

Entrepreneurial perspective



When more and more bookstores disappear because more and more books are sold through the internet then this can be seen as an example of creative destruction

Innovativeness describes the recognition of new economic opportunities and solutions, that create value for the customers.

When a car manufacturer decides (because of changes in customer preferences) to close plants that produce SUVs and instead produces more sportscars then this is an example for creative destruction

Netflix and similar internet entertainment services can be seen as a disruptive innovation that displaced the business of video rental shops

Entrepreneurship is typically characterized by risk-seeking behavior, i.e. looking for as risky investment opportunities as possible.

Entrepreneurial perspective



According to Schumpeter's theory, Red Bull is regarded as a pioneer in terms of launching an energy drink in Europe.

Red Bull was a first mover in terms of launching an energy drink in Europe.

Entrepreneurial business ideas are typically associated with risks.

Entrepreneurship always requires a new invention. Hence, an entrepreneurial business idea cannot be based on an "imitation strategy".

Financial perspective



Depreciation is an expense.

Depreciation is used to periodically adjust revenues according to the percentage of goods or services sold in the respective time period.

When a taxi company purchases a new taxi by using its cash resources, then this increases the profit of the company, since the asset base is growing while liabilities don't increase.

Buying a taxi by using cash resources decreases the cash flow from investing.

The financial performance of a company can be interpreted and measured as the increase of the company value within a specific period of time (year).

Financial perspective



The balance sheet (as well as the income statement) serves to inform stakeholders that are interested in corporate matters.

Investment decisions are decisions about business transactions with an initial cash outflow in the hope of future cash inflows exceeding the initial cash outflows.

A company that does not make a profit according to the income statement cannot generate a positive cash flow.

In the income statement operating profit is determined by subtracting expenses (resource consumption) from revenues (resource generation).

The financial performance of a company can be determined objectively, i.e. assuming correct application of accounting principles, there is a uniquely determined profit.

Strategic perspective



Quality leadership means that a product has special characteristics (e.g. high quality, well-known brand) and allows to generate sustainable profits because it can be sold at a relatively high price which more than covers the additional expenses for generating the special product characteristics.

The "Market-Based View" says that a strategy defines how a company realizes competitive advantages by developing and utilizing unique resources.

A strong brand (e.g. Red Bull) can be interpreted as a market barrier in the context of the Market-Based View and also as a strategic resource in the context of the Resource-Based View.

The success of Lufthansa is based on a typical cost leadership strategy, since most flights are relatively cheap despite special product characteristics (quality, brand).

Customer perspective



The marketing mix (4Ps) determines, which products or services are offered to a particular group of customers, at which prices they are sold and which distribution channels are used to provide them to the customers.

Marketing always has to be considered from a cost/benefit-perspective, since marketing activities have to eventually pay off in the long term.

In the context of the "4Ps" "promotion" refers to the decision on distribution channels (direct or indirect) and point of sales.

If an advertising campaign is launched for a product, the expenditures for the campaign are recognized as expenses in the income statement, which reduces the company's profit, unless an increased revenue is generated due to the advertising campaign.

A company can differentiate its business from its competitors and gain a competitive advantage by decisions on the "4Ps"

Production and process perspective



Taylorism recommends flat hierarchies and group work.

From a "taylorism" perspective, management deals with the optimal division of production processes into individual tasks that can easily be optimized.

Efficiency of production means that with a given input the output should be maximized.

The supply chain can be defined as the collection of production processes performed within a company

The process perspective investigates how the process of creating a good or service can be organized in a way that customer needs are better met and sustainable economic success is achieved.

Employee perspective



The Hawthorne studies highlight the relevance of performance incentives (e.g. piece rate pay).

The employee perspective emphasizes the relevance of humans and their interaction with others in the production process of the company.

Herzberg emphasizes the importance of piece rate pay.

An organizational structure describes the formal, hierarchical outline of an organization.

The consideration of the production process as an interaction of people is at the core of the employee perspective.