

SES821S
Content feedback – Assignment 1

PART 1

1: INTRODUCTION

Provide a general introduction to the topic. Discussing the importance/benefits of the various management functions.

Highlight briefly what the task is, i.e. identifying two companies, one in manufacturing and the other in service; making a comparison of their application of the below mentioned management functions.

2: MANAGEMENT FUNCTIONS

1. Financial management
2. Marketing management
3. Human resources management
4. Operations/production management
5. Supply chain management
6. Customer relationship management

General management functions (from class notes, other sources are also accepted).

Management refers to the optimal way to accomplish tasks and achieve goals, using Planning, Organising, Staffing, Directing, and Controlling functions or processes.

This process is generally principled around:

1. Division of labour is the dividing a of major activity into its subcomponents, and each person doing one activity, leading to specialisation and increase in productivity.
2. Authority and responsibility coexist- Everyone should have specific responsibility and matching authority.
3. Unity of command- One person should report to only one boss.
4. Unity of direction- All functions of an organisation should have the same direction.
5. Equity- Rewards should be in relative proportion to the contribution.
6. Order- Do things systematically and scientifically.
7. Discipline- Adhere to lines of authority, norms, rules, and regulations.
8. Initiative- Undertake actions that achieve goals better, even when a specific direction is absent.
9. Fairness- Be consistent with rules and logic and implement actions without impartiality and favouritism.
10. Stability- Have constancy of purpose, methods, rules, and procedures.

11. Scalar chain- Flow of authority and information is from top to bottom and vice versa, in a step-by-step manner
12. Subordination of individual interest to general interest- Individuals draw their identity and livelihood from the organisation, and hence should give priority to organisational interest.
13. Esprit de corps- It refers to creating team spirit and harmony in the work group as a whole.
14. Centralisation and decentralisation- The need to accept the importance of both and creating a balance between the two.

Your responses should at least address the following:

A: Financial Management means planning, organising, directing and controlling the financial activities of an organisation such as procurement and utilization of funds of the enterprise. (Your response should address the following principles)

Principles of financial management:

-Consistency, Timeliness, Justification, Documentation, Certification

How the identified businesses manage their financial activities.

B: Marketing management defined as the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organisational goals.

Principles of marketing management:

-The economic principle of marketing management is customer satisfaction. Marketing managers need to understand how customers make purchasing decisions, how they react with the changes in prices and other factors.

Hence, all the efforts must be made to satisfy the needs and wants of the consumer.

C: Human resource management defined as planning, organising, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organisational and social objectives are accomplished

Principles of human resources management:

-Deal with people as complete individuals.

-Make people feel worthwhile and related.

-Treat all employees with justice.

C: Operations management

The management of processes exploited to conceive, deliver, create and distribute goods and services to customers that add value.

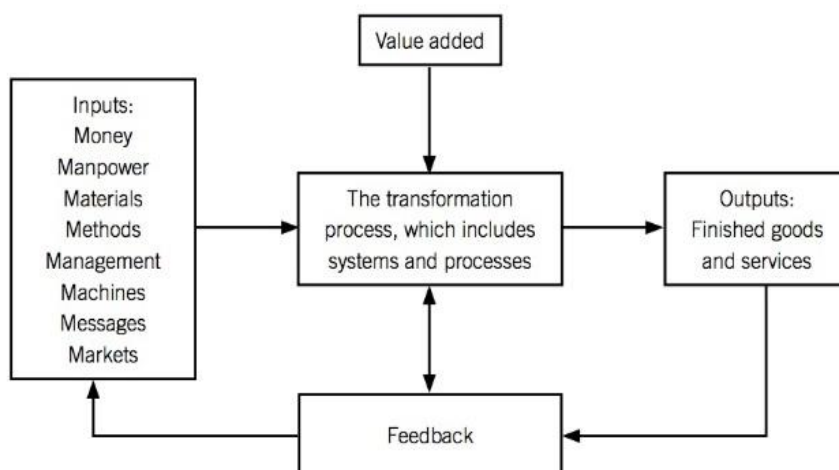
Done by planning, organizing, leading and controlling the processes that transform inputs into the required outputs.

It is the administration of business practices to create the highest level of efficiency possible within an organisation. It is concerned with converting materials and labour into goods and services as efficiently as possible to maximise the profit of an organisation.

Principles of Operations Management:

Operations managers must focus on problems, not techniques, because there are no tools that provide universal solutions.

