

The CASE Journal

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The Journal of
the CASE Association

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Membership Form

*This volume of The CASE Journal
is dedicated to*

Barry Armandi
(died September 7, 2006)

*Fellow of The CASE Association
Associate Editor of The CASE Journal
Colleague
Friend*

If the measure of a man or a woman is the size of his or her heart and the people he or she touches, then it would take light years to measure the impact that Barry has made on his students, his colleagues, and his profession. First and foremost, Barry was a master teacher. He possessed a solid knowledge base and wonderful platform skills yet his most keen attribute was his ability to facilitate discussions. He knew when to ask probing, tough questions; knew when to let students flounder for a while with a case or exercise; and, most importantly, knew how to get every one of his students involved in his courses. Whether it was that twinkle in his eye, that wry smile, or that warm handshake or or embrace, Barry made everyone feel welcome in his classes by providing a learning, nurturing environment.

Secondly, Barry was a great colleague and mentor. Like myself, many of my colleagues turned to Barry for sage advice and counsel. If there was a dispute or a tough decision to be made, Barry would always provide the most humane, win-win approach to handling any problem - he was the consummate politician. In any managerial situation that Barry found himself in, he truly believed in the professionalism and expertise of the people he worked with and therefore allowed them to seek their own paths, their own solutions. He not only nurtured his students but his colleagues as well and those who have been blessed enough to work with Barry can attest to the fact that he was a sheer pleasure to work with.

Last, but certainly not least, Barry had a great passion for the case method - whether it was case instruction, case writing, or case mentoring. As someone who has had the privilege and honor to teach, write, and conduct seminars with Barry (and learn from the master of the catchy case title and case hook), I can only wish that we could have cloned him - he truly was a role model of the well-balanced academic and left a legacy for the rest of us to continue. Barry will truly be missed and can never be replaced but a part of him is with each and every one of us.

Sincerely,

Herbert Sherman (His "teaching note" side kick.)

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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Circulation Data:

Reader:	Academic and Practitioner
Frequency of Issue:	2-3 times per year (September, January and April based upon available accepted manuscripts)
Copies per Issue:	n/a Internet publication
Subscription Price:	Free with membership in The CASE Association
Publishing Fee:	None. However, at least one of the publishing authors must be a member of the CASE Association (\$25 membership fee)
Sponsorship:	Professional Association

LETTER FROM THE EDITOR**Margaret Naumes**

As the new and second editor, I am delighted to be introducing the first edition of Volume 3 of *The CASE Journal*. Under the able leadership of Dr. Herb Sherman, the journal went from conception to reality. He oversaw publication of the first two volumes, four issues, with a total of four articles and seventeen cases, as well as a section on pedagogical innovations. The strong review process and the quality of these published cases set high standards for me to follow. Herb has been a source of inspiration and support for me as I “learned the ropes.” I owe him a big bouquet of thanks.

Thanks are also due to Associate Editor Dr. Alan Eisner (Pace University) and CASE Association President Dr. Gina Vega (Salem State College). Through their hard work, our journal has established an on-going relationship with Primis and ecch, through which the cases and articles are available for adoption for your courses. All royalties earned by the cases will be shared by The CASE Association and the case authors.

Dr. Alan Eisner is also the production expert behind the journal. He not only creates the final look of the cases and articles, but his expertise is also what gets us on-line and available to our members.

We regret to inform you of the death of the journal’s other Associate Editor, Dr. Barry Armandi. Barry was a marvelous mentor to new – and more experienced – case writers, an esteemed colleague, and a Fellow and long-time friend to CASE. This issue of *The CASE Journal* is dedicated to him, with our love and respect.

This edition of *The CASE Journal* offers an article and six cases, in a variety of disciplines, that we hope you will find useful and enjoyable. Since the review process takes time, most of the cases were originally submitted to, and accepted by, the previous editor, Herb Sherman. Our reviewers are thorough, but also developmental, striving to help authors create a most effective case. We hope that you will be inspired to submit your own cases and articles.

The featured article in this edition is the third in the “Professor Moore” series. This time, our intrepid professor is learning about the reviewing process for instructional cases. We have all had a submission get raves from one reviewer and have another who feels it should never be published. When it happens to Professor Moore, his colleagues help him to understand and respond, leading at last to publication.

The first case, “Declining Decorum at Darius D’Amore’s Shop at the Forum,” on the surface involves an unhappy employee and the threat of workplace violence in a small retail outlet. Workplace diversity and a multicultural workforce also play an important role, as does the store’s own culture. The case offers an introduction to these topics for students with a limited business background, and offers them the opportunity to role play

the situation. Students are then asked to come up with both short term and long term recommendations.

“The ‘Yellow Snow’ Dilemma: A Capital Budgeting Case” describes the situation faced by a ski area after several years of inadequate natural snowfall and operating losses. Snowmaking equipment using reclaimed wastewater would help increase the number of skiable days, but would involve U.S. Forest Service approval, taking into account also religious and social issues of the nearby Native American tribes. The environmental impact statement necessary to begin the approval process would cost \$750,000. This is a rich case for students in corporate finance, involving risks from external environment as well as capital budgeting analysis.

Also a case for advanced corporate finance students, “Enterprise Risk Management at Great Plains Energy,” like “Yellow Snow,” gives students the opportunity to undertake financial analysis and risk assessment. However, this case asks students to understand the issues involved in establishing a program for Enterprise Risk Management. It is not just a question of assessing risks and developing a system to deal with those risks; as the Risk Manager finds out, implementation requires a thorough understanding of its impact on the organization and on the people involved.

