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Cases, Notes and Articles

A publication of the Western Casewriters Association

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Western Casewriters Association

The Western Casewriters Association (WCA) is the Western regional association of business casewriters. Its purpose is to train, develop and support business case writing for research and pedagogical purposes. WCA organizes an annual conference for experienced and new case-writers and academics using cases for teaching, and publishes the *Journal of Case Research and Inquiry*. www.westerncasewriters.org

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Editorial Policy

Aim and goals

The *Journal of Case Research and Inquiry* (JCRI) is a publication of the Western Casewriters Association (www.westerncasewriters.org). The *Journal of Case Research and Inquiry* publishes peer-reviewed teaching case studies (cases) prepared from primary and secondary research, as well as pedagogical notes and scholarly articles concerned with case research and teaching with cases. The journal publishes one issue per year, and if submissions so merit, may publish additional issues with editorial board approval. Cases, notes, and articles published in the journal are available online, full text, and free of charge at www.jcri.org.

Scope

The journal publishes cases that address significant contemporary and perennial issues faced by organizations and managers in the areas of business and public administration, nonprofit management, and social entrepreneurship. All cases are necessarily accompanied by instructor manuals (IMs) that are not published but may be provided to the instructors upon request. All cases and IMs are double blind peer-reviewed by at least two reviewers. Cases may be derived from primary field research, secondary research, or a combination of both. JCRI does not accept fictional cases, nor cases, notes, or articles previously published elsewhere. Case authors are required to obtain release forms, when necessary, from the organizations studied.

Pedagogical notes that accompany a given case may also be published; notes may be summaries of industry characteristics and trends, or theoretical or legal analyses useful in the understanding of a case. All notes are blind peer-reviewed by at least two reviewers.

Finally, the journal publishes scholarly articles addressing significant issues related to case research, case writing, and teaching with cases. All articles are blind peer-reviewed by at least two reviewers.

JCRI open source availability policy

Cases, notes, and articles are available online at www.jcri.org at no cost to instructors and students at state and nonprofit educational institutions, who shall be granted the right to reproduce them for educational purposes. The journal shall encourage instructors to include in their course syllabi links to the JCRI website so that students can easily access cases, notes, and articles. For reproductions for commercial purposes in textbooks or elsewhere, authors shall retain all rights.

Submission of manuscripts

Authors should submit manuscripts electronically to editor@jcri.org. All submissions must follow the JCRI submission guidelines available in detail at www.jcri.org. The minimum requirements for submission shall be:

When submitting manuscripts, authors should submit two WORD files, attached to a single email to editor@jcri.org. Each file sent to the journal should be saved with a name that clearly identifies the manuscript short title, type of manuscript, and date. At no place in any document except the Submission Form should authors be identified.

The first WORD file should contain the SUBMISSION FORM and the CASE SYNOPSIS (for cases) or ABSTRACT (for notes or articles). (See submission guidelines). This document contains the information required for contacting the author(s). It is used only by the editor and authorship is not revealed to reviewers. Please do not send PDF files to the journal.

The second WORD file should contain the CASE and INSTRUCTOR'S MANUAL (IM) for cases, or the NOTE or ARTICLE. (See submission guidelines).

In all documents submitted, use a size 12 Calibri font, 1 ½ spaced for text. Use a size 10 Calibri font, single spaced, for Exhibits, Tables, Appendices, Footnotes, Endnotes, Financial Statements, and References. Leave a one-inch margin on the top, bottom, and sides of all pages. Align text with the left except for major titles, and do not "justify" the text. Number (starting with 1) all pages of each document. Do not submit more than two files. Include any charts, graphs, figures, images, or photographs in the manuscript in the approximate place where it should be included. While IMs, notes, and articles may be written in the present tense, by convention all cases should be written in the past tense (e.g., "In 2015, Widgets-R-Us was the global leader in widget manufacturing.")

Review policy

At the editor's discretion, a submission to the journal may be rejected without going through a full review, particularly if the manuscript does not align well with the aim and scope of the journal.

Otherwise, all submissions shall be blind peer reviewed by at least two qualified reviewers. Authors shall receive the two reviewer's comments, together with a decision (reject, revise and re-submit, accept) by the editor. Unless approved by the editorial board, no cases or papers shall be invited and none published without undergoing the peer review process.

WCA Membership requirement for authors

There shall be no fees to publish in the journal, however the policy of the journal is that at least one author must be a WCA member for the year in which the case is published. To join WCA, please visit www.westerncasewriters.org

WCA conference cases

Authors of cases presented at the WCA conference will be invited and encouraged to submit their work to the journal. However, all submissions (whether presented at a NACRA, WCA, or other conference) will undergo the peer review process. No paper - even a WCA award-winning case - shall be guaranteed publication in the journal.

Content of the journal

Published manuscripts may include CASE STUDIES, NOTES, and ARTICLES, which will be duly identified in different parts of the journal.

Content of the journal

Published manuscripts may include CASE STUDIES, NOTES, and ARTICLES, which will be duly identified in different parts of the journal

CASE STUDIES - The main part of the journal shall contain peer reviewed teaching case studies (cases) by authors who conducted primary research, secondary research, or a combination of both. Cases shall be about real organizations or managers facing issues in business administration, public administration, nonprofit management, or social entrepreneurship. Cases must be submitted together with complete instructor manuals (IMs). IMs shall not be published in the journal, but shall be peer reviewed together with the case.

NOTES and EXERCISES - A second part of the journal shall contain peer reviewed Notes, which can be summaries of literature, theory, or industry descriptions designed to be assigned to students together with cases. Peer reviewed Exercises may be short case-like assignments that provide less context about the organization and its environment than do cases studies but permit some of the learning associated with the case method.

ARTICLES - A third part of the journal may contain peer reviewed scholarly articles which may address issues related to case research, teaching with cases, publishing case studies, and other topics related to case research.

Release forms

The journal shall require signed release forms from organizations, which must be collected by case authors for any case to be published that was carried out using primary research. The journal shall not publish a case based on primary research without a signed release form.

Ownership and distribution of Instructor Manuals

Instructor manuals (IMs) shall be archived by the journal for a period of at least three years after publication of a given case. IMs will only be provided to educators who so request them when such instructors are formally affiliated with a College or University.

No fees shall be charged to instructors who receive IMs, nor is membership in the WCA required to receive an IM. Educators seeking an IM should complete a request form on the JCRI website. IMs will then be sent by the journal editor to the requesting instructor with a cc to the case author, who may wish to know who is using his or her case and for what purpose. After the three year period, inquiries for IMs should be made to the case author.

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Case Research

MOUAT'S TRADING COMPANY, p. 11

By Tony Bell & Andrew Fergus

Kevin Bell had been the General Manager of his family's business, Mouat's Trading Company, for over 14 years and was ready to retire. Mouat's Trading Company owned and operated three retail stores, and leased space to 33 other retailers in Salt Spring Island, British Columbia, Canada. The company had been a family-run business for over a century. Over the past three years, Bell had been informally searching for a successor to manage the company. Bell needed to consider several factors in deciding on a suitable replacement: Should his successor be a family member? Should his successor be from, or have lived on Salt Spring Island? Should his successor be required to invest in the company? Bell also foresaw major changes coming at the board level. In 2013, the board was a tight knit group (the majority of whom were Bell's brothers), but the board was aging, and it wouldn't be long before control was transferred to the next generation of the family. Bell wondered if there was anything he ought to be doing now to make this transition a smooth one.

Key words: Succession planning, family business, board of directors, corporate governance

THE TWIN BUTTES DEVELOPMENT: SMART GROWTH OR NO GROWTH? p. 25

By Deborah Walker & Douglas W. Lyon

This case was designed to encourage students to think critically through a series of issues dealing with government annexation of a residential development and how it could affect both the city itself and the community at large. City Councilor Cecil Dollard has to vote on whether or not the city government should annex the development. The concepts of a tax base, tax revenue generation, city budgeting and other public finance issues are presented; along with the unintended consequences of development on the local economy, environment, and "community character."

Key words: Public policy, smart growth, tax base, fiscal impact, economic impact, annexation

SUCCESSFUL METLIFE INTEGRATION: A 3 YEAR PROJECT COMPLETED WITHIN 7 MONTHS, p. 43

By Alan Maltz & Haoyu Gao

MetLife, Inc. was a leading life insurance company with 90 million customers around the globe. MetLife had established a strong presence in over 50 countries through organic growth, acquisitions, joint ventures and partnerships. Its 2012 revenue was \$68 billion with 64,000 worldwide employees. The case discusses a major systems integration project at MetLife. MetLife had just acquired Travelers Life and Annuity from Citigroup for \$11 billion. Integration projects of this size and scope were few in number. Similar projects at other financial services firms had typically taken three years to complete. In fact, some of the smaller companies integrated into MetLife had still not completed their integration five years later. CEO Robert Benmosche knew that the prolonged integration of the two companies would be disruptive and very costly. He challenged his IT organization to complete the effort in seven months!

Key words: Leadership, HR management, project management, information technology, corporate integrations, risk management, phase-gate review, success factors, integration, scope

PRINCE GEORGE PUBLIC LIBRARY: FEE-BASED INFORMATION SERVICE, p. 64

By John Shepard & Allan Wilson

Allan Wilson, Chief Librarian of the Prince George Public Library (PGPL) met with accounting students from the College of New Caledonia to discuss the findings of their service learning project. For the past three months, the students had investigated the viability of the library offering a fee-based service. The student project was in response to a previous community needs study by the City of Prince George, which suggested some interest within the business community for enhanced library services. After reading their report, the Chief Librarian would make his recommendations to the Library's Board of Trustees whether the fee-based service was worth exploring in greater depth.

Key words: Library, social entrepreneurship, nonprofits, funding, Canada

ALEXANDRIA BUSINESS ASSOCIATION: PROMOTING WOMEN'S ENTREPRENEURSHIP IN EGYPT, p. 88

By Juliet Abdeljawad & Chalmer Labig

Companies throughout Egypt experienced decreasing profits as consumers grew wary ever since the revolution against Mubarak. Yet among the organizations that had the capacity to absorb the economic crisis was the Alexandria Business Association (ABA). A nonprofit started in the 1980s, it had grown to include a microcredit division that helped entrepreneurs start or grow their businesses. ABA sought to empower females so they would become more equal members of Egyptian society and experience significantly greater freedom. How could ABA attract more female clients, and what form of support outside of microcredit loans could it offer in order to accomplish its goal of female empowerment?

Key words: Entrepreneur, microfinance/credit, female empowerment, international social entrepreneurship, gender issues in management, microcredit Non-Governmental Organizations, Egypt

THE TEMPLE OF DAWN IN TRANSITION, p. 111

By Judhaphan Padunchewit

The Temple of Dawn was a major Buddhist institution in Thailand that had become a popular tourist destination for Thais and foreigners alike. With the surge of globalization, tourism, and modernity, Temple management concluded that the Temple needed to reconfigure its role in the community and in society, while dealing with resistance from monks and conflict with members of the surrounding Prok-Arun community. The case describes how Temple management came up with a strategy to reposition the Temple vis-à-vis an increasingly secular society.

Key words: Organizational communication, non-profit, temple, tourism, Thailand, Buddhism

Notes and Articles

INTERNATIONAL CRITICAL INCIDENT CASE ASSIGNMENT, p. 133

By Teri C. Tompkins & Miriam Y. Lacey

Writing an International Critical Incident Case has demonstrated efficacy to deepen student understanding of organizational behavior and cross-cultural communication in business courses. The assignment lends itself to a broad range of topics with specified outcomes. Student teams collect data and write a cross-cultural business case about a “critical incident” that happened to a person from a non-English speaking country. Importantly, students must interview a person from the other country and write the cultural case from that person’s point of view. Once the case is written, the student team performs an analysis of the case to surface the key organizational behavior issues, and finally leads a class discussion about the case. We provide instructors with student instructions and grading rubrics so the case project can be put to immediate use in their own courses.

Key words: Organizational behavior, international, cases, cross-cultural communication, grading rubrics

BIOPHARMA: MANAGING SHIFT SCHEDULES EXERCISE, p. 163

By Martha Wilson & Maureen Lojo

Scott Irving, Manufacturing Manager of BioPharma, wrestled with changes that could affect both costs and employee satisfaction. The staffing schedule in manufacturing was developed during the start-up phase of the facility; 10 years later, the facility was running at full production and the usefulness of overlapping schedules was questionable. However, BioPharma’s culture historically placed a high value on employee satisfaction, and changing the shift structure could compromise the company’s relationship with the affected employees. Before making a recommendation to upper management, Scott Irving surveyed the employees about the alternative schedules. The exercise was designed for an operations management course, and provides students an opportunity to compare the costs of the different shift schedules and use survey results to gauge employee acceptance.

Key words: Operations management, shift schedules, exercise, Biopharma, employee satisfaction

LETTER FROM THE PRESIDENT

TERESA MARTINELLI

President, Western Casewriters Association

Salutations and welcome to the 2015 inaugural issue of the JCRI,

Several years ago, via the inquiry and wisdom of many brilliant minds, the Western Casewriters Association (WCA) in association with the North American Case Research Association (NACRA) and the Western Academy of Management (WAM) decided it was high time we took our case writing grandeur and developed an academic and scholarly journal of our own.

To an extent, such an endeavor was much more challenging than originally conceptualized. Given the complications and difficulties in developing an electronic medium, the journal encountered obstacles that thwarted our forward moving journey. However, taking the words of Canadian computer scientist Craig Bruce who said, "You usually have to wait for that which is worth waiting for," I can state with much delight that indeed the JCRI has yielded an intellectual creation . . . worth the wait!

Given that this is our first issue, our mission is simple: We shall strive to make the JCRI a genial place that affords a glimpse at the fascinating world of case writing, the instructor's manual, and teaching notes featuring outstanding cases that offer significant contributions to current scholarship. To that end, JCRI will strive to bring those cases that matter academically and socially, and which will serve to chronicle and offer answers to the development of business, social, and organizational conditions.

I wish to extend my appreciation and credit for this first issue and laudable achievement to the numerous authors who have been persistently and patiently waiting for this publication and to the editorial staff, who offer a high level of expertise and diligence to its preparation. Kudos as well goes to Steve McGuire, editor-in-chief for bringing this issue to a collective state of completion. Entrusted with this duty is commendable and brings hope for the future of a vetted and recognized journal.

While the privileges to publish are few and the challenges many, taking the arduous journey will have long lasting results as well as recognition. Present-day flourishes with big crises at a global level and no magic wand flaunted about exists that will miraculously lead us to success. However, with continued research contributions, the years to follow will offer opportunities and growth as we explore other avenues of our case-writing journeys. Thus, on this occasion, I would also like to invite experienced and new casewriters to visit our website (www.jcri.org) as well as our parent WCA website (www.westerncasewriters.org), to make inquiries about case writing and publication.

With much cheer,

Teresa M. Martinelli

LETTER FROM THE EDITOR

STEPHEN J.J. MCGUIRE

Editor, *Journal of Case Research and Inquiry*

The *Journal of Case Research and Inquiry* has begun a journey. Authors seeking an outlet for their research, WCA members, JCRI editorial board members, reviewers, faculty members seeking great cases, and students using cases are joining JCRI as it progresses from good idea to reality. The publication of this volume is an important step along that journey. JCRI publishes peer-reviewed teaching case studies prepared from primary and secondary research, as well as pedagogical notes or exercises and scholarly articles concerned with case research and teaching with cases. Cases, notes, exercises, and articles published in the journal are available online, full text, and free of charge at www.jcri.org.

I am delighted to present in this first volume of JCRI six excellent case studies, selected from more than 30 submissions, and improved after two rounds of a rigorous peer-review process. Each case is accompanied by a detailed, peer-reviewed instructor's manual available for pre-qualified instructors (upon request to the journal). The organizations in the cases included in this first volume of the journal operate in different places around the globe and face unique and contemporary issues: two cases describe organizations in Canada, two in the United States, one in Egypt, and one in Thailand. Given the dearth of high quality cases in emerging economies, the journal is already playing a role in making available more cases from underrepresented regions. That too is part of the journey. Two of the organizations in these JCRI cases are for-profit entities, three are non-profits, and one is a local government. Topics include succession planning, public policy, project management, social entrepreneurship, and organizational communication ... to name just a few.

In addition, this volume of the journal includes two topics of inquiry: one is an assignment that can be used in the classroom to leverage the learning benefits of case writing in international Organizational Behavior, and the other is an case-like exercise in Operations Management that acknowledges the need to consider both efficiency and employee satisfaction when introducing operational changes.

JCRI still has much to travel on its journey, but I hope you will agree that the quality and usefulness of the papers included in this volume indicate that the journal is heading in the right direction. Educators are encouraged to use the cases, and authors are invited to submit manuscripts for consideration in forthcoming issues of the *Journal of Case Research and Inquiry*.

In closing, please allow me to thank the Western Casewriters Association for its sponsorship of the journal, the authors for all their hard work, and the reviewers for their detailed, insightful comments on each submission.

Sincerely,

Steve McGuire

LIBRARY MATTERS

MICHAEL GERMANO

Member, JCRI Editorial Board

As an online, open access, non-profit journal, the *Journal of Case Research and Inquiry* (JCRI) is in the vanguard of academic publishing that seeks to put the interests and needs of academic communities above all others. The publishing of the inaugural issue of JCRI is indeed a celebratory event but there are other important milestones ahead. Several events will take place in the coming weeks and months that will make the content on JCRI discoverable and useable by the widest audience of contributors and readers possible.

With a published issue available, the journal can now be reviewed and considered for inclusion in academic databases and Cabell's Directories. An important first step prior to that, however, is the creation of an International Standard Serial Number or ISSN. The ISSN represents a unique identifier to a publication. An application has been submitted to the United States ISSN Center at the Library of Congress, and JCRI should receive its ISSN in the coming weeks.

Additionally, I have initiated discussions with Cabell's to include our publication in its directories of academic publishers. Cabell's has recently undertaken an overhaul of its policies and processes surrounding review for inclusion of journals in the lists of academic publishers. Cabell's stated goal is to create editorial review standards that weed out fraudulent or predatory academic publishers from the directories. While the process may take a bit longer due to these rigorous new standards, I am confident that our publication will be included for a number of reasons but mostly because of its quality and value to readers, as well as the fact that it is published by an academic organization with a long track record while being open source and non-profit.

Finally, in order to ensure discoverability, I have begun conversations with the two leading providers of academic database information: Ebsco and ProQuest. The goal is to have JCRI issues and content included in key databases like ABI Inform and Business Source. The process for including journals in databases is oftentimes lengthy and based upon review of multiple issues.

In the months ahead, I will be acting as an advocate for JCRI to ensure its inclusion in Cabell's and academic databases. While the newness of our journal may present hurdles at different stages of this endeavor, I am confident that others will see the quality, value and importance of an open source, non-profit journal that facilitates case-based pedagogy and student learning provoked by discussion.

Cordially,

Michael Germano

MOUAT'S TRADING COMPANY

TONY BELL
ANDREW FERGUS

Thompson Rivers University

Housed in the general manager's office of Mouat's Trading Company¹ was an old oak desk that in a previous era had been used for accounting. Sitting on the corner of that desk were two dusty bottles of ink, one black and one red.² The bottle of black ink was nearly empty while the red was almost full (Exhibit 1). Kevin Bell, the company's general manager (GM), had kept the ink bottles as a reminder of the company's successful past and of his responsibility to maintain the company's success into the future.

Bell was proud that his tenure as GM had seen no red ink – all of his 14 years with Mouat's Trading Company had been profitable. During his time with Mouat's, the company's revenues and appraised value had nearly doubled and were projected to continue growing. While Bell was proud of the company's financial performance, he was more proud of his company's importance to the 10,000 full-time residents of Salt Spring Island, British Columbia, Canada. Mouat's Trading Company had been family-run for over one hundred years and was an important pillar of the island community, directly employing over 50 locals. Eighty percent of company revenues were generated by three retail stores, which the company owned and operated. The remaining portion of the business came from leasing space to 33 retailers including Sears, CIBC and Thrifty Foods, one of the island's largest supermarkets. All told, Bell oversaw 76,540 square feet of retail space, the most of any company on the island.

The authors developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by Tony Bell. Contact: Tony Bell, Thompson Rivers University, 900 McGill Road, Kamloops, BC, Canada, V2C 0C8, Tel. (250) 377-6092, email tbell@tru.ca

¹ Mouat's Trading Company Website: <http://www.mouatstrading.com/main.html>

² In accounting, black ink is used to denote profits, while red ink is used to denote losses.

For Kevin Bell, despite years of profitability, not everything was as settled as one might think. The company was vulnerable, and Bell knew that he was the reason. He was also the person best able to resolve the company's looming problems.

The biggest problem facing Bell was finding his successor. At 63 years old, he was in good spirits and in good health, but Bell knew that things could change quickly, and should his health turn, he had no suitable replacement ready. After a few years of informal searching, no obvious candidate had emerged, and Bell was now ready to formalize his search.

While finding a successor was his immediate concern; Bell was also worried about the company's aging board. At 63, Bell was one of the youngest board members and with the average age of board membership approaching 70, Bell knew that plans needed to be laid now to ensure a smooth transition to the next generation. He knew the answers wouldn't be easy, but he wouldn't feel comfortable retiring until these issues were resolved.

History

Mouat's Trading Company was started in 1907 when Gilbert Mouat and his mother Jane (Exhibit 2) purchased the general store from the previous owners (who had founded the store in 1900). In the earliest days, the store not only served as the island's main source of basic supplies, but also as a trading point for local farmers,³ who could exchange their harvest for credit – saving them an expensive trip to the mainland. The company saw immediate success, and expanded from one building to three within the Mouat family's first five years of ownership. Over the following decades, the business continued to grow, selling not only household goods such as hardware and groceries, but also expanding to include shipping island cattle and lambs, buying and selling raw logs, and even making funeral arrangements for island residents. In 1912, the business expanded into automobiles, operating a Ford dealership for over 30 years until the mid-1940s.

³ Kahn, C. (2006). *Mouat's The First Hundred Years*. Mouat's company publication.

Mouat's continued its operations through the First World War, the Great Depression and the Second World War.⁴ As Salt Spring Island's population grew and changed, so too did Mouat's, shifting the focus of the retail store towards hardware. In the 1950s, the company developed and rented retail space to the Bank of Montreal. This first foray into property management would become a cornerstone of the company's future growth.

The 1970s saw a major change for Mouat's Trading Company and for the geography around the company's store. With the island's growth came an increased demand for retail space. Because Mouat's was located at the end of a peninsula (Exhibit 3), expansion was geographically impossible. If the company were unable to expand, the retail center of the island would likely have shifted inland from the waterfront, and this would have been disastrous for Mouat's. As a solution, the company filled much of the area between the peninsula and the mainland, reclaiming substantial waterfront space. Through the 1970s, the company expanded, constructing a number of retail buildings on the reclaimed land.

In 1976, in the midst of the expansion, the company's then GM, Tom Toynbee, was paralyzed with Guillain-Barré syndrome (a nervous-system disorder). This sudden illness was a major setback for both Toynbee and the company, but with the support of family members who resided on the island, Toynbee was nursed back to reasonable health, and the company was kept on track until he resumed his role as GM.

In 1999, Kevin Bell purchased an ownership stake and was brought in to be the company's general manager. It was important to the previous owners that the business stay connected to the original Mouat family, and through marriage to Nicola Toynbee, Kevin Bell fit this criteria. Bell's tenure with the company had been a successful one, the rental properties and company-run stores continued to evolve with the community (Exhibit 4). Bell was respected by staff, tenants and customers, and during his 14 years of management, the company's annual

⁴ <http://www.mouatstrading.com/hist2.html>

revenues and profits had nearly doubled. Although his time had been enjoyable, Bell was ready to retire.

Salt Spring Island⁵

Located in the Gulf Islands between Vancouver and Victoria, Salt Spring Island was the picturesque home to over 10,000 full-time residents (Exhibit 5). Because of the island's remoteness and beauty, it was very popular among retirees – the median age of Salt Spring Island's citizens was 53, a full 13 years older than the Canadian national median.⁶ The island was also home to many high-end Vancouver commuters. Saltspring Air and Harbour Air were competitors that offered float-plane service which shuttled residents from Salt Spring Island to the heart of downtown Vancouver in fewer than 40 minutes, making for a shorter commute than that of most Vancouver suburbanites (Exhibits 6 & 7).

Mouat's had been an institution on the island for over a century, and its history had earned it a great deal of loyalty from locals. Bell felt that because of the small population and unique culture of Salt Spring Island - a place with no traffic lights and an artisan philosophy - it was unlikely Mouat's would ever face on-island competition from "big box" stores. The company's waterfront location meant that its retailers were often a first stop for tourists. However, the internet was changing customer habits, and Bell had begun to feel increased competition from online retailers such as Amazon. Bell knew that the island's remoteness and culture would not completely shelter his company from competition, and his successor would need to be capable of adapting to a shifting retail environment.

⁵ Salt Spring Island Promotional Video: <https://www.youtube.com/watch?v=bRbMBzk0xyl>

⁶ <http://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-csd-eng.cfm?LANG=Eng&GK=CSD&GC=5917027>

Finding a Successor

Bell thought back to his predecessor's illness. It served as a reminder that life was unpredictable. When Toynebee fell ill, the family had a support network in place that kept Mouat's moving forward. If Bell fell ill, he felt he had no safety net in place, and the result for the company could be disastrous. Bell was healthy, and he wished to make a succession plan immediately, rather than waiting to be forced to make a difficult decision in a time of crisis.

He had three questions in mind that if resolved, would help him to focus his search:

- 1) Should the new GM be a family member?
- 2) Should the new GM be living on (or have lived on) Salt Spring Island?
- 3) Should the new GM become a shareholder?

Bell's immediate response was to answer each question with a resounding "Yes." Upon reflection however, he realized that achieving all of the above criteria was probably not possible, and might not be prudent. Finding a candidate who was a family member, with history on the small island, who had the financial wherewithal to purchase a major stake in the company was going to be difficult. Even if Bell could find a family member, there was no guarantee that they would have the skills required to manage the business successfully or the desire to live and work on Salt Spring Island. Bell knew he needed to consider the costs and benefits of each of the criteria carefully to decide which (if any) mattered most. The company's sound financial condition meant that all succession options were a possibility.

Regardless of whom he hired, Bell knew that managing the transition process well would be as important as candidate selection. He wanted to ensure that his successor received the right support to help him or her continue Mouat's tradition of success. Bell wondered what specific steps he could take to ensure a smooth transition in leadership.

For years, Bell had been inviting nieces, nephews and other possible candidates to the company's annual board meetings, wanting to see if any had a particular interest or aptitude for managing the business. This informal search had yielded no viable candidates. He wondered about a contingency plan: What should he do if this phase of the search failed to find his replacement?

Future Governance

Bell was also worried about the governance of the company as shares were passed from one generation to the next. The company's shareholder group was composed of Bell, his four brothers, and two members of the Toynbee family who were related to Bell through marriage. The company's shares were equally divided among the shareholders and at meetings, their voices were equally heard. Bell's role as GM had him organizing and leading the company's annual general meeting, where board members would discuss the past year's results and the strategic focus of the company moving forward. The group was extremely close, and all parties trusted each other. As a consequence, Bell was given a great deal of flexibility to manage the company in the way he felt was best.

The shareholder group had an average of three children each, and most of those children had spouses, so passing on shares from one generation to the next would be highly dilutive. The next generation was also spread out geographically and did not share the same close connection as the current group. Many had very little connecting them to Mouat's Trading Company or to Salt Spring Island. Bell saw this as a potential source of future tension, and he wondered if there was anything that could be done now to prevent future problems. He had considered a few options:

- 1) Encouraging shareholders to elect non-family members to the board.
- 2) Keeping a family-based board, but encouraging shareholders to hire an advisory board composed of outside professionals.

- 3) Doing nothing, and allowing the next generation to tackle the problems if and when they came.

He knew each option had advantages and disadvantages, and he wondered if there was another way of dealing with this potential problem which he hadn't considered.

Moving Forward

Bell loved Mouat's Trading Company, and he looked forward to retiring on Salt Spring Island. He knew he couldn't retire without finding and training his replacement and deciding what to do about the future governance of the company. Despite the challenges, Bell was upbeat. His 14 year tenure with the Mouat's Trading Company had been good, and he was confident that he would find the right person to lead the company into a successful future.



Tony Bell is a senior lecturer in accounting at Thompson Rivers University in Kamloops, British Columbia, Canada. He has also taught at Shanghai Institute of Technology and Tianjin University of Technology.

Tony joined the faculty at Thompson Rivers University in 2007 after earning a CA designation in 2003 and an MBA in 2006. He earned the school's teaching excellence award in 2013, and his YouTube channel, which focuses on educational accounting videos, has garnered over 1,000,000 views.



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Exhibit 1. Ink Bottles on Kevin Bell's Desk



Black and Red Ink Bottles

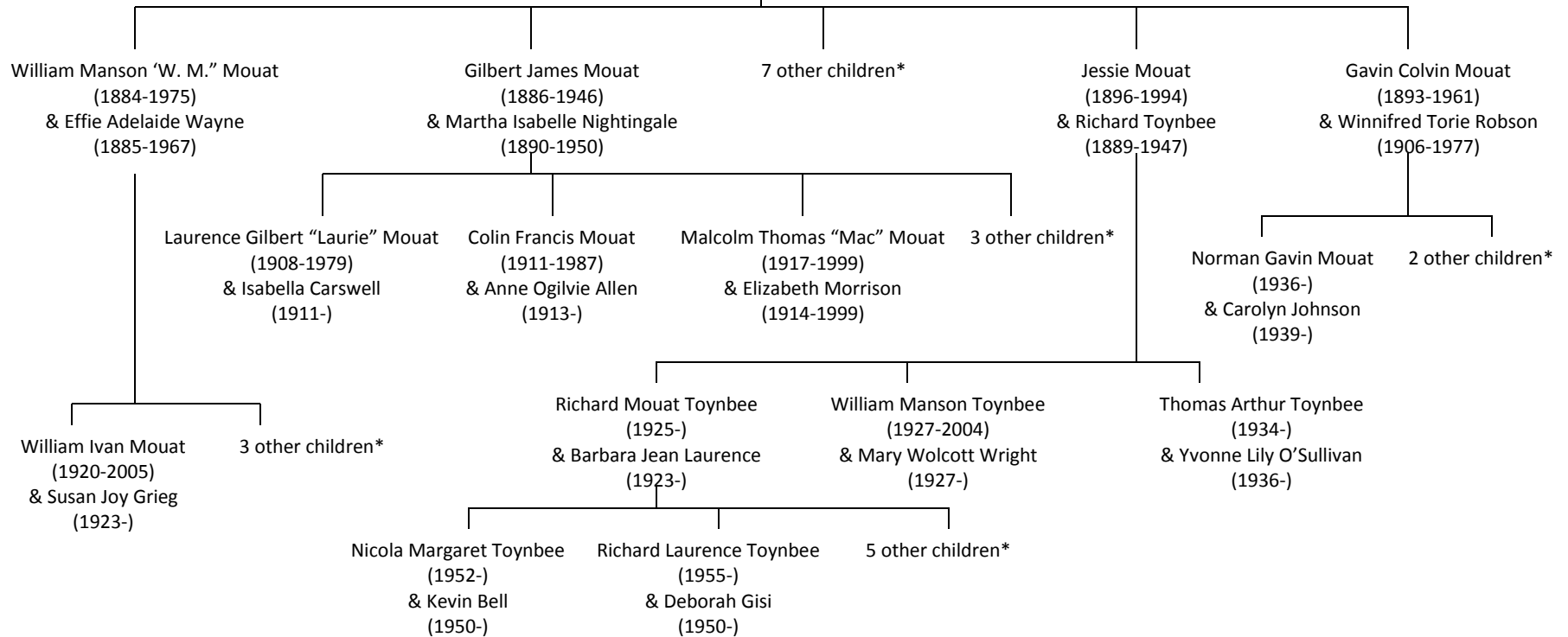
In accounting, black ink is used to denote profits, while red ink denotes losses. Bell's office contained the two bottles pictured above.

