'll see that there is a learning objective and this makes learning objective is to understand the basics of business operations the activities that you'll see listed there include your reading, your lectures, your discussion questions, and your assignment for the week. It’s always a good idea to go ahead and print out the screen and keep it next to your computer. One of the things I like to do is as I'm completing my readings or going to the lecture or even completing my assignments for the week I will check off that listing to make sure that I have met all of the requirements for that particular week.

Again, I'd like to remind you to participate often in your discussion forums and in fact a little later in this recording I'll talk to you about the requirements for the discussion questions and also it's always a good idea at the first day of your new week to go in and take a look at your assignment and be sure that you understand what the professor is asking of you if you have any questions to be sure to get with them early so that they can answer it. It's not a good idea to wait until the very last minute right before the assignment is due to start writing your work for that week.

Go ahead and take a look at the week one lecture the basics of business operations. During this lecture you’ll learn a little bit about the basics of business operations I'm willing to bet that if you were to ask five people what business operations mean you'll probably get five different answers based on their personal experiences. Well for our purposes let's begin our discussion by defining what business operations really mean. Simply stated business operations are the fundamental activities and operations of a business on a day-to-day basis to generate revenue and profit while businesses operate for a number of different reasons generally speaking a business will operate with three primary goals or functions in mind. These goals or functions include generating income for the business to increase the value of the business assets and to make sure that income and profit for the business is continuously generated and maintained. Simply stated and I will use a made-up example let's say that cool kicks manufactures and distributes middle, high, and athletic shoes as the sole source of recurring income for its business operation. If cool kicks has only one occasional large contract that comes in and which provides periodic large bursts of its revenue from in individual project over time they will likely fail on the other hand if cool kicks operates by consistently having medium-sized contracts roll in for different projects bringing in revenue which are all generated at a steady rate it will probably do very well. While there will be fundamental differences in how businesses operate there are six key functions that all businesses need to address just as part of doing business. Let’s talk about them. First is financial records management which includes such things as bookkeeping insurance and record-keeping legal management this needs to be sure all operations of the business or legal such as business licenses contracts with suppliers and organized under the correct legal form of business. **Operations management** someone needs to be responsible for running the business on a day-to-day basis. **Marketing and advertising** someone needs to make sure customers know about the business products or services either by radio TV print etc. **Office management** companies have a space in order to operate the business and the right equipment to achieve its task. And **production** which needs to have a process in place to satisfy the customers’ needs.

In addition to the lecture for the week you'll also need to take a look at the articles that are posted there for you one of the articles that I want you to take particular interest in is the 20 most important questions in business which was written by Brett Nelson in this article Brett says that companies fail for a host of reasons - bad luck plays a role but disaster usually strikes because of a more fundamental flaw in the original idea the strategy the execution or everything above. When it comes to building a business even Warren buffet would agree that no one can spot every opportunity or anticipate every threat there are simply too many variables and in an increasingly competitive global economy those variables are changing faster than ever before. What entrepreneurs can do is ask the core set of 20 questions that govern the fate of any enterprise armed with these answers they stand the best chance of beating some fairly dire odds studies estimate that just two thirds of all startups survived the first two years and less than half make it to the fourth. Make no mistake digging for those answers is a grueling exercise – one that takes serious intellectual and emotional honesty with any hope the process begins long before money spent products are built and customers are lost the real challenge though is to keep digging as your business grows new opportunities and threats emerge and yesterday's answers may not and probably won't suffice relentlessly asking the tough questions is how large companies like Wal-Mart and General Electric stay on top.

With that in mind lets go through the 20 most important questions entrepreneurs need to answer and keep answering to build their businesses.

Number one what is your value proposition this is the single most important question of the bunch if you can't explain in three jargon free sentences or less why customers needing your product you do not have a value proposition without the need there is no incentives for customers to pay and without sales you have no business.

Next what differentiates your product from the competitors few companies can rot rely on let alone afford clever marketing schemes. Yes Starbucks make people believe they wanted four dollars caffeinated concoctions and others lead people into shelling out $1500 for denim handbags but those are the exceptions that prove the rule if you want to Win in business you need to offer something tangibly valuable that the competition doesn't examples would be rock bottom prices with Wal-Mart ingenious product design with Apple and extreme convenience such as FedEx

Next, which cash you need to survive the early years it doesn't matter how much money your business might make down the road if you can't get out of the garage plenty of business plans boast hockey stick style financial projections but run out of cash before the good times kick in remember all those busted.com companies from the tech boom? three words - mind the cash. So what are your strengths and Google writes powerful search engines Steinway works wonders with wood Cisco sniffs out promising new technologies and buys them figure out which are good at and stick to it an obvious notion perhaps that plenty of zealous entrepreneurs lose their way especially when the world seems so full of possibilities.