Students typically enjoy cases about the wine industry. “Beringer Wine Estates Holding, Inc.” challenges them to think about the business side of the industry, in particular growth and how to finance it. They will also need to think about the challenges of an IPO and management issues involved in being a publicly-held company in an industry where most competitors are family businesses. The case provides them with extensive data, both financial and industry, to use in making their recommendation.

The final case in this edition is the first case accepted under my editorship. “Reborn Kyoto NPO (houjin)” is both international and an example of social entrepreneurship. Mrs. Kodama began with a determination to help people in third world companies and, using donated kimonos and a network of volunteers, developed an organization that teaches sewing skills, financed by sales of the products in Japan and the US, donations, and small grants. Students will have to consider Mrs. Kodama’s leadership and the needs of the organization as they recommend ways to help her face the challenges of building the organization and finding a successor.

I hope that you will enjoy this edition of the journal. Please feel free to e-mail your comments, cases, articles and suggestions to me at margaret.naumes@unh.edu.

ARTICLE AND CASE ABSTRACTS

Professor Moore and the Demons of Review

Gina Vega, Salem State College

Barry Armandi, SUNY - Old Westbury

Thomas Leach, University of New England

This is the third in a series of articles about case research, writing, teaching, and reviewing. In this article, the protagonist, Prof. Moore, receives mixed reviews on his case submission and learns how to respond to them in a positive way. The article is written as if it were a case; it is fictitious.

Declining Decorum at Darius D'Amore's Shop at the Forum

Fran Piezzo, Long Island University

Barry Armandi, SUNY - Old Westbury

Herbert Sherman, Long Island University-Brooklyn

An employee's husband made violent threats to the store manager of a Las Vegas shop specializing in skin care, makeup, fragrance, and hair care products of an international company. The manager wanted the employee terminated. The employee confessed that her husband also threatened her. The employee's personnel file contained no performance problems, but the store manager admitted that she had kept a separate file with such documentation. The Executive Director and the Director of Human Resource Management wondered what they should do.

The "Yellow Snow" Dilemma: A Capital Budgeting Case

Brian A. Maris, Northern Arizona University - Flagstaff

Larry Watkins, Northern Arizona University - Flagstaff

Arizona Snowbowl, a ski area located in northern Arizona, experienced several years of inadequate snowfall resulting in both operating losses and negative cash flows. The CEO had to decide whether to commit \$750,000 for an Environmental Impact Statement (EIS) related to a proposed \$19.77 million snowmaking project that uses reclaimed wastewater. U.S. Forest Service approval was required. Data for this case were obtained from the EIS that the Snowbowl submitted to the U.S. Forest Service (USFS). Estimated skier days, revenue levels, capital costs and interest rates are provided to facilitate the decision modeling process. Students are expected to analyze the financial information and decide whether or not undertaking the EIS project is cost effective while taking into account the possibility that the regulatory and legal system might not allow the project to go forward.

Enterprise Risk Management at Great Plains Energy

Karyl B. Leggio, University of Missouri at Kansas City
Marilyn L. Taylor, University of Missouri at Kansas City
Jana Utter, Midwest ISO

This case looks at the design and implementation of a risk management strategy. It reviews the early moves by Great Plains Energy (GPE) to establish a corporate-wide Enterprise Risk Management program. The corporate Chief Risk Officer is Andrea Bielsker. Andrea appointed Jana Utter to take charge of coordinating the design and implementation of the ERM program. Utter faces a number of challenges. She has had to first conceptualize the program given the charge by the Board of Directors, then design a process by which she identifies the risks that the corporation faces, assist in designing measures for the risks, and work with the various divisions and functional areas to put processes in place to mitigate the identified risks.

Beringer Wine Estates Holdings, Inc.

Armand Gilinsky, Jr., Sonoma State University
Raymond H. Lopez, Pace University
James S Gould, Pace University
Robert R. Cangemi, Pace University

The Beringer Wine Estates Company has been expanding its market share in the premium segment of the wine industry in the 1990's. After operating as a wholly owned subsidiary of the giant Nestlé food company for almost a quarter of a century, the firm was sold in 1996 to new owners, in a leveraged buyout. For the next year and a half, management and the new owners restructured the firm and expanded through internal growth and strategic acquisitions. With a heavy debt load from the LBO, it seemed prudent for management to consider a significant rebalancing of its capital structure. By paying off a portion of its debt and enhancing the equity account, the firm would achieve greater financial flexibility which could enhance its growth rate and business options. Finally, a publicly held common stock would provide management with another "currency" to be used for enhancing its growth rate and overall corporate valuation. With the equity markets in turmoil, significant strategic decisions had to be made quickly. Should the IPO be completed, with the distinct possibility of a less than successful after market price performance and these implications for pursuing external growth initiatives? A variety of alternative courses of action and their implications for the financial health of the Beringer Company and the financial wealth of Beringer stockholders are integral components of this case.

Reborn Kyoto NPO (houjin)

Cynthia Ingols, Simmons School of Management
Erika Ishihara (Research Assistant), Simmons School of Management

Masayo Kodama, President, Reborn Kyoto NPO, believed foreign-aid food saved her and other Japanese from starvation after World War II. Kodama was determined to help others suffering in third world countries. After distributing emergency supplies in Cambodia, Kodama developed a new vision: teach impoverished people how to “fish” and they would feed themselves and their children for life. She decided to teach dress-making skills to people in third-world countries. Kodama recruited volunteers in Japan and these women, in turn, collected and prepared silk from kimonos. Japanese volunteer seamstresses took the silk and supplies, traveled to such places as Vietnam and Yemen, and taught people how to create clothes suitable for sale in western markets of Japan and the US. Although the sale of products, along with small grants and private donations, yielded subsistent revenues for the nonprofit organization, Kodama wondered how to build her organization and to find a replacement for herself with so few resources.