Exhibit 2. Mouat’s Family History



Thomas William Mouat
(1854-1898)

Jane Manson
(1859-1935)

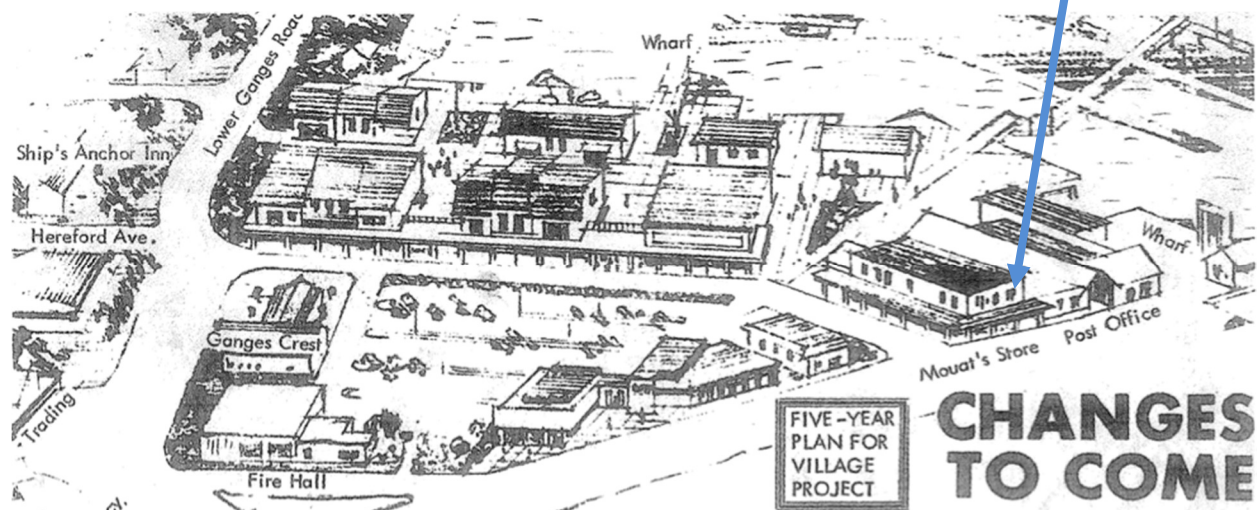
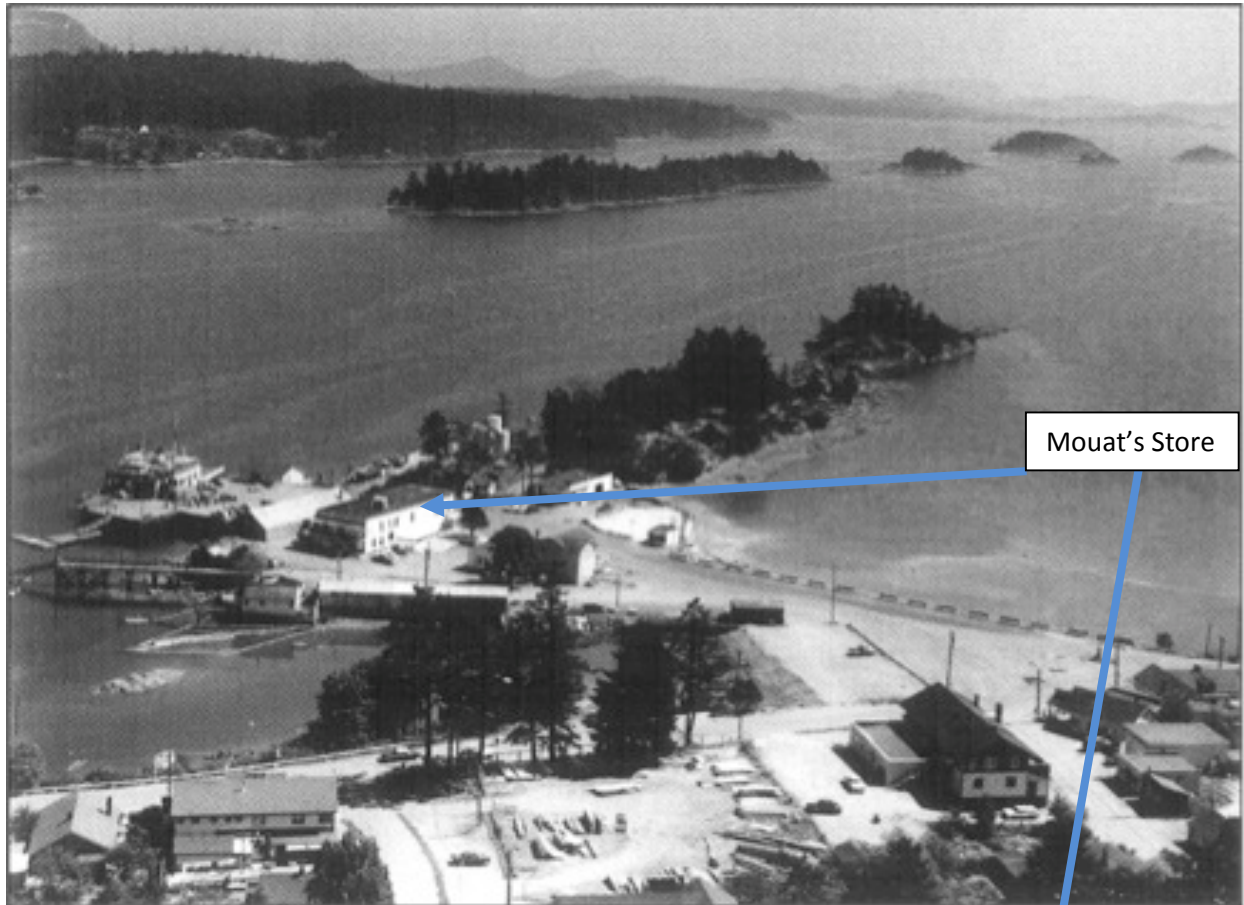


*siblings not involved in the family business.

Source: Kahn, C. (2006). *Mouat's The First Hundred Years*. Mouat's company publication.

Exhibit 3. Mouat's on the Peninsula

In the early 1970s the company filled and expanded into the bog areas surrounding the peninsula; the plan (below) reshaped the waterfront. Exhibit 4 shows the waterfront in 2015.



Source: Kahn, C. (2006). *Mouat's The First Hundred Years*. Mouat's company publication.

Exhibit 4. Mouat's in 2015



In 2015, Mouat's properties were the retail center of Salt Spring Island. The labeled properties housed Mouat's 33 tenants and three company owned stores.⁷

⁷ To get a better sense of the store and surrounding area it can be useful to use Google Street View: <http://tinyurl.com/mouatsstreetview>

Exhibit 5. Salt Spring Island



Source: nationalgeographic.com

Exhibit 6. Seaplane Service



Several competitors offered inexpensive flights between Salt Spring Island and nearby destinations like Vancouver and Victoria. The main mode of transportation on and off the island was provincially run ferry service.



Exhibit 7. Flying in to Ganges Harbour, Salt Spring Island

Flying into Ganges Harbour, Salt Spring Island, overlooking Mouat's Trading Company.



THE TWIN BUTTES DEVELOPMENT: SMART GROWTH OR NO GROWTH?

DEBORAH WALKER
DOUGLAS W. LYON
Fort Lewis College

There had been another lengthy, heated city council debate about the potential impact of annexing a proposed housing development into the city. As he reviewed his files and prepared for this week's decisive meeting, Durango City Councilor Cecil Dollard thought long and hard over casting his vote, which could possibly be the swing vote. All the talking was over. He had listened to his fellow Councilmembers, and all of the stakeholders involved in this decision: his constituents, the developers, economists, environmental and wildlife experts, local homeowners, local contractors, and taxpayers. It was now time to vote. Cecil had to vote whether or not to annex the planned development.

Annexation was very important to the developer because annexation brought with it the full range of city services: water, sewer, road maintenance, snow plowing, police protection, and so on. The development in its proposed form would have been impossible without annexation and the accompanying access to city services. Absent annexation, the most likely development alternative for the property owner would have been to divide the property into 35 acre parcels as permitted under state law. Those parcels would then have been sold off for individuals to build "ranchettes" with water provided by wells.

Many in the community considered this to be an undesirable alternative though they did not fully understand that since it was permitted under state law it could not be stopped. The developers did not want to pursue this option either, since it was likely less profitable and deviated from the environmental ethos of their proposed project. Furthermore, sprawl was a concern.

Based on the stated positions during the previous meeting, the other four Councilors could be evenly divided; so, his vote would probably be decisive. It would not be an easy vote to cast. As a resident of a small city where he knew a lot of the voters and was friends with many of them. The ramifications of his vote would be significant. Both supporters and opponents of the planned development held strong opinions which had led to acrimonious discussion and debate about the project.

Though Durango, Colorado was a small resort city of only 16,500 residents, its population belied its regional importance. Through careful preservation of its historic western architecture, the city retained a vibrant downtown filled with the arts, shopping, and nightlife. The surrounding area has some of the best mountain biking in the southwest with hundreds of miles of mountain trails nearby. There were also abundant opportunities for skiing, hiking, white water rafting, kayaking, hunting, and fishing. The city's outdoor recreation opportunities and the surrounding mountain scenery were its greatest attributes. Some worried that growth in the size of the community would destroy the essential character that formed the bedrock of the residents' quality of life.

In addition to - and sometimes in conflict with - Durango's image as an outdoor mecca was its status as a major employment, medical, shopping and banking hub. Indeed, Durango was referred to by some as the "Manhattan" of southwest Colorado. There was beginning to be a tension between those two visions of Durango. On one hand, many in the community viewed Durango's primary attribute to be its bucolic small-town charm. On the other hand, many people thought of Durango as a working community where people had good paying jobs that

enabled them to raise their families in a manner unavailable in other Colorado towns. That view of Durango necessarily led to growth: houses were built to accommodate new arrivals.

Exhibit 1. Biker using a Trail in the Twin Buttes Development



As Cecil walked home from yet another public hearing on the Twin Buttes development, he pondered the community's sentiment regarding this particular development and development in general. Durango had experienced growth that, while nothing like Las Vegas or central Florida, was more rapid than many in the community could accept. In fact, the last three City Council elections had turned on the issue of growth.

Six years earlier two new councilors had been elected in large part due to the public's belief that they would oppose a development north of town called River Trails Ranch. Four years ago Lucy Ludlum had been elected principally due to her leadership of the anti-River Ranch group "Save the Animas Valley." In addition, Ludlum led an effort to pass a ballot initiative that would have subjected all but the very smallest developments to a public vote. This resolution did not pass (45 percent voted "yes" and 55 percent voted "no"). Finally, in the most recent election, two popular incumbents had been defeated in re-election bids. They had lost re-election to two individuals who campaigned on platforms decidedly skeptical of the fast pace of

development in Durango. Newly elected Councilmember Mark Howard was unabashedly against the Twin Buttes development. Mark had written an op-ed column in the *Durango Herald* articulating the argument for saving Twin Buttes, titled “Save Twin Buttes.”

When these two Councilmembers had been elected, the public’s expectation was that they would align themselves closely with the anti-growth Lucy Ludlum and undertake measures to stifle growth in the city of Durango. In fact, Councilor Ludlum remarked on the evening of the election, “help has arrived!” and then did sort of an odd bunny hop.

The “Futurespective” Living Community

The proposed development (called Twin Buttes due to its proposed location below two large bluffs (see Exhibit 2) included 595 individual dwelling units, including townhomes and stand-alone houses. The development called for green belt and open space land designations. The plan included improving upon the appearance of a stretch of land along a major highway, sometimes considered as part of the “gateway” into the city. The development also included a community garden and nature trails. (See Appendix for a Twin Buttes Trails Map.)

Exhibit 2. The “Twin Buttes” Overlooking the Development



The Twin Buttes owners/developers, Glenn and Terri Pauls and Eric Flora wanted to offer a well thought out and forward thinking “living community.” Their sustainable approach to community development was based upon the “Ecovision” narrative, penned by David Barrett (<http://www.twinbuttesofdurango.com/downloads/EcoVision.pdf>).

Exhibit 3. Twin Buttes Development Community Garden



The development offered a sensitive approach toward stewardship of the land and environment described as “futurespective.” The architecture proposed creative living patterns: the first living community village in Durango and an important contribution toward future development in the Durango area. The developer had given extra consideration to the forest land and wildlife surrounding the development.

The community would have mixed use buildings designed and made from natural materials, such as rustic steel, natural stone, and thick stucco and earthen walls. These materials were congruent with ancestral images and materials used historically in the southwest. Structural frames would include a historic barn, mining structures, and even a tipi. The development

would also incorporate small shops, studios, cyber-nests, hospitality, restaurants, galleries, daycare, and a variety of services.

Exhibit 4. Construction Site in the Twin Buttes Development



The village would be a diverse, all-inclusive community not limited to the wealthy or those with higher social standing in the community. The community would include a forward thinking variety of housing choices that recognized that one design or model did not fit all. This was a break from the traditional development currently found in the Durango area.

The following links provide pictures and detailed information about the development:

<http://www.twinbuttesofdurango.com>

<https://www.facebook.com/pages/Twin-Buttes-of-Durango/144081562328123>

Exhibit 5. Historic Barn in the Twin Buttes Development.



The Controversy

The controversy was evidenced by a steady stream of “Letters to the Editor” published in the local newspaper, the *Durango Herald*. From the tone of the letters, there could be no doubt that community sentiments ran strong on both sides of the question. Leading up to the final city council vote, the local newspaper published approximately 28 letters against and 23 letters in favor of the city annexing the Twin Buttes development. There were also a couple of letters that were just informative and didn’t take a stand on the issue. This resulted in a total of about 53 “Letters to the Editor” over an approximate 6 month time frame. An unfiltered sample of quotations from actual letters is provided in Exhibit 6.

The citizens of Durango not only expressed their opinions through their letters to the local newspaper, but many also expressed their views during the 90 hours of public meetings and hearings that were held to discuss the Twin Buttes development.

**Exhibit 6. Sample Quotations from Letters to the Editor Supporting and Opposing
Twin Buttes Planned Development**

Source: The Durango Herald, Letters to the Editor, July-Dec. 2008.

Support	Opposition
“The Twin Buttes project is an example of healthy, responsible, conscientious growth.”	“What developers . . . don’t understand is that we like Durango the way it is. What these developers don’t understand is that we love our black bears more than we love their right to make a million dollars.”
“Numerous acres are dedicated to organic farms, cultivating an opportunity for community members of all ages to engage in the stewardship of our natural environment.”	“Think of the footprint (and regular footprints) on our society of 1,500 new commuter people west of town everyday driving into town. . . . Think of the added congestion.”
“Now it’s [growth] a dirty word and if the ‘nimbys’ prevail, and ‘smart growth,’ like Twin Buttes, is stopped, this community will truly become too expensive for the working man and the spirit and diversity we have enjoyed to now will be gone as only the rich will be able to buy the half-million dollar in-fill lots that are so ‘sustainable.’”	“Every other house in this county has a for sale sign on it. There is housing in many price ranges. We don’t need a new development.”
“Once again, Durango is growing, whether we like it or not. Twin Buttes is close to downtown . . . and will definitely be needed 15 to 30 years from now.”	“But the 95 affordable homes and the 500 unaffordable homes don’t justify the traffic increase on an already dangerous road, sacrificing wildlife, and difficult city services that must be provided because of the annexation.”
“This is our opportunity to set the bar higher and ensure that all development that occurs meets this level of intelligence and sustainability. Affordability happens with greater density. Greater density and close-in development preserves open space.”	“. . . residential development (perhaps excluding very high-end development) does not pay its way. That means that for every development like Twin Buttes, taxpayers have to pony up more taxes.”
“Eighty percent of the 597-acre Twin Buttes tract, including the higher ground that includes the two Buttes, will be devoted to open space.”	“I would like to preserve one of the most pristine areas remaining close to downtown Durango for open space, and I think many Durango residents would agree with me given the chance to voice their opinions.”

Citizens were free to speak their minds to the City Council and other members of the community. For example, one outspoken opponent of the development claimed, "This development will create so much traffic coming into Durango that we might as well be living in Denver." On the other hand, a young father expressed his view in this way, "I am trying to buy a house for my family here in Durango. This development will add to the options that will be available to me and, I hope, help bring down the high housing prices that I now face."

Another commenter noted: "I congratulate them on this enormously terrific plan. It really conceptually covers everything you could possibly want for a development. The plan has been really well thought out and incorporates everything you would dream for the ideal community. However, I have discovered one of the things that I know is that a good plan is not always a good idea. You can have a foolproof plan to rob a bank but robbing a bank is not a good idea and I really want to ask if we think this is a good idea for Durango."

In reference to the estimated 1,200 additional cars the project would bring to the community and their impact on traffic, another speaker posed the hypothetical question "Would you allow 1,200 cows in Durango? What kind of chaos would that create?" Like many of those offering public comment, the speaker had been in Durango for about five years. Another speaker decried some of the negative commentary by observing, "It's easy to vilify a person if we don't consider them a person – if we just label them The Developer." This person went on to observe that in the greater scheme of traffic in Durango, 1,200 cars was not very much and traffic was not really that bad anyway.

The prevailing themes expressed in most of the letters and in the comments made at the City Council meetings are summarized in Exhibits 7 and 8. These summary exhibits reflect language taken directly from the actual letters and also from the words of the people who spoke at the City Council meetings and offer a meaningful and inclusive representation of the thematic core variations. The themes capture the emotions and issues contained in the letters to the editor

and the public comments either opposing or supporting the vote on the annexation of the Twin Buttes planned development.

Exhibit 7. Key Points from Letters to the Editor and from Comments at Public Hearings and Meetings Opposed to the Twin Buttes Planned Development

- More development will bring more people, changing the “community character” of our small city.
- The development will create a great deal of traffic congestion coming into the city.
- The development will harm the environment through more traffic.
- The development will disturb important natural wildlife habitat/corridors.
- The development will take away highly valued natural scenery, open space and recreational area.
- The development is not necessary, there is already a housing glut in the city.
- The development will require more city services and therefore, more taxes; it will not pay for itself.
- It is not clear if the commercial space included in the development will be occupied by local businesses or by national chains.

Exhibit 8. Key Points from Letters to the Editor and from Comments at Public Hearings and Meetings Supporting the Twin Buttes Planned Development

- The development will set a standard for “green building” and for community village living in the city.
- The development will create much-needed jobs in the community.
- The development will contribute to the income of community members.
- The development will create a recreational area, including community gardens, while minimizing the impact on wildlife.
- The development will include affordable housing units and a transfer fee that will provide revenue for the local Housing Authority.
- The increase in housing units will keep housing prices lower.
- Growth is going to happen in the city, this development will meet the needs of this growth in a responsible way.
- The developers are donating a large amount of land that will be designated as “open space.”

Needed Development or Too Much Development?

Supporters of the Twin Buttes development claimed it would change the way housing would be approached in the city. Many opponents felt that the development was not needed. They pointed to vacant housing that already existed in the city. Exhibit 9 provides real estate information regarding homes for sale during the timeframe of the controversy. A local economist argued, however, that although there were housing units available for purchase, the Twin Buttes development would provide a unique product that was not then available. It would also provide competition for other housing developments. As quoted in the *Durango Herald*, the economist said, "If stores in town aren't selling books," she argued, "it shouldn't mean that another bookstore shouldn't be allowed if an owner has a new idea. [...] Anyone who cares about the environment would want this developer to succeed. More resources will move into green development if he does," she wrote (Holteen, 2008).

Exhibit 9. Real Estate Information for Durango

Source: Durango Area Association of Realtors, Inc., 2008.

	Information
Average Days a House for Sale Stayed on the Market in Durango.	145 days
Number of Houses that Sold in Durango in 2008.	126
Average Price of a House that Sold in Durango in 2008.	\$428,284.00

Public Finance Considerations: Economic and Fiscal Impacts

Both the developers and the city hired their own economists in order to determine the economic and fiscal impacts of the development. The economic impact included how much productivity and income the development would bring to the local economy. It also included an analysis of job creation due to the development. The fiscal impact included a cost/benefit analysis for the city's general budget. Although the outcomes determined by the economists hired by the developers and the one hired by the city were not exactly the same, the differences were small considering the size and scope of the study.

Exhibit 10 highlights the findings from the study conducted by two local college professors hired by the developers (Walker & Walls, 2008). The economic and fiscal impact analyses were based on a 15 year build-out period for the development. Although there were non-fiscal costs and benefits associated with the development, they were not included in these analyses. The analysis did include, in addition to economic and fiscal impact, the in-kind and monetary donations to the city that the developers planned to make if the development were passed. For example, the developer planned to implement a transfer fee program as part of the overall project. This program would implement a 1% transfer fee paid by the sellers of the homes in Twin Buttes. The developer suggested that the revenue from the transfer fee could be paid to the Regional Housing Alliance for financing programs to make available affordable and attainable homes for local families.

Effect on Wildlife

The developers contracted a local firm to undertake an environmental impact study and to draft a wildlife management plan (*Draft Wildlife Management Plan, 2008*). The wildlife management plan proposed 52 measures that should be followed in order to minimize the project's impact on the local ecosystem. The measures ranged from posting signs informing future homeowners of the wildlife habitat to the formation of a wildlife-management team for the subdivision. Given the location of the development, it was clear that the wildlife that would be affected by the project included elk, mule deer, black bear, Merriam's wild turkey, mountain lion, bats, neotropical birds and fish and amphibians in a nearby creek.

Exhibit 10. Summary of Economic and Fiscal Impacts*Source: Walker & Walls, 2008.*

Economic Impact	
Productivity	It was estimated that the increase in output generated for the local economy would be \$313,499,000.
Household Earnings	It was estimated that the increase in income generated for the local economy would be \$295,669,000.
Job Creation	It was estimated that 332 more jobs would be created due to the construction of the Twin Buttes development. This translates into approximately 22 jobs per year during the fifteen year build out period.
Fiscal Impact	
One-time Surplus	The development would contribute a surplus of \$2,215,381 to the city's general fund when looking at one-time, nonrecurring revenues and expenditures that the city would incur due to the development.
Annual Cost	The development would create an annual cost over revenue of \$44,550 for the city's general fund once the development was complete.
In-Kind and Monetary Donations	
Transfer Fee Program	It was estimated that the transfer fee program would generate annual revenue for the Regional Housing Authority ¹ (or other use as designated by the Durango City Council) of approximately \$2,380,000 at build out (and would continue every year with home sales plus appreciation).
Land Donation for Open Space	The developers would make a donation of over 280 acres of valuable land that they purchased for dedication as open space to the city. This land donation was valued at \$5,400,000.
Bus and Transit Shelter Donations	The developers would make a donation to the local transportation (transit) network with the purchase of a bus. This bus donation was valued at approximately \$60,000. In addition, the developers would provide 2 (potentially 3) transit shelters within the development.

¹ The Regional Housing Authority helps low income families obtain housing in the area.

The overall goal of the Wildlife Management Plan was to develop practical strategies for minimizing Twin Buttes impacts on area wildlife populations. The plan's key findings and conclusions (*Draft Wildlife Management Plan, 2008*) included:

- The primary impacts to wildlife were habitat loss, fragmentation, and alteration, as well as increased human-wildlife interactions;
- The development of a recreation management plan and a carefully-considered trail system would be critical to maintaining the integrity of the undeveloped areas; and
- The creation of a Wildlife Management Team was strongly encouraged to assist with long-term implementation of mitigation measures and monitoring their effectiveness, as well as management of on-going and unforeseen wildlife issues.

The plan suggested several modifications to the initial plan the developers put forth (as they related to wildlife impacts). Exhibit 11 summarizes the key modifications. The developers planned to include all of the recommended modifications in their final plan.

Exhibit 11. Suggested Modifications to Lessen the Impact on Wildlife

Source: Draft Wildlife Management Plan for the Twin Buttes Development, 2008.

Preserving principal wildlife corridors and habitats	The development would have clustered residential properties, smaller overall lot sizes, and would remove previously proposed large lot development in some parts of the property.
Maximizing undeveloped areas	The developers committed 478 acres as undeveloped areas (80% of total Twin Buttes acreage), with 68 acres in a permanent conservation easement and 80 acres as undeveloped general common elements.
Decreasing total dwelling units	Developers proposed a total of 833 dwelling units within the Twin Buttes project. This was reduced to 527 within the same area.

A Difficult Vote

Councilmember Cecil Dollard's constituents were divided. Cecil found merit in their arguments, both pro and con. Did the potential benefits of Twin Buttes outweigh concerns

regarding more development in this small city? The concern of having a city subsidize development was also at issue.

Exhibit 12. Twin Buttes Development Cow



Cecil and his fellow City Councilmembers all faced the same decision. Each came to the table with his or her own experience and background. Cecil was a highly respected member of the business school faculty at the local college. For Cecil, it was a cost-benefit issue, but not one that could only be expressed in the traditional dollars and cents format. He first became involved in community affairs when he testified at a planning commission hearing against the River Trails Ranch project. This drew the attention of the anti-growth and anti-River Trails Ranch people including Lucy Ludlum and her supporters. Shortly thereafter, Cecil was appointed to the City of Durango planning commission where he gained a reputation as a sensible thinker who supported good development projects and from time to time voted against those that were flawed. Two years later, Cecil and Lucy were both elected to the Durango City Council. In an ironic political twist, both the development community and the anti-growth contingent of the local electorate supported Cecil. Additionally, yards throughout Durango belonging to the anti-growth portion of the electorate frequently had campaign signs for both Cecil and Lucy. This caused one sitting city councilor to exclaim: “Are they nuts?”

Cecil knew his next step was important. All the talking was over. He had listened to his fellow Councilmembers; the developers and their economic and ecological consultants; constituents; local home owners; and watched the issues play out in the local media. It was now time for him to cast his vote. He knew he could never satisfy everyone; there would be a broad spectrum of consequences and his vote would affect a diverse set of stakeholders. The best he could do was to vote his conscience. How to vote, how to vote?



Deborah Walker is Professor of Economics at Fort Lewis College. She earned her Bachelor degree in economics and Master in Business Administration at Arizona State University, and her Master in Economics and Ph.D. in Economics at George Mason University. Her teaching and research interests include public policy, Austrian economics, industrial organization, public choice, evolution of economic thought and economic education. She spent thirteen years teaching at Loyola University in New Orleans before going to Fort Lewis College. Her passion is teaching economics to undergraduate students.

She is a native of Colorado and loves spending time in the mountains. An avid animal lover, she often fosters for the La Plata County Humane Society.



Doug Lyon graduated from Fort Lewis College in 1987 with a degree in Accounting and holds a Master in International Management from Thunderbird. He also holds a Ph.D. in Management Strategy from the University of Kentucky. Doug joined the faculty of the Fort Lewis College School of Business Administration in 2002. Doug's research has been published in the *Journal of Management*, *Entrepreneurship Theory & Practice*, *Long Range Planning*, *Managerial and Decision Economics*, *Journal of Management Education*, and other outlets.

He was appointed Dean of the Fort Lewis College School of Business Administration in July, 2011. He accepted the position of Senior Corporate and Foundation Officer in January, 2105. Prior to entering academia, Doug held positions as an auditor with Price Waterhouse, and as a financial analyst with Chevron Corporation.

Appendix. Twin Buttes Development Trails Map



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SUCCESSFUL METLIFE INTEGRATION: A THREE YEAR PROJECT COMPLETED WITHIN SEVEN MONTHS

ALAN MALTZ

HAOYU GAO

Stevens Institute of Technology

In 2006, MetLife was on the verge of committing to acquire Travelers Life and Annuity (Travelers) from Citigroup for more than \$11 billion. The IT due-diligence team initially estimated the time to integrate the two companies' technology to be about three years. With some project crunching, the team felt it could complete the project in eighteen months. MetLife CEO Robert (Bob) Benmosche thought for a moment and told CIO Steven Sheinheit to do it within seven months (O'Donnell, 2006).

MetLife, Inc. was a leading life insurance company with ninety million customers in more than fifty countries around the globe. It had established a strong presence in these countries through organic growth, acquisitions, joint ventures, and partnerships. Its 2006 revenue was \$26.4 billion; it grew to \$68 billion by 2013 with 64,000 worldwide employees.¹ The company was founded in 1863 and was based in New York.²

The authors developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by Alan Maltz & Haoyu Gao. Contact: Alan C. Maltz, Stevens Institute of Technology, Castle Point, Hoboken, NJ, USA 07030, tel. (561) 632-4848, email alan.maltz@stevens.edu.

¹ Additional corporate and financial information on MetLife can be found in Appendix A (or at <http://phx.corporate-ir.net/phoenix.zhtml?c=121171&p=irol-newsArticle&ID=969548&highlight=>).

² A companion video (approximately 45 minutes), which may be useful in preparing this case can be found at: <https://www.njvid.net/showvideo.php?pid=njcore:26698> .

Project Background

At the time of the acquisition, MetLife was primarily a domestic organization, whereas Travelers had 4,100 associates with 88 locations globally, including new operations in the UK, Belgium, Poland, Australia and Japan, comprising a total of \$55 billion in assets.

With the merger, there were more than 600 IT applications - from e-mail to desktop applications to all business and policy-processing systems - that had to be integrated into the MetLife world. The integration of IT systems for large financial services companies typically took many years. In fact, some of the smaller companies previously acquired by MetLife had not been completely integrated in five years' time.

The Approach

CEO Bob Benmosche's directive to his organization was clear; he wanted "One MetLife" by the end of the year. All systems would be integrated with a common look and feel throughout the organization for all business processes and IT systems. Benmosche knew this was a major effort, but other companies (including his own) absorbed considerable expenses for duplicative systems, people and processes while integration efforts dragged on for years (O'Donnell, 2006). Large integration projects required thousands of people-hours of effort. As an example, the separation of internet domains and the implementation of the MetLife e-mail system globally required a visit to every single country and office to accomplish this single objective.

Bob Benmosche was the Chair of the Board and CEO of MetLife. He had attended Alfred University and earned his Bachelor of Arts degree in Mathematics in 1966. He began his career when he joined Arthur D. Little and Information Science as a consultant. In 1975, Benmosche joined the Chase Manhattan systems group. In 1982, Benmosche joined PaineWebber to lead the development of PaineWebber's Central Asset Brokerage Account. As his career progressed at PaineWebber, Benmosche continued to gain new responsibilities, eventually earning a promotion to the position of Executive Vice President and Director of Operations, Administration and Technology.

Benmosche left PaineWebber to join MetLife in 1995. He was later promoted to president and Chief Operating Officer, and in November 1997 in his role as COO, oversaw individual and institutional as well as international insurance operations. In 1998, he was named Chair of the Board and CEO. He retired from MetLife in 2006. During his tenure, he oversaw MetLife's successful transition from mutual company to a publicly traded firm.

Benmosche knew that to accomplish the “One MetLife” goal, all MetLife staff would be involved doing their ‘regular jobs’ keeping the company running, while also working on this project. To incentivize the staff, he decided that all MetLife staff would get a 25% bonus increase, whether they worked directly on the project or not. He knew that he too would be involved as one of the major stakeholders, and attended weekly project meetings along with all his top-level management.

Robert (Bob) Zandoli, a Senior IT executive, led the IT team under the leadership of Chief Technology Officer (CTO) Carl Morales. Zandoli came to work in IT through an unusual path – his undergraduate studies were in music. He led MetLife’s Technology Engineering Group; when he was chosen to lead the IT project team, he was also finishing his doctoral dissertation in Information Management.

The entire technology team recognized that effective leadership was the key to success. Additionally, Zandoli, as an experienced manager, knew that it was critical to establish an approach to working towards the principle of “One MetLife.” Zandoli’s approach included defining an organizational blueprint, developing the necessary processes and tools, ensuring that proper governance and oversight were enacted, and developing a consistent reporting method throughout the organization. A series of guiding principles would be developed under the “One MetLife” umbrella.

Leadership and Culture

Benmosche recognized the need for strong leadership. Along with many of his senior managers, he attended the weekly project status meetings. It was unusual to see the CEO of a Fortune 50 company so actively involved in an IT project. As chief corporate sponsor, he had the ability to allocate resources and eliminate any bottlenecks as they presented themselves at such meetings.

Meredith and Mantel (2012:124) defined culture as “the entire way of life for a group of people” and research had found that corporate culture was strongly related to organizational performance (Ortega-Parra & Sastre-Castillo, 2013; Uzkurt & Kumar, 2013). IT team director Zandoli also recognized the critical role that developing a culture of effective leadership would play in the successful completion of the project. Zandoli believed that “if there was praise for a job well-done, it was because of the efforts of the team.” He fostered a culture of “no blame” among his team and peers; if issues arose, it was the leader, and not the team, who had failed.

MetLife had historically been a “siloes” organization with little communication between the business, technology and corporate functions. The communication and partnering was on an as-needed basis when cross-company support was required. Benmosche understood this cultural disadvantage; hence, he suggested building the concept of “One MetLife” where everyone had common goals and a shared vision. Strategically, he communicated this concept of shared direction and goals through incentives; the 25% additional bonus was a good example of his common goals vision. Communications across the company significantly improved.

Everyone worked towards “One MetLife.” As a result, the rules began to change. One example: Zandoli ordered several million dollars’ worth of equipment for the integration before the deal was signed; this was previously unheard of. When later challenged about “not following the process,” he was commended, not condemned, by senior management. It was the only way to make the date.

From the onset of the program, Benmosche challenged the team with stretch goals, e.g., increasing the customer base to 100 million. He also knew that effective teamwork across the organization would be needed to keep the company running and to execute on this fast-tracked project with extreme levels of stress. He let his managers know that if their peers needed help, he expected them to help. “If one fails, we all fail,” he remarked.

Guiding Principles

The project was months behind even before it started. There were many issues and risks; the team knew it had to use project management techniques such as fast-tracking (overlapping project phases) and crashing (increase resources or alter an activity’s technology or processes) to reduce the overall project schedule. Daily meetings and agile tools such as scrum (concurrent design and development) were used for distributing work and solving issues promptly. But this wasn’t enough.

The IT team gathered artifacts from past integration projects and other major programs and analyzed the reasons why projects had failed, missed target dates, were over budget, or did not attain planned outcomes. The IT team also found many instances in which issues had not been escalated in a timely fashion or to the appropriate person. The critical path tasks (if those tasks were delayed, the project was delayed), many times, were not well thought-out and milestones were not carefully tracked. Inter-dependencies were not clearly defined and there was not a good understanding of how to handle them in the overall program. Hence, there was no real project management discipline to handle projects. Consultants were hired to supplement the project managers as employees because there were not enough project managers to manage a program of this magnitude.

