1. The nature of enterprise, aims and social role:
An enterprise is a community of people at the service of the society. It is a private entity but of public interest. It is oriented to satisfy mainly customers, owners and employees. It also is a center for developing entrepreneurial, technical, commercial, and organizational skills and an educational center that promotes: a conception of people and work, virtues such as courage, attentiveness, loyalty, perseverance. The enterprise is oriented to last over time.

2. The role of profit in the enterprise's life:
Profit, in the enterprise's life, has a key role; indeed, it sustains the production, it pays employees' wages, it maintains the company and so forth. In past years economics theories claimed that the unique goal of a firm was that one of maximizing profits. But, nowadays, companies aren't just focused in being profitable indeed they also try to achieve social objective such as being eco-friendly or motivating their employees in order to get a better society.

3. The main stakeholders' categories of an enterprise:
The main stakeholders' categories of an enterprise are:
- Employees
- Shareholders
- Government
- Suppliers
- Costumers
- Community
Because they have a direct impact on the company as well as they're directly affected by it.

4. The homo Oeconomicus and Human Being:
For more than 2 centuries, economic sciences have used the model of Homo Oeconomicus to denote the economic essence of human beings. Homo Oeconomicus is a utility maximiser, his sole interest is to maximize his own income and wealth; he possesses a perfect rationality, he is interested only about himself, He is autonomous and opportunistic. Conversely human being is a utility satisfier; he possesses a bounded rationality, he is member of social groups, he is cooperative and trustworthy.

5. The responsibility of management in firms:
Managers in company have several responsibilities that can be divided into two different categories: the first one contains responsibilities based on the economic aspects such as being able to create wealth and, in addiction, manage to have an economic sustainability; this means that managers have to find the right balance in order to grant the company to survive, to achieve goals and to be profitable. The second one contains the responsibilities that managers have towards the social and environmental impact that a company may have.

6. Entrepreneurship vs management:
Entrepreneurship is a process which leads an individual or a group to invest personal resources for the creation and management of a new organisation designed to pursue an innovative opportunity. While management is more like a profession that consists of managing a company and checking the operation and production of it. It is mostly about skills

7. Discuss the pyramid of needs:
At the bottom of the pyramid of needs there is physiological and survival needs that a human being needs in order to stay alive, such needs are: air, food, water (etc.); then there is safety needs that is composed by the things that a human being needs to feel safe, such as: house, insurance, retirement plan (etc.); in the middle of the pyramid we find love and belonging that are the needs which leads a human being to feel loved, such needs are: children, friends, partners; at the second step of the pyramid (starting from the apex) we find the self-esteem needs that

complete the human being as a person, such needs are: fame, recognition, reputation, dignity; and at the first step there is self-actualization in which a human being completes his achievement in life

8.Economic and non-economic goods
A good is an "economic good" **if it is useful to people but scarce in relation to its demand so that human effort is required to obtain it**. In contrast, free goods, such as air, are naturally in abundant supply and need no conscious effort to obtain them. needs> availability
Non-economic goods are called free goods because they are **free gifts of nature**. They do not have any price and are unlimited in supply. Examples of non-economic goods are air, water, sunshine, etc. The concept of non-economic goods is relative to place and time. availability> needs

9. Explain some categorizations of economic goods:
The economic goods are goods and services useful in order to satisfy people's needs. There are different types of economic goods, here are some examples:
- Disposable: set up only for a short amount of time;
- Substitute: that are perceived as similar to other goods;
- Complementary: they complete other goods;
- Public: consume by the society;
- Private: goods that belong to an individual;
- Differentiable: they are unique products (brand makes the difference among one product and another);
- Commodity: they are interchangeable with other goods of the same type

