

SCM 652-01
STRATEGIC COSTS, PROCUREMENT, AND SUPPLY CHAIN FINANCE

SPRING 2022

PLACE AND TIME

There are no “face-to-face” class sessions as this is an on-line course. However, we will hold a Zoom session from 7:30 p.m. to 9:00 p.m. every Tuesday starting on January 10th. Please note that attendance at these sessions is not compulsory. However, attending these sessions will be beneficial for one and all. Also, attendance on the part of all the students will enable all of us to know each other better, thereby enhancing learning. These sessions will be recorded and posted on Canvas for students to view the recordings at their convenience.

FACULTY MEMBER

Karen Pentz: Email kcpentz@uncg.edu

Cell Phone Number:(336) 430-5249

APPOINTMENT TIME

You are encouraged to send an e-mail message to discuss any problems or suggestions you may have concerning the course, careers, issues related to supply chain management, or things in general. If you want to talk with the professor, please feel free to email or call.

BRIEF DESCRIPTION OF THE COURSE

Overview of strategic cost management and procurement in the supply chain; tactics in effective management of procurement; supply chain strategies and total cost of ownership; management of total supply chain costs.

WITHDRAWAL

The last date to withdraw and receive a "W" is March 4th, 2022 (Friday).

COURSE MATERIALS Text Book

Bryant, N. (2019). *Strategic Cost, Design, Procurement, and Contracts, Book Two SCM 652*.

Greensboro, NC: The University of North Carolina at Greensboro. ISBN 13-978-1-121-66446-3.

Students can purchase the textbook from the UNCG Bookstore in the Elliott University Center

Cases

Sathe, P. (2019). *Boeing's Strategic Initiative: Raw Material Supply Chain Risk Mitigation*. WDI Publishing Case W58C01. April 5, 2019.

Shih, W. (2020). *Fuyao Glass America: Sourcing Decision*. Harvard Business School Case 9-618- 007 Rev: March 16, 2020.

Esty, B. C., Mayfield, E. S., and Lane, D. (2017). *Supply Chain Finance at Proctor & Gamble*. Harvard Business School Case 9-216-039 Rev: May 3, 2017.

The course pack (containing the three cases) can be purchased for \$12.75 (that is, \$4.25 for each case) at <https://hbsp.harvard.edu/import/905468>

Simulation Software

The Cool Connection simulation software will be used in the last 6 weeks of the course. The students will be given instructions by the faculty member by February 18, 2022 in making the necessary arrangements to access the software. The cost of the access to the software is about \$68. This information will be updated once final pricing is received from Inchainge.

PRE-REQUISITE COURSES AND REQUIREMENTS

This course will use concepts from procurement, supply chain management, corporate finance and managerial accounting to analyze supply chain costs and supply chain strategies and make effective supply chain and procurement decisions. It is preferable that students have elementary knowledge of accounting and financial concepts (profit, revenue, costs, income, expenditure, profit and loss statement, asset, liability, balance sheet, etc.) for this course. If a student does have elementary knowledge of accounting and financial concepts, the faculty member will post links to publicly available videos on those concepts.

SCORING AND GRADING

The course grade is based on two (open-book and open-notes) exams, one in-depth case analysis, a term paper (done in teams with two students per team), and exercises on The Cool Collection simulation. Grades are based on the following "absolute" scale (i.e., there will not be any "curving").

Open-Book Open-Notes Exam # 1	50
Individual Written Case Analysis	100
Open-Book Open-Notes Exam # 2	50
Term paper	100
The Cool Connection Simulation	<u>100</u>
Total Points	400

A≥360; A-≥347;

B+≥334; B≥320; B-≥307;

C+≥294; C≥280; C-≥267;

And F<267.

OPEN-BOOK OPEN-NOTES WRITTEN EXAMS

The Open-Book Open-Notes Written Exam # 1 will cover material from Chapters 1 through 8 (and accompanied articles and readings) from the textbook as slated in Weeks 1 through 4.