Processes in manufacturing are interconnected. All elements must be predictable and consistent, in order to achieve the same outcome.



Source Kruger et al (2019).

The three modes of operations management:

1. Primary operations management → Which entails the sourcing of raw materials, example mining.
2. Secondary operations management → Which entails the production/manufacturing of goods.
3. Tertiary operations management → which entails service.

Source Kruger et al (2019).

D: Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products/services. SCM represents an effort by suppliers to develop and implement supply chains that are as efficient and economical as possible.

Principles of supply chain:

- Adapt Supply Chain to Customer's Needs
- Customise Logistics Network

When you segment customer based on service needs, you may have to tailor different logistics networks to serve different segment. However, this principle does not hold true for all situations.

- Align Demand Planning Across Supply Chain

Supply chain practitioners are taught to share demand data with trading partners so nobody has to keep unnecessary stock.

In general, this principle holds true. But in reality, only Walmart is actively sharing demand data to trading partner

- Differentiate Products Close to Customer
- Outsource strategically
- Develop IT that Support Multi-Level Decision Making

According to Kruger et al (2019), the following elements are to be considered when designing a supply chain network:

1. Procurement → Analysis of the suppliers and the location and process of procuring raw materials and components.
2. Manufacturing → The decision as to where the factory will be located. The need to take into account the availability of resources, labour, access to the market, as well as the manufacturing methods and processes.
3. Finished products → Where will the finished products be transported to and stored, how many warehouses, their location and security consideration.

3. MANUFACTURING AND SERVICE INDUSTRIES

There are mainly two industries in which business transactions take place, i.e. the manufacturing sector, where the main business is to process raw materials into finished tangible goods. The second sector is that of service provision, in other words, primary and secondary operations (manufacturing) and tertiary operations (services)

These two sectors, though different, both apply various management functions to their day-to-day operations.

1. **Company A (Manufacturing) – Description**

- a) Name of the enterprise, industry sector, number of employees, years of establishment
- b) How does this enterprise apply the above management functions. What evidence gathered?

2. **Company B (Service)– Description**

- a) Name of the enterprise, industry sector, number of employees, years of establishment
- b) How does this enterprise apply the above management functions. What evidence gathered?

Based on the above information, regardless of sector, the two enterprises have the following in common:

Example of potential similarities:

- E.g. Human resources management → recruitment processes followed

Based on the above information, the two enterprises approach the following management functions differently:

Example of potential differences:

- Differenced in Supply chain and operations management activities.
- Marketing initiatives and method of advertising opted for. How is this embarked on? i.e. What customer relationship management strategies are embarked on.

D: Conclusion

Highlighting the essence of management functions in any organisation. Key findings from the comparison.

PART 2 Question

Based on Cowell, M., Lyon-Hill, S. and Tate, S. (2018) It takes all kinds: understanding diverse entrepreneurial ecosystems. Journal of Enterprising Communities: People and Places in the Global Economy, 12(2) pp178- 198

How does the **Center for Rural Entrepreneurship** in Cowell et al. (2018) define entrepreneurial ecosystems and what relevance does this have for the Namibian entrepreneurial ecosystem?

Introduction:

The definition: What are Entrepreneurship Ecosystem according to other sources? (accepted) What are the factors needed within an EE? Cite source.

Discussion:

Now **specifically**, how does the **Center for Rural Entrepreneurship (CRE)** define EE?

The CRE defines EE using what they refer to as the Five Cs, which are as follows:

- 1) Capital (financial resources):
 - a. The ability to attract talent
 - b. The risk averseness of investors
- 2) Capability (the entrepreneurship and owners skillset):
 - a. Small Medium Enterprises → Capacity building needed more in the areas of budgeting, managing websites etc p. 186
- 3) Connection (resources relationship network):
 - a. The types of networking platforms, differ between rural and urban entrepreneurs:
 - i. Formal setting → Availability of co-working spaces, professional events,
 - ii. Informal setting → Coffee shops, restaurants
 - iii. Upbeat environments are great for networking
 - iv. More collaborations
- 4) Culture (Local communities perception and support of entrepreneurship):
 - a. Friendly and supportive
 - b. Co-working spaces made available
 - c. Mentorship programmes
 - d. Celebration of entrepreneurship
 - e. Universities becoming helpful of SMEs
- 5) Climate (Regulatory, economic development and policy environment):
 - a. Limited information sharing
 - b. Challenges with the local governments

There are typically two types of entrepreneurs identified within Cowel and Tate (2017) and that is the Innovation driven entrepreneurs and the Small and Medium Enterprises:

Innovation driven:

- Seek global markets
- Based on new technology process or business model
- Don't work in a fixed locality
- High risk at first and then exponential growth follows if successful.

