

The CASE Journal

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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. Authors are responsible for distributing the teaching notes as requested and their e-mail addresses will be provided for such purpose.

INITIAL SUBMISSION: *The CASE Journal* blind reviews submissions and all manuscripts submitted are to be original, unpublished and not under consideration by any other publishing source. To ensure the blind review, there should be no author-identifying information in the text or references. An abstract of 150 words or less should accompany the paper. This journal will only accept on-line submissions. Send one (1) copy to the editor by e-mail in MS-Word and/or IBM text format. A separate title page must accompany the paper and include the title of the paper and all pertinent author information (i.e. name, affiliation, address, telephone number, FAX number, and E-mail address). If any portion of the manuscript has been presented in other forms (conferences, workshops, speeches, etc.), it should be so noted on the title page.

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LETTER FROM THE PRESIDENT OF THE CASE ASSOCIATION

Dear Reader:

This is a letter both of farewell and of welcome, of recognition and of anticipation, of past accomplishments and future successes.

The CASE Journal is now two years old, three if you count the year of conception. During those three years, Herb Sherman has taken a request from me to start “a new kind of case journal” to fruition and beyond. *The CASE Journal* is provided free to our members – a wonderful membership benefit – and is available at no cost for reading to all at www.caseweb.org. It is listed in Cabell’s and has an acceptance rate that ranks it properly among the more established case journals. When NACRA talks about case journals, it includes ours as a real player in the field. We have published innovative articles and teaching and learning opportunities, along with excellent cases that serve the needs of instructors in many management areas. Herb’s hard work, creativity, organizational skill, and dogged sense of completion is what has made *The CASE Journal* what it is today. We all owe Herb a round of applause and appreciation for his significant contribution, not only to CASE, but to the greater academic community as well.

But good things end – the sweet is always mixed with the bitter – and Herb needs a new challenge. He is moving on to the editorship of the *New England Journal of Entrepreneurship*, a 10-year old journal that appeals to many of the same readers as *The CASE Journal*. We wish him success with this journal as well, and look forward to the possibilities that this connection will provide to all of us.

Endings create beginnings, and we have a wonderful beginning to look forward to. Peggy Naumes has agreed to take over the editorship of *The CASE Journal*, effective the next issue. Peggy has been a member of CASE for many years, and is a Fellow of the organization. She is the co-author, with Bill Naumes, of *The Art & Craft of Case Writing 2/e* (M.E. Sharpe), a leading book on case writing which has been very favorably reviewed. Peggy brings to us extraordinary experience and skill in case research, writing, reviewing, and teaching. She has labored long in the background – it’s most appropriate that she take the leadership of our journal into the future. Peggy will make changes (read about these in the next issue), but she will retain what works best and add new features as they arise. Please offer your services as a reviewer and submit your cases, articles, and case exercises to her – the journal needs you to continue its success!

Thank you Herb, and thank you Peggy, for your commitment, your talent, and your efforts on our behalf.

Gina

Gina Vega
President – CASE

LETTER FROM THE EDITOR

Several years ago, our President of the CASE Association, Dr. Gina Vega, came up with the idea that in order to provide our membership and our profession a value-added service that the CASE Association should embark upon a new and exciting venture, the launching of our own case journal. This journal, rather than traveling the traditional route of paper submissions and hard copy printed issues, would go where “no one had gone before” by becoming the first case journal to travel in cyberspace.

Three years and four issues later, I believe that the CASE Journal has achieved its primary mission: to seek out innovative articles and cases, to work developmentally with case authors to help them to hone their case research and writing skills, and to have a quick turnaround time in case reviewing and publishing of manuscripts. As the captain of this little “enterprise” (pun very much intended), I had the pleasure of working with an able-bodied crew of associate directors, reviewers, and dedicated authors. The quality of our journal is a product of their hard work and dedication, a priceless commodity provided solely for the benefit of our membership and our profession. I wish to personally acknowledge my associate editors, Alan Eisner and Barry Armandi, for their support and devotion to the journal.

Like the fictitious yet fabled original Starship Enterprise, it is time to herald in the next generation of the journal and a new editor. It is with a heavy heart that I now relinquish the helm yet I do so with the confidence that what has began as a dream has taken shape, form and substance. I leave the journal in excellent hands, knowing that it will not only persevere but flourish under the new editor, Peggy Naumes.