The Open- Book Open-Notes Written Exam # 2 will cover material from Chapters 9 through 14 (and accompanied articles and readings) from the textbook as slated in Weeks 4 through 7.

Students can refer to all the materials (textbook for the course, articles posted on Canvas, and any other published books and journal articles from the UNCG's on-line library resources) available at your disposal. Appropriate citations should be provided. Please note material taken from Wikipedia cannot be cited. The open-book and open- notes exams will contain questions that need to be responded to in an essay format.

Students should work on the Open-Book Open-Notes Exams on an individual basis (not in groups). Individuals should neither seek nor receive help from friends and family in completing the exams. The responses to questions on the exams should be typed, double-spaced on 8.5" by 11" format, and appropriately paginated. Appendices should be numbered and referenced in the body of the analysis. No minimum or maximum length is specified. Feel free to include diagrams, films, photos, sketches, or other types of illustrations in your written analysis. The written analysis will be graded on organization, thoroughness, insight of analysis, and written communication skill.

Each student should attest (with an electronic signature or with full name typed) that "I HAVE ABIDED BY THE ACADEMIC HONOR POLICY ON THIS EXAM" on a separate cover page of the responses to the exam. The responses to questions on each exam should preferably be aggregated in one Word document and uploaded into Canvas. The cover page of the document should include the number and title of the course, and the name of the student. Late submissions will not be accepted.

RE-EXAMINATION POLICY

As a rule, re-examinations will not be held. Inability to complete the written examination due to illness, summons to jury duty, or any other compelling reason should be backed by the appropriate documents (e.g., medical certificate, etc.) in order to qualify for a re-examination. If possible, talk (via Zoom or over the telephone) with the professor before missing the examination to discuss the circumstances.

INDIVIDUAL WRITTEN CASE ANALYSES

The individual written case analysis (on "Fuyao Glass America: Sourcing Decision" case) is due at 11:59 p.m. on March 1st, 2022. The specific issues to be covered for the case will be posted on Canvas on February 23rd, 2022. Late submissions will not be accepted. The written analysis is his/her report/recommendations on that/those situation(s). Much of the grade beyond a "passing score" depends

on the student's ability to go beyond the "average" solution and provide innovative approaches, solutions, and appropriate implementation. Please detail out any assumptions made in your written analysis.

Students should work on the written case analyses on an individual basis (not in groups). Individuals should neither seek nor receive help from friends and family in completing the written case analysis. The written analysis should be typed, double-spaced on 8.5" by 11" format, and appropriately paginated. Appendices should be numbered and referenced in the body of the analysis. No minimum or maximum length is specified, although the written analysis should not typically exceed 15 pages in length.

Individuals are requested to refrain from repeating the details provided in the case (just to fill up space) in their written analysis. That is, individuals are requested to cover the topics thoroughly, but efficiently. Do not add verbiage for the sake of length. Feel free to include diagrams, films, photos, sketches, or other types of illustrations in your written analysis. In preparing the written analysis, write from an objective view, in third person. Do not use the words "I", "We", or "You". Use subheadings to correspond with specific issues posed for the individual case. It should be noted that appropriate credit will be given for those individuals who are in a position to integrate their analysis with readings (text and articles) presented outside the case. The written analysis will be graded on organization, thoroughness, insight of analysis, and written communication skill.

Each student should attest (with an electronic signature or with with full name typed) that "I HAVE ABIDED BY THE ACADEMIC HONOR POLICY ON THIS ASSIGNMENT" on a separate cover page of the individual in-depth case analysis. The cover page should also include the number and title of the course, title of the assignment, and the name of the student.

