

The CASE Journal

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Southampton College - LIU

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EDITORIAL POLICY

The audience for this journal includes both practitioners and academics and thus encourages submissions from a broad range of individuals.

SCHOLARLY WORKS: Cases with teaching notes; conceptual papers and papers reporting original research as well as the applied implications of others' research in terms of case teaching, research, and instruction; and creative learning, research and writing methods are encouraged. We request that submitters of empirical research provide appropriate data set analyses to allow for meta-studies (i.e. correlations matrices and chi-alpha's). Because of the broad appeal of the journal to practitioners and academics, *The CASE Journal* will not refuse to review a case or an article solely on the basis of format. However, if a case or paper is accepted, the final version for publication will be expected to adhere to the publication and manuscript guidelines. Cases and papers may be returned due to issues relating to writing style and grammar.

The CASE Journal encourages authors to submit often to the Journal. However, authors who are published in one publication year cannot be published a second time in that publication year. Rather, additionally accepted papers will appear in subsequent publication years. This policy does not apply to authors who submit papers for review with different second authors from what appears on the first accepted paper in any given publication year.

CASES: Those wishing to submit a case for potential publication should submit the entire case along with the completed teaching notes for review. If accepted for publication, only the case will be published along with a note for interested readers to contact the case author for the teaching notes. All review and publishing rules which apply to scholarly articles also apply for cases. Also, upon acceptance for publication, *The CASE Journal* requires that the author(s) submit a signed letter of liability release prior to publication.

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LETTER FROM THE EDITOR Herbert Sherman

And now for something completely different! Those immortal words, handed down to us from the British television series *Monty Pythons' Flying Circus*, have become part of street nomenclature indicating a change in venue or perhaps a more adroit sophomoric expression. This phrase is also an excellent characterization of the second issue of *The CASE Journal*.

At first glance, readers may be struck by the variance of topics and settings of these cases. Two of the cases deal with small businesses (one in an Arabic nation), two other cases involve large multinational corporations, and the fifth case pertains to a small religious organization. Furthermore, there are no invited or competitive articles (at least one should be forthcoming in our next edition). This issue of the journal, unlike its predecessor, lacks the heavy emphasis on technology management (although certainly technology plays a role in several of the cases) and does not include what would most commonly be called a traditional business policy case. Readers will find, however, that themes do emerge that do to a certain extent integrate these cases.

The first case by Kermit W. Kuehn, American University of Sharjah, entitled "Ascom Marketing and Publishing: Entrepreneurship in the United Arab Emirates" is a non-US business case that allows the instructor to explore with his/her students: (1) the entrepreneur – his defining characteristics, motives and decisions; (2) a legal and cultural context that is quite unlike the US environment; and (3) a strategic decision that could make or break a small company. Based on key person interviews and company documents, the case allows a student a behind-the-scenes look at an Indian (from India) entrepreneur, as he moves from an employee of a multinational to an business owner, taking the company through startup and key transition phases, ultimately focusing on a strategic decision that nearly bankrupts the business.

Donald L. Lester from Arkansas State University also deals with a small business enterprise, however one from the United States, in his case entitled "AAA Construction: A Family Business in Crisis." AAA is a family firm where family and business were inseparable. The case focuses upon succession issues and asks the question whether blood is thicker than water. The owners, Jack and Joyce Hudson, had no sons, and their daughters were not interested in a long-term involvement with the company. This left their grandson David Robbins as the only logical choice to take the company into the next millennium. What the Hudsons would have to decide at this critical juncture in 1998 was if grandson David was capable of bringing the company through this period of bad cash flow into a more stable cash position.

The third case, "Pastor Karl at the Whitney Avenue Congregational Church" by David O'Connell, St. Ambrose University, also deals with leadership succession and change since Pastor Karl is the new pastor at Whitney Avenue Congregational Church. As Karl tries to initiate changes that he feels will make a difference for his congregation, such as childcare during Sunday services and a more contemporary worship style, he is surprised by the level of resistance by church members. In fact, three of the key members of the congregation

confront Karl as to whether he is planning to alter the church's current governance and decision-making processes; a congregational approach (a democratic process). Karl plans to attend the next church council meeting, where he does not yet have a vote, which he finds rather strange, since he is the pastor. As he ponders the upcoming meeting, he wonders what steps to take in order to bring about effective change at Whitney Avenue Congregational Church.

Diana Ross, Kent Royalty, and Karl Kampschroeder of St. Mary's University "At the Heart of Controversy: Genentech Markets a Genetically Engineered Drug" has a different look and format than a traditional case and it times takes on the demeanor of a newspaper expose. Genentech developed TPA, the first genetically engineered drug that could be used in clot-dissolving therapy for heart attack, and marketed it as Activase. Public outrage focused on the disparity between the drug's \$10 direct manufacturing cost and the \$2200 a dose price, raising immediate concerns about its affordability and therefore availability to those who needed it. Students are left to ponder several issues: considerations and implications of pricing policies, the consequences of regulation (FDA approval), concerns about related-party events (Genentech's multi-faceted relationship to the 'independent' research organization whose study was the basis for FDA-approval of TPA, as well as to the research providing support for the drug), the ethics of refusing to participate in one research trial and the direct funding of another, and considerations and implications of increasing the drug's availability through altering the drug's price and broadening its administration (from in-hospital to also include administration by paramedics).

