

Matching list of Harvard Business School Publishing cases for  
**Certo, *Modern Management*, Ninth Edition (Prentice Hall, 2003)**  
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<i>Case Title</i>	<i>Institution, HBS Product Number, Length, Teaching Note</i>	<i>Geographical and Industry Setting, Company Size, Time Frame</i>	<i>Abstract</i>
<b>Chapter 1: Introduction to Management and Organizations</b>			
N/A			
<b>Chapter 2: Management Yesterday and Today</b>			
Is Management Still a Science?	<i>HBR Reprint</i> #92603 8p	N/A	Frederick Taylor's traditional scientific approach to management promised to provide managers with the capacity to predict and control the behavior of the complex organizations they led. But the world most managers now inhabit often appears to be unpredictable and even uncontrollable. In the face of this more volatile business environment, the old-style mechanisms of "scientific management" seem positively counterproductive. Just as managers have become more preoccupied with the volatility of the business environment, scientists have also become preoccupied with the inherent volatility--the "chaos" and "complexity"--of nature. They are developing new rules for complex behavior in physical systems that have intriguing parallels to the kind of organizational behaviors today's companies are trying to encourage
<b>Chapter 3: Corporate Social Responsibility and Business Ethics</b>			
Corruption in International Business (A)	HBS #701-128 10p B case #701-129	N/A	Explores various aspects of corruption in international business. The first section provides a broad discussion of the ethical, business, and legal aspects of corruption. The second section provides a series of "caselets" that are designed to promote discussion of how students would act in particular

			situations, as well as the potential costs and benefits of these actions.
Sustainable Development and Socially Responsible Investing: ABB in 2000	HBS #701-082 37p	Switzerland, electrical equipment, 161,000 employees, 1998-2000	Several investment firms and mutual funds position themselves as providers or facilitators of opportunities for socially responsible investment. This case addresses the impact of these firms on publicly traded companies. Focuses on managers at ABB, a large multinational based in Switzerland that has tried to be a leader in integrating principles of sustainable development into its business strategies. ABB's managers now need to decide what sorts of relationships they would like to have with the firms in the socially responsible investment community, and the extent to which they ought to take the preferences of these firms into account in tailoring their business strategies.
Tim Hertach at GL Consulting (A)	HBS #800-153 12p TN #801-029	New Jersey, consulting, 1,000 employees, 1999	Ten years into his career after graduating from business school, Tim Hertach discovers billing irregularities at his consulting firm. He must decide whether (and how) to challenge senior management or to stay quiet and protect his career.
Becton Dickinson: Ethics and Business Practices (A)	HBS #399-055 27p	U.S., Asia, Latin American, Middle East, medical and diagnostic services, 19,000 employees, 1997	Becton Dickinson's Global One-Company Operations Group must decide on the company's global policy on gifts, gratuities, and business entertainment. A key issue is whether the policy should be established centrally and made uniform worldwide or whether it should be decided locally, depending on local circumstances and practices. The case contains numerous examples of troubling situations drawn from different regions of the world, as well as background information on growing anticorruption efforts worldwide.
What's a Business For?	<i>HBR Reprint</i> #r0212c 6p	N/A	In the wake of the recent corporate scandals, it's time to reconsider the assumptions underlying American-style stock-market capitalism. That heady doctrine--in which the market is king, success is measured in terms of shareholder value, and profits are an end in themselves--enraptured America for a generation, spread to Britain during the 1980s, and recently began to gain acceptance in Continental Europe. But now, many wonder whether the American model is corrupt. The American scandals are not just a matter of dubious personal ethics or of rogue companies fudging the odd billion. And the cure for the problems will not come solely from tougher regulations. We must also ask more fundamental questions: Whom and what is a business for? And are traditional ownership and governance structures suited to the knowledge economy? According to corporate law, a company's financiers are its owners, and employees are treated as property and recorded as costs. But whereas that might have been true in the early days of industry, it does not reflect today's reality. Now a company's assets are increasingly found in the employees who contribute their time