TERM PAPER

Each student team (of two students) is to write a paper on one of the following topics as it relates to or is included in supply chain/network management in any organization:

1. Procurement of Goods and/or Services.
2. Activity Based Costing: The ABC of Cost Reduction.
3. Total Cost of Ownership: The Management of the Supply Chain End-to-End.
4. Managing Risk: Assessing Opportunities and Threats.
5. Product/Service Design and New Product/Service Development.
6. Request for Proposals (RFPs) and Request for Quotations (RFQs).
7. Auditing and Control Procedures in Supply Operations.
8. Partnering (including Negotiations) with Suppliers for Win-Win Relationships.
9. Inventory: An Asset or Liability in Supply Networks.
10. The Quality Connection in Supply Networks.
11. Supply Chain Finance: Strategies and Tactics.
12. Transportation Challenges in Procurement.
13. Sustainability/Green Operations in Supply Chain Accounting and Finance.
14. Legal and Ethical Issues in Supply Networks.

Students in teams (of two students per team) should submit (1) names of the members of the team, (2) topic of term paper, and (3) names of the organization on Canvas by 11:59 p.m. on February 1, 2022 (Tuesday). The above list of topics is not a comprehensive one. The organization the student team chooses should preferably be one in which one of the students (on the team) works. In addition to analyzing the topic as it exists in the organization, the paper should make recommendations for

improvement where appropriate. The paper should be built on a good review of the literature on the topic (at least 8 to 10 relevant articles and books) and an analysis of that aspect as it relates to that organization. The review of the literature could be based on articles published in *Journal of Supply Chain Management*, *Supply Chain Management: An International Journal*, *Strategic Outsourcing: An International Journal*, *Production and Inventory Management Journal*, *Journal of Operations Management*, *International Journal of Operations & Production Management*, *Quality Progress*, *Industrial Management & Data Systems*, *Business Process Management Journal* and other relevant journals. Articles should be from refereed journals with exact volume and issue number, year of publication, and page numbers provided in the list of references

Information/articles from websites (not connected to refereed journals) should not be used. The refereed articles and books can be searched using www.scholar.google.com. A brief (not more than one page) description of the proposed topic paper (which includes the title of the paper, importance of the specific topic, name of the organization, name and title of contact person(s) in the organization, how the topic relates to organization chosen and a short list of references) should be submitted to the faculty member by 11:59 p.m. February 8, 2022 (Tuesday). The detailed listing of the references should be as per the following publication:

American Psychological Association (2009). *Publication Manual of the American Psychological Association*. Sixth edition. Washington, DC: American Psychological Association.

The term paper is not the same as writing a case. In general, the paper should be written for an audience (of practitioners and academics) that is interested to study more about the topic as it relates to the selected industry (in which the organization operates). Do not assume that the only person reading the paper is the faculty member. **Please note that the focus of the paper is not the organization/company, but the specific topic.** That is, the introduction section should begin with topic of the paper. The details of the organization should be presented in the research methodology.

The following outline should be used for the topic paper: Abstract, Introduction, Review of the Literature (including a summary/framework based on the review of the literature on how you plan to relate the subject matter to the organization being studied in the fifth section of the paper), Research Methodology (of a case study with a structured interview approach and the details of the organization), Findings (as they relate to the framework presented in the third section of the paper), Conclusions, and References. In addition to analyzing the topic as it exists in the organization, the paper should make a recommendation or two for the organization in the concluding section. Limitations in the study and suggestions for future research could also be included in the concluding section. A structured interview approach could be adopted to collect the information from the executives in the organization. It would be necessary to develop the list of questions/issues for the structured interview approach after developing the framework at the conclusion of the literature review. It is expected that the entire paper will be written based on data and information obtained from the interview(s) with the managers and secondary sources (such as books, articles, internet web sites, annual reports, etc.). You should review the literature and develop the framework on the topic before you interview the concerned manager(s) at the chosen organization. Feel free to seek the advice of the professor on the framework developed as well as the list of questions prior to applying the framework to the organization (as an example of the industry) selected. A few samples of papers have been placed in "Materials for Term Paper" section in files on Canvas. That should give the students an idea of how to structure the term paper. The reference for the research method for the term paper is:

Yin, R. K. (2003). *Case Study Research: Design and Methods*. Third edition. Thousand Oaks, CA: Sage Publications, Inc.

