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Herbert Sherman

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Herbert Sherman
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Table of Contents

Click on the article or case title to go to that page.

LETTER FROM THE EDITOR.....	2
By Herbert Sherman	

ARTICLE AND CASE ABSTRACTS	5
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Invited Articles

CASE RESEARCH AND WRITING: THREE DAYS IN THE LIFE OF PROFESSOR MOORE.....	8
By Barry R. Armandi, Herbert Sherman, & Gina Vega	

A PRIMER ON CASE REVIEWING.....	31
By James J. Carroll	

Cases

Technology & Business

KIO-TEK AT THE PORTLAND VENTURE CAPITAL FAIR	39
By George Campbell, & William Barnes	

EAST SIDE BANK: THE DILEMMA OF TECHNOLOGY	62
By C. Michael Drexel	

ASSEMBLING THE TEAM AT VANGUARD ELECTRONICS.....	69
By Joseph A. Casali, Barry R. Armandi, & Herbert Sherman	

CLOUDS ON THE HORIZON: IQSOFT LTD.....	79
By Christopher M. Scherpereel	

Strategic Management

TROUBLE IN CHOCOLATE TOWN: A LOOK AT HERSHEY FOODS CORPORATION.....	97
By Terence P. Curran, Linda L. Richardson, & Andrea E. Smith-Hunter	

EDITORIAL POLICY	113
MEMBERSHIP FORM.....	115

LETTER FROM THE EDITOR**Herbert Sherman**

After two years of hard work and effort on the part of the authors, reviewers, invited authors, and associate editors, I am very pleased and proud to release the first edition of *The CASE Journal*. Before I described the articles and cases in this edition, let me first thank several individuals who made the dream of an electronic case journal possible. I would first like to thank the President of the CASE Association, Dr. Gina Vega (Merrimack College), for her vision of a developmental journal which would include not only teaching cases but also articles dealing with case research and instruction. A journal of this breadth, I believe, fills a needed void between such prestigious case publications such as the *Case Research Journal* and the *Business Case Journal* and prominent educational and instructional journals such as *Learning and Education* and the *Journal of Management Education* by bridging the discourse between case writing, case research, and case instruction.

I would secondly like to thank both of my Associate Editors, Dr. Alan Eisner (Pace University) and Dr. Barry Armandi (SUNY @ Old Westbury) for their assistance and support. When I needed more reviewers, Alan and Barry were quick to not only volunteer their services but to also enlist the services of their colleagues from around the country. I would particularly like to thank Alan for his superlative web skills – without those skills CASE would have neither a web page nor a web journal.

I cannot help but acknowledge the arduous and ardent work of the reviewers. For those of you who have not reviewed a case, please keep in mind that a case review is usually twice as onerous as a traditional academic article since you must analyze both the case and the associated teaching note. The teaching note is usually longer than the case and requires particular attention since the analysis presented in the teaching note must be derivable from case data. Secondly, since cases are rarely if ever accepted after the first submission, it is not abnormal for a reviewer to conduct second and third reviews of the same case.

Last, I would like to thank the membership and the Executive Board of the CASE Association for providing me with the opportunity to serve as the journal editor. Your faith in my ability far exceeds my own and I hope that this first edition meets (if not exceeds) your expectations.

This edition of the journal features two invited articles dealing with case writing, research and reviewing. Barry Armandi, Gina Vega and I have had the great privilege over the years to see several of the quintessential case masters analyze cases as members of the CASE Association's V.I.P. panel (i.e. John Seeger, Timothy Edlund, William and Peggy Naumes) and thought that an article written as a case that covers the basics of case writing and research would be a good primer for novice case writers. Our intention was to encapsulate the case writing process so eloquently described by the Naumes' (1999) in a shorter form, one that might mirror the thoughts of a new case writer.