How big is the threat of new entrants if you're smart enough to spy a profitable business opportunity you can bet competition isn't far behind some barriers to entry include patented technology of storied brand those are more fortified than others but eventually someone will find a way to do what you do faster cheaper and maybe even better if not a direct competitor than a substitute technology might take a chunk out of your hide. Think what digital film did to Kodak. The track building a loyal following before that happens

Next think about how much power do your suppliers have convincing customers to buy your product is tough enough without suppliers breaking your back. Basic rule of thumb the fewer the number of suppliers the more sway they had. Take the steel industry which relies on a handful of companies for its iron feedstock. If two of those big guys should get together they would have significant pricing power potentially crimping steel producers margin. On the flip side beware of getting hooked on low-cost providers who don't keep an eye on quality. How much power do you buyers have? Well take a lesson from Delphi the giant auto parts supplier stuck in Chapter 11 despite its 26 billion in annual sales it's no fun to be in a business where few big customers can demand price cuts with each passing year. meanwhile movie theaters even while besieged by video on on-demand and other services still managed to push higher prices on the disaggregated masses the cost of his seat at a regal entertainment group theater in lower Manhattan is now $12 up 20% in less than three years. How should you sell your product well, there is no one-size-fits-all solution to wooing customers. For two decades Dell Computer bypassed retailers and sold directly to customers with limited tech support. General Motors and Coca-Cola relied on distributors to move their cars and cans. Clothing companies like Ralph Lauren mixed internal and external channels and things daily intensive sales training privately helped lazy days move some 800 million worth of RVs out of one sprawling location near Tampa Florida. Whatever sales method you choose make sure it aligns with your overall business strategy.

How should you market your product? Young companies have to get out the word they can also go broke doing it. A decade ago America Online spent so much money flooding the planet with free trial software that a try to mask the bleeding by capitalizing these expenses on its balance sheet. Regulators later next that accounting treatment wiping out millions in accounting profits what percentage of sales should go towards marketing? as with any sale there is no rule of thumb.

Where your financial projections? You can't lead if you don't have a destination. Two critical milestones - number one the point where more cash is coming into the business than going out in a given period, and two, the point at which you finally recuperate your cumulative and initial investment including an adjustment for the time value of money. Financial projections should be reasonable paint too rosy a picture and seasoned investors will run. More to the point you might run out of cash.

What price will consumers pay? Get this answer wrong and you could leave bags of money on the table or worse send customers running into the arms of the competition. When Apple sliced the price of the iPhone by third after only two months on the market even loyal customers screamed forcing chief Steve Jobs to apologize and offer a partial rebate consultants get paid handsomely to help companies arrive at the right price.

How can you protect your intellectual property? Imagine slaving away for years on a new cell phone battery that lasts more than two days only to watch it reverse engineered and patented by someone else. Before you ask anyone to crank out a few prototypes file for provisional patent. it'll protect your idea for a year while you work out the kinks.

This is important how you keep that help happy? What is Google worth without its super geeks? Goldman Sachs without its number crunchers? The local bar without old Jimmie manning to tap? Not much which is why attracting and retaining talent is critical to so many businesses. For starters that means crafting the right benefits package. Starbucks at a fairly high standard here health benefits are available to any Starbucks employee who works at least 20 hours a week and has been with the company for more than 90 days. Also how committed are you to making this happen? Fair warning if you want to run the show get ready to give it everything and then some.

And finally – what’s your end game? Running a business with an eye toward flipping it to a strategic buyer is a lot different than digging in for the long haul. if you're not sure whether you want to build the next great empire or just make a decent buck - ask yourself the following eight questions

So let’s get back to the end game. Mapping out your long-term goals for the business is critical before you decide to kick growth into high gear. Aiming to sell out in a few years? Fine. Want to go forward with competitive desire? Okay. Just want to be left alone to trick out your product with little care for the bottom line? Okay stay small.

Do you prize independence well most entrepreneurs do – that’s why they start their own businesses. Early on you can make key decisions with impunity better yet you can do it on your own time clock not so when the business starts growing and the to-do list scrolls past your feet. Worse you'll most likely have investors and board members to appease.

