



ORIGINAL RESEARCH PAPER

Management

Business Management and Operations Trends 2016

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ABSTRACT

Business management and operation involves the planning and execution of strategies and systems to make a business or corporation work properly. The purpose of Business Management and Operations Trends 2016 is to identify the upcoming hot business management trends and themes in 2016, as well as some striking initiatives of the global operating companies across several industries. In this paper we are providing the concepts of Business Management Themes and Business Management Trends. The main purpose of this paper is to provide information about 3 major trends of business that is Business Strategy Focusing on Growth, Improving Employee Engagement and Preventing Cyber Attacks.

Introduction

2016 Business Trends – In 2016, Executive Officers are focusing on the following Top 3 Initiatives. Customer Service, Employee Engagement and Strategic Planning.



Business Management Themes

What we identified from analyzing the 2016 Business Trends results was the consensus on the need to focus on customer relationship management in 2016. In order to retain or increase their customers and protect, build and grow their brand equity, 88% of respondents noted that companies have customer relationship management on the top of their list for 2016. Another striking theme is that 93% of respondents noted that employee engagement, which many noted as the importance of employees to feel safe in their position, well trained, passionate and satisfied with their current position and prospects for the future. Last but not least, companies must identify objectives, define a strategy, design a plan, and set goals required to achieve success and grow. Therefore it is not to wonder why 92% of the executives said that strategic planning is a hot theme for 2016. Especially now that companies are trying to grow and expand globally, taking advantage of emerging/ niche markets or targeting additional audiences. It is important to underline, however, the strategy disconnect that was identified in the survey results. 8 out of 10 executives are satisfied with their strategic planning, believe they have mechanisms to easily adapt to changes or unexpected events, but only 1 out of 10 gives importance to scenario and contingency planning.

TOP THEMES 2016



Business Management Trends

According to our findings the hot 2016 business trends are the focus of companies in **employee engagement** and **customer satisfaction**, the concern of **future cyber-attacks** and the negative impact for the companies, and the direction of companies over the next two years towards expansion for growth instead of cutting costs.

According our findings for the trend business strategy – focusing on growth, 79% are planning to focus on expanding their organization over the next 2 years rather than simply cutting costs to improve performance, 13% of those believe it should be a top priority. For the improving employee engagement, 86% are believing that employees in their organization should be engaged and customer-focused, 19% of those believe it should be a top priority. For the trend preventing cyber attacks, 77% are strategy concerned about the impact of cyber attack, privacy data breach, or theft of confidential data on their organization in 2016.

HOT TRENDS 2016

Business Strategy - Focus on Growth



79% Are planning to Focus on expanding their organization over the next 2 years rather than simply cutting costs to improve performance

13% Of those believe it should be a top priority

Improving Employee Engagement



86% Strongly believe that Employees in their organization should be engaged and customer-focused

19% Of those believe it should be a top priority

Preventing Cyber Attacks



77% Are strongly concerned about The impact of a cyber attack, privacy data breach, or theft of confidential data on their organization in 2016

32% Of those believe it should be a top priority

TREND – 1: Business Strategy – Focus On Growth:

A focus strategy is usually employed where the company knows its segment and has products to competitively satisfy its needs. Focus strategy is one of three generic marketing strategies. We believe successful business growth strategies require a ruthless focus on understanding unmet or underserved customer needs, and quickly developing new offers and experiences that deliver on them. Business growth is best achieved when an organization is customer-focused and poised to act quickly. In order to realize the most impact, companies need to act faster than the competition, and do so in a sustainable, feasible way.

Intensive Growth

Part of getting from A to B, then, is to put together a growth strategy that, "brings you the most results from the least amount of risk and effort." Growth strategies resemble a kind of ladder, where lower-level rungs present less risk but maybe less quick-growth impact. The bottom line for small businesses, especially start-ups, is to focus on those strategies that are at the lowest rungs of the ladder and then gradually move your way up as needed. As you go about developing your growth strategy, you should first consider the lower rungs of what are known as Intensive Growth Strategies. Each new rung brings more opportunities for fast growth, but also more risk. They are:

1. Market Penetration. The least risky growth strategy for any business is to simply sell more of its current product to its current customers—a strategy perfected by large consumer goods companies. Think of how you might buy a six-pack of beverages, then a 12-pack, and then a case. "You can't even buy toilet paper in anything less than a 24-roll pack these days". Finding new ways for your customers to use your product—like turning baking soda into a deodorizer for your refrigerator—is another form of market penetration.

2. Market Development. The next rung up the ladder is to devise a way to sell more of your current product to an adjacent market—offering your product or service to customers in another city or state, for example. Many of the great fast-growing companies of the past few decades relied on Market Development as their main growth strategy. For example, Express Personnel (now called Express Employment Professionals), a staffing business that opened offices around the country via a franchising model. Eventually, the company offered employment staffing services in some different locations.