The second invited article, by James J. Carroll, examines an area that has received very little attention from the academy, specifically in terms of cases, that is the phenomenon of case reviewing. For those of you who have not had the pleasure of seeing Dr. Carroll discuss a case review, Dr. Carroll has been informally acknowledged as the king of case reviews. His reviews are thorough, extremely insightful, developmental, and engrossing and shows a high regard for both the review process and the case author. In his article on case reviewing, Dr. Carroll shares with us his secrets for becoming an outstanding reviewer and conducting a professional case evaluation.

Four of the cases in this edition deal with technology companies. The first case, “Kio-Tek at the Portland Venture Capital Fair”, describes the interaction and exchange between the firm’s president and venture capitalists as the venture capitalists try to determine whether Kio-Tek would be a good investment. The case includes the firm’s power point presentation and other supporting data and requires students to analyze the potential profitability of the firm.

In the “East Side Bank: The Dilemma of Technology” the East Side Bank, a bank that prides itself on its low cost operations, is analyzing the pros and cons of e-banking, an area of business they have yet to venture into. Students are asked to weigh the pluses and minuses and make a final determination as to whether or not to proceed with the development of e-banking services.

The third case, “Assembling the Team at Vanguard Electronics”, examines the use of teams and team work in a traditional manufacturing environment. The success of the team strategy is threatened when one of the old supervisors is elevated to the team manager’s position. Students are asked to analyze the situation and speculate as the future success of team management at Vanguard.

“Clouds on the Horizon: IQSoft Ltd” is the last technology related case and describes a Hungarian company that demonstrated a great deal of resilience and ability to adapt to a quickly changing environment. This case takes the reader inside IQSoft during a period of relative stability although financial uncertainty and the constant struggle to find new sources of revenue left IQSoft with an extensive, diverse, and unfocused product/service portfolio. Students are asked to propose an acceptable strategic direction for IQSoft Ltd and propose necessary organizational changes.

“Trouble in Chocolate Town: A Look At Hershey Foods Corporation” is a tasty dessert for our readers in that the case presents an overview of the confectionary industry, a description of the Hershey Foods Corporation, and a look at current strategies and the impact of these strategies. The focus of the case is the unintended consequences of implementing dramatic new strategies in a company, and in a company town, with a very strong paternalistic culture. What is the best strategy for future growth of Hershey? How important is organizational culture on a corporation's strategic direction? Should the company indeed be sold to a larger corporation?

I hope that you will enjoy our first edition of the journal. Please feel free to e-mail your comments, case work, and suggestions to me at hsherman@southampton.liu.edu.

ARTICLE AND CASE ABSTRACTS

Case Research and Writing:

Three Days in the Life of Professor Moore

Barry R. Armandi, SUNY@ Old Westbury
Herbert Sherman, Southampton College – Long Island University
Gina Vega, Merrimack College

This article, written in case format, has been written to assist the novice case writer in case research and writing. The article covers all aspects of case writing including: idea generation and sources of cases, working with primary and secondary case sources, obtaining client releases, writing the case story line, developing a catchy ‘hook’, using the past tense, providing supporting exhibits, and providing a bibliography for the case. The teaching note (or instructor’s manual) is also covered in detail including: an overview of the case, learning objectives, course placement and targeted audience, instructional methodologies, case questions and answers, the epilogue, and the bibliography. Appendix A includes a discussion on case publishing and includes a list of journals and conferences which accept cases.

A Primer on Case Reviewing

James J. Carroll, Georgian Court University

This article provides perspectives on the academic review process, instructional cases, and suggests guidelines to follow when reviewing cases as part of the referee process. This paper provides an overview of the academic review process and describes the review processes for instructional cases. The processes of the CASE Association are provided as perspectives.

Kio-Tek at the Portland Venture Capital Fair

Asbjorn Osland, San Jose State University
Howard Feldman, University of Portland
George Campbell, University of Portland
William Barnes, University of Portland

John Caldwell, president of Kio-Tek (KT), presents his company’s business plan to a group of 30 venture capitalists at the November 2001 annual meeting of the Portland Venture Group. John’s presentation is included in the case as an exhibit. The case begins with a brief overview of the meeting and John’s presentation. The body of the case describes the question and answer period immediately following John’s presentation. Included in the case is a set of exhibits that John has handed out to the audience as

supplemental information. These exhibits provide additional information on marketing, management, and financial issues facing the company and John refers to them throughout the question and answer period. The VC's ask John a variety of questions in an effort to determine whether KT is an attractive investment opportunity.

