

Monta Vista DECA

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Principles of Business Administration

Quick Preparation Guide

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You Should Do Principles of Administration Events If

Principles of Administration events are designed as an entry event for other roleplay type events, such as Series Events and Team Decision Making Events. You should do a Principles of Administration event if:

- This is your *first year* in DECA (You cannot compete if you have done DECA for more than one year)
- You are an effective impromptu speaker
- You want to be prepared to do Series Events
- Can think up answers to questions quickly

Principles Overview

All four events, Principles of Business Management (PBM), Principles of Finance (PFN), Principles of Hospitality and Tourism (PHT), and Principles of Marketing (PMK), consist of:

- A 100 question multiple choice test
- A content interview which focuses on your Business Administration cluster, and includes 4 performance indicators that you will base your presentation off of
- A 10 minute preparation time to prepare notes or an outline for your content interview (that you may use when you present)
- 10 minutes to present, including a 2-3 minute question and answer session where the judge will ask 1 or 2 questions.

At ICDC, you will take a test and a preliminary roleplay, then, if you are a Finalist in your event, you will take one more roleplay. The final roleplay and test scores will determine your rank.

Principles of Business Management

The Principles of Business Management and Administration follows the same format as other Principles Events, and its main focus is on the legal and operational side of running a company. This event is somewhat less specialized than other Principles events, and may encompass aspects of marketing, finance, or hospitality.

Things Everyone Should Know

- PBM has fewer concepts exclusive to it, so look at the other three events and learn how they could be managed
- Financial Ratios, particularly ones relating to liquidity and profitability (See Finance Cluster Guide)
- Figure out how to find problems with your own ideas and how to correct them
- Remember: A successful business always caters to its customers first, so make sure to remember and apply that!
- You will often be assuming the role of a manager or a candidate for a managerial position

Common Performance Indicators

- Describe the nature of legally binding contracts
- Demonstrate a customer-service mindset
- Explain how organizations adapt to today's markets
- Evaluate quality and source of information
- Explain the role of ethics in information management
- Explain the nature of risk management
- Discuss the global environment in which businesses operate
- Discuss the nature of customer relationship management
- Explain the nature of effective verbal communications
- Discuss the impact of cultural and social environments on global trade

What Sort of People Would Suit PBM

If you...

- Like making decisions
- Can be an effective leader or manager
- Can show confidence in your abilities
- Can interpret information and work to get a solution

Then you are probably the right person for PBM. This event is a stepping-stone to BLTDM, BOR, and the entrepreneurship events.

Management-Specific Resources

- Ask Mr. Schmidt if you can borrow a management book
- How to Win Friends and Influence People by Dale Carnegie
- Keep in mind that leadership and how to manage people is an acquired skill that is rather difficult to describe, despite countless books written on the subject.
- The best practice for this event is simply reading/watching those books/videos/ articles and actually managing people. The essentials of management are not something that can be found very easily on paper, which is part of the reason this particular guide is so short.
- Talk to your Principles Officers for a sample roleplay and specific advice as to how to improve.
- Read up on The Pygmalion Effect and the Galatea Effect, and learn how to use them in roleplays

Principles of Finance

The Principles of Finance event is different from other finance events like ACT and FTDM in that it has you connect with other aspects of business more often. Thus, it is entirely possible that a roleplay will have four performance indicators relating only to hospitality and you are expected to connect that to finance. For a first year competitor, it is a good introduction into other finance events.

Things Everyone Should Know

(This is just in general. Ideally, you should know everything in the Finance Cluster Guide)

- Most economic concepts, all of which can be found in the Principles of Economics Textbook by Gregory Mankiw or online.
- All finance ratios, especially ones related to profitability and gauging stock value
- The three main financial statements
- How to connect what you are saying to the other Principles events, as some parts are the same
- How to interpret financial data and graphs, and calculate certain figures based on available data
- The basic concepts of both micro and macroeconomics.

