

Contemporary Management Issues

Chapter 2
What is behind the term
“company”?



Agenda

☐ Introduction

☐ Chap 1. What is behind the term "company"?

Agenda

Chap 1. What is behind the term "company"?

1.1 – Different definitions

For lawyers

For the statistician

For the economist

For sociologists

For the manager

1.2 – The reality of the company

- A reality fragmented between several actors and purposes
- A historical evolution

Define the terms « firm/company »

By group of two, write the definition on a paper

Now exchange your written definition with an other group



Similarities and differences?



Similarities and differences?

Centre régional des œuvres universitaires et scolaires



Histoire

Fondation 16 avril 1955

Cadre

Forme juridique Établissement public à caractère administratif

Domaine d'activité Aide aux étudiants

Siège social Vanves

Langue Français

Uber Eats



Création Août 2014

Activité Livraison à domicile

Site web www.ubereats.com [archive]

Les Restaurants du cœur
Les Relais du cœur



Les 3 Brasseurs



Variables	Exemples
Types of activities	Catering (for-profit, and non-profit), delivery, application/platform etc.
Size	Large companies, SME etc.: High or low revenu etc. High or low number of employees
Legal form	SARL, SA, EPA etc.
Structure and organization	Franchise, subsidiary, group, company, association, Non-profit organization etc.

Sodexo



Création 1966

Fondateurs Pierre Bellon

Forme juridique Société anonyme à conseil d'administration

Action Euronext : SW

Slogan Services de qualité de vie

Siège social Issy-les-Moulineaux¹ (France)

Direction Michel Landel, puis Sophie Bellon²

Actionnaires Famille Bellon 37,71 %
Autocontrôle 3,71 %
First Eagle Investment Management 3,70 %
International Value Advisers LLC 3,21 %
Salariés 0,99 % (au 31 août 2014)

Activité Services aux entreprises, administrations, collectivités

Produits Restauration collective, Facility Management, services à la personne, cartes et chèques

Effectif 428 000 personnes réparties sur 33 300 sites dans 80 pays.
Sodexo est le premier employeur privé français³ et le dix-huitième employeur mondial⁴.

Site web Sodexo

Capitalisation 11,6 Milliards € (7 janvier 2014)

Chiffre d'affaires 18,4 Milliards d'€ (au 31 août 2013)

modifier - modifier le code - voir wikidata

Food to though

Firm VS Company

Comparison Table

Characteristics	Firm	Company
Definition	Refers to a business involved in the selling of services and products for profit, usually professional services	Refers to a business involved in any income-generating activity involving the sale of goods and services and includes all business trades and structures
Types of activities	Are mainly involved in professional services	Are involved in all business trades and structures
Examples	Examples of include accounting firms, consulting firms, law firms and graphic design firms	Examples include private limited company, public limited company or a one-person company

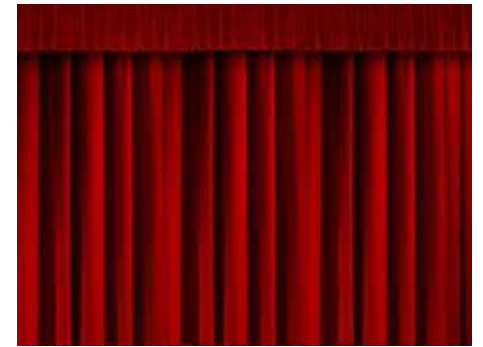
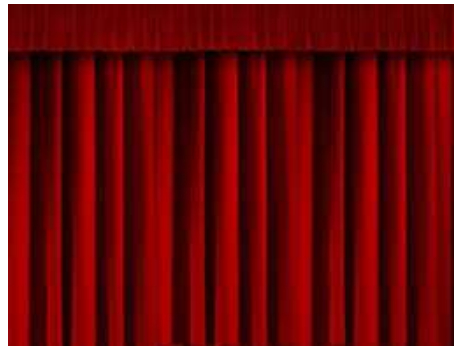
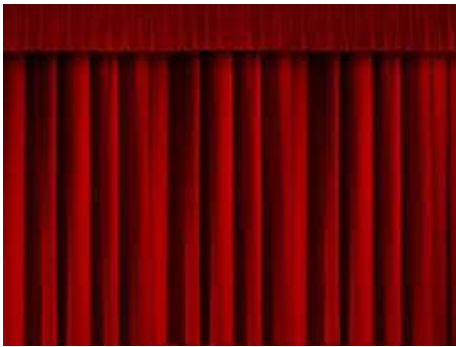


**What exactly are
« companies »?**

What exactly are « companies »?

Reality too complex for A SINGLE definition

.... Use of theories/approaches



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Chap 1. What is behind the term "company"?

1.1 – Different definitions

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What is behind the term "company"?

1.1. Company Definitions

For lawyers:

The company does not exist in law

- *It is a node of contracts: employment, supply, distribution, mandate...*
- *Different types of property*



What is behind the term "company"?

1.1. Company Definitions



For lawyers:

- Postulate: legal entity is only interested in owners
- Bounds:
 - Ownership of existing resources (shareholders)
vs. construction of non-existent resources (employees, managers, etc.)
 - Forget innovation (or take into account with delay)

What is behind the term "company"?

1.1. Company Definitions

For lawyers:



Type 1 :

State-owned enterprises

- *Majority owned by the State (SNCF, RATP, BdF, EDF, La Poste, Areva, La Française des Jeux...)*
- *« Public service mission”: satisfying the general interest*
- *3 main principles:*
 1. *Continuity: meeting needs of general interest without interruption,*
 2. *Equality: everyone has an equal right to access the service,*
 3. *Adaptability or mutability: must not stand still in the face of changes in society; it must follow the needs of users.*

Important !

- Careful : A « public company » meaning?

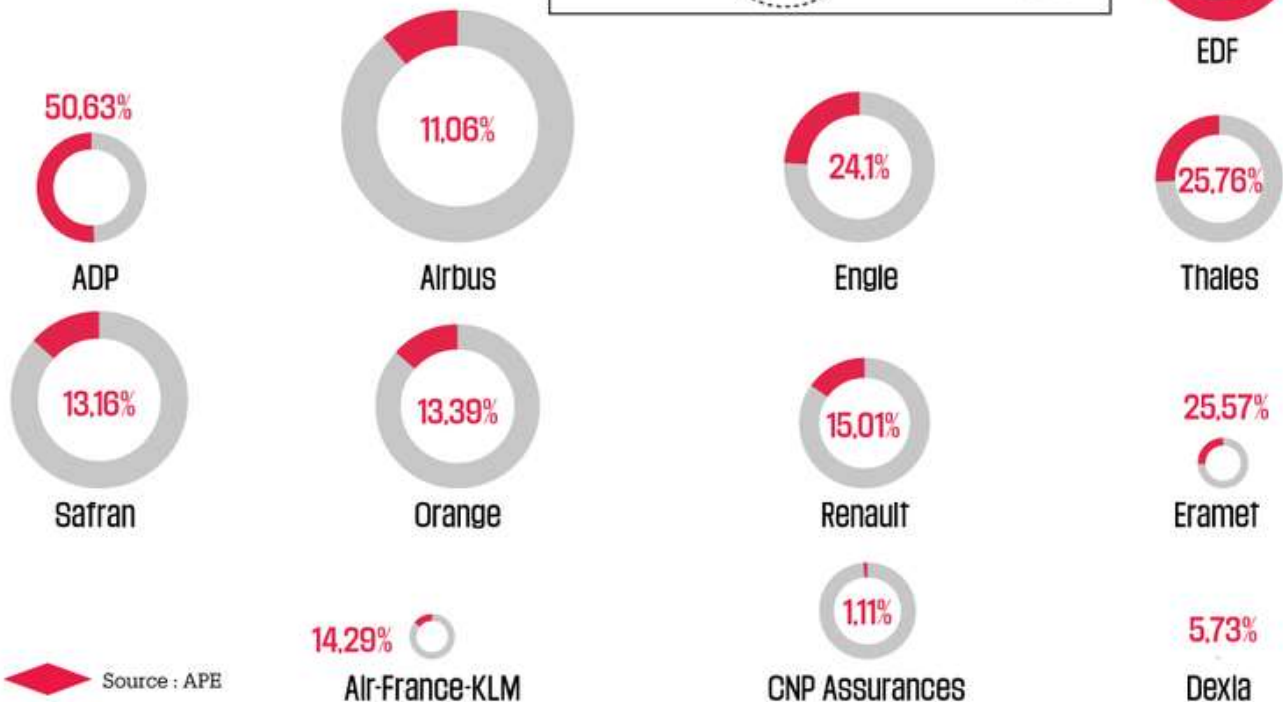
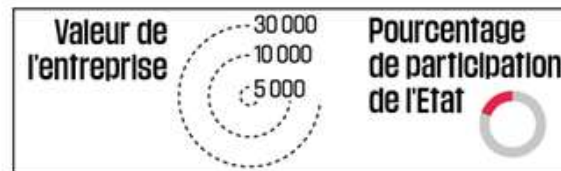
A public company is a corporation wherein the ownership is dispensed to general public shareholders



What is behind the term "company"?