Are you inspired by creativity or more process oriented? Many entrepreneurs start companies on raw creativity . They envision a new niche. A brand new world even, but such imagination can get in the way when it comes time to install and live within the systems and processes necessary to accommodate growth.

Are you willing to make tough decisions for the growth of the company? Sure, your sister and college roommate help launch your business but they may grow less useful as the business outgrows them. If you're not comfortable supplanting or firing them stay small.

Do you like speaking in public? Companies of any significant size need a public face. Entrepreneurs who thrive on public performances even television interviews have an easier time than those who prefer to stay out of the spotlight. if public speaking isn't your forte but you still want to grow - find a confident substitute who can sell your story.

Are you a consensus builder? In most cases the bigger your business the more input you need from those around you. That means being willing and able to marshal consensus. Entrepreneurs with a my way or the highway mentality should think about staying small.

If you say you need on your desk by 9 AM will it get done? Anyone can hand out pink slips but leaders of growing companies have to go a step further. They must command a certain degree of respect as the stakes rise you need a few drill sergeants on board not willing to sacrifice a little camaraderie to reach new heights put a cap on your growth plan.

Can you delegate? The bigger your business the less time you will have to interact with your employees. Clearly you can't know what's going on in every department all the time if you can't delegate forget about growing.

Another article in this week's lessons includes five leadership lessons from successful small business owners. The author as several successful business owners for their best leadership advice and it’s presented in this article. The best advice the number one advice is communicate vision and goals. It is not enough for successful leaders simply have a clear vision. A true leader must communicate that vision and those goals to employees and investors and customers. Without a clear sense of goals is easy for everyone involved to lose sight of the larger picture and get lost in the details. The second lesson was to listen. Leaders must be able to listen and understand as well as communicate. Listening is not just keeping quiet while others talk. it is comprehending what is being said that assessing the value and responding accordingly.

The next lesson is building relationships people are your greatest resource. Clients and customers as well as employees. Find ways to strengthen the level of trust you have with everyone involved in your enterprise. Be considerate be transparent and consistent be fair be constructive be realistic be decisive. We all say we want team members but many leaders forget to act as part of the team. It is not only important that your workers trust each other it is vital that they trust you as their leader.

Next set the tone. Company culture tone and attitude come from the top down. A passionate and compassionate leader can energize an entire company. Set an example of cooperation and trust and openness. Focus on solutions and positivity instead of blame and backstabbing. if you are motivated and happy in your role as the leader then others will follow your lead and if you're burned out and tired that energy will permeate everything. Owners need to make sure they shape their role and their company to make them feel fulfilled and excited. If you put yourself last you're hurting the entire organization.

And finally share ownership. in a tough economic climate it is more important than ever to be open-minded and employ a community style approach to leadership. It’s a many heads are better approach than one head. a good leader allows both employee responsibility and creativity to encourage growth and new ideas. Successful leaders understand the value of customer and community input. soliciting and listening to feedback and suggestions can lead to a better understanding of what needs to be done and also generates company loyalty and brand following.

Congratulations for finishing all your reading assignment now be fully successful in your week ones activity you do have to complete a discussion forum and you do have to complete an assignment and I want to talk to little bit about the requirements for discussion. When you open up the discussion you'll see where it says that you have to respond to the initial question by day five and you have to post two additional replies to peers by day seven. Now there is a participation requirement and that you have to meet those days but additionally you have to meet a word requirement a word limit requirement of at least 75-150 words. Now you can go long or longer on that depending on the topic and if you include any outside information you do have to cite it correctly within the discussion question using APA style. Now here's where people typically make some errors here and lose some unnecessary points. Number one be sure to answer all of the elements in the question and be sure to write a substantial response. Professors do count words here. but additionally when you reply to your fellow students and their substantive replies or postings what I’ll see a lot of is I agree or great job or boy you really cleared that up for me but they really don't have any anything else to the discussion and so that type of response will not count as one of your replies. Think about a discussion question as a conversation that you're having with a friend. You wouldn't just listen to someone and say oh I agree and then leave the room he would continue that conversation may be adding additional information or insight. So please keep in mind that 20% of the 30 some point in the discussion question is just you responding to your fellow classmates’ initial responses. So make sure that it carries on with the conversation and perhaps adds a little bit more knowledge to the discussion. Now for your assignment you are asked to write a paper. You'll need to have a good strong and clear introductory paragraph, strong thesis, body of the paper, strong conclusion that links back to your thesis, along with two or three references. So you can see that what we’re really focusing on here is not so much the APA style, but your critical analysis as you're performing your writing and we'll talk more about that later on in.