The team developed a series of guiding principles to ensure that the “One MetLife” project would be completed within seven months. These principles were created based on their review of past projects that had not met their objectives:

- Surface issues quickly — open communications, vertically and horizontally were established. On a number of occasions when a problem surfaced, Benmosche admonished: “Don’t sit on it.”
- Aggressively manage to the critical path (see Glossary) - there was no time to deal with delays. Any item that was critical to the project completion was dealt with promptly.
- Formally acknowledge cross-team inter-dependencies – with seventeen project teams spanning the entire organization, there were hundreds of activities between teams. The cohesiveness between teams was crucial to the project’s success.
- Ensure detailed project plans were granular and consistent – there had to be one common language that the entire project team understood.

The IT team took advantage of the pre-closing period (due diligence period) to pre-order items such as network services and hardware that typically had long lead-times. Some of these pre-close issues were provisioning telecommunications equipment orders and dealing with security challenges, such as active directory transition. This was analogous to buying materials for a new roof on a house before the closing had occurred; it was very complicated and risky. The IT project was well underway before the deal was closed.

Defining the Organizational Blueprint

Like building a house, a detailed blueprint was needed to ensure that the foundation, walls and roof all fit together. There were a number of organizational initiatives enacted to accomplish this objective. With the magnitude of this project, a unique structure and processes were needed to ensure that the entire project was on-track and that issues were handled immediately. As an example, the IT team partnered with its audit department during the early project phases, as opposed to after the project was completed. It created a PIMO - Program Integration Management Office (see Glossary) to oversee the entire effort:

- PIMO – the Corporate Program Integration Management Office was established to provide governance and oversight across the entire organization. The PIMO also provided the tools and helped develop the processes required to manage a project of this magnitude.
- The functional integration team structures. There were seventeen teams (e.g., the various Lines of Business (LOBs), Legal, HR, IT) formed during the pre-closing due-diligence process which were continued throughout the program. The teams and people associated with validating the acquisition were now responsible for “making it happen.”
- The Senior Management Team Leader was assigned as the single point of accountability.
- Each of the seventeen teams had its own Project Management Office (PMO) and PMO leader to guide the project within its own functional area. These entities worked under the direction of the PIMO.

The organizational blueprint was quickly established and maintained continuity throughout the Program. An overview of the team structure is provided in Exhibit 1.

Governance and Oversight

The PIMO provided overall guidance for the integration. It developed a disciplined approach to reporting on ongoing processes and facilitating issue resolution and escalation. Its mandate was in line with the corporate directive of “surface issues quickly.” This was a critical project management axiom: if a critical item was not dealt with promptly, fewer options existed to resolve it. With such a tight timeframe, each hourly and daily delay was critical to the project’s success.

The PIMO also developed a rigorous weekly calendar for status reporting, checkpoint meetings, issue alerts, and escalation of critical issues. Internal audit and risk management functions were included from the start and participated in the weekly program status meetings. Most

'routine' projects got these internal functions involved only after the design was completed and implementation well underway. With the compressed schedule, it was imperative to fast-track as many activities in parallel to eliminate any re-design issues.

The pace and technological issues of the project carried significant risks. CIO Sheinheit said, "having so many people involved in planning for the integration carried risk" (O'Donnell, 2006). Before completing any big acquisition, many people involved with due diligence and integration planning had access to insider information that needed to be kept confidential. Therefore, speed was essential to avoid pitfalls that could have dissipated the anticipated value of a merger. For example, the purchasing department had to order equipment before the deal was even signed. The acquired company's resistance in providing detailed information to MetLife was also a challenge. One of the project management tools, The Phase-Gate process (see below), was used to mitigate risk by ensuring that concerns were raised in a timely manner.

The Phase-Gate Review Process

An idea-to-launch system such as Stage-Gate (or Phase-Gate) Review was incorporated into the weekly program meetings to provide a "go - no go" decision within and between each project phase (see Exhibit 2). Each stage entrance was named a "gate" (Schallmo & Brecht, 2010) (Cooper, 2008). Gated reviews were provided for all major phases and deliverables: Project Definition Review, Planning/Design Review, Deliverable Completeness, Pre-Execution, and Post-Deployment.

Exhibit 1. Program Team Structure

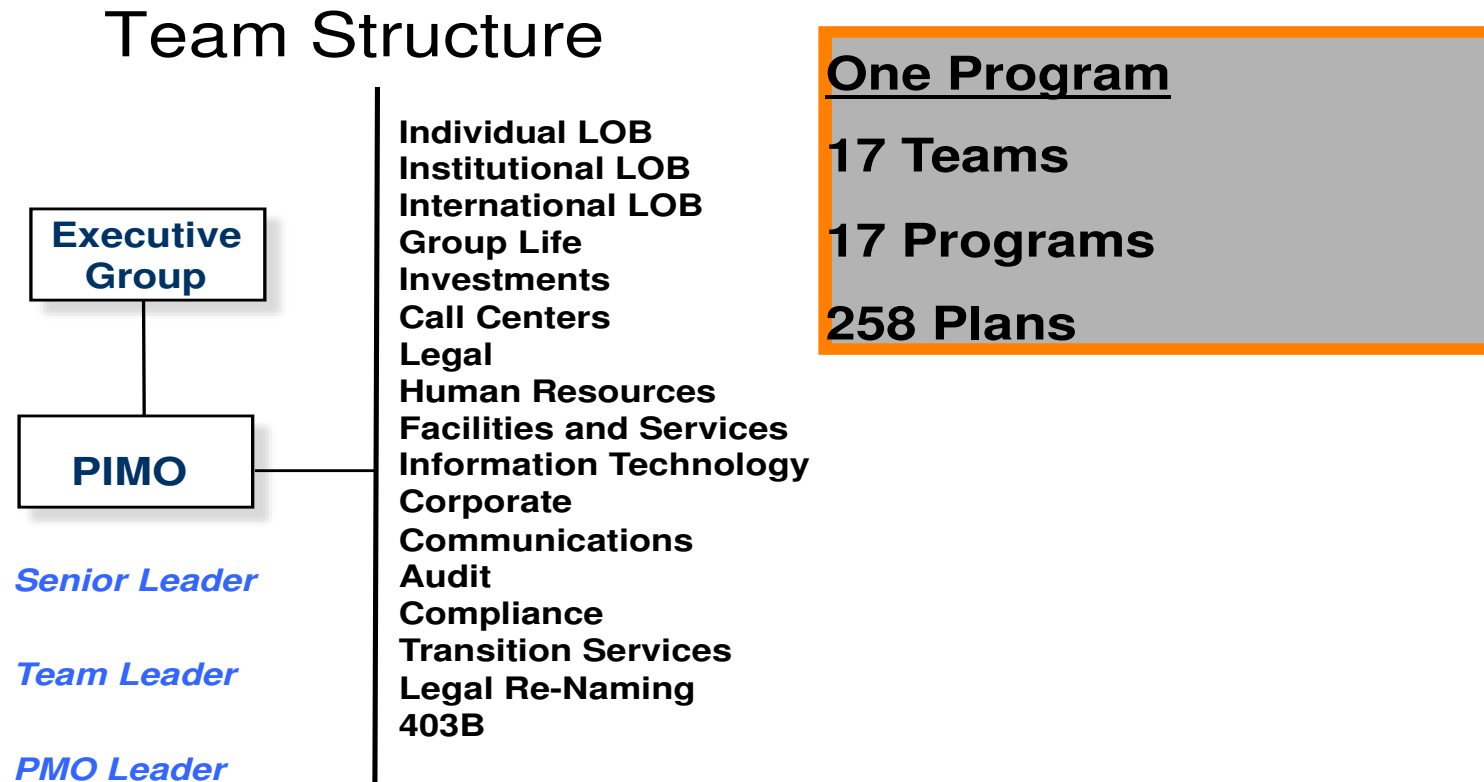
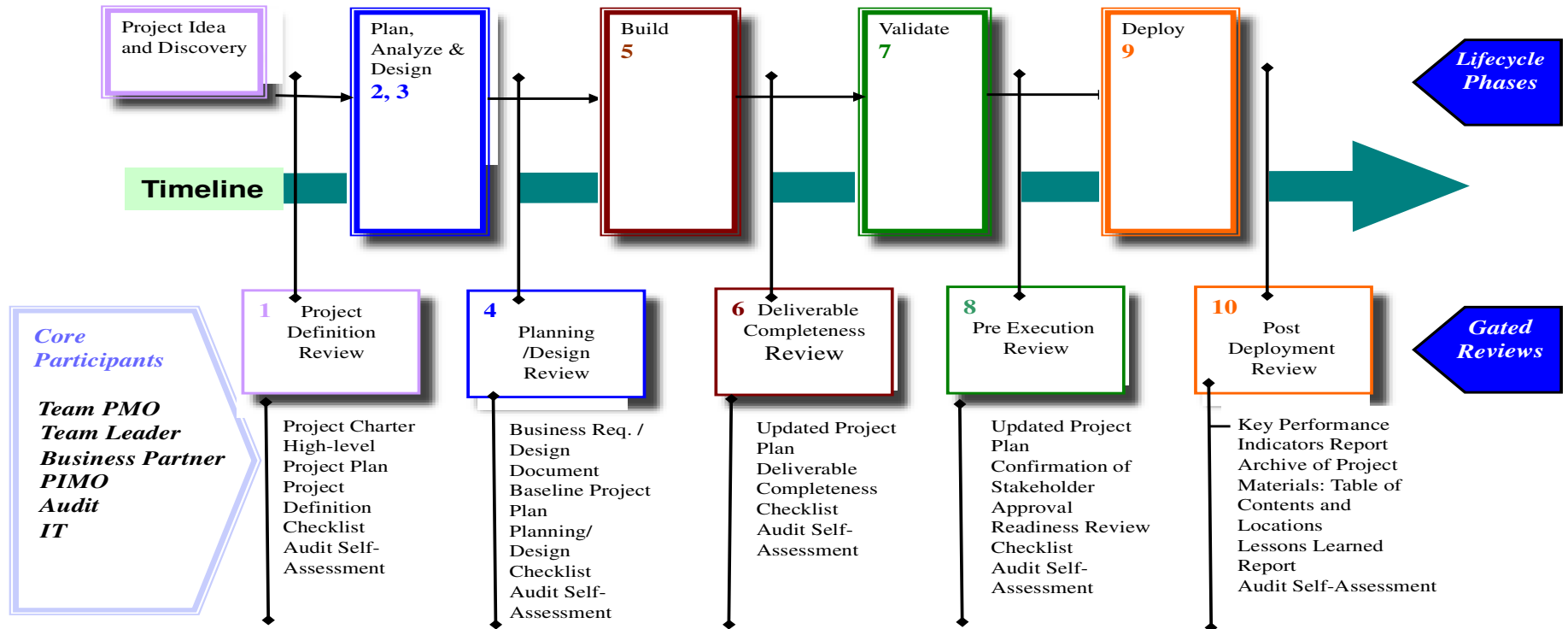


Exhibit 2. Overview of the Phase-Gate Process

Phase-Gated Review Process



Stage-Gate was a process that allowed project teams the use of the best possible methods to ensure success from getting resources to speeding them to market, providing overview, and enabling prioritization and focus through the integration. Hence, in this case, Stage-Gate was not a static tool but is rather an integrated system that had been designed with best practices and methods. The most beneficial aspect of Stage-Gate was managing business risk by breaking resource commitments into increments or phases; this greatly enhanced the success of the project process.

An important facet of Stage-Gate was defining governance roles and responsibilities. Since resources were required from many different departments, the gatekeeper groups – top executives – were the key resource owners. At the stage-gate meetings, specific success criteria for each project were defined and agreed to by the project team and management (Cooper, 2009). As a result, leaders played the role of facilitators in the process; the more involvement they had during the integration, the higher the chance of effectively completing the project. Finally, all functional teams were involved in the review; this fit well within Benmosche’s mandate for open, transparent communications.

Consistent Reporting and Communications Throughout Met

The transparent communications mantra was incorporated into the regular program reporting process. The same weekly status report (see Exhibit 3) was utilized across the entire organization, from CEO to PMO to team member.

Risk and audit assessments were updated weekly. A color-coded (Red, Amber, Green) system was utilized to convey Program/Project status. A blue code indicated that the activity was successfully completed. As expected with a program of this complexity, there were always a number of activities in the “red zone.” Identifying and resolving issues quickly was the trademark of this effort.

This status report also highlighted all key issues and concerns on the middle the front page – it was there for all to see. Once again, if the project team knew about an issue, it would brainstorm about all the options to resolve the bottlenecks.

Off-the-shelf tools could not handle the magnitude of tasks and cross-dependencies. MetLife had IBM develop the PMT (Program Management Tool) to facilitate the management of all tasks. The Dashboard provided an objective view when communicating the status of projects to the organization, and it alerted decision-makers to take action according to the urgency of the code. The PMT Dashboard (see Exhibit 4) also used the same Red/ Amber/ Green color-code to convey the status of team efforts.

The PMT became the central repository used by the PIMO to house all the integration documentation, including all project plans, charters, business requirements, checklists, signoff documents, status reports, and self-assessment. All of these documents were accessible by all team members, once again ensuring project transparency.

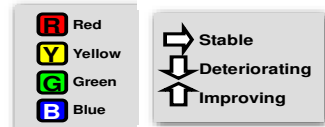
Program Scope

There were 1,000+ associates working as members of their respective project teams. There were 114 projects executed in the pre-close phase, 144 projects in the integration project with 37,000+ tasks, including thousands of additional sub-tasks. The scope of the project was carefully controlled at the weekly status meetings and throughout the Phase-Gate process. Functional enhancements to the many systems were postponed until after the primary integration in order to ensure timely completion.

As part of the Phase-Gate review process, there were over 1,100 reviews. Exhibit 5 provides an overview of the project's scope.

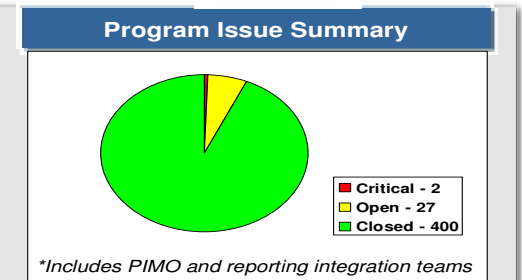
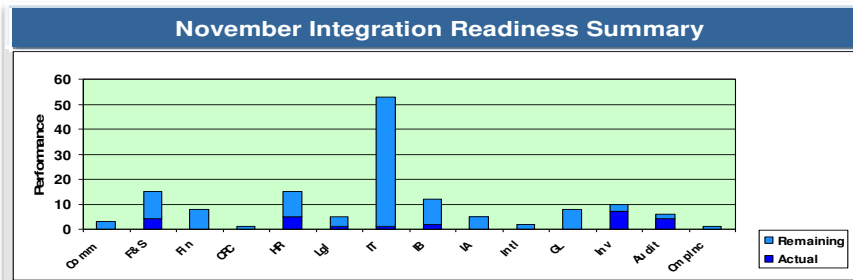
Exhibit 3. Weekly Program Status Dashboard

Program Status dashboard



Current Program Outlook

Status



- 2 Red and 26 Yellow issues; 4 new issues entered this week and 3 were resolved
- Yellow initiatives that do not have related issues identified in PMT – must explain the reasoning for the status
- 19 Day 2 Initiatives have not gone through the Planning PGR (Gate 4) – Deadline: August 31

- November 1 deliverables list needs to be refined from detailed spreadsheet due today – Need for the EG meeting Sep 13
- Continue working with teams to load all issues into PMT

- CitiStreet successful close & Day 1
- Domain separation successful
- Intl: Siembra data center transition completed
- Institutional Annuities data testing successful – 99.8% of data loaded successfully
- Issue 419 (Q&A testing) upgraded from red to yellow

Phased Gated Reviews Conducted for 144 Day 2 Deliverables (as of 9/8)

•PGR 1 (Analysis and Design Review):	138
•PGR 4 (Project Plan Review):	125
•PGR 6 (Deliverable Completeness Review):	32
•PGR 8 (Pre-Execution Review):	27
•PGR 10 (Post-Execution Review):	12

Exhibit 4. PMT Dashboard

PMT Dashboard

Company
Logout
Integration Team: IBM Tool Admin (Database: MetLife)
User: Thomas Sinibaldi

TLA Integration
Home Initiatives Issues Risk Forms Documents Reports Admin

Core Task/MS View

Include Shelved And Killed Initiatives
 Include Ideas
 Show End Dates
 Include Completed Initiatives

Initiative # or Name:
 Contact Types:
 Contact Name:
 Scope:

Initiating Integration Team:
 Affected Integration Team:
 Region:

Substream:
 Type:

[Search](#) [Advanced Search](#)

131 Record(s) Thu Sep 22 14:22:10 EDT 2005 [Download Data](#) [Print](#)

Integration Team	Initiative	Phase	Scope	Start	Target	1	2	3	4	5	6	7	8	9	10
Information Technology	IT345: Licensing (IB IT/TLA Integration)	Build	Day 2	05/09/05	11/01/05	C	ND	C	C	OS	OS	Y	OS	OS	OS
Information Technology	IT711: Treasury Systems (Initiative) : Day 2	Build	Day 2	04/29/05	11/05/05	C	C	C	C	OS	OS	Y	OS	OS	OS
Legal	LG684: Balance of Selling Agreements	Plan	Day 2	03/14/05	11/02/05	C	C	C	Y	OS	OS	OS	OS	OS	OS
Information Technology	IT351: Actuarial Experience Studies	Build	Day 2	04/08/05	11/29/05	C	C	Y	C	OS	OS	OS	OS	OS	OS
Group Life	GL194: Reinsurance Agreements for the 90% business	Build	Day 2	03/07/05	11/02/05	C	C	C	C	Y	OS	C	OS	OS	OS
Information Technology	IT99: Workstation-Desktop (Initiative)	Build	Day 2	03/04/05	12/14/05	C	ND	C	C	C	OS	Y	OS	OS	OS
Information Technology	IT730: Historical Data Migration (Day 2)	Test	Day 2	05/09/05	10/29/05	C	C	C	C	Y	C	OS	OS	OS	OS
Information Technology	IT343: eService (IB IT/TLA Integration)	Build	Day 2	04/01/05	10/16/05	C	ND	C	C	C	OS	Y	OS	OS	OS
Information Technology	IT652: SOX (Initiative)	Build	Day 2	02/23/05	12/31/05	C	C	C	C	C	Y	OS	OS	OS	OS
Information Technology	IT138: Tax (Initiative) : Day 2	Test	Day 2	03/11/05	11/16/05	C	C	C	C	C	C	OS	OS	Y	OS
Individual Business	IB677: Initiative - Integrate TSS Broker Dealer	Build	Day 2	02/01/05	02/25/06	C	C	C	C	C	OS	C	Y	OS	OS
Facilities & Services	FL246: International Day 2	Deploy	Day 2	03/08/05	11/28/05	C	C	C	C	C	C	C	C	Y	OS
Investments	IV226: Consolidation of Assets under MetLife Manag	Deploy	Day 2	02/01/05	09/19/05	C	C	C	C	C	C	C	C	C	Y

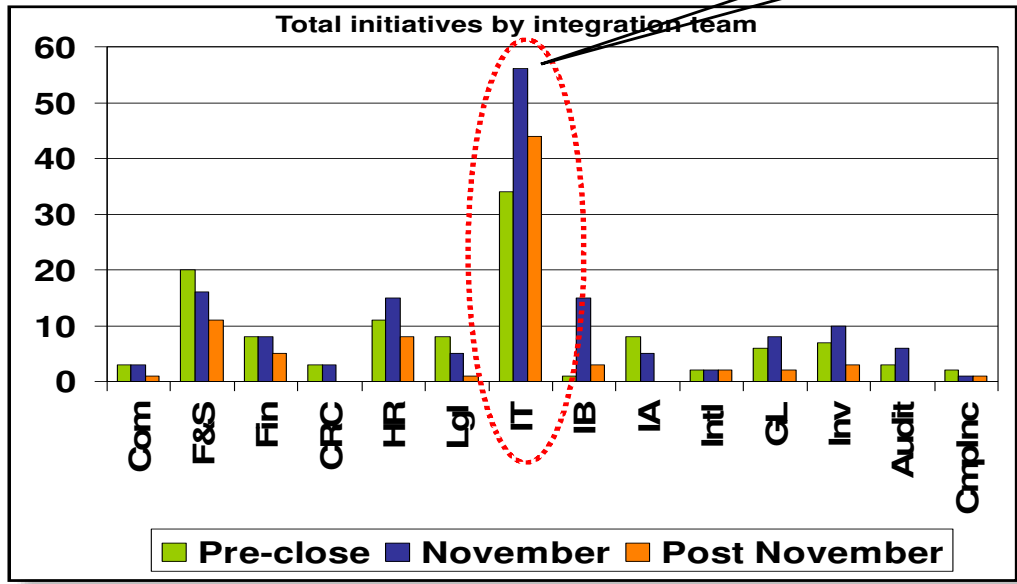
- Core Task/MS
- Initiatives
- Tasks/Milestones
- Blackout Dates
- PIMO Templates
- PMT's How To Instruction Manual
- Suggestion Box
- Suggestion Status
- My Preferences
- Contacts
- Inquiry
- PMT Help Desk

Exhibit 5. Program Scope

Program Scope

Information Technology had the largest Amount of tasks and sub-teams (9). IT was the Enabler for the entire project.

Integration Initiative Summary



- 114 Pre-close Initiatives
- 144 November Initiatives
- 37,019 Tasks
- 1,100 Inter-dependencies
- 14 Integration Teams
- 1,000 + Associates
- 1100+ Phased Gated Reviews

A Successful Conclusion

Even prior to the seven-month deadline, the MetLife team integrated 4,100 Travelers' associates and \$55 billion in assets onto the MetLife investment platform. All 600+ IT applications and the associated infrastructure were integrated by the target date, along with the necessary training of all new associates. A three-year effort was accomplished in seven months. The teams built processes that (1) tracked the status of all key program, project, and initiative milestones; (2) provided a platform for issue management, escalation, and immediate resolution; and (3) integrated Risk, Audit and Compliance into the governance process – designed in, rather than added-on. Most importantly, MetLife built a corporate-wide culture that focused teams on the business of integration while also keeping the company running smoothly.



Alan C. Maltz is currently a full-time Executive in Residence at Stevens Institute of Technology teaching courses and performs research in Technology Management. He is also co-founder of Comsci, LLC, an IT Business Financial Management firm. He served on the Board of Directors of Callwave, Inc. (an internet-based virtual telecommunications firm) and retired as Executive Vice President and member of the Board of Directors of Brite Voice Systems, Inc. (NASDAQ - BVSI), a \$180 million company with over 800 employees worldwide. He was President and founder of Telecom Services Limited (TSL), which was acquired by Brite in August, 1995. In his capacity as head of the TSL, he oversaw marketing strategy, business development, financial planning and management operations. Dr. Maltz holds degrees in electrical engineering, business administration and a Ph.D. in Technology Management. He is a Registered Professional Engineer in New York and New Jersey, and a member of the I.E.E.E.



Haoyu Gao is currently a full-time employee at CS Technology working in Global Services and Deliverables. She holds a Master degree in Enterprise Project Management from Stevens Institute of Technology. She was also the Graduate / Teaching Assistant of the Project Management Program.

She obtained a BA degree in Finance Accounting and Management from the University of Nottingham in the UK. She published a paper in *British Journal of Economics, Management & Trade* and a few Chinese articles in philosophy during her academic years, and won a silver medal in the New Concept writing competition.

Appendix A. MetLife Corporation Information

Source: "METLIFE, Inc. Company profile, Hoovers, http://cobrands.hoovers.com/company/METLIFE_INC/cfyryi-1-1njhxf.html

Geographic Reach. The company operates in the Americas and Asia, and in Europe, the Middle East, and Africa (EMEA). In Latin America it operates in Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay (which the bulk of regional revenues coming from Mexico, Chile, and Argentina).

Its largest operations in Asia are in Japan and Korea. It also does business in Australia, Bangladesh, Hong Kong, Nepal, and Pakistan, and through a joint venture in China. MetLife operates in more than 30 countries across EMEA. The company's biggest operations are in France, Poland, the UAE, and the UK. While the U.S. remains its largest overall market, international sales accounted for about 30% of MetLife's revenues.

Operations. The company's Retail segment is organized into two businesses: life and other (variable life products, universal life products, term life products, whole life products, disability products, property & casualty); and annuities (variable annuities and fixed annuities). The Group, Voluntary and Worksite Benefits segment is organized into Group and Voluntary and Worksite. Group insurance products and services include life, dental, group short- and long-term disability and accidental death and dismemberment coverages. The Corporate Benefit Funding segment handles investment management for large employers that offer retirement benefits, including pension closeouts and specialized life insurance products used to fund such benefit plans. The company also services a number of long-term care insurance policies.

Sales and Marketing. Policies and other products are sold through a vast network of targeted marketing and sales forces, agency distribution groups, independent agents, affiliated broker-dealers, and direct marketing. In addition, MetLife sells some products through affinity groups and through employers.

Strategy. Going forward, MetLife plans to focus on insurance and employee benefits. It is exiting the bulk of its banking operations to avoid the increased scrutiny of banks under the Dodd-Frank financial regulations. The company is working to surrender its status as a bank-holding company. In 2013, the company sold its MetLife Bank depository operations to General Electric's finance division. Previously, MetLife Bank also offered residential mortgages, but in 2012 stopped writing both new mortgages and reverse mortgages. (In late 2012 it agreed to sell its approximately \$70 billion mortgage-serving portfolio to JPMorgan Chase Bank for an undisclosed sum.) MetLife would retain the residential home loan portion of the business. The company has pinned much of its growth efforts on emerging markets by increasing its already strong presence in the Asia/Pacific region and in Latin America through acquisitions and new product introductions. To support this growth, the company has organized its operations along geographic lines: The Americas; Europe, the Middle East and Africa; and Asia.

Some of the individual and group products MetLife sells overseas include life insurance, accident and health insurance, credit insurance, and annuities and retirement products. It has also created a global employee benefits business to reach into new markets. To focus on core international businesses (including the Asian ALICO life insurance operations acquired in 2010), in 2011 MetLife sold off its older Japanese life insurance operations. The following year it agreed to sell off a handful of operations in the Caribbean, Panama, and Costa Rica; Pan-American Life Insurance happily agreed to snap them up in 2012. It also sold certain UK business lines that year. In 2014 MetLife agreed to sell its UK annuity business to Goldman Sachs for \$5 billion. The assurance covered benefits for more than 20,000 individuals in the UK and Ireland.

Mergers and Acquisitions. Expanding its presence in South America in 2013 MetLife agreed to acquire AFP Provida S.A. (a private pension fund administrator in Chile) from BBVA for \$2 billion. The deal also includes a small asset management business in Ecuador. The company targeted emerging markets in Eastern Europe when it agreed to acquire the Czech, Hungarian, and Romanian life insurance operations of Aviva in 2012.

Ownership. Wilmington Trust Company owns 18% of the company.

Appendix B. MetLife Annual Financials*Source: MetLife Annual Report – 2006*

All amounts in millions of U.S. Dollars except per share amounts.

The following selected financial data has been derived from the Company's audited consolidated financial statements. The statements of income data for the years ended December 31, 2006, 2005 and 2004 and the balance sheet data as of December 31, 2006 and 2005 have been derived from the Company's audited financial statements included elsewhere herein. The statements of income data for the years ended December 31, 2003 and 2002 and the balance sheet data as of December 31, 2004, 2003 and 2002 have been derived from the Company's audited financial statements not included herein. The selected financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere herein. Some previously reported amounts have been reclassified to conform with the presentation at and for the year ended December 31, 2006.

	Years Ended December 31,				
	2006	2005	2004	2003	2002
	(In millions)				
Statement of Income Data(1)					
Revenues:					
Premiums	\$26,412	\$24,860	\$22,200	\$20,575	\$19,020
Universal life and investment-type product policy fees	4,780	3,828	2,867	2,495	2,145
Net investment income(2)	17,192	14,817	12,272	11,386	11,040
Other revenues	1,362	1,271	1,198	1,199	1,166
Net investment gains (losses)(2)(3)(4)	(1,350)	(93)	175	(551)	(895)
Total revenues(2)(5)	<u>48,396</u>	<u>44,683</u>	<u>38,712</u>	<u>35,104</u>	<u>32,476</u>
Expenses:					
Policyholder benefits and claims	26,431	25,506	22,662	20,811	19,455
Interest credited to policyholder account balances(4)	5,246	3,925	2,997	3,035	2,950
Policyholder dividends	1,701	1,679	1,666	1,731	1,803
Other expenses	10,797	9,267	7,813	7,168	6,862
Total expenses(2)(5)	<u>44,175</u>	<u>40,377</u>	<u>35,138</u>	<u>32,745</u>	<u>31,070</u>
Income from continuing operations before provision for income tax	4,221	4,306	3,574	2,359	1,406
Provision for income tax(2)	1,116	1,228	996	585	418
Income from continuing operations	3,105	3,078	2,578	1,774	988
Income from discontinued operations, net of income tax(2)	3,188	1,636	266	469	617
Income before cumulative effect of a change in accounting, net of income tax	6,293	4,714	2,844	2,243	1,605
Cumulative effect of a change in accounting, net of income tax(6)	—	—	(86)	(26)	—
Net income	6,293	4,714	2,758	2,217	1,605
Preferred stock dividends	134	63	—	—	—
Charge for conversion of company-obligated mandatorily redeemable securities of a subsidiary trust	—	—	—	21	—
Net income available to common shareholders	<u>\$ 6,159</u>	<u>\$ 4,651</u>	<u>\$ 2,758</u>	<u>\$ 2,196</u>	<u>\$ 1,605</u>

	December 31,				
	2006	2005	2004 (In millions)	2003	2002
Balance Sheet Data(1)					
Assets:					
General account assets	\$383,350	\$353,776	\$270,039	\$251,085	\$217,733
Separate account assets	<u>144,365</u>	<u>127,869</u>	<u>86,769</u>	<u>75,756</u>	<u>59,693</u>
Total assets(2)	<u>\$527,715</u>	<u>\$481,645</u>	<u>\$356,808</u>	<u>\$326,841</u>	<u>\$277,426</u>
Liabilities:					
Life and health policyholder liabilities(7)	\$268,741	\$258,881	\$193,612	\$177,947	\$162,986
Property and casualty policyholder liabilities(7)	3,453	3,490	3,180	2,943	2,673
Short-term debt	1,449	1,414	1,445	3,642	1,161
Long-term debt	9,979	9,489	7,412	5,703	4,411
Junior subordinated debt securities	3,780	2,533	—	—	—
Payables for collateral under securities loaned and other transactions	45,846	34,515	28,678	27,083	17,862
Other	16,304	14,353	12,888	12,618	9,990
Separate account liabilities	<u>144,365</u>	<u>127,869</u>	<u>86,769</u>	<u>75,756</u>	<u>59,693</u>
Total liabilities(2)	<u>493,917</u>	<u>452,544</u>	<u>333,984</u>	<u>305,692</u>	<u>258,776</u>
Company-obligated mandatorily redeemable securities of subsidiary trusts	—	—	—	—	1,265
Stockholders' Equity					
Preferred stock, at par value	1	1	—	—	—
Common stock, at par value	8	8	8	8	8
Additional paid-in capital	17,454	17,274	15,037	14,991	14,968
Retained earnings	16,574	10,865	6,608	4,193	2,807
Treasury stock, at cost	(1,357)	(959)	(1,785)	(835)	(2,405)
Accumulated other comprehensive income(8)	<u>1,118</u>	<u>1,912</u>	<u>2,956</u>	<u>2,792</u>	<u>2,007</u>
Total stockholders' equity	<u>33,798</u>	<u>29,101</u>	<u>22,824</u>	<u>21,149</u>	<u>17,385</u>
Total liabilities and stockholders' equity	<u>\$527,715</u>	<u>\$481,645</u>	<u>\$356,808</u>	<u>\$326,841</u>	<u>\$277,426</u>

Appendix C. Glossary of the Project Management Book of Knowledge

Source: Project Management Institute, 2013

Critical Path – Generally the sequence of scheduled activities that determines the duration of the project.

Critical Path Methodology (CPM) – A technique used in Project Management to determine the minimum project duration. More specifically: a schedule network analysis technique used to determine the amount of scheduling flexibility (the amount of float) on various logical network paths in the project schedule network, and to determine the minimum total project duration. Early start and finish dates are calculated by means of a forward pass, using a specified start date. Late start and finish dates are calculated by means of a backward pass, starting from a specified completion date, which sometimes is the project early finish date determined during the forward pass calculation.

Program Management – The centralized coordinated management of a program (a series of projects) to achieve the program’s strategic objectives and benefits.

Project Management Offices (PMO) – An organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain. The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of a project.

Project Phase – A collection of logically related project activities, usually culminating in the completion of a major deliverable. Project phases are mainly completed sequentially, but can overlap in some project situations. A project phase is a component of a project life cycle.

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PRINCE GEORGE PUBLIC LIBRARY: FEE-BASED INFORMATION SERVICE

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Allan Wilson, Chief Librarian of the Prince George Public Library (PGPL), met with students from the College of New Caledonia to discuss the findings of their service learning project.

The Chief Librarian had initiated the project three months earlier in response to one of the findings in a community needs study commissioned by the library. The earlier study, using focus groups of business people, documented some interest in an enhanced business research service. Over a semester, students reviewed the literature, contacted existing fee-based operations in Canadian libraries, and estimated local demand for a public library based, fee-for-service research and information services operation.

The library's need to diversify its revenue base and the potential impact of such a service on community economic development precipitated the study. The public library, like other not-for-profit organizations, depended on outside funding to achieve its mandate. Over 85% of the library's annual budget came from one source, the City of Prince George. In fact, the library's dependence on municipal funding had increased in recent years, despite attempts by its management to access other funding sources.