1.1. Company Definitions

Actions cotées de l'Agence
des participations de l'Etat



Source : APE

The State possesses
shares in more than
1,600 French companies

*(attention only
companies with more than
50% share are considered
state-owned enterprises)*

What is behind the term "company"?

1.1. Company Definitions

For lawyers:

Type 2 :

- Cooperative and mutual enterprises
 - *Non-profit*
 - *Aim to serve the interests of their members by serving them.*
 - *"one person one voice"*



Rang	Nom	Type de coopérative	Secteur d'activité	Année de création	Département siège social	Chiffre d'affaires 2020 (millions €)	Sociétaires / Associés / Adhérents (nombre en 2020)	Salariés (nombre en 2020)	Établissements sur le territoire (nombre en 2020)	Marques / Enseignes détenues	Site internet
1	ACDLEC Leclerc (carburants compris)	Coopérative de commerçants	Multi-secteurs dont alimentaire	1949	94	48 000	533	140 000	2185	E.Leclerc; E.Leclerc Express; E.Leclerc Location; Brico E.Leclerc; Jardi E.Leclerc; Parapharmacie; E.Leclerc Voyages; E.Leclerc Espace Culturel; E.Leclerc L'auto; E.Leclerc Le Manège à Bijoux; E.Leclerc Une heure pour soi; Optique E.Leclerc; Audition E.Leclerc; Sport E.Leclerc; E.Leclerc Drive; E.Leclerc Station-service; E.Leclerc Maison & Loisirs; Animalerie E.Leclerc; Jouet E.Leclerc; Ma cave par E.Leclerc; Réglo Mobile	www.leclerc.com
2	Groupe Crédit Agricole	Banque coopérative	Banque	1885	92	34 000	11 000 000	142 000		Crédit Agricole, LCL, Finaref	www.credit-agricole.fr
3	U Enseigne (carburants compris)	Coopérative de commerçants	Commerce Alimentaire	1894	94	26 800	1280	73 000	1615	Hyper U, Super U, U Express, Utile, U Drive coursesu.com, Ulocation	www.magasins-u.com
4	Groupe BPCE	Banque coopérative	Banque	2009	75	22 470	9 134 758	100 344		Caisse d'Épargne, Crédit Maritime, Banque du Bâtiment et des Travaux Publics, Crédit Coopératif, Banque Palatine, Crédit Foncier, Natixis, Banque Populaire	www.bpce.fr
	yc Caisse d'Épargne	Banque coopérative	Banque	1818	75	6 900	4 434 758	33 931	3 689		www.caisse-epargne.fr
	yc Banque Populaire	Banque coopérative	Banque	1873	75	6 300	4 700 000	30 470	3 000		www.banquepopulaire.fr
	dont Crédit Coopératif	Banque coopérative	Banque	1893	92	351	99 070	1 965	114	BTP Banque, Ecofi Investissements, Esfin Gestion, Impulse, Tise	www.credit-cooperatif.coop

COOPÉRATIVE DE COMMERÇANTS

COOPÉRATIVE BANCAIRE

COOPÉRATIVE AGRICOLE

COOPÉRATIVE DE CONSOMMATEURS

COOPÉRATIVE D'ARTISANS

SCOP

7

rapport « LES 100 Plus
Indes Entreprises
opératives Françaises
édition 2022)

Rang	Nom	Type de coopérative	Secteur d'activité	Année de création	Département siège social	Chiffre d'affaires 2020 (millions €)	Sociétaires / Associés / Adhérents (nombre en 2020)	Salariés (nombre en 2020)	Établissements sur le territoire (nombre en 2020)	Marques / Enseignes détenues	Site internet
5	Groupe Crédit Mutuel	Banque coopérative	Banque	1882	75	17 534	8 094 832	83 194	5 700	Crédit Mutuel, CIC, NRJ Mobile, Targobank, ACM, Banque transatlantique, Beobank, Crédit Mutuel mobile, Fortunéo, Helloassa, La Française, Leetchi, Monabanq, Suravenir	www.creditmutuel.fr
6	Astera	Coopérative de commerçants	Répartition Pharmaceutique	1919	76	9 500	6 500	31 000	6 272	Astera	astera.coop
7	Agrial	Coopérative agricole	Polyvalente	2000	14	5 957	12 000	21 000		Florette, Manon, Priméale, Prim'Co, Crudi, Créaline, Loïc Raison, Danao, Vicomte, Kerissac, Ecusson, Bakkavor, Soignon, 300 & Bio, Grand Fermage, Bio d'Armor, Pavé d'affinois	www.agrial.com
8	Invivo	Coopérative agricole	Céréales Approvisionnement	2001	75	5 100	192	5 818		Gamm Vert, Semences de France, Biotop, Frais d'ici, Cordier-Mestrezat, Bio&Co	www.invivo-group.com
9	Sodiaal Union	Coopérative agricole	Lait	1990	75	4 835	17 670	8 540		Yoplait, Candia, RichesMonts, Nactalia, Entremont, Jura Gruyère, Capitoul, Boncolac	www.sodiaal.fr
10	Terrena	Coopérative agricole	Polyvalente	2000	44	4 763	20 990	13 590		Gastronome, Douce France, Paysan Breton, Tendre et plus	www.terrena.fr
11	Tereos	Coopérative agricole	Sucre	2004	59	4 492	12 000	23 000		Béghin Say, L'Antillaise, La Perruche, Origny	www.tereos.com
12	Eureden	Coopérative agricole	Polyvalente	2020	29	3 213	2 000	9 000		Paysan Breton, Prince de Bretagne, Régilait, Ronsard	www.eureden.com
13	Vivescia	Coopérative agricole	Céréales Approvisionnement, Meunerie, Malterie	1927	51	3 200	10 500	7 000		Banette, Francine, Delifrance	www.vivescia.com
14	Axéreal	Coopérative agricole	Céréales Approvisionnement, Meunerie, Malterie	2013	45	3 027	12 700	4 000		Bannette, Francine, Lemaire, Treblec, Chambord, Craust'Epi, La Croquise, Ebly, Cœur de blé	www.axereal.com

COOPÉRATIVE DE COMMERÇANTS
 COOPÉRATIVE BANCAIRE
 COOPÉRATIVE AGRICOLE
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 COOPÉRATIVE D'ARTISANS
 SCOP

What is behind the term "company"?

1.1. Company Definitions

For lawyers:

Type 3 :

- Private companies
→ *mostly for profit*

Remark : **entrepreneurial** model when own by one main person and **actionarial** when own by shareholders



What is behind the term "company"?

1.1. Company Definitions



For lawyers:

- In France, since 2019, the Pacte law “entreprise à mission”
 - The term “Mission-driven company” designates **in France** the forms of business which statutorily give themselves a social or environmental purpose in addition to profit-making.

Careful : “mission-driven company” in other company has a broader meaning

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What is behind the term "company"?

1.1. Company Definitions

➤ For statisticians

« An enterprise is an economic unit, legally autonomous, organized to produce goods or services for the market.»

Bounds: Do not take into account the individual firm (aggregated variable at the country level)



What is behind the term "company"?