3. Alternative Channels. This growth strategy involves pursuing customers in a different way such as, for example, selling your products online. When Apple added its retail division, it was also adopting an Alternative Channel strategy. Using the Internet as a means for your customers to access your products or services in a new way, such as by adopting a rental model or software as a service, is another Alternative Channel strategy.

4. Product Development. A classic strategy, it involves developing new products to sell to your existing customers as well as to new ones. If you have a choice, you would ideally like to sell your new products to existing customers. That's because selling products to your existing customers is far less risky than "having to learn a new product and market at the same time".

5. New Products for New Customers. Sometimes, market conditions dictate that you must create new products for new customers, as Polaris, the recreational vehicle manufacturer in Minneapolis found out. For years, the company produced only snowmobiles. Then, after several mild winters, the company was in dire straits. Fortunately, it developed a wildly-successful series of four-wheel all-terrain vehicles, opening up an entirely new market. Similarly, Apple pulled off this strategy when it introduced the iPod. What made the iPod such a breakthrough product was that it could be sold alone, independent of an Apple computer, but, at the same time, it also helped expose more new customers to the computers Apple offered. The iPhone has had a similar impact; once customers began to enjoy the look and feel of the product's interface, they opened themselves up to buying other Apple products.

If you choose to follow one of the Intensive Growth Strategies, you should ideally take only one step up the ladder at a time, since each step brings risk, uncertainty, and effort. The rub is that sometimes, the market forces you to take action as a means of self-preservation, as it did with Polaris. Sometimes, you have no choice but to take more risk, says McFarland.

Developing a Growth Strategy: Integrative Growth Strategies

If you've exhausted all steps along the Intensive Growth Strategy

path, you can then consider growth through acquisition or Integrative Growth Strategies. The problem is that some 75 percent of all acquisitions fail to deliver on the value or efficiencies that were predicted for them. There are three viable alternatives when it comes to implementing an Integrative Growth Strategy. They are:

1. Horizontal. This growth strategy would involve buying a competing business or businesses. Employing such a strategy not only adds to your company's growth, it also eliminates another barrier standing in your way of future growth—namely, a real or potential competitor. Many of breakthrough companies such as Paychex, the payroll processing company, and Intuit, the maker of personal and small business tax and accounting software, acquired key competitors over the years as both a shortcut to product development and as a way to increase their share of the market.

2. Backward. A backward integrative growth strategy would involve buying one of your suppliers as a way to better control your supply chain. Doing so could help you to develop new products faster and potentially more cheaply. For instance, Fastenal, a company based in Winona, Minnesota that sells nuts and bolts (among other things), made the decision to acquire several tool and die makers as a way to introduce custom-part manufacturing capabilities to its larger clients.

3. Forward. Acquisitions can also be focused on buying component companies that are part of your distribution chain. For instance, if you were a garment manufacturer like Chicos, which is based in Fort Myers, Florida, you could begin buying up retail stores as a means to pushing your product at the expense of your competition.

TREND – 2 : Improving Employee Engagement:

Research shows that an engaged workforce impacts business performance, and ultimately, shareholder value. Companies with more engaged employees have better financial performance, higher customer satisfaction, higher employee retention and more productive employees. Companies with higher percentages of engaged employees perform better than their industry peers. Try these 10 simple but surefire ways to boost employee engagement -- starting right now.

1. Start at the top.

"Walking the walk" is the single most effective employee engagement strategy any company can deploy. Employees must see the leadership demonstrating the characteristics and behaviours everyone else is being asked to display. In companies where leaders model the desired behavior, employees are 55 percent more engaged, 53 percent more focused and more likely to stay at the company.

2. Be transparent.

Management transparency has a direct 94 percent correlation with employee happiness. Trusting employees with sensitive information gives them a sense of deeper investment in the company and helps to create a more cooperative team atmosphere, as opposed to an "us versus them" perception of the management-employee relationship.

3. Offer visibility.

This should manifest in two ways. First, managers and the C-suite must be accessible and visible around the office, so that employees see them as approachable and available for guidance and assistance, rather than locked away in some protected area. Second, publicly recognize employees for their contributions and achievements. This not only motivates each of those individuals to continue doing great work, but also their peers.

4. Say "thank you."

It's such a simple thing, but it's often overlooked, especially in large organizations. Acknowledgement by management and among peers is the quickest way to build trust, restore strained relationships and energize the workplace. Employees with

supportive supervisors are 1.3 times more likely to stay with the company and are 67 percent more engaged.

5. Be authentic.

Companies are made up of people, not products, machines or property. Genuine relationships between employees and their supervisors and management inspires trust and builds comradery. In fact, a study by Blessings White found that managers who showed their human side were rated 59 points higher on critical skills among employees.

6. Be flexible.

Give employees the freedom to adjust their work schedules or location to better suit their needs. Many employers don't trust employees to get work done if they work from home or set their own hours, but statistically, workers with flexible hours and locations are more productive, happier and more engaged than 8-to-5 cubicle jockeys.