			and talents rather than in the stockholders who temporarily contribute their money. The language and measures of business must be reversed. In a knowledge economy, a good business is a community with a purpose, not a piece of property.
<b>Chapter 4: Management and Diversity</b>			
Millennium Media, Inc. and John Voorenberg	HBS #400-032 10p	New York, media, 1,200 employees	Millennium Media's CEO reviews the company diversity report and considers the challenges of maintaining a diverse workforce in light of the news that three individuals, two of whom are people of color, are leaving for opportunities with a competitor. Helps students understand the link between supervisor behavior, diversity, and employee retention.
Yvette Hyater-Adams and Terry Larsen at CoreState Financial Corp.	HBS #401-023 15p	Philadelphia, PA, banking, 2,000 employees, 1993-1998	Yvette Hyater-Adams, senior VP of CoreStates Bank, and CEO Terry Larsen reflect on their five-year mentor-protégé relationship. They describe how building a relationship across both race and gender was challenging and ultimately highly rewarding. Their relationship develops in the context of a major culture change that Hyater-Adams and Larsen were leading the organization through. This case discusses how their relationship impacted the organization and the change process. Allows students to develop a deep appreciation for the initiation and development of mentoring relationships. Also explores the dynamics of cross-race and cross-gender work relationships.
Lotus Development Corp.: Spousal Equivalents (A)	HBS #394-197 18p TN #396-020	Cambridge, MA, computers, 2,500 employees, 1989	A group of Lotus employees propose extending all health care and other benefits to the spousal equivalents of lesbian and gay employees. The vice president of human resources considers the proposal during a reorganization and period of financial uncertainty. Provides an opportunity to discuss the limits and competitive implications of a business's appropriate role in responding to diverse employee needs.
Avon Products (A)	HBS #301-059 22p (B) case #301-060	Global (Mexico, New York), beauty products, \$5 billion revenues, 1992-98	The general manager of Avon Mexico, Fernando Lezama, must decide whether to promote a woman to the position of vice president of sales. If appointed, the candidate would be the first female in all of Latin America to hold an executive position and one of the first women in Mexico to attain this level of responsibility. Lezama's all-male executive team has doubts about the candidate's readiness but Lezama is also cognizant of Avon's global vision which calls for the advancement of women at all levels of the organization. Earlier in the year, Avon Mexico had completed an exercise called "appreciative inquiry" aimed at enhancing gender relations in the workforce. Teaching Purpose: To examine the cultural aspects of managing in the Mexican environment and to illustrate "appreciative inquiry" as part of a cultural change process.

Laura Wollen and ARPCO, Inc.	HBS #393-003 9p TN #393-031	Global, electrical appliance and home machinery, \$2.5 billion revenues, 1990	Laura Wollen, a group marketing director for ARPCO, Inc., must decide whether to recommend a high performance product manager for a choice position overseas. The supervisor overseas resists the hire because of the candidate's race and Wollen fears that insisting will set her candidate up for failure. On the other hand, she believes she is the best candidate and should not be denied the position.
Kurt Landgraf and DuPont Merck Pharmaceutical Co. (A)	HBS #394-202 24p (B) case #395-035 TN #396-018	Wilmington, DE; pharmaceuticals; \$1 billion revenues; 1993-94	Kurt Landgraf, newly named CEO of Du Pont Merck Pharmaceutical Co., addresses complaints of discrimination from African-American scientists in R&D during a significant downsizing and dramatic changes within the pharmaceutical industry. Teaching Purpose: Discusses how organizations can effectively address hiring and promotion concerns of minority groups and women.
A Brush with AIDS (A)	HBS #394-058 8p (B) case #394-059 TN #394-180	Health care products, 1989	A product manager at a health products company is responsible for marketing sharps containers, which hospitals use to store used needles in order to protect medical workers from being pricked with AIDS-contaminated needles. After hospitals report repeated instances of needles penetrating the container walls, she realizes the defective product poses a health hazard for medical workers. The product manager must decide whether or not to fix the containers when doing so would significantly decrease her profit performance for the year. The company mission statement stresses quality commitment to customers, but all compensation and advancement incentives are geared solely toward profit objectives. Gives students a chance to think about ethical dilemmas they are likely to face in the business world. Is a manager morally delegated to take active steps to protect the safety of his or her customer when neither the law nor the company is compelling him or her to do so?
Dear White Boss...	<i>HBR Reprint</i> #r0211e 5p	N/A	It's easy for white managers to assume that their colleagues of color face the same basic challenges they do. On one level, that's true--the work itself is the same. But on another level, African-American managers often contend with an atmosphere of tension, instability, and distrust that can be so frustrating they lose the desire to contribute fully. Their white bosses and coworkers are simply unaware of the "miasma" and are often puzzled when African-Americans quit apparently for no reason or seemingly overreact to a minor incident. This portrayal of what it's like to be different in the workplace takes the form of a fictional letter from a black manager to a white boss. The letter, based on interviews and surveys the authors conducted with hundreds of mid- to senior-level African-American managers, is not about the lack of role models or mentors of color or any of the other