1.1. Company Definitions

For statisticians

Financial criteria

- Sales revenues: amount of sales made in a year, expressed in volume or value (volume x price)
- Added value: wealth created over the course of a year. It is calculated by the difference between the turnover and the purchases and expenses related to the operation of the company

What is behind the term "company"?

1.1. Company Definitions

For statisticians

TPE



< 10 personnes
≤ 2 millions €

PME



< 250 personnes
≤ 50 millions €

ETI



< 5000 personnes
≤ 1,5 milliard €

GE



≥ 5000 personnes
> 1,5 milliard €

Carefull INSEE distinction!

***Pour aller
plus loin***

	Micro-entreprise TPE	Small entreprise SME	Medium size entreprise ETI	Grande entreprise GE
<i>En France</i>	<10 personnes	<250 personnes	<5000 personnes	<5000 personnes
<i>En US</i>	<9 personnes < 2 millions EUR	<50 personnes < 10 millions	<249 personnes < 50 millions	Large entreprise >249 personnes > 50 millions
<i>En Afrique (kenya)</i>	<10 personnes	<50 personnes	<100 personnes	>100 personnes

To go further

KEY DIFFERENCES BETWEEN SMALL AND LARGE BUSINESSES

Aspect	Small Business (SB)	Large Business (LB)	Consequence
Risk of failure	High	Low	SB focus on survival/growth
Market power	Price taker	Price maker	SB focus on niche
Management	Owner–manager	Employee–manager	SB incentives more aligned
Owner's motivation	Diverse	Shareholder value	Diverse business performance
Brand	No brand value	Brand important	LB focus on brand
Strategy	Flexibility	Price	SB more likely to pioneer innovation
Internal organisation	Informal	Formal	LB seeks to reduce 'internal' uncertainty

What is behind the term "company"?

1.1. Company Definitions

➤ For statisticians

The sector of activity

It brings together companies that have the same main activity

A company can only belong to one sector of activity

3 main sectors of activity (NAF: 732 sectors):

- primary (agriculture, fishing, forestry, mining, deposits),
- secondary (manufacturing, construction),
- tertiary sector (trade, transport, financial activities, services rendered to businesses, services rendered to individuals, accommodation, real estate, information-communication, education, health /

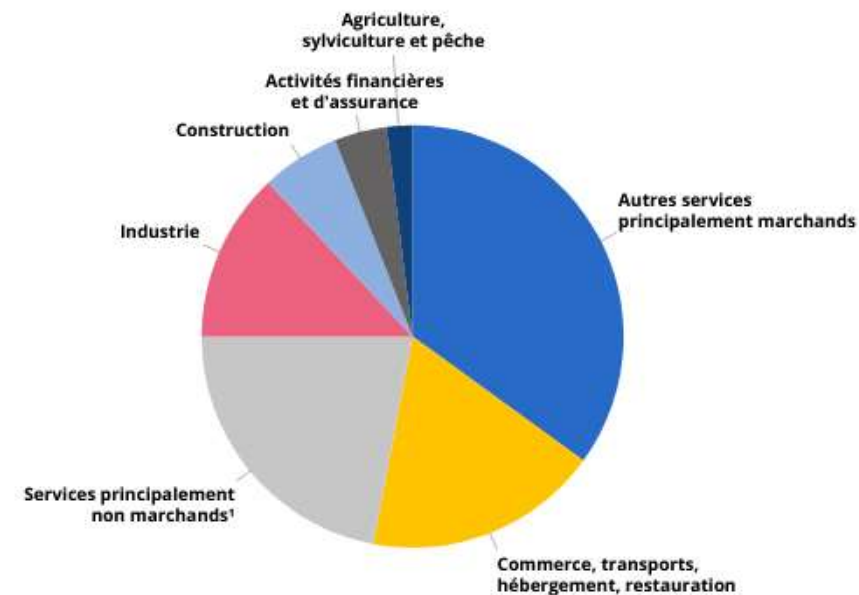
La branche d'activité

It brings together production units manufacturing the same category of product. An enterprise may belong to one or more branches

E.g. branches of the automotive industry

Figure 2 – Valeur ajoutée brute par branche à prix courants en 2019

en %



(source : INSEE)

What is behind the term "company"?

1.1. Company Definitions

Services

- administrative procedure
- Financing
- Maintenance, after-sales service
- Recovery

Information

- Advertising
- e-marketing

Product

- Base vehicle
- Options



In 1950

Renault manufactured 80% of the car delivered to the customer

In 2006

Renault now manufactures only 20%

➔ **The tertiarization of the economy since the beginning of the 1980s reflects a shift in the value added of enterprises towards more services**

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What is behind the term "company"?

1.1. Company Definitions

- The economist's vision

The company as a production function

$$Q = f(K, L)$$

- The sociologist's vision

The company as a place of power (with individual goal)



➔ ***What is the manager's vision?***

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What is behind the term "company"?

1.1. Company Definitions

The managerial vision



The company is an organization

i.e. **finalized collective action** "brings together people whose actions need to be coordinated to achieve objectives"

The company differs from other organizations by the **commercial and profit-driven nature** of its activities "provide consumers with products and services at a price, while making a profit"

What is behind the term "company"?

1.1. Company Definitions

ACCOUNTING(simplified)

SALES

-Cost of goods sold (raw materials, wages, transport, distribution)

GROSS MARGIN

- General and administrative costs

OPERATING INCOME

- Exceptional expenditure and revenue

NET INCOME BEFORE TAXES

Taxes

NET INCOME AFTER TAX

Do I make a profit?

What is behind the term "company"?

1.1. Company Definitions



The desire to achieve market objectives will bring him ...

... to make strategic choices ...

... to find resources and organize them...

... to monitor the performance achieved with regard to the objectives

PMC Course: How Big? What product/service? What location? What responsibility? Etc.



- FIN COURS 1 :

- Trouver les différentes tailles en fonction des pays ETI
- Traduire ETI etc.
- Propriétaire de la française des jeux
- Earoport de Marseille /port de Marseille : chinois?

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What is the company?

1.2 – The reality of the company

- ***The actors of the company***
- **From actors to stakeholders**

A restrictive and internal definition: "persons or groups who incur a risk by having invested some form of capital, human or financial, in a firm"

(Mitchell *et al.*, 1997)

What is the company?

1.2 – The reality of the company

The entrepreneur/founder:

- Responds to new needs...
- ... or existing expectations that are not met
- ... and this in a cost-effective way

The shareholder:

Business Owner
Provides financial or in-kind capital
Contributes to the launch and development of the activity
Is remunerated through dividends paid and/or with the capital gain from the sale of its shares in the capital



**Acteurs
internes?**

Governance (or corporate governance):
refers to the decision-making model at
work within a company.

**Said differently how the power is
distributed**

Staff :

- Puts its skills at the service of the company, without bearing any financial risk
- His remuneration covers a pecuniary dimension, but also a non-monetary dimension
- These dimensions justify his commitment and involvement in his work.

1. *Journal of Management Studies*, 1991, 28, 1, 1-14.

- [illegible]

What is the company?

