The Business of Design.

Course Content.

Overview of Firm Organization
Role of management: integrate and manage resources in productive enterprise

Organizational Management
Control of resources:
- Land (natural resources) Asset Management
- Labor (human resources) Personnel Management
- Capital (economic resources) Financial Management

Production Conversion of resources Operations Management

Sales Exchange of resources Marketing Management

Value, Profit, Risk and Uncertainty
Value of investment is a function of future profits
Value of sales > cost of sales
- Price - Cost = Profit (seller)
- Value - Price = Bargain (buyer)

Role of Professional designer in ‘creating’ value for firm
Perception of value by market (customers/consumers)
Firm’s cost structure Microeconomic-level analysis
- Fixed and variable costs
- Break-even analysis

Risk and Uncertainty
Resource Political
Organization Environment: FIRM Legal
Market Economic
- Political/legal (legislation, common law, accounting, tax)
- Economic (tax code, cost of capital, leverage, risk)
- Market (market structure, demand and supply)
- Resource (access to market, resource requirements)

Strategic Planning
Firm’s plan for future operations in anticipated environment to ensure survival
- Vision, mission, goals and objectives
- Distinctive competence
- Strengths, weaknesses, opportunities, threats
Survival Principle (only the fittest survive, grow and multiply)
Firm must adapt to changing environment to survive
Firm must take advantage of environment to grow
Firm must anticipate environment to multiply

Business plan
Determining vision and planning strategies
Profit plan and Market Plan
Analysis, feedback and corrective action

Organization Structure
To control and manage resources for efficient/effective operations
Firm orientation as
Product oriented
Process oriented
Customer oriented
Market oriented
Chain of command and positions of responsibility
Lines of Communication (up and down)
Span of effective control
Operation type
Market type and expectations.

Marketing Management
Marketing plan / strategy
Market analysis, measurement and segmentation
Role of advertising (communication / monopolistic competition)

Personnel Management
Leadership and individual effectiveness
Training
Motivation/incentives; reward and promotion
Hiring, firing, and retiring
Harassment and discrimination (ADA, affirmative action etc.)
Fringe benefits: profit plans, pensions, health plans

Asset management
Cash flow and working capital
Capital budgeting
Forecasting and financing
Investment/operation analysis

Operations Management
Project/product delivery systems
Project management
Team management
Client relationships
Time and cost control systems