10.Key features of the four classes of social entities:
The four classes of social entities are: family, firm, state & public administration and non-profit organization.
-Family: is the basic social entity in society. Its main purposes are social, ethical and religious; but a family also has some economics goals; the primary economic goal is to fulfil the needs of its members. Family members produce income mainly by external work, but a part can also be produced thanks to shares in listed company, rental properties, bonds. In families we also find activities like paying taxes, buying insurance to cover from risks, incurring debt.
-Firm: its primary economic goal is the production of rewards (monetary and non-monetary). The firm's core economic interests are centred on employees and shareholders; they receive rewards produced by the firm in the form of salaries, capital-gains and dividends. The firm's non-core economic interest are centred on suppliers, customers, providers and the State.
-State and public administrations: the State is a political, social, legal, and economic system which fosters the pursuit of the common good of the nation. The public administrations' priority is the one of producing public good (especially services). The production of public goods requires financial means; these financial means are collected through taxes, public debt. Its primary economic goals are: satisfy public needs of people that belong to the local community, reward employees. The production of goods it is an end, not a mean.
-Non-profit organizations: an organization to be qualified as a non-profit organization needs to be: private and not allowed to distribute net earnings among the people who run the organization. The aim of these organizations scentres on social, moral and cultural concerns. The primary economic goal is never to produce rewards, though a reward for work must be established fairly.

11.The levels of specialization in modern economic activities:

In modern economic activities there are three level of specialization:
- Specialization by macro-classes of organization: such as firms, families, non-profit organization, State;
- Specialization within each macro-classes of organization: especially true for firms because they are highly specialized in the production of specific types of goods;
- Specialization within single organization: where individuals perform specific task.

12.The main advantages connected to specialization:
The main advantages of specialization are: - Higher speed and efficiency;- Less effort; - High quality results

13. The rights/duties to govern the organization:The rights you're entitled to when you govern an organization are: to make decisions and to benefit from the residual income. The duties that you have when you govern an organization are: to assume responsibility and to bear possible negative results.

14.Firm's core stakeholders, expectations and rewards: -Employees: getting a salary, job satisfaction, the chance to grow professionally
-Suppliers: they expect on time payment, long-time contract
-State: reduce unemployment rate
-Customers: they expect quality and fair prices
-Local community: respect for the environment, creating job opportunity in the local area
-Shareholders (risk capital providers): they expect the company to have success and they want to receive more money than the one they invested
-Providers of loan capital: they want to receive the money back plus the interest; they also want the company to be transparent.

15.**The governance structure of a company: explain the concept and provide the example using the organization you analyzed in the group project.**
Corporate governance is the collection of processes and relations by which corporations are controlled and operated. Corporate governance is a fundamental and key part of an enterprise. It defines who makes decisions within the organization and how.
AEFFE S.p.A adopted a traditional administration and control model formed by the Board of Directors and a Board of Statutory Auditors selected during the Shareholder's assembly.

16+17 Stakeholders, expectations and rewards at X.
Stakeholders are all the groups involved, directly or indirectly, in a company. We can consider La Doria as a company and its stakeholders are:
- Shareholders: it is controlled by Ferraioli family and they have, in different percent all the shares of the company (more than 5% each person), Ferraioli Antonio as the greater part. They invest in the company so they risk a lot but they receive a profit and they also make decisions over the company.
- Customers: they ask for transparency and they expect to have a quality products and stability in prices.
- Employees: they expect to have stabile salaries and equal confronted among each other and also with competitors.
- Competitors: they have a lot of competitors that try to convince customers that their products are better than La Doria's ones but they continue to guarantee quality and security.
- Providers of loan capital: we are talking about banks and they invest their money and they expect stability in the company, they receive more than how much they are invested because of interests.

18.Illustrate the contributions and expectations of the shareholders:
Shareholders (risk capital providers) supply financial means in the form of equity capitals that is subject to the firm's general risk. Risk capital providers have the right to a share in the profits which the firm generates. Shareholders' expectations are: satisfactory compensation of the capital that they invested in the form of dividends and capital gains (that is the difference between the capital granted and the capital earned when shareholders sell their shares)

19.Illustrate the contributions and expectations of the employees:
Employees provide labour to the firm, it can be qualified according to: time dedicated to the firm, commitment and energy expended during work, skills made available to the firm, results attained. For their work employees expect: regular and deferred wages, consistent with

those paid by other firms for similar tasks, skills and results; agreeable physical and social work conditions; incentives and initiatives that enhance professional skills (for example education and training)

20.The tasks related to corporate governance: The corporate governance is a fundamental and key part of an enterprise. It defines who makes decisions within the organization and how

21. Governance body of the organization you analyzed with the group
The board of directors of Aeffe group is composed by Massimo Ferretti, Executive Chairman, Alberta Ferretti, deputy chairman, Simone Badioli, CEO, Giancarlo Galeone, executive director, Roberto Lugano, Non executive director, Bettina Campedelli, Francesca Pace, Marco Mazzù, Daniela Saitta, all independent directors.