1.2 – The reality of the company

- ***The actors of the company***
- **From actors to stakeholders**

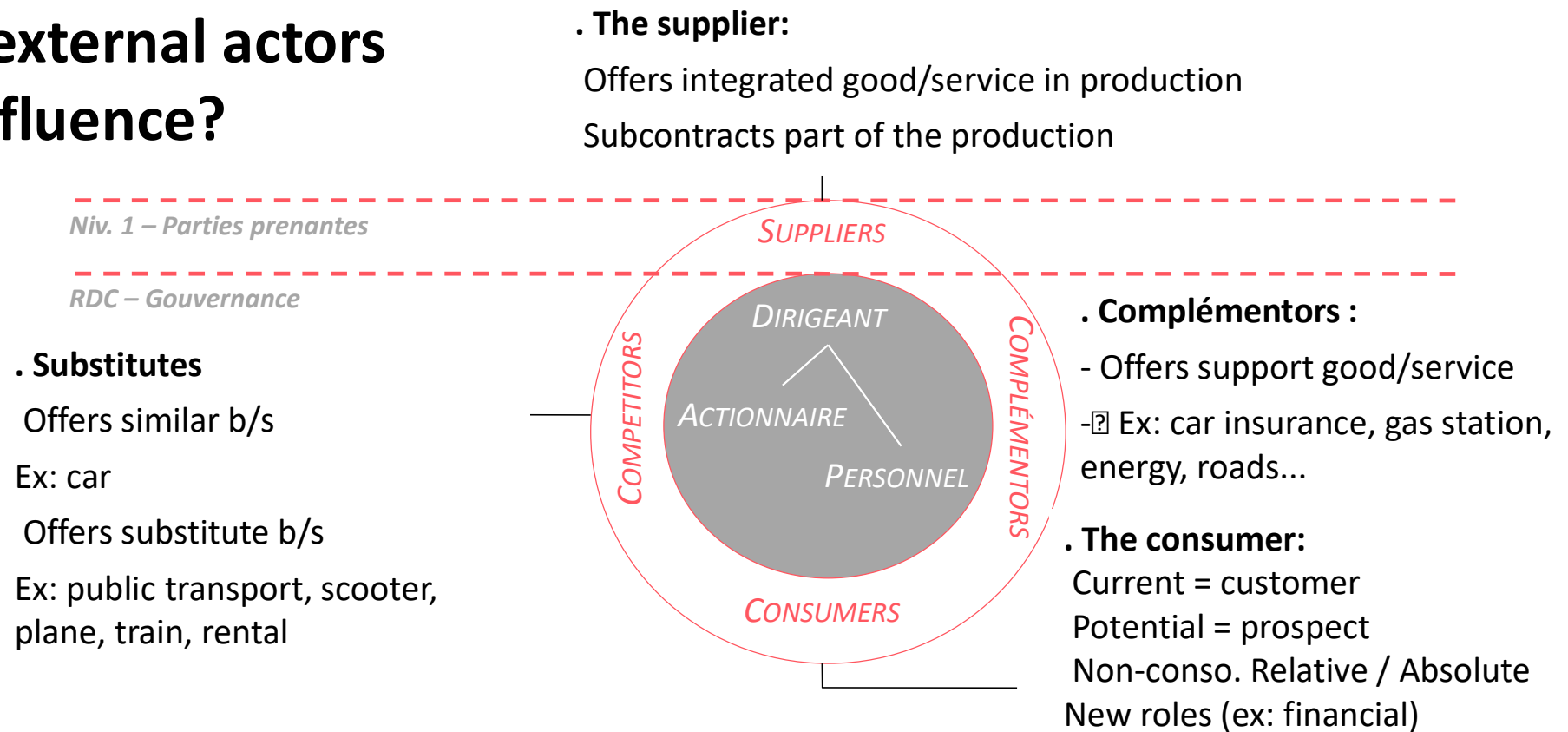
An extended definition: "those (individuals or groups) who are not shareholders and yet suffer, benefit or influence the activity of organizations"

(Bonnafous-Boucher et Pesqueux, 2006)

What is the company?

1.2 – The reality of the company

Other external actors who influence?





Scooters will return to San Francisco, but Bird and Lime aren't invited

Skip and Scoot, two underdogs in the scooter war, won the coveted permits

By [Andrew J. Hawkins](#) | [@andyjayhawk](#) | Aug 30, 2018, 4:26pm EDT



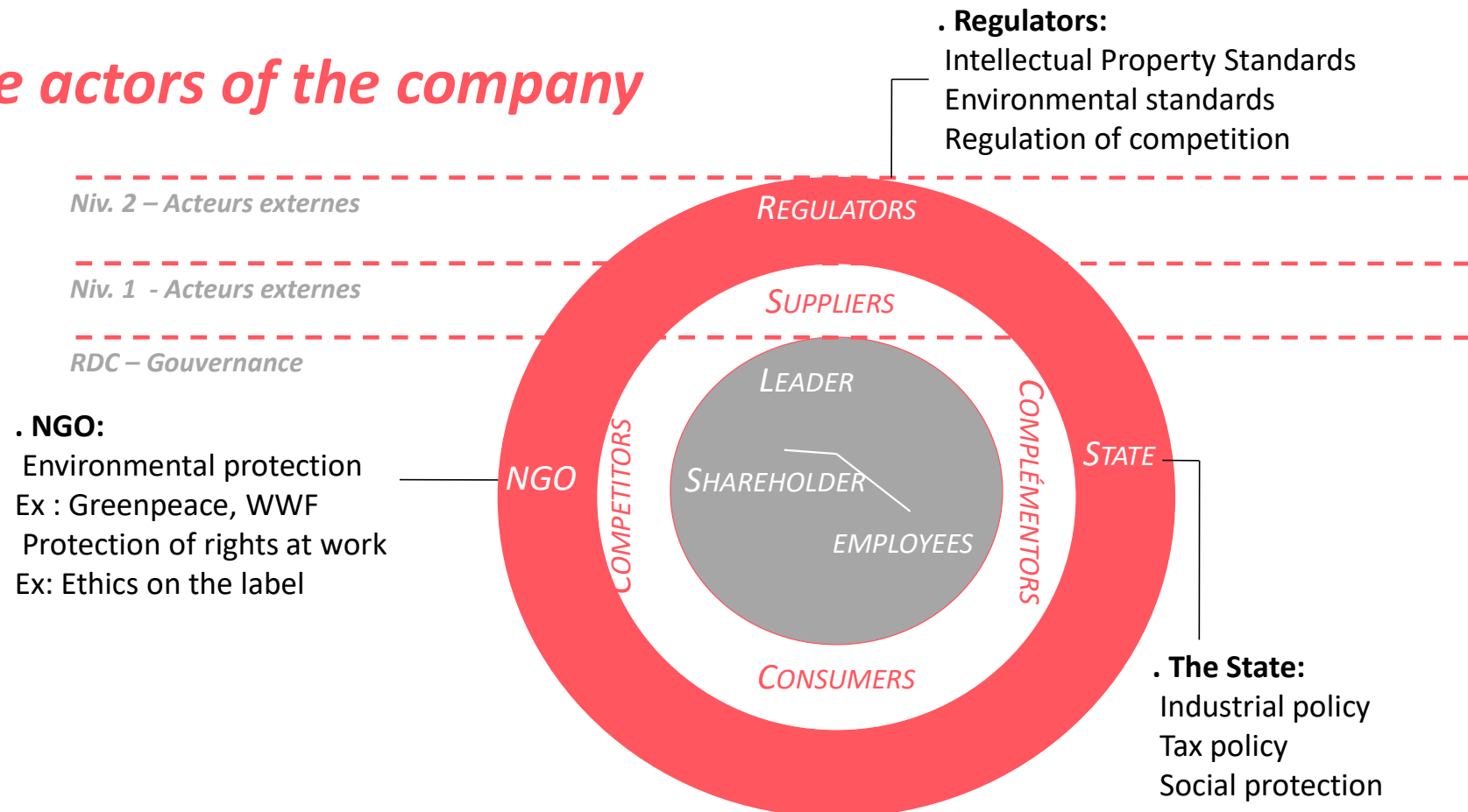
SHARE



What is the company?

1.2 – The reality of the company

- *The actors of the company*



Which stakeholder is Toyota for tesla?

TOYOTA HYBRIDS



**RAV4
HYBRID**

**CAMRY
HYBRID**

**PRIUS
HYBRID**

**HIGHLANDER
HYBRID**

**AVALON
HYBRID**

What is the company?

1.2 – The reality of the company

Which stakeholder is Toyota for tesla?

"Originally, Toyota enjoyed a solid reputation as a leader with its hybrid electric vehicles," "But now the market sees them as followers of the electric vehicle industry, and Tesla is the leader in terms of brand image or reputation. Now [Toyota] has to return to its previous position." (Masahiro Akita, a Japanese auto analyst at Credit Suisse)

What is the company?

1.2 – The reality of the company

Which stakeholder is Toyota for tesla?

In 2010, "Toyota agreed to buy \$50 million in Tesla shares and the two companies agreed to cooperate in the electric vehicle space: Tesla also bought an assembly plant in California as part of a joint venture between Toyota and GM. In addition, the Toyota RAV4 model uses Tesla's electric powertrains



What is the company?