Each student team is encouraged to develop the paper as we progress through the course. This approach would distribute the work associated with the topic paper more evenly over the semester. Feel free to discuss your term paper with the faculty member as it is being developed. The paper should be typed (maximum 12-point size lettering), double-spaced on 8.5" by 11" paper, with 1" margins, appropriately paginated, and stapled. No minimum or maximum length is specified, although the papers are typically 15 to 25 pages long. Cover the topics thoroughly, but efficiently. Do not add verbiage for the sake of length. Include diagrams, photos, sketches, or other types of illustrations that will clarify your presentation. Citations should be appropriately referenced at the end of the paper, and pages, tables, figures should be appropriately numbered.

The following two papers (uploaded on Canvas) can be used as samples to write your topic paper: Gargeya (2005). Plant level performance measurement: An exploratory case study of a pharmaceutical encapsulation company. *Technovation*. 25: 1457-1467.

Gargeya, V. B. and Salam, A. F. (2001). E-business and supply chain management in a high growth environment. *Proceedings of the 2001 E&R Foundation Summer Academic/Practitioner Workshop*: 56-63.

The term paper will be graded on organization, thoroughness, insight of analysis/recommendations, and written communication skill. It is highly recommended that a project management approach be taken for ensuring the timely completion of the paper. The term paper as a document should be submitted on Canvas by 11:59 p.m. on March 29, 2022 (Tuesday). Late submissions will not be accepted. Each student/member of the group should attest to the statement that "WE HAVE ABIDED BY THE ACADEMIC HONOR POLICY ON THIS ASSIGNMENT" on a separate cover page of the topic project assignment. The cover page should also include the number and title of the course, title of the paper, and names of students.

THE COOL CONNECTION SIMULATION EXERCISE

Students in teams (with four students per team) will be assigned roles (for the Sales, Purchasing, Supply Chain, and Finance functions) in The Cool Connection Simulation Exercise. Students are expected to pay for and obtain access to the software by February 25, 2022 (Friday). Instructions on obtaining access to the software will be provided by the faculty member by February 18 (Friday). Six (6) rounds of the simulation will be carried out over the last seven weeks of the semester.

The scores on The Cool Connection simulation exercise are: (a) 30 points for six individual notes for each round, (b) 30 points for three team notes at the end of Round 2, 4, and 6, and (c) 40 points for individual report. The faculty member will present the results and post-mortem discussion on each round each Tuesday.

DISCUSSIONS AND FACILITATING LEARNING

Each student should be prepared for providing comments (and responses) on a weekly basis on all aspects of the material assigned for each week session, be it text, articles, and/or cases, on the Discussion section of Canvas. Each student is required to post a **COMMENT** (not exceeding 500 words) on the discussion question/issue. The comment should be based on the reading from the textbook, articles posted in the Canvas, comments and responses from previous weeks, or any other published source appropriately cited. Citations from Wikipedia are not appropriate. Students could submit a **RESPONSE** (not exceeding 300 words) on comments made others. The response should be based on comments made by the other

students, further reading of the textbook, articles posted in the Canvas, comments and responses from previous weeks, or any other published source appropriately cited.

It is suggested that a student post a comment (on an item) first before responding to comments made by others. This ensures the student has read the appropriate material before making comment and then subsequently a response to comments made by others. The professor will provide his thoughts on Discussion in the Interactive Zoom session every Tuesday. Students could bring in their work experience into the comments and responses. The **COMMENTS** and **RESPONSES** on the part of each student is one of the important mechanisms by which each student will be learning every week. Students cannot learn in a timely manner if they do not post comments and responses every week.

It is not out-of-place to point out that the in-depth case analysis and the questions on the exams will be integrative across chapters in the textbook, articles, and the cases.

Self learning is the primary pedagogic approach in an on-line course format. There will be no lectures. The professor will facilitate learning through on-line assignments (including exams and case analyses), questions/issues/comments on Discussion, and exercises using The Cool Connection simulation software. A textbook, published articles, cases, and videos will be primary reading materials. The details of topics to be covered are given in the Course Schedule. The syllabus provides a general plan for the course; deviations may be necessary.