22.Benefits of corporations: A corporation is an entity that is legally separated from the shareholders. Limited Liability: Corporations provide limited liability protection to their owners (shareholders). Typically, the owners are not personally responsible for the debts and liabilities of the business; thus, creditors cannot pursue owners' personal assets, such as a house or car, to pay business debts. Conversely, in a sole proprietorship or general partnership, owners and the business are legally considered the same and personal assets can be used to pay business debts Ownership transfers: It is not especially difficult for a shareholder to sell shares in a corporation, though this is more difficult when the entity is privately-held. Unlimited Life: A corporation's life is not dependent upon its owners. A corporation possesses the feature of unlimited life, meaning if an owner dies or wishes to sell his or her interest, the corporation will continue to exist and do business

23.Define economic activities: Economic activity is the activity of making, providing, purchasing, or selling goods or services

24.Describe the difference between functional areas and business areas. Provide an example concerning the organization you analyzed in the group project.
Business area:
A business area is an organizational unit within accounting that represents a separate area of operations or responsibilities in a business organization. A business area is a product/market area, with its own distinctive features; it differs from other product/market areas in which the same firm operates. For example the two biggest commercial areas of the group, Europe and China can be treated as two different business areas because the two cultures are different and opposite.
Functional Area: An organizational unit in accounting that classifies the expenses of an organization by functions; functional areas can be classified as follows:
-Institutional structure design
-Operations: Core operations (research and development, purchasing, manufacturing, sales and marketing, logistics), Debt and equity management, Management of non-core investments, Tax management, Insurance management
-Organization
-Information

25.The five classes of operations: concepts and examples taken from the organization you analyzed in the group project.
5 classes: **Core operations:** Operational processes that identify the economic function of the company; Functional areas (interdependent) – Purchasing (goods and services) – Manufacturing – Sales and Marketing – Logistics ; Transversal processes – New product development; – Processing customer orders
Aim: Produce and make available products/services to satisfy needs
Example: Aeffe group produces and sells clothes
Debt and equity management: Set of activities undertaken by firm related to availability of financial resources Sources = Equity (risk capital) Debt (loan capital)
Aim: Cover needs of financial resources to establish and develop the firm
Example: **Non-core operation:** Occasional investments of financial resources in excess of the requirements of core operations (surplus funds)
Aim: Create additional revenues by investing capital originating from savings
Insurance Management: Organizations are subject to general economic risk (threaten longevity of organization, inherent and non-transferable) and particular (specific) risks (can be covered by insurance) ✓ Transactions for specific risks = insurance contracts ✓ Payment = insurance premium
Aim: Provide coverage for damages from negative events within all operations of a firm
Tax management: Activities of computing and paying taxes All firms required to pay various taxes in exchange for the use of public goods provided by the State
Aim: Fulfill tax obligation

26. Operations, organization and information: clarify the meaning of these three categories of a firm's economic activity: Operations refer to the extensive set of activities by which the firm actually carries out economic production: raising capital, buying machinery and raw materials, manufacturing and selling products, paying taxes. Most of firm's employees are

involved in operations; indeed, a large portion of the firm's costs and revenues are generated here and consequently, the net income (either it is a profit or a loss). Two complementary area of activity are required for a firm to have efficient operations: organization and information. Organization can be classified in two groups: organizational design and human resource management.
Organizational design centers on designing the organizational structure of the firm. The objective in designing organizational structure is to ensure that each employee knows what to do, in which organizational unit he is, who his boss and subordinates are.
Human resource management consists of recruiting and hiring personnel, and providing orientation.Information activities are conducted to provide data and information to two groups of users: -The firm's decision makers who work in various functional areas.
-The firm's stakeholders who need information to decide if and how to establish and grow their relationship with the firm

27. The core operations of the firm: explain the diFFerent categories and for each of them give an example of the organization you analyzed.
Core Operations that the company carries identify the technical/economic function of each company. As fundamental activities operations generate costs and revenues and they are classiFIed in several functional areas: R & D (research and development) wood + environment (impact and sustainability); focus on: aesthetics, performance, functionality.
Purchasing goods and services buy machines and raw materials!
Manufacturing assembly raw materials through machines!
Sales and Marketing selling Drm's product and optimizing economic proFItability!
Logistical processes, transportation, delivery!
Core operations are interdependent.
Moreover it can be useful to integrate those functional areas with transversal processes such as new product development and processing customers orders. Core operations give rise to various sets of transactions involving private and public goods. The exchange of course is paid in terms of monetary exchange, in rare circumstances there is bartering.