1.2 – The reality of the company

Which stakeholder is Toyota for tesla?

Toyota had 2.3 million shares in Tesla in March 2016, according to a financial report released last June, valuing the stake at that time at about \$538 million. For most of last year, Tesla shares traded at more than 10 times their 2010 price (\$17 was the price of the first shares when Tesla went public)."

In 2019: sold the shares and stopped the partnership

What is the company?

1.2 – The reality of the company

Which stakeholder is Toyota for tesla?

"Tesla has grown beyond the simple test bed of interesting electric vehicle technologies to become a full-fledged competitor to traditional manufacturers in the electric vehicle sector."

IF you were the leader of Toyota with the power to go back in time...

What is the company?

1.2 – The reality of the company

Deep fake <https://www.youtube.com/watch?v=gLol9hAX9dw>



Google tensorflow

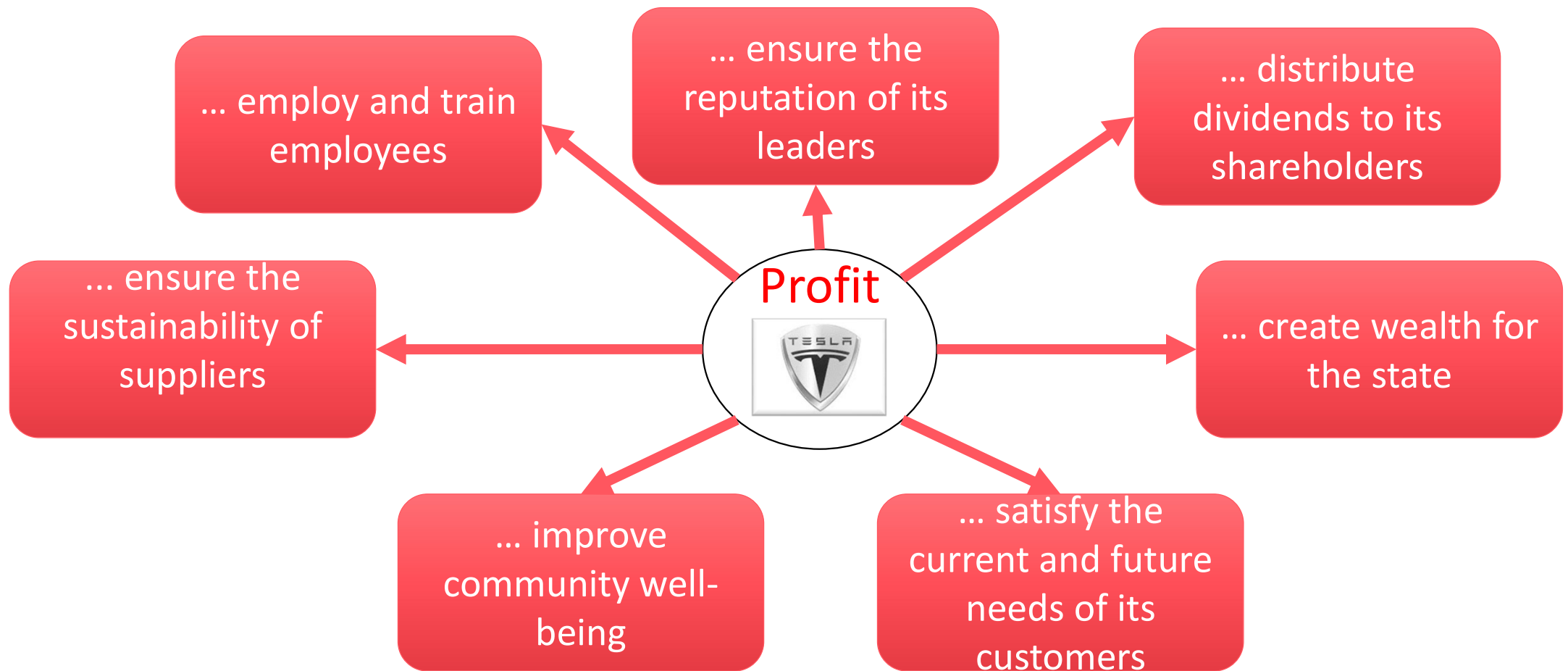
What is the company?

1.2 – The reality of the company

A reality fragmented between
several actors and purposes
a PARADOX

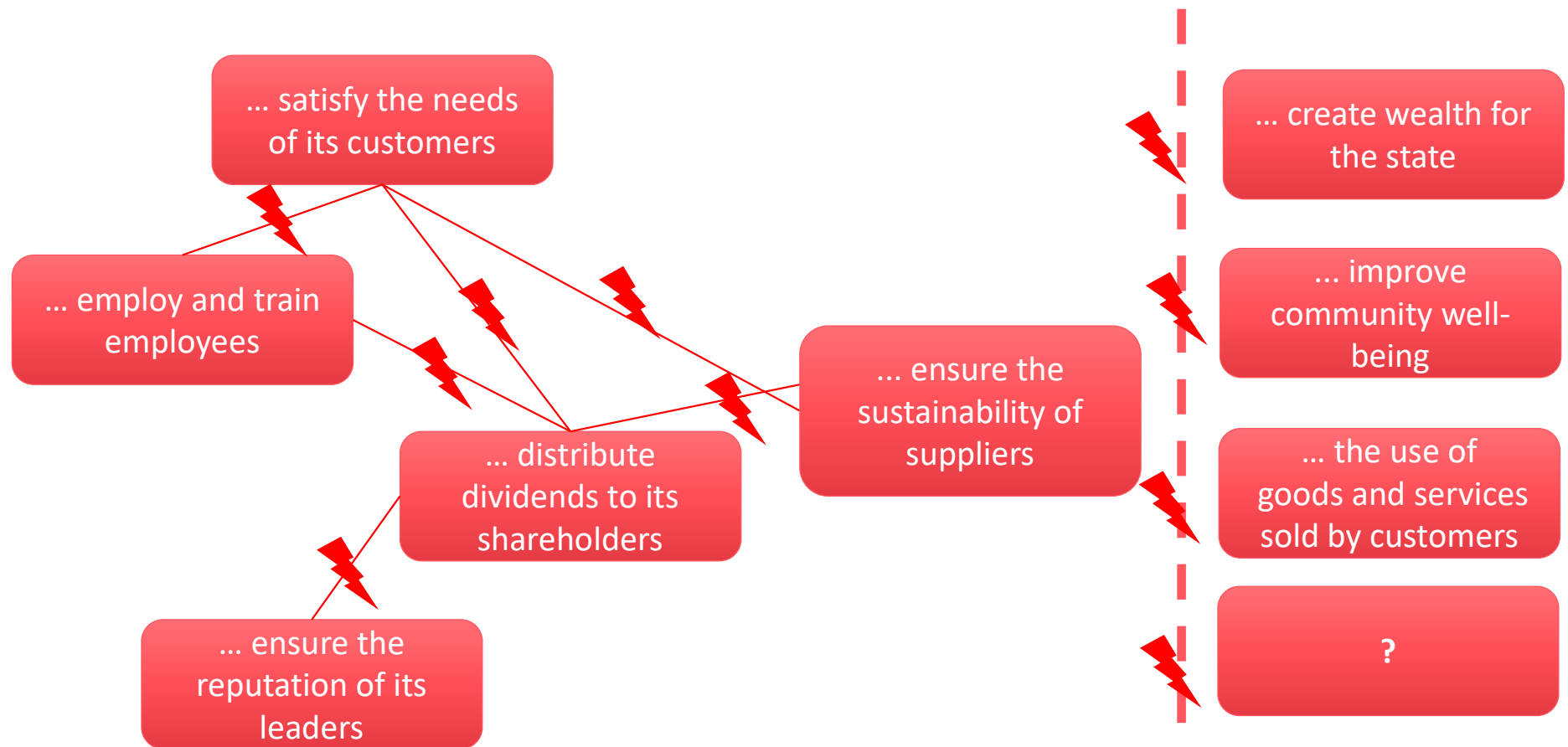
What is the company?