The authors developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by John Shepard & Allan Wilson. Contact: John Shepherd, Kwantlen Polytechnic University, 12666 72 Avenue Surrey, B.C., V3W 2M8, Canada, Tel. (604) 839-2449, email john.shepherd@kwantlen.ca

A research service could benefit entrepreneurs, businesses and local governments across Northern British Columbia, by providing them with enhanced access to information. In spite of the internet, key decision makers in rural areas lacked the same access to information as their urban counterparts.

A political reason also existed for the study. Individual city councilors had spoken to the Chief Librarian off the record. They noticed that fee-based research services were available in larger communities and suggested that the library consider such a service. Wilson desired a feasibility study to determine whether such a service was viable. After reading the CNC students' report, the Chief Librarian would make his recommendations to the Library's Board of Trustees whether to further explore an enhanced, fee-based research and information service.

Prince George Public Library

The Prince George Public Library (www.lib.pg.bc.ca) was the largest public library in northern British Columbia, supplying library services to the residents of the City of Prince George and surrounding communities.

The City of Prince George (www.princegeorge.ca) was located near the geographic center of British Columbia (see Appendix B), the westernmost province of Canada. The city of 80,000 people was the largest urban center in Northern British Columbia, and was over 450 miles northeast of Vancouver and 400 miles west of Edmonton. Prince George was embedded within the Fraser-Fort George Regional District, where an additional 10,000 people lived in rural communities north and east of the city. A regional district is similar to a U.S. county.

Prince George was located at the junction of several highways and railway lines supplying forestry and mining towns from the Pacific coast to the Yukon and Alberta borders. As the major transportation hub for the northern half of the province, the city served the surrounding

communities with a community college, a research university, a regional hospital, an airport, a large retail sector, and government offices.

The Prince George Public Library operated two facilities, the main Bob Harkins branch downtown, and the community Nechako branch, 9 kilometers north of the city. The library's 2007 annual budget of \$3.7 million (see Appendix A) was funded by the City of Prince George, Fraser-Fort George Regional District, and the Province of British Columbia. In 2008, the library employed 60 full-time and part-time people, including professional librarians, library technicians and support staff.

The Chief Librarian, the library's chief executive officer, reports to an independent Board of Library Trustees, appointed by the City Council of Prince George. The library was a provincially incorporated not-for-profit society. The Chief Librarian supervised a four person management team: a Public Services Manager, a Communications Manager, Manager of Technical Services, and a Manager of Administration and Finance.

The New Chief Librarian

Allan Wilson had an unusual background for a librarian. Prior to his library career, he was a welder with Whiting Equipment Canada, an operations manager of Control Building Services, both firms in Ontario, and as an International Traffic Supervisor in the shipping department of Molson Breweries.

Wilson returned to school as a mature student with degrees from Brock University in Slavic and Germanic Literature. He completed a Master of Library Science (MLS) degree at the University of Toronto and enrolled in the university's library doctoral program. His area of academic research was in Marxist Leninist library classification systems. He conducted his research in Moscow in 1992 during some turbulent times and later worked for St. Catharine's Public Library in southern Ontario.

In 1996, Wilson was hired as Deputy Librarian of the Prince Rupert Public Library. His mandate was to supervise the library's technical services and create an internet presence. He moved his young family 4,000 kilometers from Central Canada to the City of Prince Rupert on the Pacific coast, 60 kilometers south of the Alaska border. Two years later, he was promoted to Chief Librarian.

Allan Wilson enjoyed his time in the port community. Possessing an artistic flair, he entertained children and adults at local events by juggling various objects including flaming torches, and promoted history through storytelling. He was an expert photographer, a competitive level backgammon player, and a participant in live theatre. A founding member of Prince Rupert's Harbour Theatre, a fringe theatre group, Allan continued to attend the annual fringe festival called Udderfest.

Under his leadership, the Prince Rupert Public Library won provincial and federal awards for innovation, most notably for its First Nations library card and its unusual website, www.Bookboat.com. The Chief Librarian wrote successful funding proposals, initiated community projects, and built relationships with aboriginal communities.

One his proudest accomplishments was the repatriation of long lost community plans prepared between 1911 and 1913 by Francis Mawson Rattenbury, a prominent British Columbian architect and historical figure. Francis Rattenbury originally prepared the blueprints for a luxurious hotel at the Pacific terminus of the Grand Trunk Pacific Railway. The hotel was never built due to the untimely death of Charles Melville Hayes, the railway's president who sailed on the inaugural voyage of the RMS Titanic.

Later, Wilson envisioned a unique public library building on the Prince Rupert waterfront in partnership with John Rattenbury, son of Francis Rattenbury. The award winning architect studied under Frank Lloyd Wright, the most prominent American architect of the twentieth

century. The building's construction would have followed the organic style of architecture, blending it into the surrounding landscape through a combination of functional design and the use of local materials. The city's fiscal crisis prevented this dream from becoming reality.

After several years in Prince Rupert, Allan Wilson accepted a job offer as Chief Librarian with the Prince George Public Library in 2004. While the public library had a good reputation, the organization was challenged by years of stagnant funding, an obsolescent information system, employee morale issues, a limited number of professional staff, and its declining use by local residents. The new Chief Librarian was given the mandate by his Board of Trustees to address the many issues facing the institution.

Months later, after reviewing the recommendations of the needs assessment study, Allan Wilson proposed an ambitious plan to his board of trustees. His action plan had four themes: renewing collections, rebuilding information systems, renovating library facilities and restructuring operations: the four Rs. Subsequently, the library's collection was updated, a new information system installed, new professional staff was recruited and staff morale improved. None of these changes could have happened if the library's management team had not improved relationships with the City Council and secured additional funds from the City of Prince George and the Regional District of Fraser – Fort George.

City Hall Approved More Funds for the Library

After accepting the position of Chief Librarian, Allan Wilson sought additional funds from City Council, the elected committee who approved all municipal funding requests. A recent Online Computer Library Centre (OCLC) study stressed how challenging this task could be. According to De Rosa and Johnson (2008), elected officials were generally supportive of public libraries. However, public libraries were often viewed more as a community amenity than an essential service so their funding requests were ranked lower in priority than those from police or fire departments.

A two pronged strategy was followed to raise additional funds from local government. First, Allan Wilson joined and actively participated on municipal committees to raise his profile among the City Counsellors and Administrators.

Second, he used his theatrical background to improve the quality of the annual budget presentations made to City Council. In Prince George, all the municipal committees, advisory boards, commissions and societies made annual funding presentations to City Council. On behalf of the library, the Chair and Vice-Chair of the Board of Trustees presented the library's annual funding request and made a separate presentation to the Fraser Fort-George Regional District. Presentations were short, carefully scripted and rehearsed several times prior to City Council meetings.

These efforts, combined with an improving economy, increased municipal funding by \$530,000 a year: a 19% increase between 2004 and 2007. For example, the Fraser Fort-George Regional District doubled its annual contribution. While extra funds from local governments were greatly appreciated, the library's reliance on municipal funds increased over time.

Accessing other funding sources remained a challenge. Grants toward the cost of specific programs were available from senior governments, foundations and corporations. Restrictions on how these funds could be used, extensive reporting requirements and the tendency for funding priorities to change, limited the value of such grants to the library. For each new funding source, the expected revenue had to be carefully weighed against the cost and staff time required to access these monies, along with any restrictions placed on their use. For example, some library fundraisers such as galas probably operated at a loss if the cost of staff time used to organize these events had been included.

Funding Not-For-Profit Organizations

One characteristic of many non-profit societies was the separation of revenue generation from service delivery. The people who received services were not the same people who paid for those services. For example, a not-for-profit organization might receive funds from a government program to provide English as Second Language (ESL) training to recent immigrants. Allan Wilson, like the leaders of other not-for-profit organizations, had to manage two separate activities: the raising of funds and the spending of these funds to deliver services.

When raising funds, Foster, Kim and Christiansen (2009) recommended that the leaders of not-for-profits clarify which funding model was being used by their organization; they described ten common funding models (see Table 1). According their classification system, the Prince George Public Library followed the “public provider” funding model, whereby the City of Prince George funded the library to provide services such as early childhood literacy, computer training, and recreational reading materials. A lack of funding model clarity could cause an organization to deviate from its mission statement as it pursued new funding sources.

The public provider funding model was more commonly used in Canada than the United States. According to a survey of Canada’s voluntary and not-for-profit organizations (Statistics Canada, 2004), nearly half of the sector’s funds came from governments (e.g. 49%), with the balance from earned revenues (35%) and donations (13%). 65% of Canadian not-for-profits reported receiving less money from different levels of government in recent years.

Table 1. Ten Funding Models Used by Non-Profit Societies*Source: Adapted from Foster, Kim and Christiansen (2009)*

Funding model	Description
1. Public provider	Funded to supply essential services from existing government sources (e.g. public libraries).
2. Heartfelt connector	Funded by a broad cross section of the population for causes that people feel deeply about (e.g. Habitat for Humanity).
3. Member motivator	Funded by people for causes they feel about and jointly benefit from (e.g. professional societies).
4. Big Bettor	Funded by a small number of large contributors who were committed to a cause.
5. Policy innovator	Funded by governments for novel solutions for social issues by funds outside of existing programs.
6. Beneficiary Broker	Competed to provide services to the beneficiaries of government programs (e.g. services to the unemployed).
7. Resource recycler	Dispensed non-cash donations to individuals who cannot afford to buy them (e.g. food banks).
8. Market maker	Created markets for products that cannot be legally or profitably supplied by private enterprise (e.g. Donate Life America).
9. Local nationalizer	Met social needs at the community level through locally funded operations (e.g. Scouts Canada).
10. Beneficiary builder	Funded by clients helped in the past by their services (e.g. hospitals).

Can a Public Library Charge a Fee for its Services?

At the start of the study, one of the first questions asked by business students was whether a public library could legally charge user fees under provincial legislation. This same question was asked by city counsellors during their off-the-record conversations with the Chief Librarian. One councilor privately suggested that library users could be charged a nickel every time they borrowed a book or DVD.

Under the Constitution Act, the Canadian federal and provincial governments had respective spheres of exclusive legislative authority. Public libraries were regulated by provincial governments. The relevant legislation for B.C. public libraries was the British Columbia Library

Act. Section 46 of the Act clearly stated that public libraries must provide basic services to local residents free of charge. However, since patrons paid for services like photocopying, it was apparent that not all library services were considered basic.

One of the basic services was a staffed reference desk where a librarian helped patrons with basic information requests. However, many patrons required more in-depth assistance for more complicated information searches. Public libraries lacked the professional staff to provide in-depth services to more than a handful of users.

By charging a fee, a library could cover the cost of a library researcher and related operating costs. Libraries that offered fee-based services followed a business model similar to that of a professional services firm, charging clients for enhanced research and information management services. Professional librarians were experts in the search, classification and retrieval of information.

The right of a public library to charge for its services was clarified in the BC Library Act. According to Section 46(3): “A library board may charge fees for services not required to be provided free of charge under this section, including for the use of services described in subsection (2) by anyone who was not a resident or elector of an area served by the library board” (Library Act, s. 46(3)). The project team concluded that public libraries were permitted to charge customers for enhanced research and information management services.

Students Review the Literature

After determining the legality of offering fee-based services, students searched the literature to gather information on the experiences of libraries who offered similar services. One of the few Canadian articles on fee-based services described the experience of the University of Calgary’s Geology Library. After the Calgary oil and gas companies shut down their in-house libraries, they asked the university to provide similar services (Cloutier, 2005).

The service, based in the Geology Library, earned some revenue for the university and created part-time work for university students.

Fee-based services based in academic libraries could fail, like any business venture. McDaniel and Epp (1995) outlined the lessons learned from an unsuccessful fee-based operation at the University of Hartford. According to Foster and Bradach (2005), this outcome was common for commercial ventures established by not-for-profit organizations. Only a small percentage of not-for-profit organizations earned more than \$50,000 in profit from their commercial ventures.

At this point, the students focused their literature search on fee-based services offered by public libraries. Denmark revised its national library act to expand the range of services offered through public libraries. The intention was to cover the cost of these enhanced services through user fees. A few years later, Johannesen (2003) evaluated the impact of the fee-based aspect of Denmark's legislation. The researcher noted that most public library managers did not think like business people and placed a low priority on fee-based service operation. The attempt to generate significant revenues through user fees was unsuccessful.

The decision to charge fees for public library services remained contentious. There was a widespread belief among professional librarians that free and equal access to information was a basic human right. Charging for library services went against their belief system. Articles in professional and library science journals argued both sides of the issue. Agosto (2008) summarized several the arguments for and against U.S. public libraries pursuing alternative funding sources such as fee-based services. Dempsey (2004) stated that the public library's mission must be placed first, libraries needed to "define a line they won't cross," and they should not charge for traditional services.

Had the students broadened their literature search, they would have found similar debates within the broader not-for-profit sector. Three useful concepts in the earned revenue literature

were the Recourse Dependence Theory, Modern Portfolio Theory and the “mission-market tension.

According to the Resource Dependency Theory, the funding sources used by an organization and their relative proportions can influence its mission and operations. The more important a funding source, the greater its potential impact. Froelich (1999) evaluated the utility of different revenue source used by not-for-profit organizations based on their stability over time and potential influence on institutional structures and operations. Profits from not-for-profit business ventures compared favorably to other sources. Profits were more stable than private donations and fewer restrictions were placed on their use than contributions from foundations or governments.

One rationale for the venture was to reduce the library’s dependence on local government funding. According to Modern Portfolio Theory, a stock portfolio containing the common shares of several companies was less risky than one containing the shares of a single company. If this model were applicable to the not-for-profit sector, a not-for-profit organization financed by several funding sources should be more stable in terms of its revenue streams. Carroll and Stater (2009), using data from the Internal Revenue Service, found that not-for-profits with more diversified revenue sources experienced lower revenue volatility.

Other authors question the applicability of revenue diversification to not-for-profit organizations. Foster and Fine (2007) studied U.S. non-profits that achieved at least \$50 million in annual revenue. Such organizations focused on a single type of funder whose values closely matched those of the not-for-profits and aligned their fundraising operations to the needs of their primary funding source. The analysis of data from the National Centre for Charitable Statistics suggested that a focused funding strategy led to revenue growth (Chikoto & Neely, 2013).

Young, Jung and Aranson (2010) explored the “mission-market tension” faced by not-for-profit organizations who charged for their services. A society might charge lower prices for its services so they were more affordable, or charge full market prices to maximize profits. For example, Chicago Transit Board could lower bus fares to encourage socially marginal groups to use public transit or set higher fees to reduce the burden of the system on the taxpayers. Similarly, the Prince George Public Library could set a high hourly rate to maximize revenue generation or a lower rate to encourage small business owners to use its services.

Canadian Libraries with Fee-Based Services Departments

The college students contacted Canadian libraries known to offer fee-based services. University of Toronto’s Rotman School of Management and the Calgary, Edmonton, Kitchener and Vancouver Public Libraries agreed to participate in the survey.

The students first contacted the academic library of Rotman School of Management. One of its librarians described their fee-for-service operation over the telephone. The business library billed its corporate clients \$80 to \$100 per hour for research and industry tracking services. The librarian stressed the importance of anchor clients to provide a steady revenue source as the demand from business community varied over time.

The students next contacted Canadian public libraries known to offer fee-based services, after visiting their websites to determine the range of fee-based services available at each library. For example, the Vancouver Public Library’s *InfoAction* department listed document delivery, obituary searches, genealogical and archival research, city directory searches, market research, and due diligence background checks.

Calgary Public Library’s *ResearchPlus* options included document delivery, online database searches and comprehensive research services. Specific offerings included market research, city directory and due diligence searches, special collections access and a service titled “current awareness service for industry developments.” Edmonton Public Library’s *Smart Search* listed

company profiles, industry summaries, customized company lists, demographic data, industry overviews, trademark searches, investment information and media monitoring services.

In contrast, the staff of Kitchener Public Library's *InfoQuest* service stated that most requests were obituary searches of past newspaper issues and local history research. More of Kitchener's revenue came from these searches than from the local business community. According to the 2006 Statistics Canada Census, the population of each city containing a public library with a fee-based service was as follows:

Table 2. Population of Canadian Cities, 2006 Canada Census

Source: Adapted from 2006 Canada Census, Statistics Canada

City	Population
Calgary	988,193
Edmonton	730,372
Kitchener	219,153
Vancouver	578,041

Except for standardized services such as credit checks, libraries responded to requests with quotations. For example, the Edmonton Public Library asked customers to fill in a form on its website. The libraries charged \$60 to \$100 per hour for their research services, plus the cost of copyright, database and photocopy fees. The fee schedule on the Vancouver Public Library's website was the most explicit. Two years prior, the Vancouver Public Library had increased its hourly billing rate from \$60 to \$90 per hour without much impact on client demand.

Students contacted each public library and conducted telephone interviews. Librarians stated that one of their biggest challenges was marketing their services. The libraries promoted such a wide range of programs and services that their fee-based services got lost in the media clutter. For the Calgary and Edmonton Public Libraries stated that creating awareness among potential users that the fee-based services existed was their first hurdle.

Another challenge was the expectation that public library services should be provided at no charge. As public libraries were funded through municipal taxes, users didn't expect to pay for library services. Newspaper chains and other media providers faced similar resistance when they started charging subscription fees for their online content.

Table 3. Fee Schedule of the Vancouver Public Library
Source: Adapted from Vancouver Public Library, March 2008

<i>Service</i>	<i>Fee</i>
Document delivery	\$15 - \$25
Obituary searches	\$25
Genealogical/archival research	\$65 per hour
City directory searches	\$65 per hour
Research/online searches	\$90 per hour
Due diligence background checks	\$150 plus database charges

The libraries marketed their fee-based services by building connections to business communities. The Edmonton Public Library promoted its service through community partnerships, booths at trade shows, and workshops during Small Business Week. Calgary Public Library's employees were proud of its *Librarian on Loan* Program, where librarians visited local businesses to educate their managers about library resources. The students discovered that the online presence of library fee-based departments needed work. Public library home pages often lacked direct hyperlinks so the students had to navigate through several levels of menus to find the fee-for-service webpage.

It was apparent that urban public libraries devoted significant resources to their fee-for-service operations. For example, Vancouver Public Library's *InfoAction* department employed two full-time librarians, one on-call librarian, and two research assistants. Fee-based services were generally located in an office separate from the other library staff, given the confidential nature of client queries. Such physical separation would be an issue at the Prince George Public Library given its limited office space.

Approximately 80% of the direct cost of a fee-based service operation was employee wages and benefits (Ward, Fong & Camille, 2002). According to Allan Wilson, the annual cost of a professional librarian including the cost of employee benefits was \$70,000 per year. More routine tasks, such as obituary searches, were done by library technicians. The cost of a technician was \$40,000 to \$50,000 per year.

The libraries probably understated the cost of their fee-for-service operations, as not all expenses were allocated to departmental cost centers. Costs such as building maintenance, office supplies, telephone services and general administration were not charged to departmental budgets. Another cost was subscriptions to expensive online databases not typically a part of the suite of information resources owned by a public library.

Similarities to Professional Services Firms

A fee-for-service operation resembled a professional services firm. Like a management consulting firm, the revenue earned on non-routine projects was determined by the hourly billing rate and the number of billable hours. As many of the requests involved customized, non-routine projects, higher work volumes did not lead to economies of scale (Ward, Fong & Camille, 2002). Fixed rates were charged for repetitive tasks such as background checks, work that could be done by library technicians.

While billable hours fluctuated throughout the year, most operating expenses of a professional service firm such as employee wages were fixed costs, unaffected by the number of hours billed to clients. As a result, the most common metric of employee productivity in such a firm was the number of billable hours per employee.

An online search of billable hours for consultants yielded an interesting rule of thumb. Without ongoing contracts, private sector consultants rarely billed out more than 20 hours per week, which translated into 1,000 hours per year. Consultants devoted many hours searching for work, responding to requests for proposals, and handling routine administrative tasks. None of

this work could be billed to clients. Consultants often specialized in repeatable work which reduced the uniqueness associated with any given contract. In library science, this was the difference between a known and an unknown search. The former was easily done; the latter was more time consuming.

Local Market Research

The students studied the market potential for fee-based research services in the community. They found a list of the 25 largest employers in Prince George (see Appendix C). Many of the major employers in Prince George were either government-funded, such as Northern Health Authority, or were regional offices of senior levels of government.

Large businesses in Prince George, such as Canadian Forest Products Ltd., were branch operations, with their head offices in cities such as Toronto. It became clear that large businesses had little interest in library-based research service because they would bring in their own expertise as required. The Chief Librarian followed up via phone calls to some of these selected businesses who made clear that confidentiality was the paramount consideration when conducting research. They either performed research in-house or outsourced it to trusted business associates.

A community profile, prepared by British Columbia Statistics, summarized the number of firms in Prince George, by employment size. Most businesses in Prince George were relatively small and heavily concentrated in the light manufacturing, retail, food services, personal services, and business services sectors. Small business owners and entrepreneurs were a potential market. However, they were price sensitive and only had an occasional need for a research service. The size of the market for local residents for personal searches, such as genealogical research, was not estimated.

The students searched for local consultants in the community, checking the membership list of the Prince George Chamber of Commerce, the municipal business license database, and Yellow

Pages listings. They used key words such as “consultant” and “business advisor.” Their search yielded surprisingly few names. The students met several well-connected people such as staff members of the Prince George Chamber of Commerce and the local representative of the National Research Council.

Eventually, a picture emerged. Many consultants in Prince George worked out of their homes, often without business licenses. They used their own sources of research, were reluctant to be identified with any particular area of expertise, and maintained a distance from government oversight. The Chief Librarian thought that some consultants lived in other communities and only appeared to be based in Prince George for marketing reasons. It was unclear how much paid work consultants did in the community.

The fragmented nature of the business services sector created problems for people who wanted to track down sources of local expertise. Past attempts to assemble a database of local experts failed, due to the challenge of maintaining current, reliable information about each consultant.

There were three local players in the field of economic development. Community Futures of Fraser-Fort George (<http://cfdc.bc.ca>) was a federally-funded society providing grants, loans, and training to local entrepreneurs. Its staff welcomed any service that would improve the quality of business plans or applications that their organization routinely received. However, improved business information, by itself, did not guarantee a quality business plan.

Initiatives Prince George (www.initiativespg.com) was a municipally-funded economic development agency with the mandate of attracting new businesses and investment to the community. Initiatives Prince George competed for funds with the Prince George Public Library and could react negatively to an expansion of the library into business services. While Initiatives Prince George researched into business opportunities in the North, it did not supply research services to entrepreneurs or investors.

Finally, Northern Development Initiative Trust (www.northerndevlopment.bc.ca/) was created to promote community economic development across Northern British Columbia. Northern Development's trust account funded marketing initiatives, industry attraction plans, feasibility studies, and economic development capacity building for communities within its service area. The proposed service might have qualified for trust monies under the capacity building category. It was not clear, however, if the library could successfully bid for studies funded by Northern Development within its service area. Northern communities often viewed outside consultants as more credible or qualified than their local counterparts.

Other Factors to Consider

A fee-for-service venture was potentially scalable from a part-time activity for a single librarian to a department with several staff members. If demand could not justify a full-time research librarian, such a person could perform other duties within the library. The library would have to maintain subscriptions to business databases regardless of whether the fee-based service was offered on a full-time or part-time basis.

The distance of Prince George from major urban centers, where professional librarians were trained, had recruiting implications. Northern communities needed to attract and retain qualified professionals, whether doctors or librarians. Rural libraries tended to act as a revolving door for professional staff. Recent library science graduates worked a few years in a northern library to obtain work experience, and then applied for jobs in larger cities.

Key to the success of the new service was attracting and retaining the right candidate for the job. Recruiting for a suitable research librarian would be a challenge. The ideal employee would combine professional training as a librarian with a background in market research or management consulting. Then again, the opportunity to work on a diverse range of research projects with a high degree of autonomy would appeal to the right candidate.

Even if fee-based services were viable, the profit earned was only one factor. The mission of the public library was to meet the needs of a diverse range of users, including the business community. The library's board of trustees and management team would have to carefully consider the political optics of such a service.

It would be hard to anticipate community reaction to a fee-based research service. An affordable research service with expertise in Northern issues might appeal to the business community. Timely access to accurate information was vital, as any plan was only as good as the information contained in it. Despite improvements in information access due to the internet, rural communities remained at an information disadvantage relative to their urban counterparts. The service could support decision making in organizations from home-based businesses to municipal governments through the provision of relevant, unbiased information.

Alternatively, community groups might react negatively. If the library started competing for consulting contracts, the reaction from local consultants would be predictable. They might protest that competition from taxpayer subsidized organizations was unfair. Furthermore, the cost of such a service would be funded from the library budget unless money were available from another source. Like any new venture, two or three years would be required until revenues grew sufficiently to cover the cost of the service. Library users, such as the parents of young children, might object if children's programs, book purchases or other library services were reduced to support a service that mainly benefitted the business community.

Recommendation to the Board of Trustees

After meeting with the students, Allan Wilson thought about the recommendations he would make to his board concerning the topic of fee-based services. While he was intrigued by the concept, he was not sure if the fee-based service was viable and whether it fit with the strategic plan of the organization.



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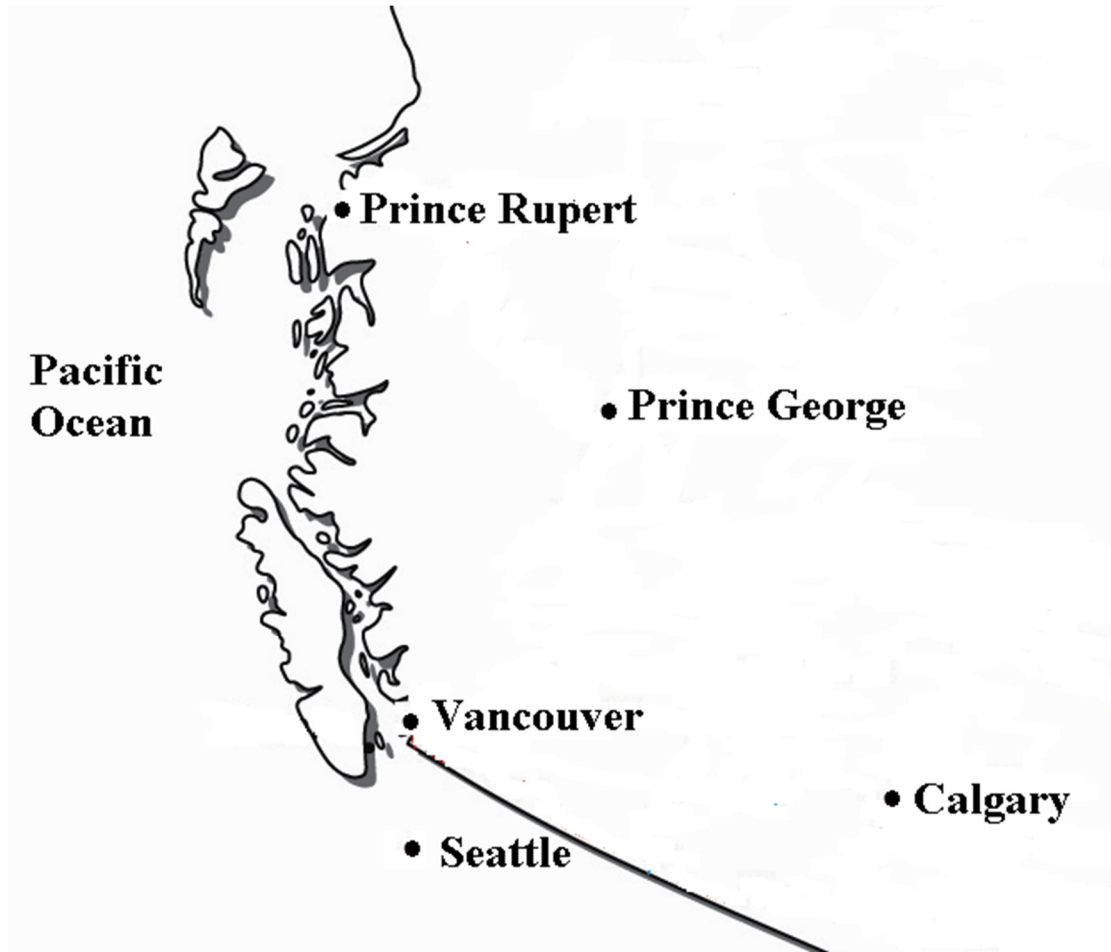


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Appendix A. Prince George Public Library Statement of Earnings
Prince George Public Library Statement of Revenue, Expenditure and Deficit
 Year Ended December 31, 2007

	2007 Budget (Unaudited)	2007 Actual	2006
Revenues			
Municipal funding sources	\$3,328,879	\$3,328,878	\$3,095,633
Provincial funding sources	214,180	209,713	210,028
Fundraising	-	96,610	117,392
Internally generated sources	165,500	190,670	171,546
	<u>3,708,559</u>	<u>3,825,871</u>	<u>3,579,279</u>
Expenditures			
Program delivery	2,364,695	2,338,665	
Acquisitions	23,892	18,598	
Circulation	5,540	1,860	
Materials	455,940	478,761	
Stationary and supplies	8,500	6,212	
General and administrative	670,482	781,004	
Repairs and maintenance	179,510	108,382	
Fundraising	-	96,610	
	<u>3,708,559</u>	<u>3,830,092</u>	<u>3,590,037</u>
Excess of revenues over expenditures	-	(4,221)	(10,758)
Surplus, beginning of year	-	1,516	12,274
(Deficit) surplus, end of year	<u>\$ -</u>	<u>\$(2,705)</u>	<u>\$1,516</u>

Appendix B. Map of Western Canada



Appendix C. Top 25 Employers in the City of Prince George
Source: Adapted from Initiatives Prince George website, 2008

Employer	No of Employees	Industry Sector
Northern Health Authority	3,174	Health Care
School District 57	2,200	Education
Government of British Columbia	1,500	Government
Canfor Forest Products	1,210	Manufacturing - Forestry
Canfor Pulp	1,200	Manufacturing - Forestry
University of Northern British Columbia	808	Education
City of Prince George	757	Government
Save-on-Foods	475	Retail
College of New Caledonia	450	Education
Canadian National Railway	400	Transportation
Aim – Hi	400	Social Services
Affiliated Computer Services	350	Call Center
Government of Canada	350	Government
Wal-Mart	327	Retail
Telus	258	Telecommunications
McDonalds	250	Restaurant
Costco	245	Retail
Treasure Cove Hotel	240	Tourism/Accommodations
Dunkley Lumber	230	Manufacturing - Forestry
Home Depot	185	Retail
Lakeland Mills	175	Manufacturing - Forestry
British Columbia Hydro	160	Utilities - Electrical
Sears Canada	130	Retail
Coast Inn of the North	125	Tourism/Accommodations
Lomak Bulk Carriers	125	Transportation

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ALEXANDRIA BUSINESS ASSOCIATION: PROMOTING WOMEN'S ENTREPRENEURSHIP IN EGYPT

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CHALMER LABIG**
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Companies throughout Egypt experienced decreasing profits as consumers grew wary ever since the revolution that overthrew Mubarak. Yet among the organizations that had the capacity to absorb the economic crisis was the Alexandria Business Association (ABA). A nonprofit started in the 1980s, it had grown to include a microcredit division that helped entrepreneurs start or grow their businesses. ABA sought to empower females so they would become more equal members of Egyptian society and experience significantly greater freedom. How could ABA attract more female clients, and what form of support could it offer in order to accomplish its goal of female empowerment?

Microfinance in Egypt

There were two prominent nonprofit microfinance institutions (MFIs) operating in Egypt: the National Bank for Development (NBD) and the Alexandria Business Association (ABA). The MFI had been a successful socioeconomic development tool for the past 30 years around the world, and was recognized for its impact on sustainable development. Microcredit was the extension of small loans or financial services to poor people who lacked the collateral needed to receive loans through the traditional banking system. Loans would allow people to move out of poverty through their own entrepreneurial efforts.

The authors developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by Juliet Abdeljawad & Chalmer Labig. Contact: Juliet Abdeljawad, 2624 North Park Circle, Stillwater, OK 74075, Tel. (405) 762-0374, email Juliet.Abdeljawad@Okstate.edu

Microcredit was provided for business startups and entrepreneurial projects. With well over 1.2 million borrowers, NBD and ABA were the oldest and the largest in Egypt. The penetration rate of these two organizations, in addition to other NGOs and banks throughout the country, was estimated to be only 3.9% of the population living on \$2 a day or less (MAP, 2008).

Typically, NBD and ABA offered individual loans to micro and small enterprises or group lending to poor women (Legal, 2009). Poor clients were reported to receive 24% of these loans, representing 5% of the eligible female poor. Other loan services included: computer, agricultural and educational loans, and micro-insurance.

In 2004, Egyptian enacted the Small Enterprise Development Law which regulated the microfinance sector. The law defined micro and small enterprises (see Exhibit 1) and the role of the social development funds, and provided facilities to micro and small enterprises (MSE).