			barriers that limit opportunities for blacks in corporate America. Instead, the letter sheds light on the realities that lurk below the surface for black managers--the feeling that they leave some part of their identities at home and the sometimes subtle and often systemic racial biases that inhibit and alienate African-Americans. It should be required reading for all white executives who don't want talent to slip through their fingers.
<b>Chapter 5: Managing in the Global Arena</b>			
Philips vs. Matsushita: A New Century, a New Round	HBS #302-049 20p	Global, Europe, Japan, consumer electronics, 270,000 employees, 1970-2001	Describes the development of the international strategies and organizations of two major competitors in the global consumer electronics industry. The history of both companies is traced and their changing strategic postures and organizational capabilities are documented. Particular attention is given to the major restructuring each company is forced to undertake as its competitive position is eroded. Illustrates how global competitiveness depends on organizational capability, the difficulty of overcoming deeply embedded administrative heritage, and the limitations of both classic "multinational" and "global" models.
The Daimler Chrysler Commercial Vehicles Division	Stanford #IB27 24p	Global, automobiles, 416,000 employees, 1998	The day before Daimler-Benz would officially merge with Chrysler, Dr. Kurt Lauk, head of Daimler-Benz' commercial vehicles division (CVD) reflected on the organizational changes he had directed over the course of the previous two years to make CVD more competitive in an era of industry-wide globalization. To unite an extremely decentralized organizational structure at Daimler, Lauk initiated a worldwide reorganization and the integration of the company's manufacturing operations. He encouraged individual units within CVD to look for collaborative opportunities that would enable the division to realize global scale economies. Lauk was proud of his achievements but concerns overshadowed his satisfaction. Although the CVD was profitable overall, its Power Train Unit continued to lose money. In addition, Lauk was concerned about Daimler's progress in building adequate distribution channels in the Asian region. Finally, Lauk considered the impact of the merger with Chrysler on CVD and the general uncertainty concerning how a more centralized organization would affect the CVD.
Eli Lilly – 1998 (B): Emerging Global Organization	HBS #399-174 15p	Global, pharmaceuticals, 10,000 employees, 1998	Examines major issues faced by Eli Lilly as it evaluates the appropriateness of a focused matrix organization with extensive use of cross-functional teams. Helps students appreciate the complexities of a global organization where product/functional/geographic knowledge must be optimized.

Acer America: Development of the Aspire	HBS #399-011 20p TN # 300-035	Global (United States, Taiwan), computers, \$1.1 billion revenues, 1995-98	Follows the development, national launch, and global rollout of the Aspire, Acer's first new product developed outside Taiwan. Implementing a very promising new PC concept proves challenging to Mike Culver and his U.S. team, who are plagued by coordination problem with experts and resource managers in Taiwan. Leading the global rollout proves equally difficult, with local managers wanting to make local adaptations. After 2.5 years of missed forecasts and unexpected losses, CEO Stan Shih must decide whether to abandon the Aspire. More profoundly, what changes does this failure suggest for his radical "fast food" business concept and his "client server" organization model? Teaching Purpose: To discuss the development and implementation of global strategy, to explore new models of global organization, and to examine the management of headquarter-subsidiary relations.
Avon Products (A)	HBS #301-059 22p (B) case #301-060	Global (Mexico/ New York, NY); beauty products; \$5 billion revenues; 1992-98	The general manager of Avon Mexico, Fernando Lezama, must decide whether to promote a woman to the position of vice president of sales. If appointed, the candidate would be the first female in all of Latin America to hold an executive position and one of the first women in Mexico to attain this level of responsibility. Lezama's all-male executive team has doubts about the candidate's readiness, but Lezama is also cognizant of Avon's global vision, which calls for the advancement of women at all levels. Earlier in the year, the Avon Mexico organization had completed an exercise called "appreciative inquiry" aimed at enhancing gender relations in the workforce. Teaching Purpose: To examine the cultural aspects of managing in Mexico and to illustrate the use of "appreciative inquiry" as part of a cultural change process.
BRL Hardy: Globalizing an Australian Wine Company	HBS #300-018 20p TN #300-128	Australia/U.K., wine, 1992-1998	Focuses on two new product launch decisions facing Christopher Carson, managing director of BRL Hardy, Europe. Responsible for the European operations of a major Australian wine company, Carson has begun to globalize his strategy beyond selling the parent company's wines. After a difficult joint venture with a Chilean wine source, he is proposing to launch an Italian line of wines. His local team has also developed a new Australian brand that would compete directly with a parent company's global brand rollout. Focuses on global strategy choices being made through headquarter-subsidiary negotiations that define the roles of country managers and global product managers.
Euro Disney: The First 100 Days	HBS #693-013 23p	Paris, entertainment, 16,000 employees, 1992	The Walt Disney Co. theme parks historically have thrived on the basis of a formula stressing excellent customer service and a magnificent