1.2 – The reality of the company



What is the company?

1.2 – The reality of the company



Point « anglais » : différence shareholders and stakeholders

Actionnaires = Shareholders ou Stockholders (possède des shares)

Stakeholders = **actionnaires** + *stake* (intérêt)

What is the company?

1.2 – The reality of the company

Redefining the business

Redefining **its borders**: "The company is seen as an open place where different types of relationships between its stakeholders intersect"

(Gond and Mercier, 2004)

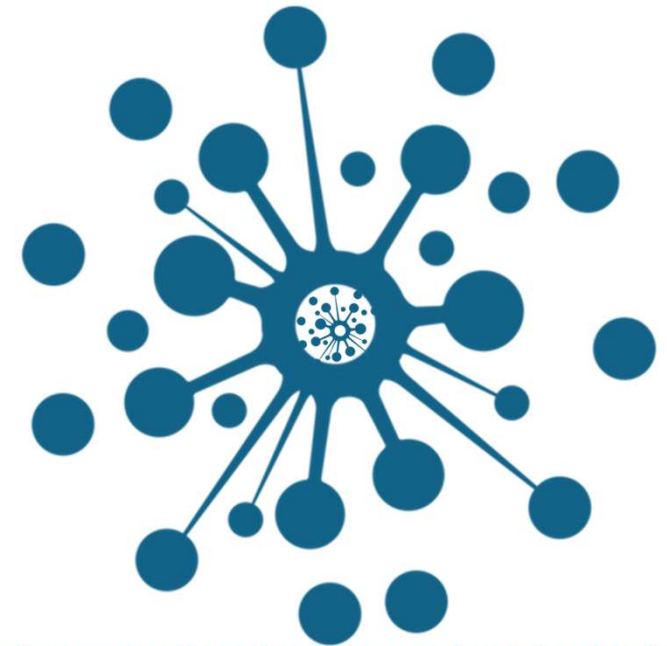
Redefine **its purposes**: "Leaders are not only responsible for maximizing shareholder value, they must take into account the well-being of other stakeholders affected by the company's decisions"

(Gond et Mercier, 2004)

What is the company?

1.2 – The reality of the company

Even more complex



What is the company?

1.2 – The reality of the company

- ***The internal organization of the company***
- It responds to a functional division
 - The Director of R&D: invention, innovation, patents...
 - The Director of Production: quality, volume, deadlines, yields...
 - The Marketing Director: customer satisfaction, sales volume, gross margin...
 - The Trade Union Delegate: salary increases, staff well-being...
 - Etc.

What is the company?

1.2 – The reality of the company

The internal organization of the company

Dividing the company in functional silos allows for better specialization and productivity

This division poses problems of coordination and purpose.

It responds to a functional division

The actors and functions of the company

Function/Division	Mission	Objectives
Managing director	<ul style="list-style-type: none"> - Represent the company to third parties Define the medium-term strategy Plan its implementation 	<ul style="list-style-type: none"> - Ensuring sustainability - Ensuring growth - Arbitrate between directorates -
Marketing-Sales Director	<ul style="list-style-type: none"> - Analyze the market Know the customers Position the offer Choose distribution channels 	<ul style="list-style-type: none"> -Turnover - Sales volume - Market share - Loyalty -
R&D Director	<ul style="list-style-type: none"> - Define production technologies - Define product technologies - Ensure a technological watch 	<ul style="list-style-type: none"> - Patents - Product Innovations -
Production Manager	<ul style="list-style-type: none"> - Manage procurement - Define production techniques - Define the appropriate equipment - Scheduling the product loadion 	<ul style="list-style-type: none"> - Production volume - Production quality - Manufacturing costs -
Human Resources Director	<ul style="list-style-type: none"> - Recruit staff - Train staff - Motivating staff - Evaluating staff 	<ul style="list-style-type: none"> -Staff turnover rate - Attraction of high potentials - Labour productivity - Absenteeism/W Accidents
Chief Financial Officer	<ul style="list-style-type: none"> - Ensuring financial balance - Monitor performance - Design control tools (accounting, analytical accounting, financial analysis, etc.) 	<ul style="list-style-type: none"> - Available liquidity - Indebtedness - Profitability

What is the company?

1.2 – The reality of the company



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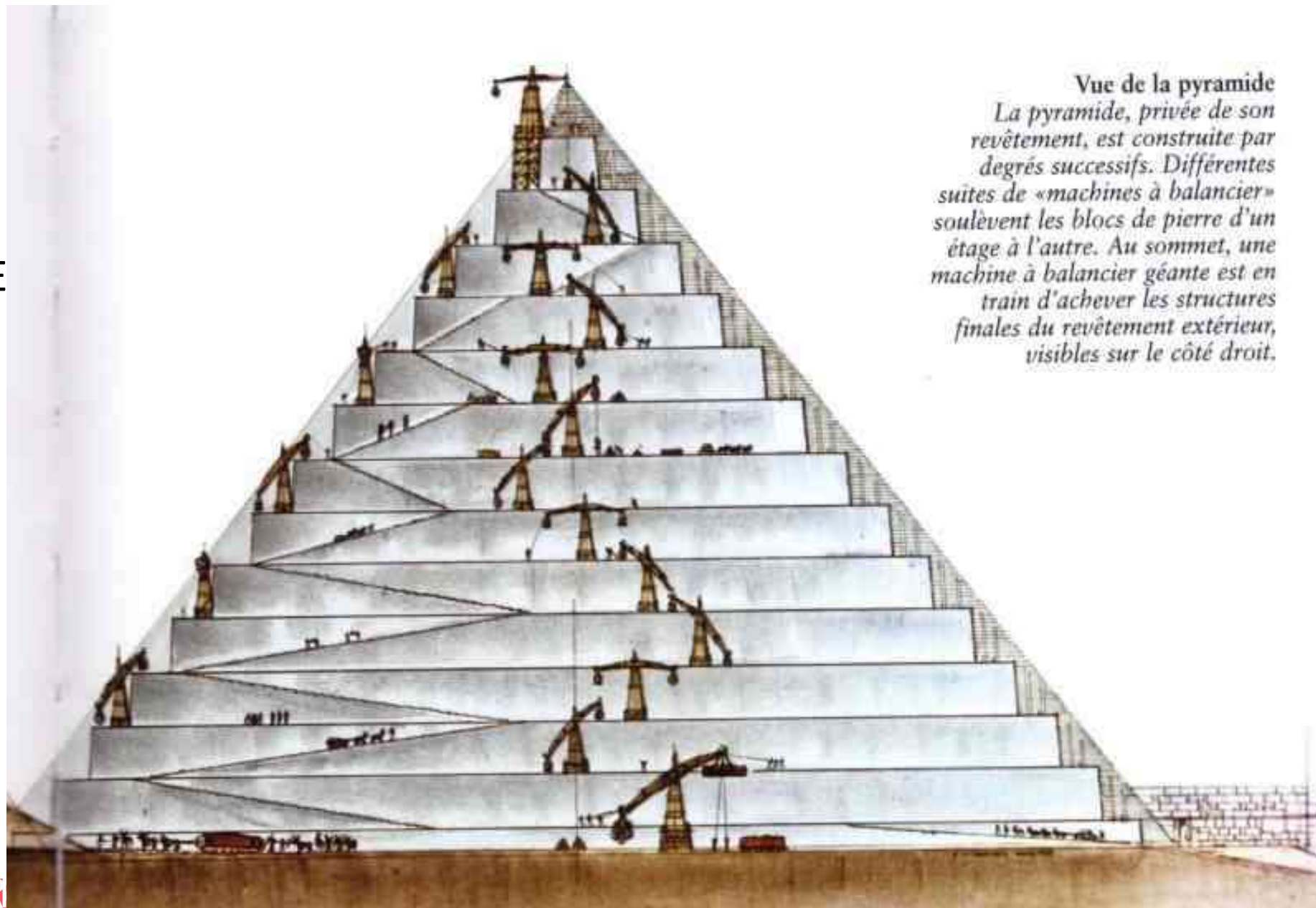
For the manager