Exhibit 1. Criteria for Micro and Small Enterprises

Size of Enterprise	Paid Capital	Number of Employees
Micro	50,000 EGP	NA
Small	50,000-1,000,000 EGP	Not more than 50

The 2004 definition of MSEs enabled MFIs in Egypt to register with the Social Fund for Development to receive assistance and support. It was projected by the Ministry of Investment that the microfinance law would allow roughly 21 million people to benefit from microfinance programs (Daily News Egypt, 2009). The benefits were to include assistance in the form of local funds, credit guarantees, public contracts, technical assistance and “one stop shops.” The “one stop shop” approach allowed representatives from governmental bodies to assist MSEs in registration (Article 3, 10 and 13, SME). The local funds typically came from multiple sources (Article 5, SME). Credit guarantees facilitated access to finance (Article 9, SME). Land allocation provided for at least 10% of government zones for MSE usage (Article 10, SME). Public contracts provided work agreements of a 10% minimum to MSEs (Article 12, SME). Lastly, the

Social Fund for Development provided non-financial service to MSEs including investment information, business plans, and consultation services (Article 14, SME).

In 2006, a network for microfinance was created with the support of the Social Fund for Development and Microfinance Institutions. The Egyptian Microfinance Network (EMFN) represented MFIs for policy purposes. EMFN was developed to provide a formal outlook for the financial sector. The proposed national strategy was to “develop within five years a microfinance industry that provided sustainable financial services for poorer market segments and helped to develop a broad, inclusive and diverse financial sector” (National Strategy for Microfinance, 2005). The plans included credit guarantee mechanisms (SFD/MFS, 2008). Some donor agencies, such as USAID and AFD, launched credit guarantee programs to allow NGOs to operate MFI support programs. However, projections proved to be wildly inaccurate, perhaps because of the 2011 revolution.

Alexandria Business Association

The Alexandria Business Association (ABA) was a non-governmental organization (NGO) founded in 1983 and supported by the Alexandria Chamber of Commerce (Garbero, 2005). ABA’s mission was aimed at economic development by encouraging a positive business climate. ABA was a member-based association that researched, advocated for, and contributed to community development projects, while seeking a favorable business climate. Much of ABA’s community service projects revolved around feeding the poor and assisting with access to primary education. In hopes of ensuring that there were pro-business reforms and policies favorable to the business owners, ABA operated an advocacy arm which studied projects, worked with government ministries, and monitored the progress of reforms.

In 1990, ABA received seed funding from the United States Agency for International Development, the Computer Information Systems Company (CISCO), and the Canadian International Development Fund (CIDF). The money was given to support a new division of ABA

named the Small and Micro Enterprise Division (SME), in effect launching microfinance in Alexandria, Egypt. Within two years of operation, ABA-SME had recovered its operational costs and more. By 1999, both Bahrain and Saudi Arabia had turned to ABA-SME for consultancy services and support in their own microcredit initiatives. ABA-SME grew at least six fold in twenty years.

ABA-SME offered two grant and three credit programs. Each credit program differed in interest rates and loan terms. Clients could graduate from grant programs like the “Step-by-Step” and “Toward Self Employment” to credit programs like the “Blossoms” and the “Development and Small and Micro Credit” program. Once clients reached 100,000 EGP in borrowing, ABA-SME was required to refer them to a bank for larger loans as needed. Repayment rates averaged 99% prior to the 2011 revolution and the total client share represented 10% of the population. It had become one of the most stable microfinance institutions in the region with outreach and funding sources available for years to come. In fact, ABA was one of the few associations that has not declined in profit nor shrunk in assets since the Egyptian revolution. Remarkably, its risk portfolio had been a cushion to the association. Since its inception, credit programs had taken into account socio-economic issues of gender equality, instability in the country, and religious norms. Although the majority of people in Egypt followed Islam, many of ABA’s clients were not discouraged by usury issued on loans.

ABA Leadership

Leadership within ABA consisted of a nine-member board of directors, an executive committee, a director, and deputy directors. The board of directors was selected through annual nominations by prominent business leaders in Egypt, and the executive committee was selected by the board. The executive committee oversaw the Executive Director of the ABA-SME division and monitored internal audits (Garbero, 2005). Three department managers and the general manager of the Middle East Training Center reported directly to ABA-SME’s Executive Director. The marketing manager, the administrative manager, and the financial manager oversaw core programs. Non-core programs of ABA-SME included technical training,

operation of an exhibit showroom, program and database management, and consultancy services. Six regional managers and twenty-eight branch managers reported to the Deputy Executive Director of Operations. Branch managers oversaw the loan officers, who determined and selected prospective clients. Loan Officers were tasked with evaluating clients, determining loan sizes and selecting client repayment schedules. These officers were also responsible for monitoring and collecting payment on all loans. They were salaried and received an incentive for increasing clients and loans. The Deputy Executive Director of IT and International Consultancy was in charge of information technology and international consultancy services.

Training and Assessment

Some of the problems that existed at ABA included loan officers' failure to follow-up to ensure that clients were using their loans for business ventures. Some clients were known to use their loans to pay off personal debts or make purchases for family occasions such as weddings. Thus, many clients remained indebted to ABA and were not self-sufficient. Client loan qualification was left to loan officers.

Training courses offered annually by ABA's METC included client selection, risk management, marketing, and market analysis. How effective these programs were was unknown but could be evaluated by expert training consultants in Egypt (See Appendix A). An effective loan officer was similar to an effective sales representative who could sell prospects on becoming clients, improve outreach, positively affect ABA's portfolio, and mitigate risk based on selection of reliable clients. Loan officers could assist clients by finding appropriate workplaces for the clients to shadow successful business owners. The shadowing experience allowed both clients and loan officers to network with successful entrepreneurs. The extent of this practice was unknown.

ABA has implemented a monitoring system known as "loan tracker." Its main purpose was to track all loans including repayment, penalties, loan write offs, and client histories (RFP, 2012). It

planned to develop a customer care unit to service clients and prepare marketing materials. In addition, two subunits, assessment & training, and monitoring, were thought to be useful in improving ABA's operations. The assessment & training unit could assist clients by tailoring training classes to clients' deficiencies. The monitoring unit could assess clients' use of loans and perceptions of empowerment. This monitoring system was modeled after the Grameen Bank Poverty Index, which included factors such as school attendance and family health (Datar et. al, 2008).

Gender Issues

Top management of ABA was concerned about gender issues for both its staff and its clients. A large percentage of ABA's loan officers were men, although in the past, small branches that only served female clients had exclusively employed female loan officers. However, in an effort to consolidate human resources, these small branches had been merged with larger ones that offered different programs catering to both sexes.

Initially, reports were received of male relatives stealing funds from the Blossoms (female client) Program. To remedy this, in 2006 the Development Path Program was created to incorporate males. Nonetheless, ABA's client base of females had suffered a slow but steady decrease since 2010.

In 2011 Egypt ranked 113 out of 187 on the Human Development Index. Females, particularly in rural parts of Egypt, were susceptible to patriarchy. Male family members had been reported to take their female family members' inheritance, to marry the females off, and even to steal females' loans.

Women made up well over 70% of the world's poorest of the poor and a significant portion of the microfinance client base worldwide. On average, 85% of the poorest clients of microfinance institutions were females. Females were said to have the highest rate of repayment and as a result, MFIs worldwide were increasingly seeking female clients. However, cultural norms in

Egypt placed a female in the household and outside of the labor market. Reputation, class differentiation, and market participation not only defined the female but her entire nuclear family and extended family.

ABA's Marketing Strategy

Egypt had approximately 25 million poor. Microfinance penetrated roughly 6% of the population (1.5 million clients) according to 2010 figures. Studies had shown that 94% of the beneficiaries of microfinance were in non-agricultural businesses. ABA targeted the poor in six northern Egyptian governates. It offered three primary financial services: the SME project, the Blossoms program, and various grant projects. Non-financial services included marketing, training, consultancy, and a library. Financial services first began in the form of individual loans and later ABA adopted a group lending methodology (Garbero, 2005). All non-financial services were supported through client fees with the exception of ABA's showroom, where items could be sold for clients; a 10% fee was imposed.

ABA targeted three client segments: female heads of households with ideas for income generation, male and female heads of households who were developing a micro business, and current entrepreneurs. Loan amounts could be as high as 3,000 EGP for the poorest clients and up to 5,000 EGP for those less poor. Clients seeking a loan would go to their local operations branch and follow the guidelines for filling out forms and sitting in on 45-minute briefings. Exhibits 2, 3 and 4 outline ABA's loan programs.

Exhibit 2 depicts the requirements for clients and guidelines for the SME program. The process required the submission of a loan application to an officer, review of the application by the manager of the branch, and review/approval by senior level management. After approval, clients received a check and signed a promissory note. Through the SME program, individual loans were for business investments in fixed assets or raw materials. The target client was a male or female entrepreneur with a viable business ideas and a proven business track record,

from 21 to 65 years of age. Interest was charged at roughly 13-15% per annum and paid monthly over a 4 to 24 month period depending on the agreement. The grace period before borrowers needed to begin repaying their loans was 30 days. Dispersion and collection occurred at any operations branch.

Exhibit 2. Small and Micro Enterprise (SME) Credit Program

Criteria/Requirements	Details
Location	Must live in the area near Alexandria, Kafr Sheik, Behera, Matruh, Menufaya governates
Target	Small and Micro Entrepreneurs
Criteria	Existing enterprise
Loan Amount	Micro-1,500 - Large 100,000 EGP
Repayment Rate	4-12 months; up to 24 months investment finance
Necessary Paperwork	Identity Card; Rent; Literate; Social Security; Work Permit; Business Register; Tax Card, Account Bank, Financial Statements (Balance Sheet by outside accredited accountant)

Exhibit 3. Blossoms Program

Criteria/Requirements	Details
Purpose	Extend credit to poorest of the poor especially female households
Type of program	Must adopt a group lending program
# of group members	3 to 5 members within the same neighborhood
Required Paperwork	National ID, Personal Photo, Birth Certificate, Marriage Certificate

The creation of the Blossoms program sought to empower females by using a group lending methodology requiring at least 3 individuals. The group was typically formed by clients who lived in the same geographical area. The targets were female-only clients between the ages of 21-65 who were able and willing to participate in a group. Upon completion of the program, clients could graduate to the SME program. The loan amounts, ranging from 250 EGP to 1,000 EGP, were repaid in 10 to 40 weekly installments at an interest of 24% per annum.

A third type of loan product was the Development Path. This program required a minimum of three individuals, two of whom were female with one male between the ages of 21-64 who

repaid loans biweekly over a 30-40 week period at a rate of 22%. Loans typically ranged between 750-1,500 EGP.

Exhibit 4. Development Path

Criteria/Requirements	Details
Purpose	Extend credit to poorest of the poor especially females to combat gender issues
Type of program	Individual lending within a group
# of members	3 members within the same neighborhood
Required Paperwork	National ID, Personal Photo, Birth Certificate, Marriage Certificate, Electricity Receipt, land title/rental agreement for home business

Another program aimed at promoting business activity was a program referred to as the “Toward Self-Employment” program. Essentially, poor individuals were selected by any loan officer in any of the districts where ABA operated, and were given a microloan for a “probationary” period of eight months. Clients received their initial portion of the funds and used them for any type of activity they chose. Clients were then closely monitored and upon creation of a successful business operation, were disbursed a second installment. If the selected entrepreneurs showed that they were able to create a sustainable business, they were eligible to graduate to the Blossoms program.

The steps for receiving a loan from ABA were simple. The entire process took approximately eight days from the time of application to the disbursement of the loans to clients (see Appendix C.) To ensure that future loans were granted, clients needed to repay their loans on time, demonstrate a continued business need, and engage in a continual relationship with the Association by being transparent and accountable. Typically, loan amounts were at the discretion of the loan officer after authorization by the branch manager.

The following were the criteria ABA used to select various types of clients. Clients whose loans fell into the “small business” category (up to 50,000 EGP), were referred to as micro clients, particularly clients who received micro enterprise loans of 9,000 EGP or below. They needed to be entrepreneurial, innovative, and creative and could not simply resell goods or operate a

retail shop. Clients needed to maintain a workshop that employed a minimum of two employees. Preference was given to workshops with 30 to 50 employees. The workshop's profits were expected to be between 30,000 and 50,000 EGP annually. Clients needed to be literate, but there was no specification about education or formal training. They might need training in addition to financial assistance, particularly training in technological communication. Clients needed to be registered with the Egyptian government and have paid all taxes and duties with regard to their business. Clients who reapplied for loans were referred to as "successful clients" who had businesses with positive cash flows.

ABA's Female Clients

Fahima

Age: Late 40s. **Marital Status:** Married. **Education Level:** Primary School Completed.

Type of community: Rural. **Program:** Small and Micro Enterprise. **Industry:** Aluminum.

Fahima was a small enterprise owner operating in the Abdel Qader district of Alexandria, Egypt, an impoverished community that lacked adequate electricity and water. She had three children aged eighteen, eleven, and five. Having had no access to education, Fahima married at a young age to a husband who was living and working in Saudi Arabia. She had very little access to a computer and lacked computer skills. She walked miles a day to gather items she needed for work. Fahima began her business after reflecting on her position in life. Her family barely had enough income to sustain itself. She resided in close proximity to her immediate family and learned business principles from her father, who was a peasant landowner.

After assessing her status, Fahima thought about financing from several organizations before settling with the ABA, whom she found after a friend's referral. Fahima began in ABA's Blossoms program with a loan of only 100 Egyptian pounds which allowed her to open her own small retail shop selling snack foods. After a year in the program, she graduated to a higher loan of 200 EGP annually before her loan officer eventually moved her to the next level of 500

EGP. The first loan allowed her to learn about her customers. She realized that her product offerings were limited, and with the second loan she was able to diversify her products with new goods. Once her loan reached 500 EGP, she decided to change her business by turning to handmade commodities. With her third loan, she opened a new shop, bought aluminum from nearby companies, and began to manufacture small umbrella pieces. These pieces functioned to support oversized beach umbrellas by connecting to the metal rod that was inserted into the sand. When her husband returned to Egypt for a visit, he was impressed by the work she had done. In fact, he began assisting with construction of the workshop. As the revenue continued to increase, she recognized a seasonal market trend, as her aluminum umbrella parts sold more frequently in the summer time when umbrella usage typically increased as a result of beach activity.

In her down time, Fahima began making rugs and doing small carpentry work. She gathered the material through a local company and paid 350 pounds for a room full of carpet pieces that were excess material. She used them to sew bags, rugs, and small car placemats. She employed two workers at a time to run the sewing operation while she spent most of her time in the manufacturing workshop where she employed five workers. These workers tended to turnover rather quickly. At times she had to work in the carpet shop alone, after learning the necessary skills from her workers. Unlike her manufacturing workshop, her carpet company was not registered yet because the revenue generated did not exceed the required amount that had to be reported federally.

Fahima's annual loans amounted to 10,000 EGP. With her positive repayment history, she was one of ABA's most valued clients. In her impoverished rural area, it was a traditional taboo for a female to sell products herself in local markets. She hired a male salesperson to distribute her items and relied on word of mouth to get her products known and sold. Fahima hoped to introduce more stable income generating activities with the help of larger loans to purchase more equipment. In addition, she wanted to find dedicated workers to reduce her employee

turnover rate. Exhibit 5 contains Fahima's responses in an interview by the Entrepreneurs' Business Forum.

Exhibit 5. Fahima's Interview

"Do you feel empowered?"	"Yes, I am a strong female."
"Does your gender stop you from selling in the marketplace?"	"No, of course not. I used to sell in the market before I moved here and had kids even though it was a tradition that was usually frowned upon."
"Do you think that market factors limit your business?"	"No, the market has little effect except for the time of the year."
"Are your kids in school?"	"Yes, my three kids were all in school, because I want them to get an education. They need to have something that I did not have before."
"Are you happy at where you are in your business and personal life?"	"Yes, but I want to grow. I need to change the business to a more solid sustainable business."
"What does your husband think about this?"	"He is very supportive, although he wasn't here when I began. When he visits he sees what I need and goes out of his way to try and get that."

Abir

Education Level: College Degree in Secondary Education. **Type of Community:** Rural.

Program: Small and Micro Enterprise. **Industry:** Retail.

Abir was a forty year old female residing in a rural community in the Al-Seif District of Alexandria. She was well known for her retail business as she was the first owner of a mobile phone resale outlet in her surrounding area. As a former teacher who elected to own and operate her own business, she was a proud owner. She went to ABA to seek funds to assist with the opening of her business after she gave up her teaching career. Starting with a loan of just three hundred pounds, she has taken out several loans to meet her cash flow needs and continued to do so annually. She consulted with her husband prior to taking the loans and found him very supportive of her decisions.

She plunged into the market with no previous industry experience to open a mobile phone store. She has been successful for the past eight years and continued to add products and services such as prepaid phone charges, photocopying, printing, phone recharges, and repairs. She taught herself how to repair these technical devices, provided excellent customer service, and learned how to manage her employees. Her typical workday lasted sixteen hours or more. She employed help on an as-needed basis. Typically, she used individuals who resided in the same area. She was a mother of two, married to an engineer. Her children were currently enrolled in primary school and she hoped they would attend university.

Exhibit 6. Abir's Interview

"Do you feel empowered?"	"Yes, I have always felt empowered, but now I view myself as a business owner so it was a different form of empowerment than that which teachers feel. I am more confident now."
"Does your gender stop you from selling in the marketplace?"	"No, of course not. I used to sell in the market before I moved here and had kids even though it was a tradition that was usually frowned upon."
"What market barriers have you faced?"	"Competition, because so many similar businesses recently opened; also after the revolt, sales have gone down."
Do you think that political events will continue to affect business?"	"Initially it did, but my business was less affected because most have phones, from poor to the very rich."
"What was your biggest barrier?"	"Money, the loans have been relatively the same and it was not enough to grow fast, especially because electronics increase in price. Every day, you see newer products and you have to constantly upgrade."
"Were there any societal pressures that forced you to come back home?"	"No, it was a personal choice."

Latif

Marital Status: Single. **Education Level:** Primary school. **Type of community:** Rural.

Program: Development Path. **Industry:** Retail.

Latif was a thirty-two year old female who had begun participating in ABA's Development Path. She lived in the rural part of Maharam Bey in Alexandria. Since she was not married, she lived with her parents. The purpose of recruiting women for the Development Path was to prepare them for the Blossoms program, or if they were immediately successful, for the Small and Micro Enterprise Program. Presently, Latif had been in the program for ten months participating in group lending. During the interview she appeared very anxious.

Exhibit 7. Latif's Interview

"What made you decide to seek out a loan?"	"I needed money."
"Why this program? Did someone suggest it to you?"	"No, I looked for ways of getting money and a loan was my only option."
"Did you have much startup capital?"	"No, not enough money."
"What was your living condition?"	"I live with family and we need more income."
"Do your parents work? How did you decide that you wanted to change?"	"My mother doesn't work and my father is retired from work. So we need income and I wanted to get money to work to make more money."
"Do you feel stronger from this program? Has this changed where you are at socially?"	"I just get the money."

Sabrin

Marital Status: Single. **Education Level:** High School. **Type of community:** Rural.

Program: Blossoms. **Industry:** Sewing.

Sabrin was in the Blossoms program. She was twenty-two and made clothes to distribute to retail shops. When she joined ABA five months prior in the Development Path program, she received a loan of only 150 EGP. Soon she moved from that program to the Blossoms program

in order to receive a larger loan. She had moved back home to a rural area of Alexandria after her father died, to assist her mother in taking care of the household.

Sabrin was from an impoverished community in Karmouz, known for high theft, small shops, and drugs. She took her first loan to buy material to sew and the second to buy a sewing machine, needles, and thread.

Exhibit 8. Sabrin's Interview

"Why did you seek out a loan?"	"I needed to help take care of the house. I graduated with a high school degree and it was a commercial degree to just go into the market and work."
"Why did you switch programs?"	"The first program I was in wasn't giving me enough money to work with so I switched to the other program to have larger loans so I could begin working more profitably."
"Do you have a lot of work?"	"Yes, even after the revolt against Mubarak retail places want my products."
"How did you find out about the loans?"	"The loan officer lives by me and I had heard of her before. So one day I asked her how I could sign up."
"What goals do you have or are you okay with where you are at?"	"I would like to open my own clothing store."
"Do you feel the market has had a negative effect on your work?"	"No, I can get around and get the material I need."
"Do you feel stronger, personally hanged?"	"Yes, of course I feel stronger. Now business owners know me because I make products for them."
"Where do you get the material?"	"Locally, I know people and get deals on material that I use to make products."
"What was your motivation?"	"Money, having enough to support myself and family."

ABA's Issues

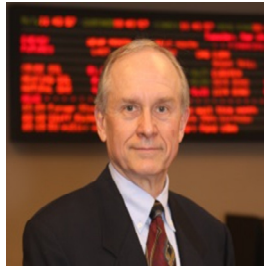
In Egypt, college graduates lacked employment, the country's economy had plummeted, and crowds of idle young people filled its two major cities, Alexandria and Cairo. After previously swarming in the streets to demand freedom, what could the people do now? Could their energy for democracy be turned to entrepreneurial activities? Among the protestors were females who faced unparalleled discrimination. In their society, Egyptian women were judged by their social relations, piety, and dress; and often were forbidden from engaging in business activities.

After the most recent uprising, the Social Ministry of Affairs had begun to reduce the number of grants to NGOs in Egypt, equating some of them to "terrorist" organizations. Microfinance programs only penetrated 16% of the impoverished communities in Egypt, leaving the majority of the population without access to credit (ABA, 2012). Without donor and capital support, particularly support of the Ministry of Social Affairs, the microfinance sector was sure to struggle in Alexandria. In addition, traditional norms created obstacles to microfinance for females. Egyptians, including ABA's board members, believed the family was the decision-making nucleus in Egyptian life. Traditional norms existed which equated lending with unethical values, and caused Egyptians to frown upon females who sought to work or run a business instead of staying at home to take care of their families.

It was relatively straightforward to conclude that female MFI clients needed more support than mere financial training if they were to grow sustainable businesses. The leadership of ABA also wondered whether female clients in the Blossoms and Development Path programs felt less empowered than those in the SME program. But the most pressing question was what ABA needed to do to strengthen its services to its female clients? Should it target widows, undereducated young women, or fresh female graduates? Should it include more men or give preference to families? What additional programs and activities should it introduce first to provide greater empowerment of its female clients?



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Appendix A. History of Non-Governmental Organizations (NGOs) in Egypt

Egypt's first NGO was the Greek Association of Alexandria established in 1821, followed by several NGOs with a focus on cultural and religious ideals. Much of the increase in NGOs occurred in the years between 1900 and 1944 and was attributed to the constitutional change which promoted citizens' rights to form associations. Several organizations quickly emerged to support state reforms. NGOs are involved in issues of public interest particularly education, income generation, health care, and small scale agricultural production. There were over 20,000 organizations including associations, foundations and nonprofits) operating in Egypt². Since 1977, many nonprofit organizations had sought to empower women in Egypt. The Integrated Care Society established libraries in poor districts. Through the launch of projects to upgrade access to books in various districts, it promoted the well-being of communities through literacy. Its goal was to encourage good reading habits in children and their mothers, urge government and private officials to expand libraries, contribute to children's literature, and integrate education, thereby contributing to local community development services.

The Egyptian Center for Women's Rights (ECWR) was formed in the early 1980s as a non-profit organization in accordance with constitutional civil law provisions. The ECWR supported women's struggle to achieve full rights through an increase in participation in public life as both voters and candidates for political office. In 1987, The Society of Women Promotion and Development was established. The services it provided included: access to identification cards, assistance to deserted, divorced, widowed and elderly women. Eight years later, in 1995, the Center for Egyptian Women's Legal Assistance emerged. Its purpose, consistent with the ECWR, was to define and solve women's issues in accordance with Egyptian law. Primarily, its work fosters laws to enhance female emancipation. Similarities among all these organizations included support for education, equal legal rights for the sexes, economic development, and greater political awareness and participation of women.

Employment opportunities in Egypt had been scarce for more than 30 years, and as a result many women had become self-employed. As entrepreneurs out of necessity, they sought micro/small business loans. Banks traditionally supplied these; however, in Egypt there were four types of organizations that competed to provide microfinance. Many of these organizations were registered as non-governmental organizations (NGOs) under the Ministry of Social Affairs.¹ There was no legal service lending model enforced by the Egyptian Constitution, and therefore all organizations followed an arbitrary legal framework. This framework labeled microfinance as a non-banking activity, and thus allowed organizations other than banks to lend to clients.³ There were two types of NGOs: community development associations and specialized NGO-MFIs.² Community development associations provided funds to the poor, focused on small scale assistance at the village/district levels, and did not operate in cities. NGO-MFIs provided microloans on a larger scale to include cities, possessed business acumen, and had greater access to donor funds. Typically NGO-MFIs had access to commercial funding through bank loans and a loan cap of 100,000 Egyptian pounds (EGP). Similarly, both types of NGO's purpose was to lend to small business in addition to providing non-financial services. Clients who sought larger loans were referred to banks.

Banks were known to charge higher interest rates to clients and asked for collateral, which many clients lacked. The market share of the largest four banks that provided micro finance loans was approximately 16% of the total number of clients served in Egypt.³ The two other types of organizations that competed with banks and NGOs were The Social Development Fund (SDF) and the Microfinance Enterprise Service Company (MESOC), both government entities. The SDF, established in 1991, was created by Presidential decree as a social safety net. The SDF supported economic reform programs, small and medium enterprise development, and increasing family income through financial and non-financial services.

In 2005, to support civil service organizations and non-governmental organizations in Egypt, an umbrella entity was created: the Egypt NGO Service Center. The center served as a partnership of Save the Children Federation (USA), America's Development Foundation (ADF) and the Infonex Corporation (ADF, 2012), funded through the USAID, and sponsored by the Ministry of Insurance and Social Affairs (EMSA, 2012). Each organization operated individually but comprised the four departments of the NGO Service Center. For example, Save the Children was responsible for project administration, management and sub-grants, while ADF provided training, consultancy, and technical assistance to support NGOs and sub-grantees (ADF, 2012). The service center aimed at increasing citizen participation and NGOs in large and small cities in Egypt. The center has become the permanent Egyptian entity to sustain the work of CSOs and NGOs in Egypt after the end of the USAID project in 2004. Within each department, services targeted the poor of Egypt. ADF provided many services including community mobilization, civic education, civic society, and small and micro enterprise development. In fact, Egypt ADF provided training on gender advocacy, governance, operations and program management, networking and financial management. The programs provided graduates with certified skills that could be taken back to their employers (ADF, 2012). ABA was eligible to engage ADF's consultancy department. ADF's service center could benefit ABA's targeting of the poor through training, advice on marketing of services, capacity building, and development initiatives (ADF, 2012).

In 2010, The World Bank was developing various programs to address the gap between availability of funds to female entrepreneurs versus males. There was actually no shortage of NGOs who were trying to address women's issues in Egypt. ABA could avail itself of their services as well (Nasr, 2010).

All of the aforementioned organizations were part of Egypt's formal economic sector. There existed a healthy informal sector that the poor used to make money and obtain loans to meet family needs. The most common form was referred to as "gam' iyyaat savings clubs." These clubs allowed women to both save and borrow money outside of the purview of not only the government but of husbands. They were neighborhood clubs led by women of high reputation⁴ who generated trust among their participants. Trading among the members of these groups began as bartering but often resulted in cash profits. The clubs differed from microfinance organizations because they were not used for business ventures and were strictly personal.⁵

1. Information compiled from the Arab Forum for Alternatives in Cairo, Egypt. Copyrighted 2012 by the International Center for Non Profit Law. Razi, Self Employed, why women were self-employed? Cultural Tendency.

2. Law No. 84, Egyptian Constitution. Law regarding registration of organizations in Egypt. Under the Ministry of Social Affairs.

3. Legal and Regulatory Framework Copyright 2009. Article 11, Sub 2002.

4. Egypt is a collectivistic society. High Reputation is typically word of the mouth within a community. The neighborhood is the community.

5. Drolet, Julie (2011) "The same informal club participants, are the same women who use microcredit for starting and growing business".

Appendix B. Legality of Non-Governmental Organizations

Egyptian law for non-governmental organizations to register with the country included the following requirements:

1. Register as an association with ten or more individuals or legal entities.
2. Be managed by a board of directors (5-15 members).
3. The number of Egyptian members should be equal to or greater than non-Egyptian board members.

To register a foundation:

1. Registered by one or more individuals and/or legal entities wishing to allocate funds and move assets.
2. Be managed by a board of trustees of three to fifteen.
3. No nationality preference for membership.

Foreign NGO-MFIs:

1. Can operate freely in Egypt.
2. Typically must be approved by a minimum of one national individual.
3. Follow the structure of a "limited liability" business model.
4. Must obtain security clearance from the government.
5. Can only receive donations from within Egypt.
6. In addition, banks within Egypt did not typically lend to these NGOs as they had no formal way of pledging their collateral in exchange for bank loans (Article 50, NGO).

The law for all organizations, prior to late 2012, had no changes made since the 1950s. It publicized interest rates, tax treatment, and funding and loan compliance. It allowed organizations who engaged in lending practices a cap of 7%.¹ Any interest charged over this cap was deemed illegal and could be contested in court for violation of the civil code.

As opposed to the banking sector in Egypt, organizations under this law were legally exempt from numerous taxes. These taxes included: income, registration, customs, real estate, and stamp duties.² In addition, NGOs were not considered part of the credit bureau system, and therefore often did not share information about their loans, services, size, and costs (I-Score). The Egyptian government had made an attempt at drafting "General Rules for Microfinance Companies" to facilitate a micro-lending framework.³ The proposed law would implement a pilot project of information sharing to integrate the credit bureau system in these organizations.

1. Cooperatives Law 1957. Law 317, NGOs.

2. Article 13, NGO Law, 2002 Constitution.

3. GAFI, 2008.

Appendix C. Steps to Receive Loans

The steps for receiving a loan from ABA are detailed below based on an interview with the Deputy Executive Director in 2012. The entire process took approximately eight days from the time of application to the disbursement of the loans to clients.

Step 1. Introductory meeting. This meeting was essentially an orientation of clients to the available products and programs offered. Typically this was a one day long activity.

Step 2. Loan application. Clients were required to fill out paperwork and submit the paperwork to their operations office/officer. Typically this was a one day long activity.

Step 3. Loan evaluations. Evaluation was conducted by the loan officer who verified client data and conducted a field visit to the business/future business.

Step 4. Loan Approval. Lasted up to one day.

Step 5. Loan Disbursements.

Step 6. Loan Renewal/Next Loan. Could take up to three days.

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THE TEMPLE OF DAWN IN TRANSITION

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The Songkran Water Festival, the traditional Thai New Year Celebration and one of Thailand's most joyous national holidays, at the Temple of Dawn during April 11 – 15, was as spectacular and grand as it had been in previous years. Held in front of the Temple at *Lan Bhodhi* (the Main Ground of Bhodhi Leaves), the 2013 Temple fair, with the theme "Making Merit: Dousing the Buddha Images in the 13 Temples," was a delightful event for all who participated, from Bangkokians and local visitors to festival goers from afar who came to make religious merit in an ambience of peace, harmony, and *sanuk* (fun).

A central part of the festival for Thais and foreign tourists alike was the lighting of the candle, which was then placed among the other candles in a row in front of the Buddha images. Flowers were then placed in water and incense sticks were lit from the candle and held between the palms in a *wai* on the chest. Sitting quietly in the respect position, the Thai participants would silently recite some prescribed phrases of praise in the Pali language of the Buddhist scriptures. The incense sticks were then stuck into a container of sand, after which a square of gold leaf was pressed onto a Buddha image. Worshippers concluded their act of devotion with the triple obeisance before going out to engage in the joyous tradition of splashing water on one another.

The author developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The author and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the author. Copyright © 2015 by Judhaphan Padunchewit. Contact Judhaphan Padunchewit, National Institute of Development Administration (NIDA), Graduate School of Language and Communication, 118 Serithai Road, Bangkapi, Bangkok 10240, Thailand, email Judhaphan@gmail.com

Tourists were free to participate in the religious practices or join in dousing of the water if they wished. Apart from offering candles and flowers to the Buddha, visitors could watch the performances of Thai traditional music and buy special treats, craft souvenirs, or commemorative trinkets. Several organizations had collaborated to prepare for the celebration: the Tourism Authority of Thailand (TAT), The Royal Navy Academy, The Community Club of Bangkok Yai District Supporters, the Fund Office of Health Development Promotion, and the Bangkok Yai District Office. The Songkran Festival temple fair was deemed a wonderful way to promote both tourism and a sense of reverence through fun. In 2013, as in earlier years, support from the local community Prok-Arun was a critical factor contributing to the success of the Songkran Water Festival. Thus, to the casual observer, all seemed harmonious and well, as had always been the case.

However, in the view of Phra Manus¹, the 50-year-old senior monk who served as boundary spanner between the Temple and the local community, things were not operating as smoothly as they appeared on the surface. In fact, there were, in Phra Manus' view, forces at play that were having an increasingly significant – and not always harmonious -- impact on the Temple, on the community, and on the relationship between the two. While working closely with the Temple management, Phra Manus had been pondering for some time the future of the Temple in the rapidly changing context of globalization.

In recent decades, the Temple as an institution had become more secularized, and the community more affected by the values of the modern world, including capitalism and tourism. To Phra Manus, it seemed that the future role of religion would increasingly become a changeful one. As such, it could bode well or bode ill for the Temple of Dawn, depending on the ability of Temple officials to manage the institution and its relationships with critical stakeholders. To this end, he led Temple management in devising Four Mandates to provide guidance concerning matters such as the relationship between religion and tourism, and religion and economic issues. To date, these had been only partially implemented.

Exhibit 1. Wat Arun (Temple of Dawn) ^{เพิ่มเติมรูป}

Source: Wikipedia, 2011.