28.The four categories of operations around the core ones: tell which are and give an example from the organization you analyzed in the group project.
(29)**Debt and equity management** ("finance") has the aim to cover needs of financial resources to establish and develop the firm. It consists of a set of activities undertaken by the firm related to availability of financial resources. Financial needs derive from the fact that normally firms have to incur expenses and make payments before actually being able to sell products and cash in revenues. It's is greater: -
the greater the investments needed to establish and expand production capacity -
the longer the production cycles (ex: whisky > beer) -
shorter the payment period for suppliers
- longer the payment period for customers.
A firm's financial need can be covered by considering two principal sources: equity (or risk) capital and debt (or loan) capita. Equity (or risk) capital is the one provided by the shareholders who expect compensation proportional to the firm's net earnings and to their risk. But the amount of this compensation is uncertain as it could be in the form of gain as in

the form of losses. It depends on the well-doing of the company. That's why equity capital is also referred as risk capital - Debt (or loan) capital involves the availability of a given quantity of financial means for a set period of time.

Management of non-core investments:
- occasional investments of financial resources in excess of the requirements of core operations, it's fundamental within a company when this one has a surplus of funds and wants to invest those funds in order to earn supplemental revenues apart from those from core operations. So, its aim is to create revenues in addition to earnings from core operations by investing capital originating from savings (Investing in companies strategically linked to their business but also in companies completely different from them).

Insurance management: has the aim to provide coverage for damages from negative events within all operations of firms. Each firm has got a general economic risk, that is about the eventual gain or losses of a company and therefore, the longevity of the company itself, which cannot be transferred to others. Moreover, each company is also exposed to particular risks which can be covered by insurance. Talking about insurances there are two different kinds of insurances:- insurance premium that involve a specific payment - insurance contracts that involve transactions for specific risks.

Tax management:- activities of computing and paying taxes, in fact all firms are required to pay various kinds of taxes in exchange for the right to use public goods provided by the State. Its aim is to cover needs of financial resources to establish and develop the firm

30.Management of non-core investments:

Management of non-core investments: - occasional investments of financial resources in excess of the requirements of core operations, it's fundamental within a company when this one has a surplus of funds and wants to invest those funds in order to earn supplemental revenues apart from those from core operations. So, its aim is to create revenues in addition to earnings from core operations by investing capital originating from savings (Investing in companies strategically linked to their business but also in companies completely different from them. An organization could invest those money in activities like real estate or land.

31. Give a definition of non-core investments and provide examples from the company you analyzed in the group project.

- occasional investments of financial resources in excess of the requirements of core operations, it's fundamental within a company when this one has a surplus of funds and wants to invest those funds in order to earn supplemental revenues apart from those from core operations. So, its aim is to create revenues in addition to earnings from core operations by investing capital originating from savings (Investing in companies strategically linked to their business but also in companies completely different from them. An organization could invest those money in activities like real estate or land.

32 DiFFerent levels of activities. Describe and make examples.
Company's often have more than one business that's why it is important to distinguish from the diFFerent business, the speciFIc business model that each one has got and the interrelations between businesses.
We can deFIne three levels of activities: -Corporate level which is about the mission of the Drm, the business portfolio and what the business should be and should do in general.
-Business level which deFInes how the organization will compete in a product and in a speciFIc market.
-Functional level which deDnes how to manage speciFIc activities inside of the company.

SESSION 04-06

1 Describe the entrepreneurial formula.
The entrepreneurial formula is what determines the success of a company and includes all the activities and resources that are developed for a specific product that is located in a specific market segment. It's a theoretical model to understand the model of our business (to make it successful) and the way competitors operate. In particular the main resources and activities of a firm are the entrepreneurial team (to design the business, delegate), the activities carried out by the firm and the main resources (raw materials) for each activity. For what concerns the product system this one includes tangible features, intangible elements (e.g., a brand that communicates a specific status), connected services (assistance) and terms of transaction (Amount of the interests). In conclusion the market segment includes the final customers (each firm has a different kind of customer) and the channels (physical or virtual) which are the different ways a product can be delivered to customers (store/online store).