COGNITIVE COURSE OBJECTIVES

Upon completing the course, the student should be able to:

1. Understand how the supply chain contributes to corporate strategy and value.
2. Examine the importance of cost trade-offs, procurement, production planning, inventory policy, logistics, and distribution in the formulation of supply chain strategy.
3. Justify and apply Activity-Based Costing/Activity Based Management (ABC/ABM) and Total Cost of Ownership (TCO) in formulating procurement and supply chain strategies.
4. Identify negotiation frameworks and planning, and the use of cost and price data in conducting effective negotiations and in the writing of a procurement contract.
5. Apply concepts in the execution of the competitive bidding process (including requests for inquiry, requests for quotation, requests for proposal, and statements of work).
6. Identify and apply contract laws in writing procurement contracts, settling supply chain issues, avoiding disputes and managing suppliers (vendors).
7. Introduce and evaluate the use of technology in procurement and the overall supply chain, and

how technology can assist in controlling and reducing supply chain costs.

8. Analyze buyer-supplier relationships and vendor management and their impact on achieving procurement and supply chain cost goals.
9. Examine how to apply risk management concepts in creating a more agile, cost-effective and responsive supply chain.

Course Schedule by Week

WEEK # 1 January 10 – 17

TOPICS AND ASSIGNMENTS

INTRODUCTION TO STRATEGIC COSTS, PROCUREMENT, AND SUPPLY CHAIN FINANCE

Chapter 1: The Progression to Professional Supply Management (Pp. 1-25).

Chapter 2: Organizational Issues (Pp. 26-44).

Chapter 3: Supply Management: An Organization-Spanning Activity (Pp. 45- 58).

Discussion Posts by 11:59 p.m. on January 17, 2022 (Monday)

WEEK # 2 January 18 - 24

TOPICS AND ASSIGNMENTS

PRODUCT DEVELOPMENT, PRODUCT SPECIFICATIONS, AND QUALITY

Chapter 4: Need Identification and Specification (Pp. 59-88).

Chapter 5: Quality (Pp. 89-121).

Chapter 6: New Product Development (Pp. 123-147).

Discussion Posts by 11:59 p.m. on January 24, 2022 (Monday)

WEEK # 3 January 25 - 31

TOPICS AND ASSIGNMENTS

SUPPLY PROCESSES, INVENTORY, AND RISK

Chapter 7: Supply Processes and technology (Pp. 148-191).

Chapter 8: Quantity and Inventory (Pp. 192-224).

Case: Boeing's Strategic Initiative: Raw Material Supply Risk Mitigation

Discussion Posts by 11:59 p.m. on January 31, 2022 (Monday)

Submission of the Names of Members of the Team, Topic, and Organization by 11:59 on February 1, 2022 (Tuesday)

WEEK # 4 February 1 - 7

TOPICS AND ASSIGNMENTS

Submission of one-page Abstract of Term Paper by 11:59 p.m. on February 8, 2022 (Tuesday).

SUBMISSION OF OPEN-BOOK AND OPEN-NOTES EXAM # 1 (by 11:59 p.m. on Monday, February 7, 2022)

(Chapters 1, 2, 3, 4, 5, 6, 7, and 8)

WEEK # 5 February 8 - 14

TOPICS AND ASSIGNMENTS

SUPPLY PROCESSES, INVENTORY, AND RISK (Continued)

Discussion on “Boeing’s Strategic Initiative: Raw Material Supply Risk Mitigation” Case in the Interactive Zoom Session

SUPPLIER SELECTION AND EVALUATION AND GLOBAL SOURCING

Chapter 9: Supplier Selection

Chapter 14: Supplier Evaluation and Supplier Relations

Chapter 10: Global Supply Management

Discussion Posts by 11:59 p.m. on February 14, 2022 (Monday)

WEEK # 6 February 15 - 21

TOPICS AND ASSIGNMENTS

SUBMISSION OF IN-DEPTH CASE ANALYSIS (by 11:59 p.m. on Monday, February 21, 2022)