1.2 – The reality of the company

➤ A reality fragmented between several actors and purposes

➤ A historical evolution

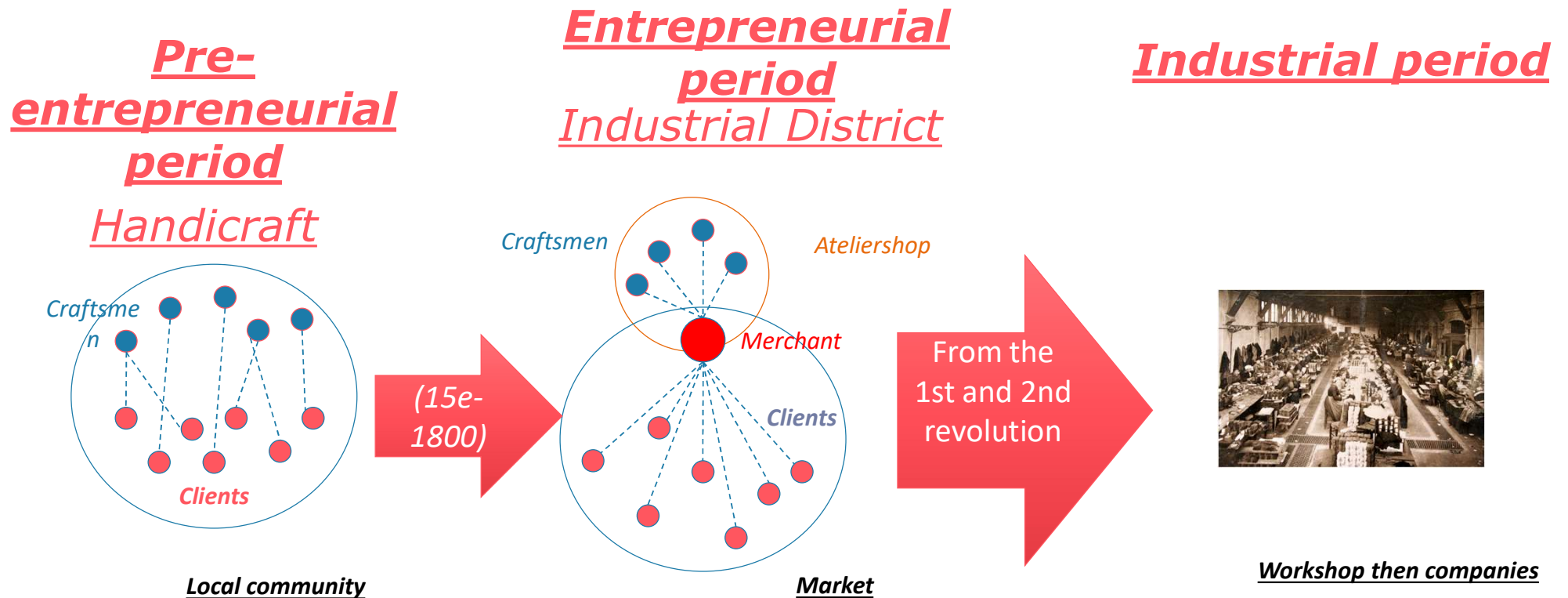
• IMAGE



Vue de la pyramide
La pyramide, privée de son revêtement, est construite par degrés successifs. Différentes suites de «machines à balancier» soulèvent les blocs de pierre d'un étage à l'autre. Au sommet, une machine à balancier géante est en train d'achever les structures finales du revêtement extérieur, visibles sur le côté droit.

1.2 – The reality of the company

A historical evolution

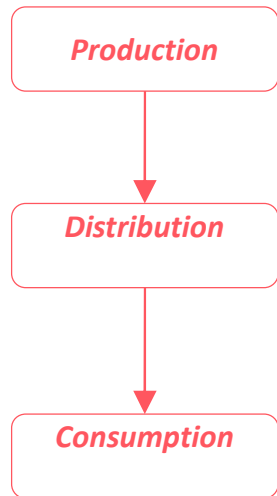


1.2 – The reality of the company

A historical evolution

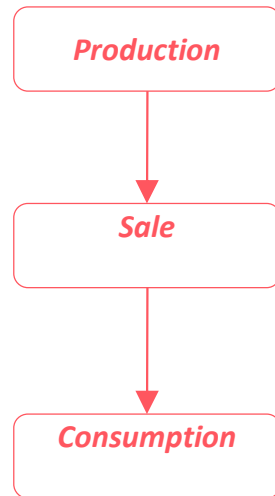
Differentes logiques d'offre

PRODUCTION PRIORITY
(1900 TO 1950)



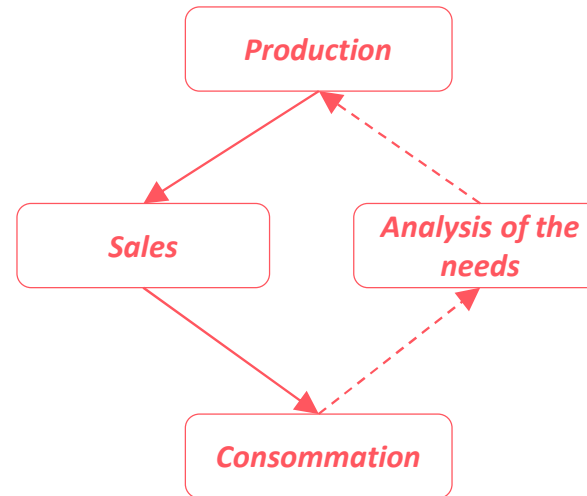
STANDARDISATION

PRIORITY TO THE SALE
(1950-1960)



STANDARDISATION

MARKETING FIRST
(1970-PRESENT)



TAILOR

1.2 – The reality of the company

A historical evolution

Amazon Patents "Anticipatory" Shipping — To Start Sending Stuff Before You've Bought It

Natasha Lomas @riptari / 3:41 PM GMT+1 • January 18, 2014

 Comment

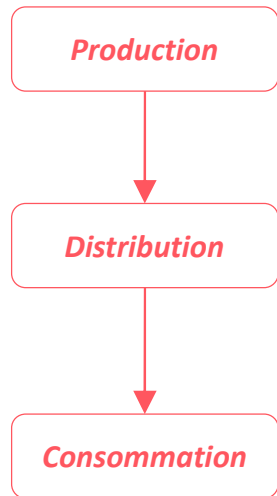


1.2 – The reality of the company

A historical evolution

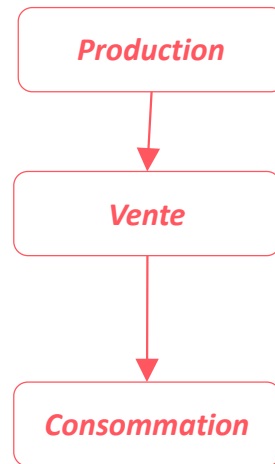
Different offer logic

PRODUCTION PRIORITY
/PRODUCTION OFFER
(1900 à 1950)



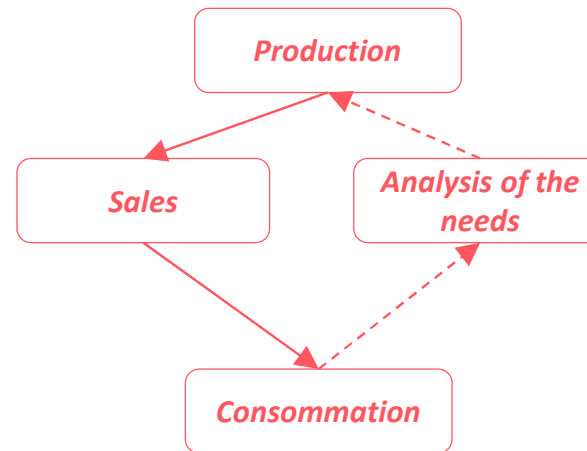
STANDARDISATION

PRIORITY TO THE SALE/
COMMERCIAL OFFER
FOCUSED ON SALE
(1950-1960)



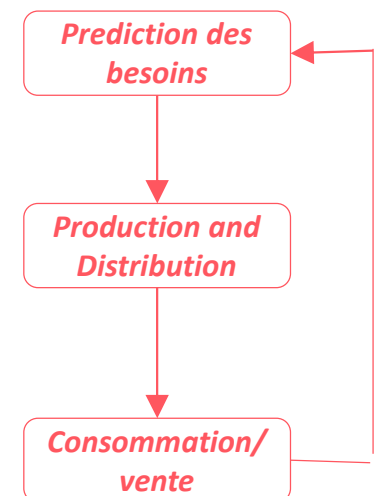
STANDARDISATION

PRIORITY TO MARKETING
COMMERCIAL OFFER FOCUSED
ON CUSTOMERS
(1970-now)



SUR-MESURE

FOCUS ON AUTOMATION AND AI/
PREDICTIVE OFFER
(NOW)



PREDICTION
SUR-MESURE

Conclusion Chap 1

MANAGEMENT...