2. A classification of competitive advantages.
A competitive advantage is an attribute that allows a company to outperform its competitors. A competitive advantage must be difficult. If it is easily copied or imitated, it is not considered a competitive advantage. There are two strategies for establishing a competitive advantage: Cost Leadership, Differentiation.
-Cost Leadership, In a cost leadership strategy, the objective is to become the lowest-cost producer. This is achieved through economies of scale. If a company is able to utilize economies of scale and produce products at a cost lower than competitors, the company is then able to establish a selling price that is unable to be replicated by companies.
-Differentiation: In a differentiation strategy, a company's products or services are differentiated from that of its competitors. This can be done by delivering high-quality products or services to customers or innovating products or services. If a company is able to differentiate successfully, the company would be able to set a premium price on its products or services.
Competitive Advantage in the Marketplace
Three great examples include: 1. McDonald's: McDonald's main competitive advantage relies on a cost leadership strategy. The company is able to utilize economies of scale and produce products at a low cost and as a result, offer products at a lower selling price than that of its competitors. 2. Louis Vuitton: Louis Vuitton's advantage relies on differentiation strategy. The company is able to be a leader in the luxury market and command premium prices through product uniqueness. 3. Walmart: Walmart's advantage relies on a cost leadership strategy. Walmart is able to offer 'every day low prices' through economies of scale.

3Define resources and their role in firms' success:
Firms differ in fundamental ways because each firm possesses a unique bundle of resources. Resources come in many forms, from common factors, to highly differentiated resources (like brand names) that are developed over many years and are difficult to replicate. There are 4 different types of resources: tangible assets, intangible assets, human resources and organizational capabilities.

4The main tangible and intangible resources in the organization you analyzed:
Tangible assets are physical and measurable assets that are used in a company's operations. Assets like property, plant, and equipment, are tangible assets.
Intangible assets are typically non-physical assets used over the long- term. Intangible assets are often intellectual assets, and as a result, it's difficult to assign a value to them because of the uncertainty of the future benefits.

5. Define organizational capabilities and their classification:
Organizational capabilities are not input factors like tangible and intangible assets. They are complex combinations of assets, people, and processes that organizations use to transform inputs into outputs. Organizational capabilities can be classified as follow:
-Organizational capability: a firm's capacity to undertake a particular activity.
-Organizational competence: an internal capability that a company performs better than other internal capabilities.
-Core competence: a well-performed internal capability that is central to a company's strategy and profitability.
-Distinctive competence: a competitively valuable capability that a company performs better than its rivals

6.Tangible assets, intangibles assets and organizational capabilities: concepts and examples related to the organization you analyzed in the group project.
Tangible assets are the easiest to value and often the only resources appearing on a firm's balance sheet (production facilities, raw materials, computer), it can be a source of competitive advantage.
Intangible assets are not consumed in usage → some can grow in use. They provide a valuable base for diversified expansion (company reputation, brand, culture, technological knowledge, learning and experience)
Organizational capabilities are not factors like tangible and intangible assets, they are complex combinations of assets, people, and processes used to transform inputs into outputs, they govern the efficiency of the firm's activities when applied to the firm's activities when applied to the firm's physical production technology.

7.The objectives of the organizational design.
Organizational design derives from people and their choices of organization, that implies division of labor and coordination. Organizational design is about dividing labor (objectives, resources and methods), allocating tasks, authority and accountability, coordinating units' exchange and circulation of information and ensuring cooperation, aligning goals and controlling their pursuit. By design we're talking about the integration of people with core business processes, technology and systems. A well-designed organization ensures that the form of the organization matches its purpose or strategy, meets the challenges posed by business realities and significantly increases the likelihood that the collective efforts of people will be successful. The process focuses on improving both the technical and people side of the business.