Case: Fuyao Glass America: Sourcing Decision

LEGAL AND ETHICAL ISSUES AND METHODS OF COMPENSATION

Chapter 11: Legal and Ethics

Chapter 12: Methods of Compensation

NEGOTIATION

Chapter 13 (Negotiation)

Discussion Posts by 11:59 p.m. on February 21, 2022 (Monday)

WEEK # 7 February 22 - 28

TOPICS AND ASSIGNMENTS

Discussion on “Fuyao Glass America Sourcing Decision” Case in the Interactive Zoom Session.

INTRODUCTION TO SUPPLY CHAIN FINANCE

Case: Supply Chain Finance at Proctor & Gamble

Discussion Posts by 11:59 p.m. on February 28, 2022 (Monday)

WEEK # 8 March 1 – March 6

TOPICS AND ASSIGNMENTS

SUBMISSION OF OPEN-BOOK AND OPEN-NOTES EXAM # 2 (by 11:59 p.m. on Monday, March 6, 2022)

(Chapters 9, 10, 11, 12, 13, and 14)

Introduction to THE COOL CONNECTION SIMULATION

WEEK 8: March 7 - 13

Spring Break

WEEK # 9 March 14 – March 21

TOPICS AND ASSIGNMENTS

Discussion on “Supply Chain Finance at Proctor & Gamble” Case in the Interactive Zoom Session.

Continuation of Discussion on THE COOL CONNECTION SIMULATION in the Interactive Zoom Session

Submission of Round 1 (The Cool Connection Simulation)

Week #10 March 22 – 28

TOPICS AND ASSIGNMENTS

Discussion on Results of THE COOL CONNECTION SIMULATION (ROUND 1)

Submission of Round 2 (The Cool Connection Simulation)

Submission of Individual Note on Round 1 (The Cool Connection Simulation) Submission of Term Paper

Week #11 March 29 – April 4

TOPICS AND ASSIGNMENTS

Discussion on Results of THE COOL CONNECTION SIMULATION (ROUND 2)

Deadline of Submission of Round 3 (The Cool Connection Simulation)

Submission of Individual Note on Round 2 (The Cool Connection Simulation)

Submission of Team Note on Rounds 1 and 2 (The Cool Connection Simulation)

Week # 12 April 5 - 11

TOPICS AND ASSIGNMENTS

Discussion on Results of THE COOL CONNECTION SIMULATION (ROUND 3)

Deadline of Submission of Round 4 (The Cool Connection Simulation)

Submission of Individual Note on Round 3 (The Cool Connection Simulation)

WEEK # 13 April 12 - 18

TOPICS AND ASSIGNMENTS

Discussion on Results of THE COOL CONNECTION SIMULATION (ROUND 4)

Deadline of Submission of Round 5 (The Cool Connection Simulation)

Submission of Individual Note on Round 4 (The Cool Connection Simulation)

Submission of Team Note on Rounds 3 and 4 (The Cool Connection Simulation)

Week 14 April 19 - 25

Discussion on Results of THE COOL CONNECTION SIMULATION (ROUND 5) in the Interactive Zoom Session.

Deadline of Submission of Round 6 (The Cool Connection Simulation)

Submission of Individual Note on Round 5 (The Cool Connection Simulation)

INDIVIDUAL REPORT ON COOL CONNECTION DUE (11:59 P.M.) Submission of Individual Note on Round 6 (The Cool Connection Simulation)

Submission of Team Note on Rounds 5 and 6 (The Cool Connection Simulation)

STUDYING AND LEARNING FROM CASES

(Adapted from Christopher H. Lovelock and Charles B. Weinberg, 1988 and 1991).

The cases featured in this course are representative of real-world problems that managers in different organizations have to face and resolve. Although designed principally for use in classroom discussions, many of these cases can offer valuable insights to the individual reader.