This issue of the journal is surprisingly traditional in character in that most of the cases have a strategy orientation, with the first three cases dealing with firm growth and economic expansion. The first case, by Scott D. Roberts, Roger Williams University, and Joe S. Anderson, Northern Arizona University, entitled “Brake Lights at the Border: Going International Twenty-Two Miles Away” describes what would seem to be a very easy and fundamental business decision post NAFTA, to go across our southern border and open a retail automotive parts store in a small town in Mexico. But things are not as simple as it seems for our protagonist, Russ Clark, who must navigate complex and treacherous market channels and government regulations in what seems an alien environment, the undiscovered country. Will he be able to plot a course through this uncharted business territory or will his business crash and burn in this new environment?

We go from perhaps a bit of culture shock in the first case to actually getting shocked in the second. “Taser International Inc. – Grappling With Growth” by Susan K. Williams, Joe S. Anderson, and Jack Dustman, Northern Arizona University and Scott D. Roberts, of Roger Williams University, depicts a two part dilemma for TASER’s President, Tom Smith. How does he defend his firm from a vicious attack on his company’s financials by *Barron’s* and how does his firm gain a toe hold in a relatively untapped, new retail consumer market? Does Mr. Smith protect his flank, his current market, by ignoring the *Barron’s* article (Taser’s on stun only) while trying to gain a grip in this new retail market or does he counterattack this nemesis with deadly intent (man all photon torpedoes) while simultaneously making a grab for new market share? Prospect, analyze, defend, or react – what would you do?

Wesley W. Marple of Northeastern University, in our third case, “Threadneedle Eyes European Expansion” deals with UK investment firm looking to expand its operation. Threadneedle was part of a federation, The Zurich Group, a major international financial services company based in Zurich, Switzerland, with wholly owned subsidiaries including Scudder, Kemper (Scudder), a US mutual fund company. Threadneedle, even though part of Zurich, had the authority to make the decisions being considered regarding distribution of its funds in Germany and the UK. The question posed by the firm's Vice Chairman, Alan Ainsworth, was which of the following options should they follow: expanding distribution of its funds in the UK by distributing directly; expanding its presence in the UK through the independent financial advisor (IFA) network; and/or building a larger presence in Germany, where Threadneedle was already established? How far should this firm travel in pursuit of growth? Should they consolidate their forces in England or expand their empire by seeking this brave, new world?

The fourth case, “Sailing Through A Lull at Sabre Yachts” by Thomas C. Leach, University of New England and Barry R. Armandi, SUNY@ Old Westbury (I wrote the teaching note), is a field-based case which describes the marketing mix of Sabre Yachts, a firm that manufactures specialty sail and power boats. The problem in this case, unlike the last three cases, is how to plan production and marketing for the upcoming year given the potential down turn in the economy, flat industry growth, and early signs of a slowing market. The case is complicated by the fact that Sabre is a focused, differentiator and therefore operating at relatively higher risk than other firms in their industry and far more susceptible to negative market swings. Should Sabre be captained through a lull in industry growth and avoid being stranded in calm waters, or should the firm charge into the face of adversity, guns a blazing, risking all for the sake of greater conquest?

The last case, “To Palletize or Not to Palletize?” by Gary Clendenen, Siena College and John Mark Hutchins, ETOX, moves us from the realm of strategy, growth, and exploration into the area of operations, cost-benefit analysis, and an intimation of Shakespeare. For the lay reader, the first question is, what’s a pallet? A pallet is a small, hard, or temporary bed used for the purposes of protecting items being shipped by truck or boat. Palletizing refers to the storing or moving of freight by means employing pallets. The question (without the benefit of transporter technology) to palletize or not may be simply stated, the decision less so. Fixed and variable costs have to be accounted for, transportation capacity, truck scheduling, and cylinder demand by location. There could be eventual further savings from palletization when or if the company expanded to palletized filling of cylinders. So, would this new system of transporting gas cylinders be a more efficient means of transporting their products or was this “much ado about nothing?”

Again, thank you all for a wonderful three years. It has been a great ride – Scotty, beam me up!