**Temple of Dawn and the Prok-Arun Community: A Symbiotic Relationship****The Temple of Dawn**

Sailing up the Chao Phraya River to a point where the river curves, one is rendered almost breathless by the sheer majesty of the sculptured stone stupa of the Temple of Dawn, whose 86-meter-high spire stands out in bold relief against the clear blue sky. The Temple of the Dawn (*Wat Arun Rajwararam*), was known throughout Thailand as one of the finest schools of Buddhism. During the present reign of King Rama IX, the Temple gained an even more prominent status by being officially designated, *Wat Arunrajawararam Rajaworamahavihara*, meaning The Great Royal Temple of Dawn.

As of 2013, there were 208 ecclesiastic and lay officials serving the Temple, including 99 monks (including the Abbot), 15 members of the management team of monks, 42 novices, 25 “temple boys” (who were raised by and served the Temple), and 42 officials. Despite the fact that the Temple of Dawn has been regulated by the Sangha Act under the centralized administration of the Sangha Council of Thailand, the Temple preserved its autonomy in managing its own

internal affairs. The management team of monks needed to learn how to organize the Temple to become a more flexible entity that could adapt strategically to environmental changes while maintaining harmonious relationship with the Prok-Arun Community.

The Prok-Arun Community

The culturally-rich Prok-Arun community had approximately 250 households, and historically had been comprised of four major ethnic groups: Traditional Thai, Thai-Mon, Thai-Muslim, and Thai-Chinese. At present, nearly 90 per cent of the residents were Buddhists, with Muslims comprising the remainder.

Historically, most Buddhist temples had been heavily involved in their local communities and played key roles in their economic, social and cultural development. In the social sense, Buddhism was inseparable from the idea of community in Thailand. The spiritual gathering and sharing created a moral community and gave worshipers a common identity through merit-making. Traditionally, householders and monks reciprocally performed the roles of givers and recipients. In addition to making donations to the temple, the people gave food to the monks, especially when they were out gathering alms. Being perceived as communal property, the temple would serve as a sort of general-purpose community center, in addition to a focal venue for the performance of various religious and spiritual functions. More broadly, the temple performed the role of the “giver” -- teaching religion and building and maintaining the community development networks in accordance with the Thai concept of *Boworn*.²

Khun Rungsi Ruamyoo, a senior member of the Culture Council Committee of the Bangkok Yai District,³ spoke at length about the functions of the temple and the “texture” of temple-community relationship in earlier times. Known as a free-thinking philosopher, Khun Rungsi had been born in Prok-Arun and knew well both the community and the Temple of Dawn. He reminisced as follows:

I was born here and I consider myself “Khon Kang Wat Kieng Wang” (the people who were born close to the Wat and the Palace). To me, Wat Arun used to be the familiar playground for kids and a recreational areas for families. I remember well

that children came to fly kites in the sky, playing hide and seek here ... a kind of fairyland for children. The temple here used to be where values, other than the frenetic speed of modern life, were prized, and where the peaceful simple life used to follow the rhythm of the seasons. It used to be where daily occupations remained under the quiet gaze of Buddha, where meditation, offerings and prayers were natural for Thai people from birth to death. All the hours of the day were turned towards the water of the Chao Phraya River and wisdom, as elements of happiness for the body and soul. The pervasiveness of religion justified our theological label 'immanence' here and in our country. The religious practices and manifestations were directed at achieving a palpable result here in this world. The monks ... ensured protection and auspicious continuity for both individuals and the community.

Adding to the description of the longstanding nature of the Prok-Arun Community and its relationship with the Temple of Dawn, 68-year-old Colonel Somchai Boonchan, the ex-Community Chairperson⁴ and the Vice Chair of the Culture Council stated:

I was born here in this community. Here, we all here lived peacefully and harmoniously. Here was, and is still, the community of charm and smiles. The natural elegance of land and water, where songs and dances alternate with indigenous flowers and plants, is the secret of the charm which for centuries the country of Siam and our community Prok-Arun has had the privilege of enjoying. The crux of the matter is respect for the hierarchical order of society. The Temple of Dawn has been very important to us for hundreds of years. We have worked every possible way to serve and cooperate with the temple for the betterment of the community and society as a whole.

Phra Manus explained that Thais demonstrated their quest for security by relying on the patronage of higher forces. Life was to be experienced as a whole, with Buddhism an indwelling, and the temples were an inseparable part of their surrounding communities. Religion was self-directed, and life in all its manifestations was suffused with a religious element. Importantly, the locus of religion was found to be in the individual and in intimacy with in-groups. Phra Manus continued:

Thai people are educated - in the family, in school, and to note, in the temple - to keep frustration inside. The value of Jai Yen is more a way of life, which is to keep one's temper whatever the situation. Instead of showing one's anger toward a problem or situation, Thai people illustrate Jai Yen, i.e., calm and patience. To show one's feeling to the others is not valued in Thai society. Respect of the other is highly valued. Especially in the community where everybody knows each other, conflicts are always solved with the help of elderly people in the community or monks...

Elaborating on the Phra Manus' comments, Khun Rungsi spoke to the essentiality of the Temple and the monks to the security and well-being of the community as a whole.

The monastery temple has been the center of life for the Thai people since ancient times. Their practice was ritualized by making merit and respecting the monkhood. In fact, the Buddhist monk is thought to be the ultimate agent to vanquish malevolent spirits. In a similar sense, a community may nurture auspiciousness and feel itself protected by the strength of merit accumulated in the community temples. The discipline of the monks, their chanting and preaching, the merit-making ceremonies and the power vested in the Buddha images -- all have been mingled and serve to increase the ambience of security, continuity, and auspiciousness in life. Above all, the power that is vested in merit and is continuously reinforced by the presence of monks and the performance of rituals. Here represents the strong relationship between Buddhism, Temple, and the Community.

Since ancient times the Buddhist temples in Thailand had played a significant role as a social, educational, and spiritual center for community members. The relationship between the Temple of Dawn and the Prok-Arun community was no exception.

21st Century Buddhist Tourism: Where Tourists Meet the Sacred

The rise of globalization and the increasing secularization of the world had the effect of making religious belief and practice increasingly complicated. There was occurring a profound re-shaping of the contours of religious traditions, beliefs, and practices. It was believed that contemporary Buddhist temples and their surrounding communities needed to adapt to the economic and social changes of modern societies – in particular, those forces propelling the rise of consumer culture as manifested in the dramatic increase in global tourism.

From its modest beginnings in the early 20th Century, the Thai travel and tourism industry had grown to become a major force in the Thai economy. By the year 2013, nearly 27 million international tourist arrivals (up nearly 19.5 % over 2012) were contributing an estimated 1,670 billion Thai Baht (about \$US 56 billion). With approximately two million Thais employed directly or indirectly in travel and tourism-related professions, tourism was proving to be a powerful creator of jobs across all sectors of the Thai economy. It was known that many

tourists around the world were attracted to the 'oriental' religious mysticism manifested in archaeological, historical, and cultural sites. This rising interest in cultural tourism, broadly defined, meshed well with the increasing public- and private-sector promotion of Buddhist Tourism.⁵

Exhibit 2. Foreign Tourists Visiting Thailand during 2012-2013

Source: Ministry of Tourism and Sports, 2015

Origin	2013 No. Tourists (Millions)	2012 No. Tourists (Millions)
East Asia	16	12.5
Europe	6.3	5.6
America	1.1	1
South Asia	1.3	1.2
Oceania	1.02	1.04
Middle East	.62	.60
TOTAL	26.5	22.09

The Temple of Dawn, registered under royal patronage, was among the five best-known and most frequently visited temples in the Kingdom.⁶ It generated more than 14.5 million baht in revenues from selling 50-baht admission tickets (about US \$1.30) to foreign tourists. Apart from revenues generated by admission tickets, the Temple of Dawn also drew revenues from local and international tourists on pilgrimages, mostly Buddhist devotees participating in the Tourism Promotional Campaign, "Making-Merit through the Auspicious Routes by Visiting the Nine Temples."⁷

Phramaha Kwan Tiramano, a member of the Temple's Committee for Education who had a doctorate in Cultural Science from Mahasarakham University, revealed that revenues gained from tourism had enabled the temple to self-fund its classes, as well as administer temple affairs with little reliance on government funds. For many temples, paying the bills was a great concern, so tourists were seen as very welcome. Temple visitors ranged from the very pious to the purely secular. Because the revenues generated from tourism constituted such a significant contribution to the temple and the community, many in temple management viewed

temple tourism as a way to reduce poverty and raise the standard of living of the local community through increased jobs and income.

As Phra Manus explained:

It is true that tourism and religion are intertwined. Religion has acted as a powerful motive for travel since the time of early pilgrimages. The Temple of the Dawn, which is a temple with religious significance to the Buddhism devotees, has faced the fate of being commoditized in a sense. It was the effort to boost tourism that led to the commodification of the sacred place. However, it is also the commodification that has enhanced the appeal of the Temple as a heritage or cultural tourist attraction. Therefore, there is a need to see them as a whole instead of two separate entities.

In this same vein, Khun Vichai, the local shrine keeper, spoke positively of the overall impact of tourism on the Temple and the local community.

It is clear that generation of income and job opportunities have come from tourism. On Buddhist holy days, our temple will be crowded with people making merit and paying respect to Buddha Images -- and with tourists with diverse faith experiences. They come posing for photos, buying souvenirs, drinking coconut, visiting other attractions in the vicinity. The Wat Arun wharf upfront is always filled with tourists; both local and Asian. Some of them even donate money in our donation boxes.

On the negative side, however, promotion of the Temple as a tourist venue had precipitated an element of latent conflict between the local people and the Temple. The first source of conflict was grounded in community concerns about the commodification of religion that accompanied the Temple's ascendancy as a major site for tourism. The second source concerned the objections of religious and secular interests to the use of the territory surrounding the temple.

Concerning the first source of conflict, Khun Rungsri contended:

Now the Wat has created some new "frames." By reframing the positioning of the temple, from being purely engaged in religious matters in the old days to involving more business-like activities, the Wat has become more secularized. It could be said that this newly constructed identity of the Wat has essentially originated from the fact that the Temple of Dawn became one of the major tourist attractions along the Chao Phraya River. For me, identities must contend with underlying tensions between the traditional and the new versions of faith experiences as we, the local residents, struggle with the presence of tourists at our own place of worship. The role of the temple is not only to inculcate and educate people like in the old days,

but at present, in my opinion, the temple is just like the product endorsed by the Tourism Authority of Thailand. Commercialized or Capitalistic Buddhism -- if I labeled it right.

As temple tourism in general, and Temple of Dawn tourism in particular, had grown, the discomfort of some community residents over the use of the sacred to gain the pecuniary fruits of the profane (i.e., tourism) grew. When the number of temple tourists was much smaller, the issue was less acute. But as the number of tourists soared, some in the community – particularly, the older generation -- had come to feel that tourism was changing the religious experience for the worse. They were not alone in this belief, as some monks in the Temple had also voiced reservations concerning the increased emphasis on temple tourism as a revenue generator.

When Buddhism and Religious Tourism Collide

That tourism had resulted in both social and religious tension between the community and the Temple of Dawn was acknowledged on both sides of the issue. From the perspectives of some monks, the development and promotion of temple tourism threatened not only the sacred site and the peace of Buddhist devotees, but also the very meaning of sacredness of the religion itself. Phra Manus explained:

Capitalism intensified the shift away from the original operative principle of goodness in Buddhism and onto money. In the modern world, Capitalism has intensified the shift from understanding merit-making as goodness to merit-making in terms of money; increasingly donors give money or food purchased with baht. In many towns, monks queue up at dawn before market stalls where ready-made food offerings are for sale. However, tourism could bring a positive side. Here at the Temple of Dawn, we have several fund-raising programs -- e.g., the Fund for Restoration of Painting at Door-Window Panels, the Fund for Scholarship under King Rama the Second, the Fund for King Taksin's Scholarship, the Fund for the Treatment of Sick Monks and Novices. And it is clear that tourists are part of the support for these funds. But should the tourism be considered the culprit of commodification in culture and traditions? I speculate that the answer is not so clear, as the entire world has become more secularized.

There was concern that with the promotion of temple tourism, the sacredness of the religion might be shunned. Traditionally, Buddhist worship was a means of bringing bring peace to the mind of the devotee. For example, ordination was the ceremony marking entry into the adult world of responsibilities.⁸ As one of the major rituals in Buddhism, it was often construed as a good indicator of a worshiper's faith. Yet in recent years, fewer and fewer Thai Buddhist men came to ordination. It was a particular matter of concern that fewer local male residents were being ordained at the Temple of Dawn. Phra Manus wondered to himself whether the decline in ordinations at the Temple was an artifact of the ways that religious faith was changing in the modern era.

Colonel Somchai Boonchan, the Vice Chair of the Culture Council pointed out that:

We don't want this to happen to the Temple of Dawn. It's happened at other temples around here that some monks need to buy food for themselves because no one offers them food any longer. This is very sad. We are faced with a faith crisis.

Thus, there was some disquiet over the prospect that the influx of tourists would precipitate the gradual loss of the religious identity of the Temple of the Dawn, as well as a gradual erosion of local culture and identity. Khun Vichai spoke to the reaction of some members of the community when he declared:

Some local residents, especially members of the old generation, were not happy with the "New Year Count Down at Temple of Dawn" despite the fact that the justification for holding . . . the event was right and the effort was driven by religious purposes. The new generation of tourists just came to the celebration for fun alone.

A more detailed elaboration on the several facets of the disquiet and concern over temple tourism was articulated by Khun Rungsri, who stated:

The old generations and ways of life are gone. ... There is gap here—the new generation does not give significance to the temple the way their ancestors used to. Visiting the Wat, one should be enlightened. It is wisdom you need to get from coming to the Temple. But now, people come to the Wat for other purposes, not for spiritual development. People are lured by something else, which is not Buddhism.

... In times past, the connection between Thai life and the temple was very close. We used to live very harmoniously, no conflict, with social and economic unity. When we got sick, the monk would visit us at our place. In the old days, the monks visited us. ... Time has changed and so has the role of the monks. Sometimes

when we perform a Buddhist ritual at our houses, truth is, we have to invite monks from other adjacent areas.... Today, the monks continue these traditions but in an ever changing way. Many monks now possess teaching certificates and computers. Even among Thais visiting the temple, there are those who have become tourists themselves and dilettantes in their own culture.

Temple-Community Conflict over Territory

Temple tourism had led management to making the Temple a distinctive place; articulating the particular identity of the Temple, and constructing aesthetically pleasing experiences for tourists. Specifically, to draw more tourists to the temple, facilities at the Temple of Dawn were undergoing construction or improvement. These included transport systems, landscaping inside the temple, restaurants, kiosks, signage in English, etc. An example of an infrastructure development that had both positive and negative outcomes was the new road that had been cut through the Prok-Arun community, dividing the community from the temple.

Providing tourists with another convenient transportation route to the Temple (apart from the motor boats plying the Chao Phraya River) facilitated tourism and increased tourist revenue. Benefits accrued to local residents, also, as they could make use of the facilities alongside the tourists.

It was, however, in the matters of land, boundaries, space, and territory that efforts to promote increased tourism ultimately produced conflict and misunderstanding over scarce resources. These issues had their origins in the allocation of land inside the Temple among various entities, the prohibition against monks being engaged in any kind of pecuniary enterprise, and the perception of who was behind the plan to expand the parking lot for Temple visitors (an act that could result in the dislocation of some local residents).

Division of Land inside the Temple Compound

The Temple's land was proportionately divided into three major areas: (1) the Region of Buddhavas; (2) the Region of Sanghavas; and (3) the renting zone for local vendors both inside

the Temple and in the wharf area adjacent to the Chao Phraya River. The first two zones of lands were reserved for Buddhist affairs, and the latter for the commoners, i.e., the local people. Some areas of the land of the Prok-Arun community had also been classified under this type of arrangement, and some people rented land from the Temple.

Phramaha Kwan Tirmano explained that there were 35 local vendors who rented the Temple land close to the Royal Navy. Most of these vendors were people from the Prok-Arun community who were endeavoring to earn income by selling souvenirs, food and beverages, woodcrafts, and jewelry to tourists.

The Necessary Role of Middlemen

Because the monks and the Sangha bodies could not directly deal with worldly business matters,⁹ all the monetary contracts had to be done by a *vitaya vajakorn* (i.e., middleman) appointed by the Temple Abbot. The *vitaya vajakorn* was required to be a lay Thai Buddhist male at least 25 years old, in good financial status, with no insurmountable debts and no official record of any legal offenses. Over the years, the middlemen had played important roles in enhancing the development, and in managing the businesses, of the Temple. However, their very centrality to decision-making processes involving matters of business and money occasionally placed them in the front line of tension between the Temple and the community.

Tensions over Territory

Given their involvement in the allocation of resources with which to promote tourism, as well as their involvement in the dispensation of revenues generated by tourism, the *vitaya vajakorn* were viewed by many in the community as controlling – at least partially -- temple tourism. Thus, when word reached the Prok-Arun community that the Temple intended to expand the parking lots in order to accommodate more tourists, disputes arose over the use of the territory. The conflict was fueled largely by residents' fears that expanding the parking lots would necessarily require some of them to relocate to live elsewhere. According to Khun Vichai, a Temple guards who took care of the Ordination Hall, it was largely because of the

possibility that they might be blamed for such relocation that the middlemen were “not likely to identify themselves as *vitaya vajakorn* openly to the public.”

Khun Siridej, a middleman, remained supportive of increased tourism. The impeccably attired owner of a gem shop noted:

We should build more roads for tourists. Now the road to the Temple of Dawn is too narrow. Only minivans are able to enter the Wat, not coach buses. We need more tourists. This will bring prosperity to the Wat and the community as a whole. People earn more money, which of course makes them happier and self-sufficient.

Commenting on the conflict between the community and the Temple, Phra Manus pronounced:

In general, when it comes to conflict, Thai people may want to mask their feelings. They show no exterior sign that they are angry, they keep it inside. But they can show it in subtle ways. By refusing or avoiding a direct confrontation with the person. Ku na is the concept of saving face. Open and direct criticism is not valued in Thai society. But we have known there are some latent conflicts going on here between the local people here and the Temple for many years already over the space issue. But no one would like to explicitly bring up the issue.

As the temple-community angst over territory prevailed, the monk management team of the Temple approved an initiative to restore faith, trust and credibility back. The initiative was called the Faith Reconfiguration through Strategic Communication.

Faith Reconfiguration through Strategic Communication

In the opinion of Phra Manus, the current situation at the Temple of Dawn warranted a well-considered strategy to win the hearts and support of all the Temple’s stakeholders. As a religious organization, the Temple needed to build full awareness of the new roles of the Temple concerning the complex issues relating to the effects of the intersections of religion and tourism, and religion and economic issues. Elaborating on the point, Phra Manus stated:

If one is to understand the ongoing interaction between social change and religious adaptation, one has to identify how this encounter is situated within the local community as well as a part of broader global networks. The Temple of Dawn needs to come to understand that the Prok-Arun, the community in which the Temple serves as social center and moral beacon, is no longer a physical being, defined by

proximity and the shared interests of a common location. Today's community is a transient, invisible entity in which the shape and conditions of interaction are easily broken if the temple does not communicate with the local residents in more strategic ways. The conventional frame of reference has been challenged or even undermined.

... The Temple needs to come up with more strategic ways to boost local tourism; concurrently with more open communication with the people of the Prok-Arun community, as well as to create new alliances between the Temple and the surrounding community by engaging fully the realities of an increasingly secular world.

Phramaha Kwan Tiramano's investigation of the Temple's economic, social, and cultural roles that affected people's faith¹⁰ shed additional light on the matter. He concluded that temple officials had to attempt to reconfigure their religious enterprise to align with, rather than resist, the global forces of modernity. At the same time, every effort had to be made to preserve the strength and significance of the Temple of Dawn as a source of inspiration, healing, advice, and blessing, and as a major Buddhist institution.

As they continued to reflect on the matter, the monk management team of the Temple agreed that it was critical that the Temple make a concerted effort to help the community regain and strengthen its faith. Out of this conviction grew the development of the "Four Mandates of the Temple of Dawn," as a starting point for the faith reconfiguration.¹¹ The Mandates were communicated to the monks and the laypersons serving the Temple of Dawn at every level. The four Mandates were: 1) Develop a Vision of the Temple's Role in Faith Reconfiguration; 2) Emphasize the Temple's Mission in Creating and Maintaining Strong Humanism Programs; 3) Strategically Expand the Temple's Network through Participatory Approaches Involving all Stakeholders; and, 4) Strategically Position the Temple as the Major Institution in the Community.

Strategic Communication for the Execution of the Four Mandates

(1) Develop a Vision of the Temple's Role in Faith Reconfiguration. There was widespread agreement among Temple officials that the starting point for the process of faith reconfiguration was the Temple's own monks. The Temple needed to reconfigure faith among its own people before undertaking such a reconfiguration effort between the Temple and the

community. To this end, it would be important that monks accept the philosophy of *diversity* or *pluralism* which was strongly influenced by science and consumerism. Indeed, in the touristic era of the early 21st century, acceptance of the premise that no single religious faith had a monopoly on “truth” was the *sine qua non* of tolerance.

A related aspect of diversity was the sense of *individualism* to which the Temple would need to be open. A key characteristic of the modern era was the strong desire by both local people and foreign tourists to preserve what they felt were essential values, and their own notions of morality, lifestyle, taste, and worldview. Faith reconfiguration would require the monks’ appreciation of the dual discourse between the religious and the secular, the traditional and the modern. Temple officials and all the monks would also have to realize the importance of aesthetics to today’s tourists.

According to Phramaha Kwan, the faith reconfiguration model represented a conceptual shift in how the monks saw their roles in the community and society. Specifically, their roles would need to shift towards becoming researchers and educators. It seemed to Phra Manus that a growing number of monks at the Temple of Dawn were attempting to move in this direction. He explained:

There has been institutional inertia elsewhere that seeks to avoid change and preserve the status quo. I think that there is an important conceptual shift in how monks see their roles in and duties to society. We need to learn that things keep changing, as Buddhist teachings have always emphasized impermanence as a defining feature of reality. We need to become fully aware of the fact that . . . contemporary men are intellectually, emotionally, and psychologically different from their predecessors a generation or two earlier. They, as well as society as a whole, are ongoing experiments in whether the speed, intensity, and pressures of globalization are sustainable. This new paradigm has confronted us, the traditional Buddhist institution, at every turn. If the Temple does not accelerate institutional change and innovative policies to accommodate the attitudes and lifestyles of the new era ... it will become a captive of our own faith, philosophical indoctrination, or our own religious fundamentalism.

Therefore, Phramaha Kwan concluded, co-existence of secular and religious values would need to be practically endorsed.

(2) Emphasize the Temple's Mission in Creating and Maintaining Strong Religious Humanism Programs. The Temple would need to strengthen its positioning through continuous promotion of "Religious Humanism Programs." The Temple needed to be seen as a center for personal empowerment, based on both religious doctrine and humanistic concerns for social welfare. Phramaha Kwan contended that the Temple had to adopt strategies to increase *social relevance*. This would entail demonstrating to the community and society how religion could have significance for their lives.

Certain outreach programs had been conducted by the Temple of Dawn for varying periods of time. However, in Phramaha Kwan's view, the Temple needed to upgrade the significance and impact of these outreach programs until they were of such a stature as to secure the Temple's worldwide reputation as a "place of significance for Religious Humanism Programs." This meant increasing the visibility of the programs and making them more strategic. The conceptual significance of "Religious Humanism" would also need to be promoted on a wide scale in order to strengthen the Temple's position as a center for Buddha Dhamma Practice, Education, and Humanitarian and Charitable projects. More innovative programs would be needed.

(3) Strategically Expand the Temple's Network through Participatory Approaches Involving all Stakeholders. Temple officials needed to plan and implement new initiatives for re-aligning their traditions to accommodate incremental yet significant changes in religious worldviews, demographics, urbanization, and tourist culture. Without an adequate plan, the Temple would incur the risk of tourism damaging both the sites and the heritage, in addition to adversely affecting the relationships with the community. It was therefore critical that the voices of all stakeholders – Temple officials and monks, community residents, etc. – be heard. Further, the roles and expectations of all stakeholders would have to be considered in order to co-manage the religious site. In this regard, it was important that the co-existence of secular and religious values be valued by all concerned. Activities aimed at the preservation, restoration,

management, enhancement, and promotion of temple tourism within the auspicious framework of the faith reconfiguration needed to be coordinated.

In order to minimize misunderstanding and conflict as the faith reconfiguration process unfolded, the Temple resolved to endeavor to make it clear to all stakeholders that its overall intent was to nurture positive change that improved the quality of life for all involved. In bringing about such positive change, innovative initiatives integrating the ecclesiastic world, economy and culture would need to be developed and carried out. In dealing with issues that had been perceived as being conflictual -- e.g., the issues concerning the use of space and the plan to build parking lots -- the Temple would necessarily have to aim for full disclosure concerning all infrastructural expansion plans and possibilities, while also striving to avoid negatively affecting the lives of the people living there.

(4) Strategically Position the Temple as the Major Institution in the Community. Central to the realization of this mandate would be reformulating the Temple's mission (which now emphasized "learning and healing") to embrace socio-cultural functions as well. Phra Manus spoke to this issue:

Right now, the Temple of Dawn holds dual roles as a center for Buddhism Development and a center for local urban community development. The Temple has pioneered some of the key concepts and institutional strategies that guide our agenda for the future. We sponsored a diverse range of activities, only some of which are related to Buddhist themes. We believe that the role of the Temple is to bring people together because of mutual interests or shared concerns rather than just the ritual occasions connected with the basic funeral services and other ceremonies.

In conjunction with the Community Network Committee, the Temple had devised a public relations scheme with which to manage the relationship with the Prok-Arun Community. The following programs were proposed to be implemented, with the objective of promoting a harmonious relationship with the community and society as a whole: (1) Development of a more open and faster line of communication; (2) Cooperation with the community, preservation of the Cultural Heritage and Fine Arts of both the local community and the

Temple. Additionally, programs concerning traditional careers would be administered (e.g., Traditional Thai Food and Desserts, Flower Making Crafts, etc.); (3) Cooperation with the local Police Department, and management of traffic for the use of public space and footpaths within and around the Temple. More parking lots would be built for tourists, but only after communication with local residents to ensure that the lots would not come at their expense; (4) Enhancement of the Tourism Network Collaboration Programs. Programs like tour guide training would be provided for monks and local residents interested in becoming professional tour guides for the Temple. This would generate more income for the local people and at the same time help maintain the Cultural Heritage; and (5) Creation of a Historical-Cultural Preservation Center at the Temple, with the Temple administering knowledge management in the form of a library for people in the community.

Through strategic communication based on the audience-centered participatory approaches, the scheme of faith reconfiguration had thus far received positive feedback.

The Reformulated Roles of Temple of the Dawn in the World of Globalization

Thus it was that the Temple of Dawn, through articulation of the “Four Mandates,” reaffirmed that in the ever-evolving globalized world, its most important role was that of bringing people together because of mutual interests rather than attending to people during the ritual occasions that the monks performed. The Faith model, with the emphasis on strategic communication and sustainable development based on participation of all stakeholders, would guide management of the Temple.

Underlying all would be acceptance of the primacy of the Temple’s developmental roles. As Phra Methiratanadilok, the Assistant Abbot, stated, the Temple of Dawn should proceed through strategic communication as a role model place of Buddha Dhamma Practice with educational and humanitarian charitable projects. The vision and mission of the Temple must be kept in place: to provide a community for homage, education, shelter, and consultation; to

provide a place for learning for under-privileged Thai teenagers where they could obtain an education that guaranteed them employment; to help all those who were suffering by providing a place to practice Vipassana or Meditation and the teachings of the Buddha regardless of their backgrounds; and to provide formal Buddhist training for all monks from all over the Kingdom.

Given that the transition to a reconfigured faith, and all that would accompany it, was still very much a work in progress, neither Phra Manus nor other members of Temple management could be certain of the Temple's ultimate success in implementing the Four Mandates or of the efficacy of the Mandates in addressing the concerns of all of its stakeholders. All were hopeful, however, that at the time of the next Songkran Water Festival, any conflict would have long since been vanquished, thus permitting local worshipers and local and foreign tourists to pursue their acts devotion, followed by *sanuk*, or having fun as they so wished. Meanwhile, assured Phra Methiratanadilok,

All beings from every background, nationality, and religion are all welcome to come and see us at the Temple of Dawn, to be involved in our projects, practice Meditation or Vipassana or simply just visit.



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Her research specializes in communication in general and strategic organizational communication, negotiation, and intercultural communication in particular. She is also Director to various public training programs in Strategic Communication for NIDA Training Center. She also serves on the Committee for Sufficiency Economy at NIDA.

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Endnotes

1. Phra Manus Kaochaorng received his Certificate of Dhamma Course (High Level) in 2007 and his Bachelor of Arts (Second Class Honors) in 2009 from Mahachulalongkorn Rajawidyalai University, Thailand and currently pursued his Master in Language and Communication at National Institute of Development Administration. He has been Official Examiner of Dhamma and Teacher of Buddhist Sunday School Course at the Temple of Dawn. He was also Chief Organizer of Samanera Ordination for the Summertime Ordination Project of Samanera 2010 held by Bangkok Metropolitan Administration in cooperation with the Temple of Dawn. His special skills have been extended to various areas; e.g., Radio Program Moderator of Buddhist Radio Station, Guest Speaker of TV Program at Buddhist TV Station, Buddhist Teacher of Bangkok Yai Primary and Secondary School. He also serves as special lecturer on various Topics concerning Dhamma Talks. His life objective is to identify himself as Thai Buddhist monk interested in Dhamma Propagation to the worldly society. Contact: Bikkhu@ovi.com
2. The alphabet 'B' equates to 'Ban' or the Family, the 'W' equates to Wat or the temple, and the 'R' equates to "Rongrien" or the school.
3. The Bangkok Yai District was one of 50 districts of Bangkok, Thailand. The district is sub-divided into 2 sub-districts: Wat Arun and Wat Tha Phra. Bangkok Yai has a long history since it was the site of Thon Buri, the former capital of Thailand during 1767-1782. There were 13 temples in Bangkok Yai and the Temple of Dawn was the only chief Temple categorized as royal wat first class. The Bangkok Yai District Office performed a number of social, cultural and civic functions, largely through a series of committees staffed mostly by residents of the particular local community. The Office has worked closely with the Temple of Dawn in launching several programs and projects concerning socio-cultural preservation and promotion and temple tourism under the theme "Local Culture Learning, Visiting ancient museums and cultivating the appreciation for temple and palace tourism". Check teelek801@hotmail.com for more information.
4. In Prok-Arun, local governance is conducted by a 12-member body nominated and elected by the community members and appointed by the Bangkok Yai District Office under the auspices of the Committee of Temple of Dawn. This body is charged with managing and supervising all internal affairs of the community; ensuring the well-being of the community in every aspect; and also with coordinating with other stakeholders in running the community economy.

5. The temple was a sacred place of supreme significance to the Thai Buddhist. Every community had at least one. As of 2002, there were 32,000 monasteries, 265,956 monks, and 87,695 novices in the Kingdom of Thailand.
6. The other four were the Emerald Buddha Temple, Wat Pho, Wat Suthat, and Wat Benjamaborphit.
7. This campaign was supported by the Tourism Authority of Thailand in cooperation with various temples and the private tour operators. An example of the private tour operators that the Temple of Dawn authorized in the management of such tourism campaign was Saphana Nakorn Co., Ltd. The event was managed on the cruise liner with buffet and professional tour guides who were television hosts to entertain the guests on board. Talisman from renowned monks was given to the local tourists making these merit making trips on the Chao Phraya River as tokens of appreciation and souvenirs of respect.
8. Traditionally, most Thai men entered the monkhood (*buat phra*) at some point in their lives. Symbolically, the motive or purpose of ordination was to acquire a deeper knowledge of Buddhist teachings (through study, self-deprivation and meditation), to progress along the path to enlightenment, and to bring merit to one's parents.
9. Per Rules of Sangha Council of Thailand, the 18th Issuance of 1983.
10. Faith is described as sets of beliefs which are based on wisdom and logic that people in community hold onto. The "Four Mandates of the Temple of Dawn originated from the initiatives proposed by Phramaha Kwan Tiramano, the key member of the Temple's Committee supervising the Educational Section, along with other key members who gathered informally for several rounds during 2009-2010 discussing the changing face of the modern world, temple tourism and its impact on the roles of the Temple of Dawn. Inspired by his Ph.D. dissertation, Phramaha Kwan became pioneer in forming alliances with other key Committee members in the brainstorming discussion and study of the future of the Temple and the necessity to reconfigure the faith. The ideas involving the Four Mandates had been proposed to the Temple and had been endorsed by the Temple Committees. Being launched in 2010, the Four Mandates had become the Code of Conducts for Temple management and laypersons.
11. Examples of the **Buddhist Dharma Education and Practice** programs included moral and ethical development; the Buddhist Preaching Programs; Summer Camps for Novice Ordination; Dharma and Meditation Practices Projects in cooperation with the Royal Navy; Buddhism Learning Center for children and youth, the Pali Language Teaching Course; Tutoring in Abhidhamma for the monks; and, Funding for Dharma Education. Examples of the **Humanitarian and Charitable** projects included the public services systems for disadvantaged people; the Center for Buddha and Dharma Practice; and, and International charity (e.g., helping the poor, the needy, and underprivileged students, the *pro bono* meditation class, and practices for peace and happiness in daily life); the Community Learning Center (C.L.C.) for Development of Humanity; and, the Moral Development programs. Examples of the **Social and Educational Welfare Development** programs included the Alumni Club for Wat Arun Alumni; Funds and Scholarships for Children and Offspring of the Temple Officials; Community Educational Development programs; the establishment of the Janet Stowe and Walter Stowe Foundation for contributions for the support of poor, needy and under-privileged children; and Temple Tour Guide Programs.