The comments that follow are directed primarily at participants in courses and seminars who have been assigned one or more of these cases to prepare for subsequent class discussion. Unlike methods of instruction that use lectures and textbooks, the case method of instruction does not present students with a body of tried and true knowledge about how to be a successful manager. Instead, it provides an opportunity for students to learn by doing.

As a student, you may find that dealing with cases is very much like working with the actual problems that people encounter in their jobs as managers. In most instances, you'll be identifying and clarifying problems facing the management of a company or non-business organization, analyzing qualitative information and quantitative data, evaluating alternative courses of action, and then making decisions about what strategy to pursue for the future. You may enjoy the process more—and will probably learn more—if you accept the role of an involved participant rather than that of a disinterested observer who has no stake, or interest, in resolving the problems in question.

The goal of case analysis is not to develop a set of “correct” facts but to learn to reason well with available data. Cases mirror the uncertainty of the real-world managerial environment in that the information they present is often imprecise and ambiguous. You may perhaps be frustrated that there is no one right answer or correct solution to any given case. Instead, there may be a number of feasible strategies management might adopt, each with somewhat different implications for the future of the organization, and each involving different trade-offs.

In this course, you'll be exposed to a wide range of different management situations within a relatively short time. As a result, the cases presented in this course will collectively provide a much broader exposure to strategic costs, procurement, and supply chain finance issues than most managers experience in many years on the job.

CASES AND THE REAL WORLD

Recognizing that managerial problems are not unique to a particular institution (or even to a specific industry) forms a basis for developing a professional approach to management.

It's important to recognize that even though case writers try to build realism into their cases, these cases differ from real-world management situations in several important respects. First, the information is prepackaged in written form. By contrast, managers accumulate their information through memoranda, meetings, chance conversations, research studies, observations, news reports, and other externally published materials—and, of course, by rumor.

Second, cases tend to be selective in their reporting because most of them are designed with specific teaching objectives in mind. Each must fit a relatively short class period and focus attention on a defined category of management problem within a given subject area. To provide such a focus—and to keep the length and complexity of the case within reasonable bounds—the writers may need to omit information on problems, data, or personnel that are peripheral to the central issue in the case.

In the real world, management problems are usually dynamic in nature. They call for some immediate action, with future analysis and major decisions being delayed until some later time. Managers are rarely able to wrap up their problems, put them away, and go on to the next “case.” In contrast, discussing a case in class or writing an analysis of a case is more like examining a snapshot taken at a particular point in time—although sometimes a sequel case provides a sense of continuity and poses the need for future decisions within the same organization.

A third, and final, contrast between case analyses and real-world management is that participants in case discussions and authors of written case reports aren’t responsible for implementing their decisions, nor do they have to live with the consequences. However, this does not mean you can be frivolous when making recommendations. Professors and students are likely to be critical of contributions that are not based on careful analysis and interpretation of the facts.

PREPARING A CASE

Just as there is no one right solution to a case, there is also no single correct way of preparing a case. However, the broad guidelines outlined in “Preparing a Case” may help familiarize you with the job of case preparation. With practice, you should be able to establish a working style with which you feel comfortable. The guidelines on initial analysis and on developing recommendations should also serve you well for preparing written case reports or case-based exams.

First, it’s important to gain a feel for the overall situation by skimming quickly through the case. Ask yourself:

- What sort of organization does the case concern?
- What issues does management appear to be facing?

Preparing a Case: A Brief Outline

I. Initial fast reading

* No notes

* Get a feel for what’s going on

* Think about major problems and forces present

II. A second careful reading

* Make notes identifying: Organizational objectives

Nature of problem(s)

Key facts Key decisions

* Evaluate and analyze case data

III. Development of specific issues

Identify alternative courses of action to meet objectives

Consider implications of each action
Provide recommendations, supported by analysis

An initial fast reading, without making notes or underlining, should provide a sense for what is going on and what information is being presented for analysis. Then you'll be ready to make a very careful second reading of the case. This time, seek to identify key facts so that you can develop a situation analysis

and clarify the nature of the problems facing management. As you go along, try to make notes in response to such questions as:

- What decisions need to be made, and who will be responsible for making them?
- What are the objectives of the organization itself and of each of the key players in the case? Are these objectives compatible? If not, can the problem be reconciled, or will it be necessary to redefine the objectives?
- What resources and constraints are present that may help or hinder attempts by the organization to meet its objectives?