8. The organizational variables
Structure→ configuration of the corporate bodies and sets of tasks and responsibilities assigned to them
Systems→ rules, programs and procedures that guide the behavior of people
Culture→ set of values that guide behaviors

9.Advantages and disadvantages of the multidivisional organizational structure:
The multidivisional organizational structure provides advantages:
Communication between facilities is more effective, problem-solving is manageable and teamwork is encouraged through this structure. A multidivisional organizational structure promotes motivation among team members because of the performance/reward connection. It also promotes loyalty among its members. A multidivisional organizational structure does have some disadvantages. Although conflict between departments is common due to competition and differences in values, systems and expectations. This structure also costs more to operate.

10.Advantages and disadvantages of the functional organizational structure:
A functional organization is the most common type of organizational structure. This is where the organization is divided into smaller groups based on its special functions such as IT, finance, human resources (etc…). The advantages of a functional structure are: - The team is managed by an experienced person with high ability and skills who can adequately understand and review the entire work. - The staffers have the chance to get promoted within their functional areas. - Employees are highly motivated as they see clearly their career path within the functional units. - Functional specialization can minimize the cost of operation. The disadvantages of a functional structure are:-Employees' motivation is greatly affected by lack of innovation. -Another weakness of functional structure is that there could be a lack of coordination.

11.Advantages and disadvantages of the matrix structure:
The main advantages are:Individual is better helped in his job, Flexible structure, Faster information flow, Orientation to innovation
The main disadvantage is:Demotivation

12.The management systems for coordination and control:
Management systems provide the mechanisms of communication, decision-making and control that allow an organization to operate and develop. These systems are the primary means through which organizations solve the basic problems of achieving both coordination and cooperation.

13. ▪ Role and description of human resource systems:

The central role for human resource management is establishing an incent system that supports the implementation of strategic plans through aligning employee and company

goals. The problem of aligning employee goals with those of the firm is a central problem ▪

14. Describe the role of information systems.
Management information system (MIS) refers to the processing of information through computers and other intelligent devices to manage and support managerial decisions within an organization. The ability of the manager to supervise subordinated depends on the upward flow of information to the manager, either from direct observation of from written reports, and downward flow of instructions. Two key aspects of increased information availability are information feedback to the individual on job performance, which has made self-monitoring possible and information networking, which allows individuals to coordinate their activities voluntarily and informally without hierarchical supervision. A central element of total quality management has been recognition that providing regular performance feedback to employees permits them to take responsibility for equal control, reducing or eliminating the need for supervisors and quality controllers.

15.Describe the role and main characteristics of financial systems:
Financial planning and control system relate to the budgeting activities and to financial targets. Two types of budgets are set: the capital expenditure budget and operating budget. The first one is the money you need in order to make investments. The latter regards the required money in order to run a company

16.

17.The role of culture in companies:
Culture in companies comprise the belief, values and behavioral norms of the company that influence how employees think and behave. The culture in companies is a difficult phenomenon; they are embedded with national cultures and incorporate elements of social and professional cultures. A key problem is that cultures take a long time to develop and cannot easily be changed.

18. The company's macro-environment.
The macro-environment includes all relevant forces outside a company's boundaries, relevant in the sense that they are enough to have a bearing on the decisions a company makes. While many forces in the macro-environment are beyond a company's sphere of influence, company management are nonetheless obliged to monitor them and adapt the company's strategy as may be needed. The major external and uncontrollable factors that influence an organization's decision making, and affect its performance and strategies. These factors include the economic factors; demographics; legal, political, and social conditions; technological changes; and natural forces. The macro environment in which a company or sector operates influences its performance, and the amount of the influence depends on how much of the company's business is dependent on the health of the overall economy. The macro environment can also greatly affect consumers directly, affecting their ability and willingness to spend. Consumers' reactions to the broad macro environment are closely monitored by businesses and economists as a gauge for an economy's

19. M. Porter's five-forces model of competition: The five forces are:
1. Supplier power. An assessment of how easy it is for suppliers to drive up prices. This is driven by the: number of suppliers in the market; uniqueness of their product or service; relative size and strength of the supplier; and cost of switching from one supplier to another.
2. Buyer power. An assessment of how easy it is for buyers to drive prices down. This is driven by the: number of buyers in the market; importance of each individual buyer to the organization; and cost to the buyer of switching from one supplier to another. If a business has just a few powerful buyers, they are often able to dictate terms.
3. Competitive rivalry. The main driver is the number and capability of competitors in the market. Many competitors, offering undifferentiated products and services, will reduce market attractiveness.
4. Threat of substitution. Where close substitute products exist in a market, it increases the likelihood of customers switching to alternatives in response to price increases. This reduces

both the power of suppliers and the attractiveness of the market.
5. Threat of new entry. Profitable markets attract new entrants, which erodes profitability. Unless incumbents have strong and durable barriers to entry, for example, patents, economies of scale, capital requirements or government policies, then profitability will decline to a competitive rate