While the SME typically;

- Addresses local and regional needs
- Rely on jobs performed locally
- Experience linear growth if successful
- Do not generally build their enterprises around innovation

What relevance does this have for the Namibian entrepreneurial ecosystem? – argument framing should centre around Cowel’s (2019):

“The presence or absence of these ingredients, and the degree to which they mix, differentiates ecosystems from one another and may play a role in an EE’s robustness (Cowel, 2015). For policymakers and EE actors, the focus on EEs shifts the unit of analysis away from a firm’s internal operations to the entirety of the environment where the firm is situated, offering a holistic understanding of how clusters of economic activity come into being and strongly mediate firm performance (Feld, 2012). This broad perspective highlights a dynamic and evolving community rather than a static phenomenon, suggesting the importance of adaptation to social and economic changes among EE actors (Pitelis, 2012).

An EE framing further enables more entrepreneurship-related interventions at the local or regional scale, in addition to one-on-one support to entrepreneurs (Auerswald, 2015). Such interventions might include improving health-care or regulatory measures for businesses or supporting other forms of entrepreneurship that contribute to the overall quality of life and business for high-growth firms. Therefore mitigating the skills drain challenge as well as making rural areas attractive.

In addition, your arguments should be supplemented with recommendations or observations from the Namibian MSME Policy: Concrete recommendations were made in the following areas: • Policy and regulatory framework • Access to infrastructure • Culture of entrepreneurship in society • Access to finance • Business development services • Innovation and technology development and adaptation • Access to local, regional and international markets and • Enhancing State capabilities to manage and support MSMEs

So now, incorporating any of these policy areas into the respective Five Cs, brings the definition EE closer to the Namibian context/relevance.

Providing recommendations on how Namibia can improve each of these five elements in order to have a functioning EE.

1. Capital: Is this an issue? Yes/no Why
Attracting talent in rural areas versus attracting talent in urban areas.
Being able to attract talent in or to rural areas is a challenge, especially for rural entrepreneurs.
Urbanisation.
Access to funds/low interest of financiers
2. Capability: Is this an issue? Yes/no Why
 - a. Types of capacity building offered p186
 - b. Similar to what Cowel and Tate (2018), recent years have brought a plethora of new resources and hype about entrepreneurship to the region. There are more organizations focused on supporting entrepreneurs, more business plan and pitch competitions, more education programs meant to train entrepreneurs, and more spaces to network, ideate and develop the entrepreneurial culture (p. 187), various capacity building platforms such as the form of Olafiak, SME Compete, etc are available not only in the capital city. In the past, business plan competitions held by the Namibia business innovation institute of NUST, the National Commission on Research, Science and Technology (NCRST), Start-up Namibia have given urban entrepreneurs access to capacity building etc.

3. Connection: Is this an issue? Yes/no Why?
 - a. Are there enough co-working places? Similar to Cowel and Tate (2018), rural entrepreneurs especially do not have networking platforms, no co-working spaces available even in an informal setting, leaving most to operate in silos. Networking events are mainly popular in urban areas. *Business development service providers such as Dololo Namibia, Namibia Business Innovation Institute etc. should host networking events in rural areas as well.*
4. Culture: Is this an issue? Yes/no Why?
 - a. NCCI memberships
 - b. Universities to help MSMEs

Urban entrepreneurs have numerous growth-related resource needs, including angel, venture and scale-up funding; prototyping equipment and facilities; and translational research by local universities (Cowel and Tate, 2018). Universities such as NUST should avail resources such as the FABLAB for prototyping.

SMEs indicate the need for more entrepreneurial education programming, subsidized main street office space and clearer pathways through the government regulatory system. *Therefore Namibian local authorities should avail infrastructural support to their entrepreneurs in order to facilitate their growth.*

5. Climate: Is this an issue? Yes/no Why?
 - a. Challenges with the local governments
 - i. Administrative issues
 - b. Namibian MSME policy

Having looked at all these factors/elements, do these 5Cs function well in Namibia or are there fragmentations? Do not answer with a one liner response but substantiate your response.

Conclusion

Addressing the *fragmentation* issue among other points as you conclude.

Reference list.