You should make a particular effort to establish the significance of any quantitative data presented in the text of the case or, more often, in the exhibits. See if new insights may be gained by combining and manipulating data presented in different parts of the case. But do not accept the data blindly. In the cases, as in real life, not all information is equally reliable or equally relevant. On the other hand, case writers will not deliberately misrepresent data or facts to trick you.

Developing courses of action on specific issues

At this point in the analysis, you should be in a position to summarize your evaluation of the situation and to develop some recommendations for management. First, identify the alternative courses of action that the organization might have. Next, consider the implications of each alternative, including possible undesirable outcomes, such as provoking responses from stronger competitors. Ask yourself how short-term tactics fit with longer-term strategies. Relate each alternative to the objectives of the organization (as defined or implied in the case, or as redefined by you). Then, develop a set of recommendations for future action, making sure that these recommendations are supported by your analysis of the case data. Specific issues to be considered for each case are provided under the appropriate class session in the "schedule of sessions" section in the memorandum of understanding.

Your recommendations won't be complete unless you give some thought to how the proposed strategy should be implemented:

- * What resources—human, financial, or other—will be required?
- * Who should be responsible for implementation?
- * What time frame should be established for the various actions proposed?
- * How should subsequent performance be measured?

CLASS DISCUSSION

Courses taught by the case method emphasize inductive learning, with conceptual frameworks and strategic guidelines developed from the analysis of a variety of real-world situations. This

approach contrasts sharply with the deductive approach to learning used in lectures where the concepts are presented first and must then be applied to actual situations.

Role of the Professor

In class, you may find that the role played by a professor using the case method usually differs significantly from that of a lecturer. The professor's role in case discussions is often similar to that of a moderator—calling on students, guiding the discussion, asking questions, and periodically synthesizing previous comments. Teaching styles vary, of course, from one case professor to another.

Many professors like to begin the class by asking a student to “lay out” the case, which may involve your being asked to identify key problems and opportunities, to present some preliminary data analysis, and perhaps to outline a possible plan of action.

Some professors, as in the current course, assign study questions in advance to help students with their case preparation; but others feel it is more realistic (albeit more demanding) to let students define for themselves how they should approach each new case.

Responsibilities of Participants

Instead of being a passive note-taker, as in lecture classes, you will be expected to become an active contributor to class discussions. Indeed, it is essential that you contribute, for if nobody contributes, there can be no discussion! If you never join in the debate, you'll be denying other participants the insights that you may have to offer. Moreover, there's significant learning involved in presenting your own analysis and recommendations and debating them with your classmates—who may hold differing views or else seek to build on your presentation. But do not be so eager to contribute that you ignore what others have to say. Learning to be a good listener is also an important element in developing managerial skills.

Occasionally, it may happen that you are personally familiar with the organization depicted in a case. Perhaps you are privy to additional information not contained in the case, or perhaps you know what has happened since the time of the case decision point. If so, keep this information to yourself unless, and until, the professor requests it. (This advice also holds true for written reports and case exams.) There are no prizes for 20/20 hindsight; injecting extra information that nobody else has is more likely to spoil a class discussion than to enhance it. Information on the organization beyond the date of the case is not relevant and useful for the discussion as of the date of the case.

Learning comes through discussion and controversy. In the case method of instruction, participants must assume responsibility not only for their own learning but also for that of others in the class. Thus, it's important for students to be well prepared, willing to commit themselves to a well-reasoned set of analyses and recommendations, and receptive to constructive criticism. Students unwilling to accept this challenge are likely to find the case method aimless and confusing. On the other hand, if you do accept it, you will experience in the classroom that sense of excitement, challenge, and even, exasperation that comes with being a manager in the real-world situation.