In "Everquest®: Entertainment or Addiction?", Judith W. Spain of Eastern Kentucky University and Gina Vega of Merrimack College shift us from an unaffordable drug that may save lives to affordable on-line interactive game that may have contributed to ending lives. Everquest® is an interactive on-line multiplayer role-playing game where a player creates a character who has adventures throughout the land of Norrath. Having observed players of interactive on-line games such as War Craft®, and having played these games myself, I can attest to the highly addictive nature of these types of games as one's game character becomes more powerful and wealthy and as the complexity of the game increases. Just this past winter my son spent his entire Christmas break from college playing War Craft®. Yet addiction is not the issue in and of itself – it is proposed in this case that this addiction has lead on-line gamers to commit suicide. The case posits the question, what is the responsibility of a firm that produces a product that is so addictive that it's use has led to the death of several players? What is the responsibility of the firm and what actions should the firm take to reduce its liability and demonstrate proper due diligence?

I must again thank the talents of the case writers, the reviewers, and my associate editors whose invaluable work and esprit de corps have made my task as editor both an easy and pleasurable one. A special thanks must go to Alan Eisner whose technical wherewithal has transformed this e-journal from a dream into a living reality.

ARTICLE AND CASE ABSTRACTS

ASCOM MARKETING AND PUBLISHING: ENTREPRENEURSHIP IN THE UNITED ARAB EMIRATES

Kermit W. Kuehn, American University of Sharjah, Sharjah, UAE

The case takes place in the city of Dubai, United Arab Emirates, a booming regional tourist and commercial center located on the Arab (Persian) Gulf coast of the Arabian Peninsula. The story describes Vijay, the Indian (East Asian) entrepreneur, his personality, background, motivations and management style. The focus of the case is on how this entrepreneur grows the business over the seven years leading up to the decision to launch a travel club targeted toward East Asian travelers in the region. The details of the new venture are chronicled from inception to its eventual closure four years later under desperate financial circumstances. The richness of the case is enhanced by the inclusion of details of the legal, economic and cultural factors that define the business context and business risks. The case provides an interesting and informative view of a part of the world that is “in the news” but largely remains a mystery to the typical North American student.

AAA CONSTRUCTION: A FAMILY BUSINESS IN CRISIS

Donald L. Lester, Arkansas State University

This case demonstrates the difficulties encountered by small family businesses when the founder passes away without having properly prepared for succession. AAA Construction was a company held together for over thirty-six years by a family patriarch, Jack Hudson. His choice of his grandson to succeed him was obvious. However, there were serious questions about whether David Robbins up to the task.

PASTOR KARL AT THE WHITNEY AVENUE CONGREGATIONAL CHURCH

David O'Connell, St. Ambrose University

This case presents the challenges facing a new pastor at Whitney Avenue Congregational church. For many years the church has seen declining membership. Karl, the new pastor, is expected to help foster growth, but as he has learned, some organization members fear that he may want to change more than they would like to see changed. Karl must decide how to conduct himself at the next church council meeting. He also must decide on an approach to effect positive change in the organization.

**AT THE HEART OF CONTROVERSY:
GENENTECH MARKETS A GENETICALLY ENGINEERED DRUG**

Diana Ross, St. Mary's University
Kent Royalty, St. Mary's University
Karl Kampschroeder, St. Mary's University

This case, developed from a wide variety of publicly available information, presents ethical and economic issues arising from the development, marketing, and pricing of a biotech drug. Genentech developed TPA, the first genetically engineered drug that could be used in clot-dissolving therapy for heart attack, and marketed it as Activase. Public outrage focused on the disparity between the drug's \$10 direct manufacturing cost and what Genentech charged for its drug. Activase/TPA was priced at \$2200 a dose, raising immediate concerns about its affordability and therefore availability to those who needed it. Additional issues arise from other events, including concern over related-party relationships between the company and organizations which researched and recommended TPA, as well as aggressive marketing of TPA to physicians and the company's refusal to participate in an international drug study to compare TPA with competitor drugs.

Everquest®: Entertainment or Addiction?
Judith W. Spain, Eastern Kentucky University
Gina Vega, Merrimack College

SONY Online Entertainment (SOE) was planning to release a new version, EverQuest II®, of its popular online game, EverQuest®. The first EverQuest® game was very successful financially, generating approximately \$5 million/month in 2002 for SOE. However, some issues surrounding addictions and corporate responsibility were interfering with the new product launch. These problems revolved around several deaths in which the EverQuest® game had been implicated. The case focuses on the dilemma faced by the Vice President of Marketing prior to the new product release: How far must a company go to protect possible misuse of a product by consumers?