INTERNATIONAL CRITICAL INCIDENT CASE ASSIGNMENT

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Abstract

Writing an International Critical Incident Case has demonstrated efficacy to deepen student understanding of organizational behavior and cross-cultural communication in business courses. The assignment lends itself to a broad range of topics with specified outcomes. We have successfully used the assignment in required MBA Organizational Behavior courses. Student teams collect data and write a cross-cultural business case about a “critical incident” that happened to a person from a non-English speaking country. Importantly, students must interview a person from the other country and write the cultural case from that person’s point of view. Once the case is written, the student team performs an analysis of the case to surface the key organizational behavior issues, and finally leads a class discussion about the case. We provide instructors with student instructions and grading rubrics so the case project can be put to immediate use in their own courses.

Introduction

Searching for a challenging project that would expand organizational behavior concepts into a global context for an MBA required course on Human Behavior in Organizations, we developed a three-part International Critical Incident Case Assignment. Often students have not had exposure to organizational behavior concepts within another cultural context and need an opportunity to compare and contrast western OB topics with the values and business practices of another country. We have had success with increasing student awareness of other cultures. Secondary gains can also be found in students’ increased ability to work in teams to write, analyze, and present an original international critical incident case.

We developed the assignment because there is a scarcity of international cases in America related to the interpersonal, group, and organization culture levels of organizational behavior, especially ones that are from the perspective of people from non-English speaking countries. The problems and decisions that emerge from the international critical incident cases work well for learning about organizational behavior and management theory, even if the instructor's objectives are not specific to a global context.

In preparation for this assignment, students learn about case writing (Leenders, Mauffette-Leenders, & Erskine, 2007); forming and working within teams (Katzenbach & Smith, 2003); effective team characteristics; task and process issues (Hill, 2001); norms and roles (Schultz, Nolan, Cialdini, Goldstein, Griskevicius, 2007), and other topics that the instructor wants highlighted.

The Exercise Explained for Instructors – Overview

Purpose

To provide an in depth experience to learn and apply concepts in Organization Behavior in a global context.

Learning Outcomes

Upon completion of the assignment, students will be able to:

- describe the cultural characteristics of at least one non-English speaking country. (Comprehension Level)
- interpret organizational behavior concepts and apply these topics to a global setting. (Application Level)
- compare American cultural traits and values to another country. (Analysis Level)
- assess leadership and membership behaviors in teams. (Evaluation Level)

Assessment of Learning

This assignment connects to the AACSB's assurance of learning standards by aligning assignment learning with several Program Goals (also called Program Learning Outcomes) across different programs at the business school where we have used the assignment. For example, in the Bachelor of Science in Management program, Goal 4 is: "Graduates will have a global orientation." One of the associated learning objectives is: "Our students will be able to define and present key elements of another culture (other than the U.S.) and their role in business decision making." The assignment can be used to measure student learning for this goal. Similarly, the assignment can be used to measure student learning in the Master of Science in Organizational Development (MSOD) Goal 3, which states, "Students will increase their understanding of the global challenges that face organizations and increase their ability to ethically consult globally."

The assignment also enables faculty members to measure learning for this goal in the Master of Science in Management Leadership (MSML) program, which has as Goal 4: "Students will increase multicultural competencies." Finally, the assignment enables the measurement of communication and writing skills which are Program Learning Goals in the Full-time MBA and Fully-Employed MBA at the business school. While the metrics, rubrics, and standards might be different across programs and goals, the assignment provides a way for measuring learning that informs faculty and program leaders about student success in critical areas from global orientation to communication.

Group Size

A class of 20 – 30 students is ideal, but the assignment can also work in a larger class.

Team Size

4-6 members is ideal, but it can be done with partners or trios.

Time Required

This is a three part assignment requiring a minimum of six weeks of outside work to complete. Ten to fourteen weeks is ideal.

Preparation by Instructor

Prepare three short lectures to introduce the key components of the exercise to your class. Students apply the knowledge from the three lecturettes while executing the assignment. The lecturettes are described in detail below:

1. What Is a Case and what is a Critical Incident Case?
2. What is an Effective Team?
3. How to Analyze a Case?

The Critical Incident Assignment

This is the heart of the exercise, and it is composed of three parts. Part 1: Writing the International Case Narrative. Part 2: Analyzing the Case, and Part 3: Discussion Leadership in the Classroom. See Appendix A for student instructions and Appendices C and D for grading rubrics.

The Exercise Explained for Instructors – Detailed

The three short preparatory lectures are described followed by a detailed description of the Critical Incident Assignment. In order to understand what a critical incident case is, we first define what a case is and differentiate it from a critical incident case.

Lecturette 1 -- what is a case and what is a critical incident case?

What is a case? A case is a description of an *actual situation*, commonly involving a decision, a challenge, an opportunity, a problem or an issue *faced by a person* (or persons) in an organization (Lenders, Mauffette-Lenders, & Erskine, 2007). Cases have been popularized by the case method used in many colleges to prepare managers for operating companies. They

are products of carefully thought-out processes of investigation and analysis. Their content varies depending on the educational objectives. Normally they appear in print form. Field-based cases require a release (usually with sign-off from company), while those that are based on public knowledge using accessible documents, media, annual reports, court transcripts, etc., do not.

What is a critical incident case? A critical incident case is a description of an actual situation, commonly involving a decision, a challenge, an opportunity, a problem or an issue faced by a person (or persons) in an organization. However, it is focused on the decision maker's behavior and emotion with less detail about the context of the organization or business decision. It can be published, but for the purpose of classroom discussion (Tompkins, 2001), it does not follow in-depth case writing methods or research protocol (similar to Harvard Business cases or the *Journal of Case Research* cases).

Lecturette 2 – what is an effective team?

Learning about teams and team functioning is an important part of an organizational behavior class. It is also the primary vehicle used to work the Critical Incident assignment. Here we briefly describe primary concepts about teams: characteristics of an effective team, stages of team development, and why some teams fail. These can be easily augmented by other teaching materials on teams.

Characteristics of an effective team. Drawing from the work of Tuckman (1965) and Katzenbach (2003), the following are the salient points to present and discuss with students regarding effective teams. Such teams have a clear mission or purpose that is supported by effective communication. These attributes have demonstrated that “in unity there is strength.” Performance goals (e.g., quality, timeliness, etc.) that support the mission help workers know what is specifically expected of them. Goal achievement is supported through clearly defined roles and responsibilities. A primary foundation is established through operational norms that determine how people work together.

Worker skill levels need to be complementary to each other; a respect for diverse views helps to strengthen the team. Learning to deal with differences in points of view, and addressing possible conflicts in a constructive fashion, are hallmarks of an effective team. Further, such teams hold members mutually accountable for meeting due dates with quality deliverables.

Stages of group development. It is often beneficial to help student teams develop observation skills of their group's development. Tuckman's Four Stages of Group Development (1965) is a useful model that students readily understand. The four stages are:

Stage 1: Forming (relationships are established and tested)

Stage 2: Storming (conflict and polarization around interpersonal and structural issues arise)

Stage 3: Norming (cohesiveness develops, new standards evolve, and new roles are adopted. Personal opinions are expressed about task issues)

Stage 4: Performing (roles become flexible and group energy is channeled into the task)

Why teams fail. Not all teams are able to reach a stage of development where they are able to perform. Common reasons for team failure include lack of support from management and/or management's reluctance to relinquish power and control. Further, if team members refuse to cooperate, or are unable to cooperate with each other, whether due to lack of skill or lack of commitment to meeting deadlines with a quality deliverable, success is unlikely.

Lecturette 3 – how to analyze a case.

Cases are often smoothly analyzed using a three step process: reading the case, solving the case, and action planning for improvement. This reliable protocol can be introduced as a tutorial to guide students through the thought process necessary to successfully solve a case.

Reading the case: Students should start with a detailed reading of the case, and avoid reading and rereading it. Commonly, a successful reading follows seven steps:

Step 1: Read the first paragraph (or two or three) of the case and the last paragraph (or two or three) and stop to reflect.

Step 2: Ask students to answer five questions:

- *Who* is the decision maker? What is his/her position, title and responsibilities?
- *What* appears to be the issue (concern, problem, challenge or opportunity) and its significance for the organization?
- *Why* has the issue arisen and why is the decision maker involved now?
- *When* does the decision maker have to decide, resolve, act or dispose of this issue? Is there an urgency?

Step 3: Quick look at the case exhibits.

Step 4: Quick review of case subtitles.

Step 5: Skim case body.

Step 6: Read assignment questions.

Step 7: Read the case and reflect on assignment questions.

Solving the case. The normal steps of case solving follow a process of defining the issues, analyzing the case data, generating alternatives, and selecting the preferred one.

Define the issues. First list the symptoms, the complaints or concerns the decision maker states in the case.

Analyze case data. Conduct the case analysis and identify the root cause, i.e., the real issue(s) that needs to be solved. In an Organizational Behavior class, it is important to be concerned with why the behavior is happening. First list facts from the case, sorted into appropriate categories (e.g., timeline or people or issues). Then search for root causes that created the symptoms in the case. Use 3 to 5 whys, i.e., you ask why, you get an answer, and then you ask why about that answer, and so forth. Use principles and concepts from course materials (cases, assessments, notes, articles) to explain the behavior in theoretical terms.

Generate alternatives. Write the problem or problems identified in your analysis and brainstorm to solve them. (It can be helpful to remind students that an attribute of good brainstorming is to not criticize ideas, just list them.) Examine alternatives and decide which

three to six best solve the issues identified in the analysis. List the pros and cons of each alternative.

Generate decision criteria. Determine priorities as if you were the decision maker. The decision criteria should be objectively and/or subjectively measurable. For example, “maintain” satisfaction, “increase” commitment, “ROI of 12%,” “reduce” turnover rate, etc.

Evaluate alternatives. Create a method for evaluating alternatives. For example, use a grid with alternatives on one axis and decision criteria on another axis. Rate each alternative with some point system, such as +1, 0, -1.

Select preferred alternatives. Choose the alternative(s) that best solves the problem(s) or issue(s) and explain how it will mitigate the cons and enhance the pros.

Action planning for improvement. One of the most important steps in solving a case is to develop an implementation plan that addresses the problem’s root cause found in the analysis. The best solutions involve the decision maker and offer concrete steps which need to be taken to move the situation forward. As the decision maker, consider these questions:

- What are the key steps that need to be done?
- What are the timelines for each step?
- Who will implement the plan?
- How will resistance be overcome?

It can be helpful to challenge students’ thinking by asking them to imagine various scenarios: the worst case, most likely case, and best case scenario should the action plan be implemented. Ask them:

- What steps can you take to reduce the chances of the worst case scenario occurring?
- If the worst case happens, is it disastrous enough to warrant not doing this alternative, or can you devise a reasonable response?

The Critical Incident Case Assignment

The instructor, once satisfied that students understand the content and how to apply the concepts of the three short lectures, should be ready to introduce the actual assignment. For easy reference, an assignment outline is provided below:

Assignment Outline

This project has three parts: Writing the International Case Narrative, Analyzing the Case, and Discussion Leadership in the Classroom; these are described in detail below.

Part 1. Writing the International Critical Incident Case Narrative

- A. How to identify a Critical Incident for the case
- B. Criteria for Selection
- C. Collecting the data
 - 1. Preparing questions and arranging the interview
 - 2. Conducting the interview
- D. Composing the Case Narrative
 - 1. Guidelines
 - 2. Industry
 - 3. The situation: Tell the story
 - 4. Methods Summary
 - 5. Reflections

Part 2. Analyzing the Case

- A. Guidelines
- B. Section 1 of the case analysis: Cultural Background
- C. Section 2 of the case analysis: Analysis
- D. Section 3 of the case analysis: Epilogue

Part 3. Discussion Leadership Activity

Part 1: Writing the International Critical Incident Case Narrative

How to identify a critical incident. Students identify people they know such as classmates, friends, relatives, etc. who live in another country and arrange an exploratory interview. Firstly, they explore potential critical incidents with contacts and select several that might work. It is important to identify a decision, challenge, opportunity, problem or issue faced by a person (or persons) in an organization that *created strong emotions*. In organizational behavior, the best cases have a strong emotional component for the decision maker. For example: anxiety, anger, fear, hurt, hope, confusion, excitement, joy, satisfaction, wonder. Students can also choose from several contexts and topics such as:

1. Individual (career, ethics, self-concept)
2. Interpersonal – two or three people (conflict, communications)
3. Group or team situation (motivation, goals, process, decision making)
4. Between groups/ business units (coordination, shared resources)

The best cases are ones that have a storyline with a beginning (something changed), middle (a time of wondering what to do because of the change), and an end (the decision was made – whether good, bad, or neutral).

Secondly, students need to ascertain whether their contact is willing to be interviewed and share his or her story for the purpose of classroom learning. We recommend that names be changed/disguised for people and the company. Disguises protect privacy and avoid the need for a signed release. If the student and contact wish to use actual names, then a signed release form should be used.

Criteria for selection. Students need to determine if their contact's story meets the following criteria for a good case.

1. The incident is indeed critical.
2. The incident occurred within the past five years.
3. The case can be written using the point of view of the foreign national person.
4. The incident happened in a country that another team has not already chosen.

5. The incident focuses on a single decision that a foreign national person had to make.

Collecting the data.

Preparing questions and arranging the interview. Students need to prepare for their interview/s by researching the basics about the non-English speaking country: demographic, geopolitical, economic, common business practices, etc. They also need to search library data bases for information about the company for which the interviewee works such as size, annual sales volume, product mix and market areas, number of employees, etc.

Conducting the interview. Students identify a list of open ended questions to surface the chronology of events, key players and their roles, people's surprises, feelings, etc. Here are several items we have found useful as guides that help students conduct successful interviews.

- a. Gather data through interviews whether they be in person face-to-face, via e-mail, fax, or telephone. Ask about background information so the full context of the case is discovered.
- b. Ask the interviewee to think of the other key players. Ask him/her to step back and put himself or herself in this person's place and try to describe the critical incident from the other person's point of view. If possible, interview other key players.
- c. Decide if any exhibits are needed to help clarify the case, such as simplified organizational charts, a diagram of the office, or a copy of a letter or memo.
- d. It is important to send a thank you note to the interviewee who has made it possible for this assignment to be completed.

Composing the Case Narrative. We have found that receiving papers that follow these guidelines has helped students grasp the fundamentals of the case quickly as well as assist instructors during their evaluation of student deliverables.

Guidelines.

- Length: 4-8 double-spaced pages
- Written in the past tense
- Written in third person (she/he not I/we/you), from the foreign national person's point of view
- Proper grammar
- Includes subheadings to help the reader follow the train of thought smoothly.

Industry. Ask students to create the proper context for their case by providing a brief description of the industry in which the narrative took place. For example, "a small manufacturing plant (160 employees) of high-end electronic equipment; union employees; with sales of \$120 million per year; company disguised/not disguised."

The situation. Tell the story. Students should describe the events, people and significant activities that occurred. Caution them that they should only tell the story up to the key decision point. They should not tell what the decision maker decided or what happened in the case narrative. For a successful case, the reader must be left "hanging" so the class will be judicious with its analysis when the case is presented to them in class. This makes for a well-focused and energetic discussion that creates keen interest.

Good practices. Case narratives are strongest when students maintain objectivity, confidentiality (as requested by the interviewee) and realism.

Objectivity. It is important for students to maintain an objective, respectful viewpoint when they describe the key players. Sometimes students misstep and say a person in the case is stupid, mean, or nasty. It is important that the person's behavior is described and shown through his/her own words and actions.

Confidentiality. As mentioned supra, students may disguise the case by changing people's names or other identifying information. They may choose to describe the company in generic terms (e.g., the company produces high-end electronic equipment), or make up a

name, such as Internet Computer Company. If real names are used then a Consent Form needs to be signed by the decision maker and/or a representative of the company. (See Appendix E for a sample.) The better cases use names that are congruent with the people from the country studied, e.g. Asian names for Asian cases.

Realism. It is important for students to be truthful and resist the temptation to make up people or events. All facts must be real.

Methods summary. Students briefly describe how they went about identifying the decision maker and developing their questions. This is augmented by a list of the sources and references from which they received information for the case (e.g., company documents, outside sources such as consulates, journal articles, etc.)

Epilogue. Class discussions predictably end with the question: What happened in real life? A brief paragraph that states what actually happened after the critical incident is essential for the integrity of the case.

Reflection. We agree with David Kolb (1983) that personal reflection is an important step in learning. We like to ask that the epilogue be followed by a paragraph from each team member summarizing what he/she individually learned about organizational behavior from the character(s) in this case, as well as from writing the case as a member of a small group. We do not include this in the formal page count.

We have found that due to the length of the case (about 16 pages), it is helpful for the instructor to differentiate between the Case Narrative and Case Analysis by requiring students to write them in two unique formats for easy identification; one is double spaced and the other single. Table 1 summarizes the Case Narrative above and introduces the Case Analysis below.

**Table 1. Comparison Chart - Assignment Parameters
Case Narrative vs. Case Analysis**

Note: The points are the weighting we use for each section of the assignment, but instructors may wish to weight each part of the assignment differently.

Case Narrative—15 points	Case Analysis—15 points
<p><u>Format</u> (3 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Double spaced with page numbers <input type="checkbox"/> Written in the past tense, with subheadings <input type="checkbox"/> 4-8 pages long <input type="checkbox"/> Written in 3rd person, from the non-American, non-English speaking person's point of view who is doing business with an American. <input type="checkbox"/> It is truthful (no facts are made up) <input type="checkbox"/> Names may be changed, but should represent names typical of the country <p><u>Title page</u></p> <ul style="list-style-type: none"> -Descriptive title -Learning Team Names -Country name <p><u>Story Content</u> (7 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Someone is faced with an important decision; leaves the reader "hanging," wondering what to do and not knowing what decision was made <input type="checkbox"/> The class has enough cultural info and case facts that they can discuss what "should" be done <input type="checkbox"/> It is interesting to read <p><u>Addendum</u> (5 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Epilogue—what happened? <input type="checkbox"/> Research methodology used to collect material <input type="checkbox"/> Industry—1 or 2 sentence description of the industry within which the case occurred <input type="checkbox"/> Country—a paragraph that summarizes key attributes/values of the case country <input type="checkbox"/> Reflection from each member's point of view of what s/he personally learned (e.g. about OB topics, culture, teams, etc.) from writing and analyzing the case. (This part is not included in your page count) <p>Total 15/_____</p>	<p><u>Format</u> (2 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Single spaced with page numbers; double space between paragraphs <input type="checkbox"/> Written in the past tense with subheadings <input type="checkbox"/> 4-8 pages long <input type="checkbox"/> Title page—same but add <ul style="list-style-type: none"> -Key topics addressed -Narrative Abstract—250-500 words that leaves the reader "hanging" about what happened. <p>1. Cultural Aspects (3 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Provide background on relevant issues and dynamics to aid in understanding the case situation, e.g. bribery in Country X; topical comparison of U.S. vs. Country X values or attributes; cultural dimensions, etc. (Not an exhaustive explanation of the culture) <p>2. Analysis (4 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Present the critical points of the case and provide theories and information that will add a level of intellectual analysis <input type="checkbox"/> Write succinctly and present a reasoned discussion of the facts and important cultural interpretation <input type="checkbox"/> Tell why the behavior occurred <input type="checkbox"/> Tell the actual decision that was made <ul style="list-style-type: none"> -include rationale for why the decision was selected -present pros and cons of various options and likely consequences <p>3. Q and A (2 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> 3 Questions with answers for each of the two topics, for a total of 6 Q & A altogether <p>4. References</p> <ul style="list-style-type: none"> <input type="checkbox"/> Complete citations <p>5. Evaluate the theories (4 points)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tell which of class assigned readings are applicable to the case and which are not. Explain and provide rationale. <p>Total 15/_____</p>

Part 2: Analyzing the Case

Guidelines

- Single spaced (to readily identify it from the case narrative which is double spaced)
- Length: 4-8 double-spaced pages
- Written in the past tense
- Written in third person (she/he, not I/we/you)
- Proper grammar and editing—include subheadings
- *First page.* Should include, along with team member names:
 - Key topics.* (The two topics as well as any additional topics that will be covered, e.g., communications, conflict management, ethics, etc.)
 - Country name.*
 - Abstract.* A 250 to 500 word abstract of the case narrative to help the reader remember the case when examining the analysis.

Case analysis

Section 1 – cultural background. This section provides background information about the issues and dynamics that aids understanding the cultural context where the critical incident occurred. A chart that compares and contrasts the interviewee’s country with American culture is required to clarify for the student authors the primary similarities and differences between the two cultures. Emphasis is placed on only relevant cultural issues related to the case. For example, Hofstede’s (1983) descriptions can be used to show how power distance in management is viewed in Mexico versus Canada.

Section 2 – the analysis. The analysis needs to be based on principles of management and organizational behavior theory found in assigned textbooks, related readings, topic research and discussions in class. The writing needs to be succinct and lead the reader through a well-reasoned discussion of the case. It should answer the questions of *why* the behavior occurred and it should include an array of possible decisions (including a rationale for the decision and a discussion of likely consequences, both pro and con).

Section 3 – the decision. An array of alternatives that can solve the problem(s) need to be identified along with pros and cons of each alternative. Determining a measureable decision criteria aligned with the case is important. An implementation plan that puts the decision into action, and addresses the worst case scenario are significant portions of the critical thinking required in this exercise.

Part 3: Discussion Leadership in the Classroom

This portion of the assignment requires student teams to lead a discussion in the classroom about the case they wrote. Teams distribute the case narrative to the class about one week in advance so students have an opportunity to read and reflect on key aspects before coming to class. This in-class activity creates a rich experience as students become increasingly focused and energetic as the discussion is fueled by what might happen, what options should be considered and what the decision maker should do. Below is an overview of the agenda which guides the discussion.

Discussion leadership overview

Time required - about 60 minutes

Handouts.

1. Case narrative
2. Cultural support documents (e.g. Hofstede's cultural dimensions, an interesting article on business customs in selected country, etc.)

Student learning outcomes. Upon completion of the assignment, students will be able to:

- describe the cultural characteristics of at least one non-English speaking country.
(Comprehension Level)

- interpret organizational behavior concepts and apply these topics to a global setting. (Application Level)
- compare American cultural traits and values to another country. (Analysis Level)
- assess leadership and membership behaviors in teams. (Evaluation Level)

Suggested class agenda and schedule.

- Introduce the case (10 minutes)
- Ask questions of the class to help them extract the important organizational behavior topics highlighted in the Critical Incident case. (20 minutes)
- Class generates solution options for your decision maker in the case and selects one, providing rationale. (20 minutes)
- Share the epilogue, and close with a personal statement from each team member about what was learned about OB. (10 minutes)

Conclusion

We have found this assignment to have a positive effect on student learning. Students learn about Organizational Behavior topics as well as cross-cultural issues – both of which are important for conducting business in the global marketplace. The assignment provides a direct link between “text book learning” and real world experiences through the interviews and data collection experience, and stretches students to move beyond stereotypical comfort zones by reaching out to a diverse set of people from a variety of cultures. The assignment also upgrades critical thinking skills through the case analysis and discussions in class. It provides a laboratory for learning about team functioning and team effectiveness, and develops facilitation skills when students lead the class through an analysis of their International Critical Incident case.



Teri C. Tompkins has consulted and conducted research in numerous organizations, and brings a unique perspective to her faculty duties, having managed diverse functions such as marketing, human resources, strategy, and operations in the corporate, small business, and not-for-profit markets. She is regularly invited to organizations as a keynote speaker or as an executive coach facilitating individual and organizational learning. As professor at Pepperdine University's Graziadio School of Business and Management, she teaches in the Executive MBA and fully-employed MBA programs. In research, she searches for new applications of behavioral science for innovative performance in leadership, teambuilding and organizations in the workplace. She is the author of two casebooks and the accompanying instructor's manuals published through Prentice Hall. She has served twice as the president of Western Casewriters Association.



Miriam Lacey is an authority on organization behavior and development, Dr. Lacey has been at the forefront of integrating behavioral science with principles of total quality management. She works with Fortune 500 companies such as Exxon, Boeing, Weyerhaeuser, Allergan, and Microsoft on the implementation of large-scale change for greater quality, productivity, and employee commitment. She has worked in human resources management and organization development in over 20 countries. Dr. Lacey has served on the boards of several manufacturing and sales companies in Europe and Asia, and as a senior examiner for the Malcolm Baldrige National Quality Award. She teaches exclusively in Executive Programs at Pepperdine University. Known for her wisdom regarding excellence in leadership, employee motivation and change management, she maintains a vibrant executive coaching practice.

Appendix A. Student Materials and Instructions

To the Students:

Purpose

This assignment focuses upon developing your perspective of cross cultural issues that arise during business interactions. You will have the opportunity to practice both your leadership and membership skills within a team. The International Critical Incident Case Assignment provides you with an opportunity to learn how people perceive data, form assumptions, and make decisions about with whom they wish to engage in business, based on their experiences and how they make sense of them within their own cultural contexts. It will broaden your view about doing business with people from other countries.

Learning Outcomes

You can expect to:

1. describe the cultural characteristics of at least one non-English speaking country;
2. interpret organizational behavior concepts and apply these topics to a global setting;
3. compare American cultural traits and values to another country;
4. assess leadership and membership behaviors in teams.

Overview

Your team will write a case about an International Critical Incident and lead the class through an analysis of the organizational behavior issues embedded within the case.

Advances in mass communication and transit have allowed organizations to expand into the world market, frequently by forming alliances and joint ventures, sometimes with customers and suppliers, other times in cooperation with companies that in the past may have been viewed as competition. The success or failure of these endeavors repeatedly rests on *issues of mutual trust and mutual understanding*. Writing the case will help underscore the necessity of establishing trust and understanding across cultures.

Each team will provide the class with a significant learning experience based on the case it writes regarding an International Critical Incident. This exploration culminates in your small group providing a learning experience called a Discussion Leadership Activity. This experience will ideally leave the class with a powerful view of the salient issues likely to surface while conducting business in this non-English speaking country.

Your team will want to dig below the surface of events and get to the core values and assumptions behind the behavior. Use your creativity to design an interactive, participative experience that will assist your classmates in sharing your understanding of the case issues. Concentrate on the *culture*, its values and imbedded assumptions that guide behavior for its subscribers. Include a brief (one or two paragraphs) historical-social-economic-religious summary to provide a context to enrich our understanding.

Identify the significant differences in cultural values and underlying assumptions between the U.S. and your case country. Certainly draw from the assigned readings in organizational behavior and cross cultural communication. For a deeper understanding you may wish to consult Hofstede (1983), Gannon (2001), Trompenaars (1998), consulates, trade organizations, U.S. government sources, etc. Feel free to add to the above as your research evolves. In addition to your readings, consider contacting companies directly that conduct business in the case country for valuable, real time interview data.

Project Outline

This project has three parts which are described in detail in the next sections.

Part 1 -- writing the international case narrative.

- A. How to identify a Critical Incident for the case
- B. Criteria for Selection
- C. Collecting the data
- D. Preparing your questions and arranging the interview
- E. Conducting the interview
- F. Composing the Case Narrative
 1. Guidelines
 2. Industry
 3. The situation: Tell the story
 4. Methods Summary
 5. Reflections

Part 2 -- analyzing the case.

- A. Guidelines
- B. Section 1 of the case analysis: Cultural Background
- C. Section 2 of the case analysis: Analysis
- D. Section 3 of the case analysis: Epilogue and Reflection

Part 3 – discussion leadership activity.

The three parts explained.

Procedures are described below on how to complete the assignment. Following these will maximize your chance to succeed in this assignment.

Part 1. Writing the International Case Narrative

A. How to Identify a Critical Incident

1. Identify your contacts – who do you know that works in or has relatives/friends in another country?
2. Arrange an exploratory interview.
3. Explore potential critical incidents with contact(s) – and select several that might work

- a. Identify a decision, challenge, opportunity, problem or issue faced by a person (or persons) in an organization that *created strong emotions*. Potential Contexts and respective sample topics include:
 - Individual (career, ethics, self-concept)
 - Interpersonal – two or three people (conflict, communications)
 - Group or team situation (motivation, goals, process, decision making)
 - Between groups/ business units (coordination, shared resources)
 - b. The best cases are ones that have a storyline with a beginning (something changed), middle (a time of wondering what to do because of the change), and an end (the decision was made – whether good, bad, or neutral).
 - c. In organizational behavior, the best cases have a strong emotional component for the decision maker. Examples: anxiety, anger, fear, hurt, hope, confusion, excitement, joy, satisfaction, wonder.
4. Is the contact willing to be interviewed and share his/her story for the purposes of classroom learning? You can change names of the people and the company. If real names are used, then you will need to obtain a signed release (see Appendix E for a sample form).
 5. Review your notes of potential critical incidents and select the best case for your purpose/topic.

B. Criteria for Selection

1. The incident is indeed critical.
2. The incident occurred within the past five years.
3. The case can be written using the point of view of the foreign national person from the non-English speaking country.
4. The incident happened in a country that another team has not already chosen.
5. The incident focuses on a single decision that a foreign national person had to make.

C. Collecting the Data

1. Preparing your questions and arranging the interview.

- a. Prepare a foundation upon which to conduct your interview by researching the basics about the non-English speaking country: demographic, geopolitical, economic, common business practices, etc.
- b. Search the library data basis for information about the company for which your interviewee works. Know its size, number of employees, annual sales volume, product mix and market areas.
- c. Identify open ended questions to surface the chronology of events, key players and their roles, people's surprises, feelings, etc.

2. Conducting the interview.

- a. Interview the person face-to-face, via e-mail, fax, or telephone to gather the data about the case. Make sure to ask about background information.
- b. Ask your interviewee to think of the other key players. Ask him/her to step back and put himself or herself in this person's place and try to describe the

critical incident from the other person's point of view. If possible, interview other key players.

- c. Decide if you need to include any exhibits to help clarify the case, such as simplified organizational charts, a diagram of the office, or a copy of a letter or memo.
- d. Send a thank you note to your interviewee.

D. Composing the Case Narrative

1. Guidelines.

- a) Length: 4-8 double-spaced pages,
- b) Written in the past tense.
- c) Written in third person (she/he, not I/we/you), from the foreign national person's point of view.
- d) Proper grammar and editing.
- e) Subheadings help organize the case. Each case is unique. Select and name subheadings based on natural divisions in the case. Include at least four subheadings.

2. **Industry.** A brief one- or two-sentence description of the industry in which the narrative took place. For example, "small manufacturing plant (160 employees) of high-end electronic equipment; union employees; with sales of \$120 million per year; company disguised/not disguised."

3. **The situation: Write the story.** Describe the events, people and significant activities that occurred. Tell the story up to the key decision point. *Do not tell us what the decision maker decided or did.* Leave the case "hanging," so the class will be judicious with its analysis when you are talking to them about your case.

Objectivity. Use an objective viewpoint to describe the key players. In other words, do not say the other person is stupid, mean, or nasty, but show the person through his/her own words and actions.

Confidentiality. You may disguise the case by changing people's names or other identifying information, but you will need to disclose how you changed the case in your methodology section, (e.g., the company name was change from X to Y). You may choose to describe the company in generic terms (e.g., the company produces high-end electronic equipment). You can make up a name, such as Internet Computer Company, or you can use real names of people and the company. The names should be consistent with the names from people in that country. For example, do not substitute European names for Chinese names; you can pick Chinese names that are more easily read by your classmates.

Realism. Be truthful; don't make up people or events. You may not change the country in which it occurs. You may not make up any facts—all facts must be real.

4. **Methods Summary.** List the sources from which you received information for the case (who you interviewed, company documents, outside sources such as consulates, etc. Be sure to use complete citations for journal articles).
5. **Epilogue.** Create a paragraph that states what actually happened after the critical incident. There must be enough information in the case so that the epilogue makes sense. For example, if the decision maker solves the problem by contacting a key support person or organization, then somewhere in the case weave in the background about that option (without making it obvious it is the likely solution).
6. **Reflection.** Each person on your team should describe in one paragraph what he/she individually learned about organizational behavior from the character(s) in this case, and from writing the case as a member of your small group. This reflection is not included in the page count.

Note: The entire case is usually about 16 pages long. In order for your classmates to easily differentiate between the Case Narrative and Case Analysis, be sure to use two easy to identify formats unique to each. The Case Narrative is written double spaced and the Case Analysis is single spaced.

Part 2. Analyzing the Case

Guidelines:

- a) Single spaced (to readily identify it from the case narrative which is double spaced)
- b) Length: 4-8 pages
- c) Written in the past tense
- d) Written in third person (she/he, not I/we/you)
- e) Proper grammar and editing—include subheadings
- f) First page should include, along with your team member names:

Key topics. Identify the two topics you will focus on, and any additional topics you plan to cover. For example: communications; conflict management; ethics.

Country name.

Abstract: A 250 to 500 word abstract of your case narrative to help the reader remember the case when examining the analysis. Be sure to leave out the decision maker's solution.

Note: The analysis has three sections which are explained below.

Section 1 of Case Analysis -- Cultural Background.