20.Describe the main actors who represent the five competitive forces for one business of the organization you analyzed in the group project.
Porter's five forces is a method of analyzing the competitive nature of a company. These five forces help to identify "attractive" and "unattractive" businesses because they have the potential to push down a business profitability.
Industry rivalry: Moschino is a medium-high level brand which targets the medium-upper class, so it has many competitors such as Armani, from which the brand has to be unique.
Power of suppliers: Moschino is used to make long-term collaboration with top level suppliers, which garanties the best quality on the raw materials.
Power of buyers: Moschino targets people between 20 and 40 belonging to the upper class, and to reach them has 3 channels: physical store, online store and wholesale. To increase the number of customers, the brand started to expand in China.
Threats of new entrants: it's difficult that Moschino could have new rivals because the market is rich in old and consolidated realities that has strong links with suppliers and customers.
Threat of substitutes: Taking into consideration the high quality standards and the uniqueness of Moschino's products, it is difficult to define possible producers of substitute goods, which could threaten the company's position in the market.

21.M. Porter's five-forces model of competition in the airline industry:
-BARGAINING POWER OF SUPPLIERS: The power of suppliers in the airline industry is immense because of the fact that the three inputs that airlines have in terms of fuel, aircraft, and labour are all affected by the external environment.
-BARGAINING POWER OF BUYERS The bargaining power of buyers depends on the fact that they want to reduce flight tickets costs with determined preferences.
-COMPETITIVE RIVALRY: The competition in this sector is very high especially because of the many competitors. The level of low-cost carriers has intensified the competition. Most airlines have reduced prices and upped the level of customer service to remain competitive.
-THREAT OF SUBSTITUTES: The threat of substitutes in this industry is very high, for example a family, for their journey, can decide to travel by car or by bus or by train instead of traveling by aircraft.
-ENTRY AND EXIT BARRIERS: Entry and exit barriers in the airline industry are both very high. If you want to enter you need an high capital; if you want to exit you need to overstep high barriers

22. Describe factors which influence the intensity of competition among rival firms:
- Rivalry intensifies as the number of competitors increases and as competitor become more equal in size and capability.
- Rivalry is stronger when the demand of a product is growing slowly.
- Rivalry is stronger when one or more competitors are dissatisfied with their market position losing ground or that are in financial trouble usually react by acquiring smaller rivals, introducing new products, discounting prices.
- Rivalry increases when strong companies coming from the outside of the industry, buy weak firms in the industry

23.Describe factors which influence the power of suppliers:
The power of the suppliers is low when the good(s) or service(s) they provide is easily available on the open market and is supplied by a lot of suppliers. Suppliers also have a weak bargaining position whenever there are good substitutes for theitem they provide. Suppliers also have a weak bargaining position when the company they are supplying is a major costumer; in such cases the well-being of the suppliers is strictly linked to the well-being of the company. Conversely the bargaining power of suppliers is high for example when they provide an item that accounts for a sizable part of the costs of an industry's product.

24.Describe factors which influence the power of buyers:
Generally speaking, buyers can have substantial bargaining power in different situation, such as when large buyers purchase a big percentage of output of the company's output; usually purchasing in large quantities gives buyers enough leverage to obtain some advantages. Even if buyers don't purchase in large quantities, they still can have some bargaining power: -If buyers' switching costs to rivalry companies or to similar products are relatively low: when the products of rival seller are virtually identical, it is easy for buyers to switch from seller to seller and some seller may be willing to do concession in order to keep a client. Buyers have even more power if in this case they are a small group. -If buyers are well informed about sellers' products, costs and prices. The more information a buyer has and the better bargaining position they are in. The wide number of information on the internet is giving more bargaining power to buyers. It is easy for buyers to use the internet and to find information about prices and features of a specific product.