Herbert

Herbert Sherman
Editor

CASE ABSTRACTS

BRAKE LIGHTS AT THE BORDER: GOING INTERNATIONAL TWENTY-TWO MILES AWAY

Scott D. Roberts, Roger Williams University

Joe S. Anderson & Susan K. Williams, Northern Arizona University

Russ Clark is a successful NAPA Auto Parts franchisee in Yuma County, Arizona. He sees opportunity in the neighboring Mexican city of San Luis Río Colorado. But crossing the border with an after-market auto parts store will require building relationships with others, lots of learning to overcome the significant barriers, and some savvy decision-making in addition to the usual evaluation of business opportunities. Clark must consider a location decision, product mix, human resource issues, and how to promote the new business in an uncertain and unfamiliar context. Clearly, his current American business model will require a great degree of adaptation to make the venture a success. This case was developed from extensive field interviews and shadowing Mr. Clark for a day. In addition, Mr. Clark and his store manager, Rigoberto made classroom presentations describing their experiences surrounding the case situation.

TASER INTERNATIONAL, INC. – GRAPPLING WITH GROWTH

Susan K. Williams, Northern Arizona University

Joe S. Anderson, Northern Arizona University

Jack Dustman, Northern Arizona University

Scott D. Roberts, Roger Williams University

TASER International, Inc. is one of the world's leading less-lethal weapons manufacturers and distributors. The case begins with a dramatic moment as the President and CEO of TASER International become aware of a highly critical article in *Barron's*. The article questions the legitimacy of their high stock price and casts doubt on their continued ability to grow. The case presents the company's counterarguments to the critical *Barron's* article, and asks for alternatives for TASER's next move into the relatively untapped consumer market with a new consumer-oriented product, the TASER X26^C. The case resulted from lengthy in-person, email, and phone interviews with TASER's President, Tom Smith. In addition, the company and its products have been well publicized in the national business press and in the local newspapers. Further, product details and other information on TASERs and other less-lethal weapons has been published in numerous police and military sources. Finally, TASER International's website has been a rich source of supplemental information to support the writing of the case.

THREADNEEDLE EYES EUROPEAN EXPANSION

Wesley W. Marple, Northeastern University

Threadneedle Investments, a leading UK Investment management company, was engaged in strategic discussions about future growth in its retail mutual funds business. The firm's Vice Chairman, Alan Ainsworth, was leading the discussion of strategic alternatives. The following options were being considered: expanding distribution of its funds in the UK by distributing

directly; expanding its presence in the UK through the independent financial advisor (IFA) network; and/or building a larger presence in Germany, where Threadneedle was already established. The case takes place in June 2000 and draws much of its rationale and immediacy from the great bull market of the 1990's and the arrival of a new millennium. Investors were looking for new investment media to capture these returns. The case is based on field research including conversations with Mr. Ainsworth and his associates, internal company documents, interviews with experts in the field and library research.

SAILING THROUGH A LULL AT SABRE YACHTS

Thomas C. Leach, University of New England

Barry R. Armandi, SUNY@ Old Westbury

Herbert Sherman, Southampton College – Long Island University

Derived from field interviews and secondary research, the case describes the dilemma that the Marketing Manager Bentley Collins of Sabre Yachts faces in developing a profitable marketing mix given the firm's current product line, competitors, industry and national economic trends. Sabre had always been a niche boat builder. Their product line was divided into two distinct categories; sail boats and power boats. Their sailboats were targeted toward boaters interested in the comfort desired for cruising but also the capability of competitive racing while their power boats were designed to be modern yachts that could cruise 20 knots or better. A majority of sales came from the New England and Mid-Atlantic regions with only sporadic success in other areas. Bentley worried that slower phone traffic in Spring of 2001 would be indicative of slower sales and wanted to know what actions the firm should take to continue their regional growth as well as their push to become a more nationally-based firm. The case has a difficulty level appropriate for a junior or senior level course. The case is designed to be taught in one class period and is expected to require between five to seven hours of outside preparation by students.

TO PALLETIZE OR NOT TO PALLETIZE?

Gary Clendenen, Siena College

John Mark Hutchins, ETOX

East Texas Oxygen (ETOX) delivered high-pressure cylinders of gases such as oxygen and nitrogen to twelve wholly-owned branches scattered throughout East Texas and Louisiana. Employees loaded and unloaded individual high-pressure cylinders off of and onto trailers manually and the firm had never had a related accident. Robert Jenkins had been challenged to decrease the cost of supplying the branches with cylinders and other supplies. He was considering recommending the palletization of delivery operations which required numerous changes within the organization. This case required students to determine the best routing for the delivery truck(s) and to determine whether or not the number of trucks and drivers could be reduced under palletization. Students were then required to do a capital budgeting analysis and make a recommendation of whether or not to palletize.