7. Hire traits and behaviors.

Experience and education don't guarantee performance. Even the most skilled candidate will fail if he or she has a poor attitude. What's more, some people simply cannot be engaged. Emphasize hiring for and promoting the right behaviors and personality traits for your culture. Offer training in desired skills.

8. Engage from day one.

Filling out mountains of paperwork and sitting through a canned PowerPoint presentation on the first day at work is a surefire way to kill engagement. New employees start with enthusiasm and curiosity, so capitalize on that momentum by putting them right to work, helping them to get to know their co-workers or pairing them with a mentor. Acclimate them to the culture by making an excellent first impression, and they'll fall in love with your company and their work.

9. Volunteer together.

Doing good is good business. Companies that support philanthropic causes by involving employees and management in volunteer projects see a direct increase in engagement and productivity. Working together to help others demonstrates that the company isn't just about making money, but about making a difference in the world.

10. Play together.

Having fun together not only breaks up the routine but also encourages creativity and collaboration. Sponsor a company softball tournament or host a monthly "dress-up day," where employees can wear their ugliest sweater or sport a crazy hair color. Of course, management must also get in on the action, which further contributes to authenticity, visibility and communication.

TREND – 3 : Preventing Cyber Attacks

When you own a small business, you may think you aren't a target for a cyber attack. However, this type of assumption can result in a huge mistake if you have not taken the proper precautions to safeguard your business. The fact is that more and more criminals are targeting smaller businesses, simply because they have not implemented the proper safeguards to keep their business protected from these potential cyber attacks.

Check out the eight tips below to help safeguard your data.

1.Create an internal policy

Do you know what the biggest cyber security risk is for your business? There are a number of business owners who are surprised to learn that it is their employees. In many cases, criminals will get inside a network thanks to one of your employees clicking on a line in an email or using a poor password. It is important to stay updated on the latest scams that are going around and to keep your employees aware of the scams, as well.

While staying educated is the first element, you also need to check with the person who set up the business server to ensure the right protections are in place.

2.Learn from the mistakes of others

Chances are you hear of various cyber intrusions and disclosures of private data every day. This can lead to quite large financial losses. However, if you take a cue from those who have had to learn the hard way, you can make more informed decisions regarding similar cyber hacking issues.

3.Keep your computers updated

One of the simplest strategies, you can use immediately, is ensuring that your entire network is up to date. This means paying attention all notifications regarding updates to your operating systems, antiOvirus software, web browsers and firewalls. Ignoring any of these essentially leaves cracks in your defense system.



4.Use cloud services

Many businesses save both money and time by using cloud services for handling their application needs and data storage. It can often be cost-prohibitive for smaller businesses to purchase, manage and maintain server farms. Yet, you can get the same level of computing for minimal month subscription costs by using the cloud. Of course, stick with only the most reputable companies.

5.Know what not to do

Adding firewalls and filters to a platform that is already insecure is basically the same as attaching a padlock to a screen door. Eventually, cyber criminals will locate the vulnerability. You need to discover where the major problems are, and then have a professional fix the issue. This is the only way that you can ensure that your system is going to remain safe.

6.Increase employee awareness

This is one of the most cost-effective methods of preventing a cyber attack. Today, only 58 percent of U.S. mid-size companies train employees on cybersecurity. It is critical to understand that cyber attacks can occur just by a cyber criminal having access to an employee laptop. This is why it's imperative for your company to implement privacy training.



7.Create strong passwords and change them frequently

There are a number of security experts that state that you should never use the same password for all of your accounts. Doing this is just asking for all your personal information to be stolen. Try to create diverse passwords that combine numbers, symbols and other factors to ensure it is safe and secure. You should also ensure that passwords are changed every few months. This is true for you, as well as your employees.

8.Hire a security expert

One of the best ways for you to discover if there are any holes or security risks present in your infrastructure is to hire a security consultant. While this may sound like a significant expense, it is actually an invaluable service that may help you to save quite a bit of money and frustration down the road. There is a good reason that large companies, such as Facebook, have created programs that reward those who investigate the security of a website. These are fondly referred to as "ethical hackers" and can help you see where any security risks may lurk in your company.

CONCLUSION

Management is a rapidly evolving field. Even now startups all over the world are trying out new, innovative ways of looking at how to align their resources, how to make decisions, and what managerial approaches (or lack of managerial approaches) might yield the best culture for growth. It's an intriguing time for management, and experimentation is constant. Modern business theory has shifted from profits to culture, from machines to people. Having a good product isn't enough to attract customers and top talent. Brands are grappling to build up a personality that appeals to both clients and potential employees. In the mid 20th century, simply having a huge workforce wasn't enough to keep businesses growing. Value wasn't created by merely executing orders but also by workers' use of knowledge. Which introduced us to business management an approach focused on people's experience and expertise.

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