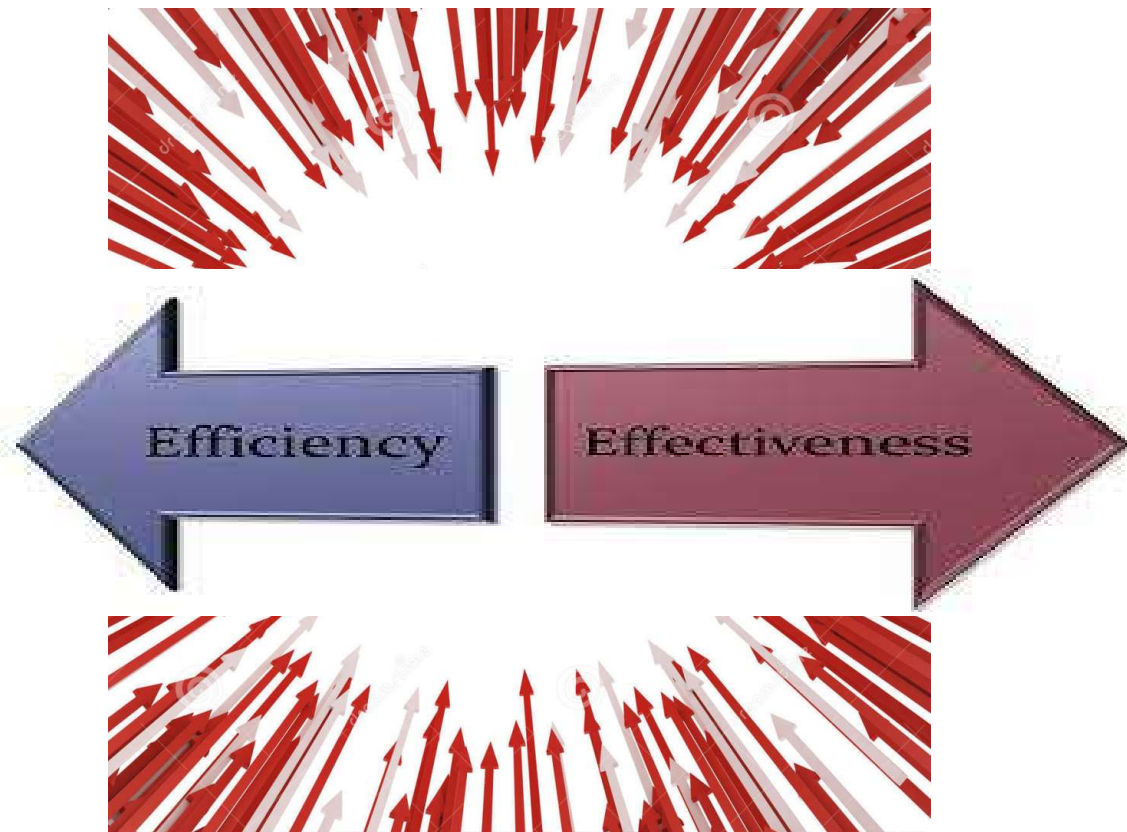
«of companies... »



« all the means and techniques
implemented to achieve a given
objective" »

Conclusion Chap 1

Achieve the
objective
through
efficiency and
for that take into
account the
complexity of
the companies!





Takeaways Chap 1

- ❑ Different view of the company
- ❑ Management vision :
 - ❑ Collective action finalized with commercial and profit-driven goal
 - ❑ strategic choice (objectives) / find resources and organize them / controlling performance
- ❑ Governance : 4 models
- ❑ Different size: micro/SME/medium/large (definitions changes depending on the countr)
- ❑ Sector of activity: three main ones in the 732 sectors
- ❑ Main versus secondary activities: Industries
- ❑ Restrictive Stakeholders vs Extended definition Stakeholders
- ❑ Internal and external stakeholders' f internal & external actors
- ❑ Functional silos : Objective/purpose/limits
- ❑ Different logics of offer
- ❑ Efficiency versus effectiveness
- ❑ « public company » (in US)

To go further



As France Telecom becomes a private multinational, public right to the same telecommunication services, nationwide, is no longer the goal"

Governance : State model to Shareholders model

Purpose : Public service => Profit and cost reduction

« 50-year-old technicians are reassigned to call centers ... »

Production logic => commercial logic

« 4,000 France Télécom executives were trained each year to "make people move" by exerting maximum pressure»

HR as a ressource => HR as a cost to optimize

"suicide crisis" — 35 suicides in 2008 and 2009

Pour aller plus loin

Moodle UM ENT Vidéo Aide ▼

L1 2022 Problèmes Managériaux Contemporains / Contemporary Management Issues 2022-2023

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✚  PMC - BEZ - Chap 1 - develop your critical thinking - française des jeux case study 



Introduction

Shift of « public model » to « private shareholder model »

Pro :

- *Financial* : « Rakes in more than \$2 billion» (2nd article)
- *Strategic Ressource allocation* : "The state must invest in strategic companies, prepare the future of the French and protect sectors that could be reached by aggressive investments." (1st article)

Cons:

- *Under certain condition* : "no foreign investor will be able to take control."
- With your knowledge of Orange : question the general interest ("We have created a National Gaming Authority that will have all the powers to ban games that could be addictive")

Training to the exam

Elon Musk took control of Twitter on October 27 [...]. The visible rush in which nearly half of employees were fired, as well as the sudden sale of blue verified account brands (a paid account authentication system), seem to reveal that the new CEO, [Elon Musk] is feeling the pressure of profitability.

Another interesting fact, Elon Musk took over Twitter on October 27, 2022 [...] As he has repeatedly said, the new owner of the premises intends to "restore" freedom of expression on the platform: he reiterated this as soon as he took control, in a tweet proclaiming that "the bird is free". [otherwise says we will not moderate tweets] [...]

But even the richest man in the world is subject to economic constraints. On the day of the takeover, the new boss wanted to reassure advertisers that the platform would not become "a hell where everything is permitted", in fact acknowledging the need for moderation. [...] Advertisers will go wherever the audience is (whatever the platform is: twitter, **facebook**, etc). Elon Musk cannot ignore the economic imperative of preserving the attractiveness of this digital environment for the average user, and therefore for companies wishing to deploy their advertising efforts there. Currently, 90% of its revenue derives from advertising. [...]

5) Question: What does Facebook represent for Twitter (based on advertisers' behavior)?

- a) A complementor
- b) A consumer
- c) A supplier
- d) A substitute

Training to the exam

Deepmind

- Deepmind, Google's artificial intelligence company, best known for designing AlphaGo, is creating a special department
- called DeepMind Ethics and Society. This department is responsible for examining the impact of AI on society. It will consist of a few dozen people. "Technology is not neutral, and technologists must take responsibility for the ethical and social effects of their work," DeepMind explains the creation of this new department. According to the company, "People need to keep control over all AI applications, which additionally need to be leveraged for useful purposes.
- Source: Van Nuffel "Google's AI branch creates an 'Ethics' department" Oct 2017

25) Question: the creation of a new department dedicated to ethics involves:

- a) A contractual growth for Deepmind
- b) A functional division within DeepMind
- c) None of the three answers
- d) Focus on one and only one value which is ethics