Common Performance Indicators

- Explain the concept of economic resources
- Identify factors affecting a business's profit
- Discuss the nature of human resources management
- Describe the nature of taxes
- Explain the types of economic systems
- Explain the concept of private enterprise
- Explain the impact of the law of diminishing returns
- Explain the concept of Gross Domestic Product (GDP)
- Discuss the impact of a nation's unemployment rates
- Explain the economic impact of interest-rate fluctuations

What Sort of People Would Suit PFN

If you are:

- Good with numbers
- Have an analytical mindset
- Enjoy other adding finance to other aspects of business
- Can talk easily about economics

Then PFN is probably right for you. This event is a stepping stone to FTDM, SMG, FOR, and ACT.

Principles of Hospitality and Tourism

The Principles of Hospitality and Tourism event is less technical than other events. It mainly has to do with maintaining positive customer relations. This can extend to problem solving, handling difficult customers, and maintaining brand promise and proper communication. This event is a good stepping stone into other Hospitality and Tourism based events.

Things Everyone Should Know

- Facts/examples from the hospitality industry
- Know how to **please** customer/clients.

- Know how to communicate effectively and solve problems
- **“The customer is always right”**
- Usually will be applying for a position in a hotel, restaurant, or other travel and tourism based company.

Common Performance Indicators

- Company brand promise
- Reinforcing company image through employees
- Dealing with customer/client complaints and inquiries
- Role of ethics in the hospitality and tourism industry
- Cultural sensitivity
- Explain the nature of positive customer relations
- Demonstrate a customer-service mindset
- Conflict-resolution skills
- Handle difficult customers

What Type of People Would Suit PHT

If you are:

- Extroverted
- Good at communication
- Good at dealing with different types of people
- Good at improving or correcting a situation
- Creative

Then PHT is probably right for you. This event serves as a stepping stone to HLM, QSRM, RFSM, HTDM, and TTDM.

Principles of Marketing

The Principles of Marketing event is about how to sell and build relationships with customers.

Promotion is just a small aspect of marketing. In order to do well, one must understand that customers are the foundation of a business or company. In an interview competitors must show that they are good salespeople, able to persuade customers that their products/services are the best.

Things Everyone Should Know-

- The seven functions of marketing
- The four P's
- Market differentiation
- Know strategies in making and closing a sale

Common Performance Indicators

- Distinguish between economic goods/services
- Explain concept of competition
- Describe function of prices in markets
- Explain principles of supply and demand
- Describe marketing functions and related activities
- Explain the role of business in society
- Assess information needs
- Identify ways that technology impacts a business
- Identify factors affecting business's profit and risk
- Demonstrate adaptability

What Type of People Would Suit PMK

If you are:

- Good at communication at persuasion
- Able to answer the customers' question, "What's in it for me?"
- A person who does not give up easily
- Understanding of the needs of others

Then PMK is probably right for you. This event serves as a stepping stone to AAM, ASM, BSM, FMS, MMS, RMS, SEM, BTDM, and STD.

Tips for the Interview

- Shake hands with each judge (one at a time, left to right)
- Ask to take a seat
- Begin by thanking them for a chance at an interview or if you are assuming the role of the manager, thank them for meeting with you
- Make sure to address each Performance Indicator in order, unless another order makes better sense. If you choose to present in another order, make sure your judge knows which PI you're taking about.
- Wrap up after you have finished talking and ask if they have any questions
- Ask for the sale (or the job) by saying something like "If everything seems to be in order, perhaps we could meet next week to discuss this further."
- Thank them for their time, get up, and shake hands, starting with the judge farthest left, and exit

To Prepare:

- Study the PI list on DECA website
- Keep up with industry news
- Be able to cite examples of different situations (such as advertising techniques or well-known industry leaders) in roleplays.

Tips for the Test

- See Testing Tips in the Series Packet
 - Talk to your Principles Officer or the Director of Resources for sample tests
- Study Marketing Essential. Most of the testing material will come from there.

Resources for All Principles Events

- Marketing Essentials by Glencoe
- Principles of Economics by Gregory Mankiw
- The Art of the Start by Guy Kawasaki
- Financial Statements by Thomas Ittelson