25.Describe some of the determinants of entry barriers:
A barrier of entry exists whenever it is hard for a newcomer to break into the market or when economic factors put a potential entrant in a situation of disadvantage relative to its

competitors. There are different types of entry barriers: -Economies of scale: this situation force new entrants either to enter on a large scale or to accept a cost disadvantage and to accept lower profitability. -Cost and resource disadvantages: existing firms may have costs and resources advantages not available to potential entrants. These advantages may be: partnership with the best and cheapest suppliers, possession of patents, better location.

26. Describe two of five forces of the industry in which the organization you analyzed in the group project operates.

Industry rivalry :Moschino is a medium-level luxury brand that targets urban upper class customers, producing both a luxury and out of the ordinary clothesline which let the brand compete with other italian important labels such as Versace and Dolce & Gabbana and a more casual and affordable fashion line that therefore finds itself competing in a broader market, with many different players such as Armani Exchange and Kenzo.

With these brands there is an intense level of competition also in the media and advertising industry to reach more customers; for this reason Moschino needs to come up with distinctive and innovative offerings in order to keep its uniqueness and consequently satisfy its audience.

-Power of suppliers: Moschino relies on the collaboration of long-term suppliers with whom it has built strong relationships based on loyalty, shared values and common view of the future. One of the main aspects of the supply of raw material is the quality control: raw materials are supervised by internal structures before shipment to external laboratories responsible for the production process. The supplier's selection focuses on quality, flexibility and professionality but most of all, with the same product, suppliers with the best performances are chosen. Moreover it is important to emphasise that the productive row is mainly composed of italian suppliers located in the textile district in Como, Prato and Biella. Furthermore when Moschino becomes aware of a violation in the code of ethics from the supplier, the contract is immediately rescinded. Indeed in 2021, 80% of the new suppliers were chosen considering environmental criterias and 24% of them also by social criterias. Given the good organisation between suppliers and Moschino, the probability that one will outweigh the other is low.

-Power of buyers: Moschino addresses a sophisticated and demanding audience, whose average age is between 25 and 40 years old. The brand in order to reach its customers uses three different channels: physical retail, on-line stores and wholesale. The AEFFE Group and consequently Moschino, in 2021 consolidated its presence in mature markets and closed an agreement to directly manage the stores in Mainland China. Beyond any doubt, buyers have a high bargaining power over the business. Indeed, they are the ones that allow the company to make profit. Therefore Moschino needs to keep up with the audience's expectations, plan its price strategy accordingly and set up low-price customer's services in order to keep the consumer's loyalty.

-Threats of new entrants : The entrance of new competitors in the luxury sector, in which the brand Moschino has its roots, is made difficult by the high entrance barriers. In fact, the by now consolidated brands in this market, such as Moschino, are benefited by strong relationships with high quality raw material suppliers. Moreover, another obstacle for new entrants are learning economies, particularly evident in the case of Moschino, which makes the quality achieved by its products over the years, one of its greatest strengths.

-Threat of Substitutes: Taking into consideration the high quality standards and the uniqueness of Moschino's products, it is difficult to define possible producers of substitute goods, which could threaten the company's position in the market. The main risk remains linked to possible shifts in demand on products similar to those sold by the group, but diversified in price and quality.

SESSIONE 7-9

1.The nine components of the business model canvas:
A business model describes the logic of how an organization creates, delivers and captures values. The nine components of the business model canvas are:
1. Value proposition
2. Customer segments
3. Channels
4. Costumer relationship
5. Revenue stream
6. Key activities
7. Key resources
8. Key partners
9. Cost structur

2.The meaning and relevance of value proposition:
First of all, the question that the value proposition needs to solve is: “Which customer needs are we satisfying?” The Business Model Canvas’ value proposition provides a unique combination of products and services which provide value to the customer by resulting in the solution of a problem that the customer is facing. Just to make an example, the value proposition of a company that sells wheelchairs is making sure that people with legs’ problems can go out without being forced to stay in bed.

3. Customer segment: description and application to the organization you analyzed in the group project.
The characteristic of the people that we target→ not just a demographic condition, but the education background, what they do every day→ customer archetype
Some customer segment of Moschino’s customers: people between 25-40, middle-high class, italian fashion lovers.

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