East Side Bank: The Dilemma of Technology

C. Michael Drexel, Southampton College – Long Island University

Carol O'Reilly is the Executive Vice President of a regional bank in the New York metro area. She is evaluating an investment in online banking as an extension of bank services. Her bank, East Side Bank, is one of the most productive in the U.S. In fact, it was named America's most efficient bank in 1998. This became a cornerstone of their marketing strategy and they fiercely protected their efficiency ratio. She received a visiting contingent of bankers from Finland. Their use of technology and online banking was far more developed than most U.S. banks. Yet they were not nearly as efficient as the top U.S. banks. They discovered on their visit, that their cross selling had suffered as their online capability advanced. The U.S. bank customer was more profitable because they used multiple bank services and were willing to pay higher fees for the personal contact. This case centers on the implications of this revelation to East Side Bank.

The primary subject matter of this case concerns the potential impact of the adoption of online banking to a commercial bank. Secondary issues include strategic decision making in the banking industry and a comparison of the impact of technology on banks in Finland and the U.S.

The case has a difficulty level of three, which makes it appropriate for a junior level course. The case is designed to be taught in 1 ½ hours and requires about 3 hours of preparation. It is designed for use in Strategy, Marketing, Money and Banking, or International Business courses.

Assembling the Team at Vanguard Electronics

Joseph A. Casali, Empire State College

Barry R. Armandi, SUNY @ Old Westbury

Herbert Sherman, Southampton College – Long Island University

The strategic management literature states that firms who wish to have a competitive advantage through high customer service (rapid response) and product differentiation need to restructure their organization into empowered, self-managed work units so as to ensure that there is "value-added" at each stage of the value chain. (Porter, 1985; Hill and Jones, 2001) In this case, Vanguard altered part of its structure through the development of teams in order to maximize its operations; and given their results Vanguard successfully put theory into practice. When the major supporter of team management, Mike Wesley, leaves the firm, he is replaced by Wendy Kiefer, a strong supporter of team

structures. Her replacement, Shari Lastarza, however is the “old” assembly manager and does not buy into the team concept. Could this be anything but a formula for disaster?

Clouds on the Horizon: IQSoft Ltd

Christopher M. Scherpereel, Northern Arizona University

The case is set in the emerging markets of Central Europe, shortly after the fall of communism. IQSOFT Ltd Hungary is a small information technology firm spun off from a centralized government agency. With very little capital, IQSOFT Ltd found itself competing in the same market with large multinational companies. The situation presents the delicate balance between traditional beliefs and values and the need to survive. As an organizational change problem there is an interrelationship between the strategy of the firm, the organizations capabilities, and the capacity to change. These interrelationships must then be meshed within the human context. The biases, opinions, agendas, and experiences of the key decision makers all have an impact on the feasibility of any change recommendation. Balint Domolki, Managing director of IQSoft, realized that the organization had evolved to meet the firm’s survival needs, but was it positioned correctly for the future?

Trouble in Chocolate Town: A Look At Hershey Foods Corporation

Terence P. Curran, Siena College

Linda L. Richardson, Siena College

Andrea E. Smith-Hunter, Siena College

This case presents an overview of the confectionary industry, a description of the Hershey Foods Corporation, and a look at the company’s strategies and the impact of these strategies. The case focuses on the unintended consequences that result from the implementation of dramatic new strategies for a company and what occurs in a company town that displays a very strong paternalistic culture. Some analysts had previously thought that Hershey's profitability and its close relationship with the town, the trust and the school made the company untouchable, but events proved otherwise.

After reading this case, the reader will feel compelled to answer the following questions. What is the best strategy for future growth of Hershey? How important is organizational culture on a corporation's strategic direction? Should the company indeed be sold to a larger corporation?