Use this section to provide background information about the issues and dynamics that would aid understanding the cultural context where the critical incident occurred. Importantly, provide a chart that compares and contrasts your interviewee's country with American culture. Do not give a complete description of the culture – only relevant cultural issues related to the

case. For example, use Hofstede's dimensions such as power distance to show how management is viewed in Mexico versus Canada. It can be helpful to give some political or social background on the country, e.g., political unrest or developing country with little resources, which limits the alternatives.

Section 2 of Case Analysis -- The Analysis.

Base your analysis on principles of management and organizational behavior theory from your assigned textbooks and related readings, as well as your team's topic research and discussions in class. Focus on the critical points of the case that apply to the major topics you are analyzing. Write succinctly and lead the reader through a well-reasoned recounting of the case. It should answer the questions of *why* the behavior occurred and it should include an array of possible decisions (including a rationale for the decision and a discussion of likely consequences both pro and con).

Section 3 of Case Analysis -- The Decision.

Identify alternatives that can solve the problem(s) and present your reasoning about the pros and cons of each alternative. Evaluate alternatives against measurable decision criteria that are appropriate for the case. Devise an implementation plan that puts your decision into action and addresses the worst case scenario.

Part 3. Discussion Leadership of the International Case

Your team should provide a learning experience for the entire class by leading a discussion of your International Critical Incident. Here are guidelines and suggestions for conducting this session which have been used to good effect in the past. If creatively you have ideas you believe will provide a stronger experience for the class, please feel free to use them.

Time required. (About 60 minutes)

Pre-reading for the class. Send out the Case Narrative one week before your scheduled time with the class.

Handouts in class.

1. Case narrative abstract
2. Cultural support documents (e.g. Hofstede's cultural dimensions, your cultural comparative chart on your country and the USA, interesting article on business customs in your country, etc.)

Student learning outcomes

Upon completion of the assignment, you can expect to:

1. describe the cultural characteristics of at least one non-English speaking country.
2. interpret organizational behavior concepts and apply these topics to a global setting.
3. compare American cultural traits and values to another country.
4. assess leadership and membership behaviors in teams.

Suggested class agenda and schedule

- Introduce the case (10 minutes)
- Ask questions of the class to help extract the important organizational behavior topics highlighted in the Critical Incident case. (20 minutes)
- Class generates solution options for your decision maker in the case and selects one, providing a rationale. (20 minutes).
- Share the epilogue, and close with a personal statement from each team member about what s/he personally learned (e.g. about OB topics, culture, teams, etc.) from writing and analyzing the case. (10 minutes)

Appendix B. Case Narrative Grading Rubric

CRITICAL INCIDENT CASE WRITING		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ There are several viable alternatives for the decision maker</p> <p>___ ALL facts and background material are meaningful for the analysis of the case</p> <p>___ Readers identify with the decision maker – they can empathize with the emotion s/he is feeling</p>	<p>___ There is a clear decision maker</p> <p>___ The decision maker is faced with a meaningful decision</p> <p>___ Background information sufficiently supports the case</p> <p>___ There is an emotional component to the case</p>	<p>___ It is unclear who the decision maker is in the case</p> <p>___ The decision lacks focus or importance</p> <p>___ There is insufficient background information</p> <p>___ The case facts are not sufficient for students to make a decision or understand why or how the real decision maker made the decision s/he did in the epilogue</p> <p>___ The background information overwhelms the story with minutiae</p>
COMMENTS		
ORGANIZATION AND CLARITY		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ The story flows easily</p> <p>___ Grammar and editing are flawless</p> <p>___ The story is compelling</p>	<p>___ The story is occasionally confusing</p> <p>___ Grammar meets college level expectations</p> <p>___ The facts are woven into the story</p>	<p>___ The story is often confusing</p> <p>___ Numerous grammar and editing problems</p> <p>___ Facts are organized in categories (e.g., all key players in one subheading) rather than introduced in the storyline</p>
COMMENTS		
REQUIRED ELEMENTS		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ All required elements are present and add value to the case because of clarity and preparation.</p> <p>___ Reflections show meaningful changes in perspective or behavior</p>	<p>___ All required elements are present</p> <p>___ Formatting follows specifications</p> <p>___ Characters are described with behaviors and quotes</p> <p>___ Reflection demonstrated self- and team-awareness</p> <p>___ Written in past tense with one exception</p> <p>___ Written in third person</p>	<p>___ Some required elements are missing</p> <p>___ Formatting does not follow all specifications</p> <p>___ Characters are described pejoratively without sufficient facts to support the inference</p> <p>___ Reflection was missing or poorly developed</p> <p>___ Not written in past tense, or partially written in past tense with several or more exceptions</p> <p>___ Not written in third person</p>
COMMENTS		

Appendix C. Case Analysis Grading Rubric

CULTURAL BACKGROUND		
Exceeds Expectations	Meets Expectations	Below Expectations
___ All elements were addressed with clarity, precision, and insightfulness ___ Cultural background material was relevant and useful in the analysis.	___ All required elements were addressed ___ Comparison chart is presented ___ Background material is relevant ___ Some additional material such as economics or history is included	___ One or more required elements were missing ___ Comparison chart was missing or poorly constructed ___ Additional background material loosely linked or not at all linked to the case issues
COMMENTS		
THE ANALYSIS		
Exceeds Expectations	Meets Expectations	Below Expectations
___ All elements were addressed with clarity, precision, and insightfulness ___ The Analysis was insightfully made, linking examples and inferences succinctly	___ All required elements were addressed ___ Issues; identified potential causes ___ Reasonably explained why the behavior occurred in most circumstances	___ One or more required elements were missing ___ Symptoms were primarily identified rather than the issues ___ Analysis was poorly argued or supported
COMMENTS		
THE DECISION		
Exceeds Expectations	Meets Expectations	Below Expectations
___ All elements were addressed with clarity, precision, and insightfulness ___ Decision was exceptionally justified and supported. ___ All alternatives were well argued and were creative or appropriate solutions to the problem ___ A strong contingency plan to mitigate or avoid "worst case" scenario was presented	___ All required elements were addressed ___ Alternatives identified pros and cons ___ Decision criteria were measurable and appropriate, and justified ___ Implementation plan reasonably addressed the worst case scenario	___ One or more required elements were missing ___ Alternatives were not clear and/or pros and cons weren't explored well ___ Decision criteria were not clear – just a noun with no ability to measure direction ___ Implementation plan was poorly thought through and lacked a plan for dealing with worst case scenario
COMMENTS		
CLARITY AND STRUCTURE		
Exceeds Expectations	Meets Expectations	Below Expectations
___ Well written, a pleasure to read ___ Well argued, each idea supported with conceptual material and examples	___ Grammar and writing at college level ___ Accurate formatting and editing ___ Effectively links facts and inferences	___ Grammar and writing below college level ___ Some formatting inaccurate or poorly edited ___ Illogical arguments: facts & inferences not well linked
COMMENTS		

Appendix D. Leading the Class Discussion Grading Rubric

STUDENT PREPARATION AND MATERIALS FOR USE IN CLASS		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ The class is given copies of the Case Narrative without an Epilogue that is succinct and easy to read</p> <p>___ Support documents are dense and succinct; they provide deeper understanding of cultural attributes</p> <p>___ The comparison chart of foreign country and American attributes shows areas of probable comfort and conflict with examples</p>	<p>___ The class is given copies of the Case Narrative without an Epilogue</p> <p>___ Support documents are current, attractive and provided in summary form</p> <p>___ There is a comparison chart that shows the do's and don'ts of the two cultures.</p> <p>___ Students are sent an interesting article on doing business in your chosen country</p>	<p>___ The class is given copies of the Case Narrative that contains the Epilogue</p> <p>___ Minimal support documentation is provided. There is little evidence that outside sources were researched</p> <p>___ The cultural comparison chart is inaccurate and/or probable areas of comfort and conflict are not shown</p> <p>___ Information, such as an article on doing business in the foreign country is outdated and/or difficult to understand</p>
COMMENTS		
LEADING THE DISCUSSION		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ The basics of the case were brought out so that the class was engaged and enthusiastic to learn more</p> <p>___ The class analyzed the case and applied the learnings to themselves</p> <p>___ Class members recognized the issues that would arise for them if they were to do business in this country and thought of ways to ameliorate poor effects</p> <p>___ Numerous direct links were made to assigned readings and earlier class discussions; outside research added value</p>	<p>___ The basics of the case were brought out so that the class understood the situation</p> <p>___ You prompted the class to analyze the case and discover the important OB topics</p> <p>___ Class understanding of global issues in management and organization behavior was increased—particularly those of their home country vs. the foreign country</p> <p>___ 4 or 5 direct links were made to assigned readings, earlier class discussions, and outside research</p>	<p>___ The class became confused about the story and/or the players</p> <p>___ Important OB topic/s were overlooked during the class analysis</p> <p>___ 3 or fewer direct links were made to assigned readings and earlier class discussions.</p> <p>___ Students lost interest during the discussion</p> <p>___ Students understood the basic cultural attributes of the foreign country but did not apply them diligently to themselves and/or their own understanding of global cross cultural issues</p> <p>___ Outside research was minimal and links to the important OB issues were unclear</p>
COMMENTS		
REQUIRED ELEMENTS AND DISCUSSION MANAGEMENT SKILLS		
Exceeds Expectations	Meets Expectations	Below Expectations
<p>___ Time used was valued added</p> <p>___ Transitions among portions of your session were smooth with obvious linkage</p> <p>___ Team members demonstrated facility, spontaneity and enthusiasm with the material, rarely using notes</p> <p>___ Class participation was designed into the session so that students were engaged and curious, asking cogent, meaningful questions</p>	<p>___ Time was managed within guidelines</p> <p>___ Session design worked well and flowed</p> <p>___ The presentation, discussion and participation was shared equally among your team's members</p> <p>___ Your team members demonstrated good facility with the material using minimal notes</p> <p>___ Class participation was designed into the session so that students were engaged and curious</p>	<p>___ Your session ran overtime or stopped under time when more was needed</p> <p>___ Session design was disjointed</p> <p>___ One or more of your team members had less "up front time," and less substantive material to be in charge of than other team members</p> <p>___ One of more of your team members routinely read from notes</p> <p>___ Class participation was disorganized; class members strayed from the topic, lost interest, talked among themselves about other topics, or were off task, etc.</p>
COMMENTS		

Appendix E. Publication Release Form

Case Study: _____
(Insert name of company in space above)

Permission is granted to (insert your name) to include the material in the (insert company name) case for publication and dissemination on a worldwide basis. The case is to be used solely as a basis for class discussion rather than as an example of effective or ineffective handling of an administrative decision.

Your name

Authorizing signature

Title

Date

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BIOPHARMA: MANAGING SHIFT SCHEDULES EXERCISE

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MAUREEN LOJO

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Scott Irving, the Manufacturing Manager for BioPharma's main pharmaceutical production facility, looked in on the Wednesday afternoon meeting between shift changes. The day shift ended at 4 p.m. and the swing shift began at 2 p.m., which enabled the two shifts to meet during the overlapping period. Wednesday meetings were not only important for managing the handover between the day and swing shifts, but also for managing the handover between work weeks. On Wednesday afternoon, two crews finished their work weeks and two other crews started their work weeks. The BioPharma plant had a total of six crews working 4 ten-hour days per week. Scott understood the challenges of working long shifts, having moved up from a production job himself.

The atmosphere of the handover meetings varied depending on whether the crews were addressing critical problems, reviewing processes and procedures, or simply socializing because everything had gone smoothly throughout the work week. Regardless of the type of meetings, Wednesday afternoons could be chaotic simply because twice as many people were on duty. The overlap between the shifts on Wednesdays was originally planned for maintenance, training, and special projects. Due to increasing process automation, there was not much for technicians to do during the actual production runs.

The authors developed the exercise for class discussion rather than to illustrate either effective or ineffective handling of the situation. The exercise and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by Martha Wilson and Maureen Lojo. Contact: Martha Wilson, College of Business Administration, California State University, Sacramento, Sacramento, CA, 95819-6088, Tel. (916) 208-3453, email mcwilson@csus.edu.

Scott thought about the various challenges that faced BioPharma. The patent on one of its best-selling therapeutic drugs had recently expired, opening up competition from other manufacturers. That was not unexpected, but some legacy products had also been facing stiff price competition from generics manufactured in India. Furthermore, some of the company's new products had been slower than anticipated in getting through the challenges of clinical trials. BioPharma needed to gain approval by the Food and Drug Administration of these new products before ramping up to full production.

Amidst the current national debate on healthcare and new public policies aimed at controlling costs, the future of the plant was less rosy than everyone had assumed. BioPharma had been expecting high demand and ample profit margins. Although the company had never needed to be focused on production costs, Scott wondered if change was inevitable. Operational priorities were to maximize the yields on batches and to avoid scrapping batches due to contamination. The company had just ramped up its new production facility with twice the batch size of the original plant which (was still in operation next door).

When Scott returned to his office at the end of the day, he pondered the challenges facing the company. He recalled the Wednesday handover meeting, and wondered if it remained essential for operational efficiency and effectiveness. When the facility had first started two years ago, the meetings were necessary and very valuable. But now, after all the "bugs" had been worked out of the system and much of it was automated, he wondered if these meetings were needed. Perhaps they had served their intended purpose during the start-up phase of operations and could now be discontinued. Could he take steps to reduce the cost of labor and thereby improve the plant's efficiency, or was he looking to fix a problem that didn't exist?

BioPharma's Production Process

BioPharma, a biotechnology firm that produced therapeutic drugs for various diseases including breast cancer, asthma, and non-Hodgkin's lymphoma, opened a manufacturing facility in 1998. In the production process, cells were cultured over a period of several days and then extracted to create the final product. There were three major steps in the process, each performed by a different group. First, Cell Selection selected the initial cells for starting production batches. Next, Cell Growth took those cells and gradually increased the volume over the course of several days. Finally, Cell Separation separated the cell culture solution from the final product.

The production process was supported by three other functions: Quality, Facilities, and Manufacturing Services. The Quality group performed continuous checks during production, testing the total organic carbon in the product as it moved through the culturing process. Facilities was the largest group. It maintained the manufacturing and testing equipment, and ran the utilities operations, using pumps, stills and boilers to inject distilled water for cell growth, storage, and cleaning. Manufacturing Services cleaned all the hoses, clamps, etc. that were used in the production process. Of course, sterile equipment and environments were critical for a successful production process. The "kitting" team within Manufacturing Services also supported the production process. Before a production run, the various components needed to start a batch were weighed, dispensed, and placed on pallets. Kits varied considerably for different products. Some required only a few ingredients; others required many items and took time to compile. The kitting team worked standard eight-hour shifts Monday through Friday, but it prepared kits for all of the production shifts. The basic organization is shown in Exhibit 1.

BioPharma's production process was highly automated and controlled by computers, but technicians initialized batches and monitored the individual production steps. At least three technicians were scheduled per shift in each of the production groups to cover for vacations and sick days. The plant would likely lose output if only one operator were present because one

person could not complete all the necessary tasks when a problem arose. All the various production systems were linked, so if one system went down, they could all fail in a domino effect. It took about ten hours to clear out and sterilize all production steps when the entire system needed to be restarted, and the cost of scrapped production was significant. Thus, the company preferred to keep more technicians on hand than strictly necessary to avoid such problems. There were a total of eleven technicians and two supervisors per shift in the production area. The average hourly wage was \$28 for technicians and \$38 for supervisors.

Exhibit 1. Production Process and Work Groups

1. Cell Selection	2. Cell Growth	3. Cell Separation
Quality		
Facilities		
Manufacturing Services		

Shift Schedule

When BioPharma opened the original production facility, it developed a schedule for its employees that provided overlap between shifts to ensure that important information was passed from one crew to the next. Sharing of information was crucial in the start-up phase, and management wanted to create a sense of community among the workers that would facilitate cooperation between crews. Scott Irving explained:

The current shift structure was developed by a team with representatives from the different manufacturing departments to research and propose solutions to the eventual need for round-the-clock staffing, specifically in Cell Selection and Cell Separation. Several shift structures were researched and weighed against the business needs of the organization at that time. We wanted to make sure to create and maintain a safe work environment, achieve the target success rates for operations, comply with state and federal regulations, and operate most efficiently.

The production facility operated 24 hours per day, seven days per week and the workload was generally constant across all shifts. The original shift schedule, developed in 1998, was referred to as a “6-crew offset 4 x 10” schedule (see Exhibit 2). There were six crews that each worked four consecutive days for ten hours each. There were two hours of overlap between each shift plus a full day of overlap between crews once per week. Two crews started the work week on Sundays, one at 6 a.m. and the other at 2 p.m.; two crews started on Wednesdays, also at 6 a.m. and 2 p.m.; one crew started on Saturdays at 10 p.m.; and one crew started on Tuesdays at 10 p.m.

Exhibit 2. Current 6-Crew Offset 4 x 10 Shift Schedule

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Crew 1	6am-4pm	6am-4pm	6am-4pm	6am-4pm			
Crew 2				6am-4pm	6am-4pm	6am-4pm	6am-4pm
Crew 3	2pm-12am	2pm-12am	2pm-12am	2pm-12am			
Crew 4				2pm-12am	2pm-12am	2pm-12am	2pm-12am
Crew 5	10pm-8am	10pm-8am	10pm-8am				10pm-8am
Crew 6			10pm-8am	10pm-8am	10pm-8am	10pm-8am	

Employees were paid 50% overtime for hours beyond the standard eight-hour work day, as required by federal and state laws. In addition to overtime pay, employees received “shift differentials” of 11% for swing shifts and 16% for grave shifts. From an employee perspective, one of the key advantages of the schedule was that it allowed for three days off in every week. Compared to a standard eight-hour day, five-day work week, it provided more days off per year. BioPharma found that the longer shifts did not adversely affect safety or performance and employees appreciated fewer commuting days.

All new manufacturing employees at BioPharma attended a four-hour seminar called “Coping with Shift Work” within their first few weeks at the company. This training covered the health and social aspects of shift work, and offered some pointers on how to adapt to non-traditional work schedules. The seminar offered strategies for maintaining a healthy lifestyle and routine interactions with family while working atypical shift patterns. This seminar was the only one given and no follow-up training was provided.

Some employees preferred swing and graveyard shifts because they were full-time college students and could attend classes during the normal work day. They were hired to work as probationary “interns” while they finished their technical degrees, providing the company a valuable source of labor along with the opportunity to screen these employees through on-the-job training.

Employee satisfaction was important to BioPharma. Historically, the company promoted a positive work culture and enjoyed high profit margins. When the VP of Strategic Planning was asked about the high levels of inventory that were carried, she responded, *“We don’t really worry about the cost of carrying inventory, or if we are carrying too much inventory. Our margins are so high that we don’t need to be concerned about it. We want to make sure we always have ample supply of products for our customers.”*

Despite the advantages of the current shift schedule for employees, Scott Irving could not ignore the drawbacks. The biggest problem was the amount of overlap between shifts, especially on Wednesdays. Also, because BioPharma’s manufacturing facility was no longer in start-up mode, Scott thought that perhaps the assumptions on which the original schedule was based were no longer valid:

It has been nearly ten years since the first organizational structure for manufacturing was researched and implemented. I think it’s time for a change, especially with the increased focus on costs and maximizing operational efficiencies. The site is currently undergoing an expansion, and senior leadership seems ready to revisit organizational structures and scheduling in manufacturing.

It has been nearly ten years since employee feedback was gathered on work schedules. Input from current employees is necessary to determine whether an alternative structure better matches their needs.

Survey of Employees

Scott Irving recalled hearing that the managers of BioPharma's San Francisco site, where products for clinical trials were produced, had tried various schedules in the past couple of years. He vividly remembered their horror stories of problems with repeated transitions between the various shift schedules that were tested.

Scott did some quick calculations to compare the labor costs using his plant's schedule with the one in use at the San Francisco facility, a "3 x 12, alternating Wednesdays" schedule. Employees worked three 12-hour days one week and four 12-hour days the next week, with every other Wednesday off. He computed annual labor cost savings of over \$2 million with this alternative schedule. This finding inspired him to explore more alternatives. Scott knew that he would have to obtain "buy-in" from the employees on any changes that were made. Somehow he needed to balance the business requirements with the employees' needs.

Scott decided to develop and send a survey to obtain the employees' input on alternative shift structures. In the survey, he presented four different shifts schedules to the employees for feedback. Scott's shift schedule alternatives are shown in Appendix 1 and summarized below. His survey questions are provided in Appendix 2.

Option 1: 6-Crew Offset 4 x 10

The current schedule had six crews each work 4 consecutive 10-hour days. Two crews started the work week on Sundays, one beginning at 6 a.m. and the other at 2 p.m.; two crews started on Wednesdays, also at 6 a.m. and 2 p.m.; one crew started on Saturdays at 10 p.m.; and one crew started on Tuesdays at 10 p.m.

Option 2: 3x12, Alternating Wednesdays

This schedule was used at the San Francisco plant. It had four crews work 12-hour shifts, alternating three and four work days per week with alternate Wednesdays off. This schedule had no overlap between shifts.

Option 3: 4x10 & 3x10 Hybrid

This variation of BioPharma's current schedule eliminated the overlap on Wednesdays by having half of the workers on each of the six crews put in three shifts per week instead of four, thereby reducing those workers' hours to a total of thirty per week. This schedule maintained the two hours of overlap between shifts.

Option 4: 4x10 Plus 3x13 Weekend Wrap

This alternative had three crews working four ten hour shifts Monday through Thursday, with two additional crews covering Friday through Sunday in three thirteen hour shifts. It had two hours of overlap on Monday through Thursday shifts and one hour of overlap on Friday through Sunday shifts.

Scott received 38 responses to his survey. He conducted some simple statistical analyses, summarizing the data and investigating correlations. The sample size was small, and he wondered how the survey could help him with his decision. Appendix 3 summarizes the responses for selected questions and Appendix 4 provides Scott's statistical analysis. Employees provided comments in the open-ended portion of the survey and a subset of these is shown below. A complete list of comments is shown in Appendix 5.

- *Overlap days make it possible for each shift to get time for project work and team assignments that they may not otherwise get on single-shift days with a busy schedule. They also foster a sense of camaraderie between shifts, which helps to nourish a familiarity within the department and company overall.*
- *It is important to be able to update the following shift on what has occurred, which state the process is in, and enough time to inform the following shift what to keep an eye out for.*

- *The overlap allows us to participate in other non-floor related opportunities. In many instances, these outside opportunities have been helpful in an individual's career growth.*
- *Overlap days are a waste of my time as well as the company time.*
- *To me overlap is not important. I know some people use it as a crutch so that they can get "off the floor work" complete. In my opinion, the "off the floor work" can be done opportunistically.*
- *I like the option of working only 30 hours per week. I don't like the idea of 12 hour days. All you would do is eat, sleep, work.*
- *Some shifts have the luxury of having both Saturday and Sunday off, some have one of the two days, and some have neither. Because of this, one shift becomes an "ideal" shift because of the hours and the days off. By design, most senior technicians will strive to move to that shift and junior technicians have to bear with the less than ideal shifts. Senior technicians are a valuable resource and it would be better to have at least two per shift. In addition, not having days off when the rest of your family has their days off tends to make it difficult to find work/life balance.*
- *Graves needs to be treated less like second-class citizens of the company. Keep the cafeteria open 24/7, make meeting times more accommodating for off shift workers so their sleep cycles aren't completely messed up.*
- *Please consider that working on a new shift may not be a decision made by the technician but rather a product of shift moves made by senior technicians and thus, junior technicians are forced to work on a new shift.*

Scott wondered if he could successfully change the shift structure to save money while maintaining the culture that made BioPharma's manufacturing group such a desirable place to work.



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Appendix 1. Alternative Shift Schedules

Option 1: Current Shift Schedule, 4x10

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Crew 1	6am-4pm	6am-4pm	6am-4pm	6am-4pm			
Crew 2				6am-4pm	6am-4pm	6am-4pm	6am-4pm
Crew 3	2pm-12am	2pm-12am	2pm-12am	2pm-12am			
Crew 4				2pm-12am	2pm-12am	2pm-12am	2pm-12am
Crew 5	10pm-8am	10pm-8am	10pm-8am				10pm-8am
Crew 6			10pm-8am	10pm-8am	10pm-8am	10pm-8am	

Option 2: 3x12 plus alternating Wednesdays

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Crew 1	7am-7pm	7am-7pm	7am-7pm				
Crew 2					7am-7pm	7am-7pm	7am-7pm
Crew 3	7pm-7am	7pm-7am	7pm-7am				
Crew 4					7pm-7am	7pm-7am	7pm-7am

Option 3: 3x10, 4x10 hybrid; half of each crew works 30 hour weeks (not on Wednesdays)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Crew 1	6am-4pm	6am-4pm	6am-4pm				
Crew 2					6am-4pm	6am-4pm	6am-4pm
Crew 3	2pm-12am	2pm-12am	2pm-12am				
Crew 4					2pm-12am	2pm-12am	2pm-12am
Crew 5	10pm-8am	10pm-8am					10pm-8am
Crew 6				10pm-8am	10pm-8am	10pm-8am	

Option 4: 4x10, 3x13 "weekend wrap"

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Crew 1		6am-4pm	6am-4pm	6am-4pm	6am-4pm		
Crew 2		2pm-12am	2pm-12am	2pm-12am	2pm-12am		
Crew 3		10pm-8am	10pm-8am	10pm-8am	10pm-8am		
Crew 4	7am-8pm					7am-8pm	7am-8pm
Crew 5	7pm-8am					7pm-8am	7pm-8am

Appendix 2. Survey Questions

1. How long have you been employed at BioPharma?

Less than 1 year

Between 1 and 3 years

Between 3 and 6 years

Between 6 and 10 year

2. What shift(s) within manufacturing have you worked on? (Choose all that apply.)

Tuesday-Friday Graves

Saturday-Tuesday Graves

Wednesday- Saturday Swings

Sunday-Wednesday Swings

Wednesday-Saturday Days

Sunday-Wednesday Days

Other _____

3a. Indicate the importance of each of the following factors when determining which shift to work.

	Not important at all	Not very important	Somewhat important	Very important
Compatibility with school schedule	1	2	3	4
Quality time with family	1	2	3	4
Shift pay/differentials	1	2	3	4
Shift leadership	1	2	3	4
Personal health	1	2	3	4
Which days you have off	1	2	3	4
Shift length	1	2	3	4

3b. Please enter any additional factors not listed above.

4. Rate your current level of satisfaction with the shift structure within manufacturing.

Not satisfied at all

Not very satisfied

Somewhat satisfied

Very satisfied

Briefly explain, noting any particular benefits/drawbacks to the current structure.

5a. Are there any schedules listed above that you would at least initially consider as potential replacements for our current shift structure and would like more information on? Check all that apply, and briefly describe why you chose them.

Option 2

Option 3

Option 4

No way, I like the current shift structure too much

5b. From your experience, would you recommend another shift structure that allows for 24/7 coverage that is not mentioned above? If so, please describe.

6. Would working a shift for 30-36 hours a week (3x10, 3x12) appeal to you?

Yes

No

7a. The current level of overlap between shifts (daily and on Wednesdays) is:

About right/time well spent Too much/could be lowered

7b. Other opinions? Please comment on how important/unimportant overlap is in your day to day work.

8. Do you have any other comments on shiftwork in Manufacturing?

Appendix 3. Summary of Responses for Selected Survey Questions

Question 3a.

Please rate the importance of the following factors in your decision to work a new shift	Not At All Important	Not Very Important	Somewhat Important	Very Important
Compatibility with school schedule/education	11	8	12	5
Quality time with family	2	0	5	29
Shift pay/differentials	1	7	20	8
Shift leadership (leads, supervisors, managers)	3	6	14	13
Personal health	3	4	11	18
Which days you have off	2	5	10	19
Shift length	5	9	17	5

n=38

Questions	Responses	Count
4. Rate your satisfaction with the current shift structure within Manufacturing	Somewhat satisfied	10
	Very satisfied	14
	Not very satisfied	6
	Not satisfied at all	1
5a. Are there any schedules that you would consider as replacements for our current shift structure? Check all that apply	No way. I like the current schedule	3
	Option 2	11
	Option 3	7
	Option 4	17
6. Would working a shift for 30-36 hours a week (3 x 10, 3 x 12) appeal to you?	No	11
	Yes	18
7. The current level of overlap between shifts (daily and on Wednesdays) is:	About right/time well spent	14
	Too much/could be lowered	15

n=38

Appendix 4. Statistical Analysis

6a. Average Importance Ratings for Factors in Question 3a

Factors in decision to work a new shift:	Average Importance Rating
Compatibility with school schedule/education	2.361
Quality time with family	3.694
Shift pay/differentials	2.972
Shift leadership (leads, supervisors, managers)	3.028
Personal health	3.222
Which days you have off	3.278
Shift length	2.611

n=38

6b. Significant correlations (p-values less than 0.10)

Factor 1	Factor 2	Correlation coefficient/p-value
Length of employment	Satisfaction with current schedule	0.375/0.041
Compatibility with school schedule	Shift pay/differentials	0.357/0.033
	Shift leadership	0.287/0.089
Quality time with family	Shift length	0.284/0.093
Shift pay/differentials	Shift leadership	0.414/0.012
	Personal health	0.616/0.000
	Which days you have off	0.309/0.067
Personal health	Which days you have off	0.384/0.021
	Shift length	0.399/0.016
Which days you have off	Shift length	0.689/0.000
Length of Employment	Option 4	0.322/0.048

n=38

Appendix 5. Survey Comments on Questions 7b and 8.

Question 7b.

1. 36 hour weeks would need to keep benefits. I get a lot accomplished during overlap time.
2. It is good to catch up with the other members but I think it results in some wasted time.
3. Everyone needs to help out on the floor before working on projects.
4. The overlap allows us to participate in other non-floor related opportunities. In many instances, these outside opportunities have been helpful in an individual's career growth.
5. Overlap days make it possible for each shift to get time for project work and team assignments that they may not otherwise get on single-shift days with a busy schedule. It also fosters a sense of camaraderie between shifts, which helps to nourish a familiarity within the department and company overall.
6. There are shifts that have a lot of overlap between shifts, such as the swing shift. With shifts that get less overlap, it's more difficult for technicians to pursue projects or work on reports, etc. Wednesdays are a great day to get to work with the other side of the week and is thus good for team-building. However, double coverage does not mean that twice the amount of work gets done. More often than not, there are either too many technicians on the floor or far too few. To get the best out of Wednesdays, maybe half of one shift and half of the other shift can work on the floor and the other shift can work on projects so that we have team-building and that people have time to take care of what needs to be done.
7. From a convenience standpoint, the current structure is great. A lot of "off the floor" work, such as debug, team project work, etc. can be done without having to worry about floor coverage. However, there is more downtime than necessary for some.
8. Actual overlap is smaller than it looks. Previous shift leaves as soon as on coming shift arrives on floor. Question 7 does not allow for "not enough actual overlap" response.
9. It is important to be able to update the following shift what has occurred, which state the process is in, and enough time to inform the following shift what to keep an eye out for.
10. To me overlap is not important. I know some people use it as a crutch so that they can get "off the floor work" complete. In my opinion the "off the floor work" can be done opportunistically.
11. Some time is required. I have worked with a 2.5 hour overlap and a 1.5 hour overlap. 1.5 is more than adequate.
12. Overlap only affects me when I need to work on a computer and I can't find a free one.
13. Overlap is important. It should include 30 intense minutes and that is all.
14. Overlap days are a waste of my time as well as the company time.
15. I like the option of working only 30 hours per week. I don't like the idea of 12 hour days. All you would do is eat, sleep, work.
16. Waste of time as many people take advantage of it and flee from work and hide.

17. Some overlap is great, but our current level is inefficient. With the current process team model, though, this works out very well because we let a lot of people leave early on Tuesday nights to attend these meetings. If we revise the shift structure, then the process team structure would have to be revisited.

Question 8.

1. I like the grave shift. Getting off at 0630 in the morning is much better (in my opinion) than getting off at 0830.
2. Graves needs to be treated less like second-class citizens of the company. Keep the cafeteria open 24/7, make meeting times more accommodating for off shift workers so their sleep cycles aren't completely messed up. The facility is 24 hours, even if every department isn't, and this should be taken into consideration. The 5% differential Graves makes in comparison to Swings is nowhere NEAR enough to compensate for the effect it has on your outside life. Better pay and better perks (cafeteria, etc.) will help people be content on the shift, give more back, and hopefully reduce turnover on the shift.
3. The current differential for graveyards is very inadequate. The 10% for swings is fine, but the step up to graves should be another 10% not 5%.
4. Working in and of itself on an off shift is not difficult because you eventually get used to the hours and you eventually adjust your lifestyle. Part of the reason why people don't work off-shifts is because of the lack of support. Some examples include not having supplies for a test or sanitized gaskets at 3 a.m., not having automation on site 24/7 and not having the cafeteria open among other things.
5. There should be at least one shift or side of the week that has both Saturday and Sunday off to match their family's schedule.
6. If we have a shorter shift structure would we still receive benefits?
7. Some shifts have the luxury of having both Saturday and Sunday off, some have one of the two days, and some have neither. Because of this, one shift becomes an "ideal" shift because of the hours and the days off. By design, most senior technicians will strive to move to that shift and junior technicians have to bear with the less than ideal shifts. Senior technicians are a valuable resource and it would be better to have at least two per shift. In addition, not having days off when the rest of your family has their days off tends to make it difficult to find work/life balance.
8. Please consider that working on a new shift may not be a decision made by the technician but rather a product of shift moves made by senior technicians and thus, junior technicians are forced to work on a new shift.

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