	TN #693-082		physical environment. The formula has proven successful in Japan as well as the United States. With the controversial opening of Euro Disney in France, however, there has become reason to doubt the international appeal of the formula. The case documents issues involved with Euro Disney. Examines the transferability of a successful service concept across international boundaries.
Go Global--or No?	<i>HBR Reprint</i> #r0106a 9p	N/A	Only a few weeks ago, Greg McNally, the CEO of software start-up DataClear, had called an off-site in Montana to celebrate his company's success in racking up \$5 million in sales from its first product, ClearCloud--a powerful data analysis package. But that was before his talented and successful head of sales, Susan Moskowski, gave him the news about VisiDat, a British start-up that was testing a data analysis package of its own that was only weeks away from launch. "We need to agree on a strategy for dealing with this kind of competition," Susan had told Greg. "If they start out as a global player, and we stay hunkered down in the U.S., they'll kill us." Because of that news, Greg had changed the agenda of the off-site, instead having Susan present the options for taking DataClear global. The meeting had taken place two weeks ago, at which point the consensus had been to establish a European presence and probably one in Japan. The only question seemed to be whether to do it from scratch or to form partnerships with local players. Did DataClear really need to go global? Should it instead expand into different domestic markets? Should it do both at once? Could the company afford to? Four commentators offer their advice in this fictional case study.
<b>Chapter 6: Principles of Planning</b>			
Strategic Planning at Sun Life	HBS #301-084 21p	Toronto, Canada, financial services, 1,300 employees, 2000	Describes the firm's strategic planning activities and focuses on the challenge of developing processes that enable the firm to improve the core business as well as processes that foster the creation of promising new business opportunities. Teaches students about how to design different types of strategy formulation to accomplish different objectives.
Blinds To Go: Invading the Sunshine State	Ivey School, U. of Western Ontario #901D04 21p	Canada, window coverings, small, 2000	Blinds To Go (BTG), a Montreal headquartered producer of made-to-order window coverings, had made the decision to enter the Florida market by opening eight retail stores. As a result of this decision, the senior vice president of operations for BTG was faced with the dilemma of deciding if and when an assembly plant should be built to support these and future Florida retail stores. The most recent plant, built in Lakewood, NJ, had experienced operational problems during its start-up, resulting in the eventual replacement of most

			of the supervisory staff and a significant portion of the plant employees. This led to additional start-up costs and customer service problems. Faced with this expansion into Florida, the senior vice president set about devising an operating plan that would achieve the goals of the Florida expansion without the growing pains of past efforts. As the stores were to be opened in six months, a plan would have to be finalized soon.
Maureen Frye at Quaker Steel and Alloy Corp.	HBS #496-024 12p	Pennsylvania, metals, large, 1995	Maureen Frye, assistant product manager at Quaker Steel and Alloy Corp., is asked to implement an action plan for changing the call pattern of the salesforce. Currently the salesforce is spending too much time on small accounts. Earlier Frye attempted to change their call patterns without success. Now with the express call mandate of top management she has to present a plan that will work.
Tailored, Not Benchmarked: A Fresh Look at Corporate Planning	<i>HBR Reprint</i> 99202 7p	N/A	In today's competitive markets, every company has an action plan. Yet for most managers, the processes used to create these plans don't work. The root of the problem, suggests Campbell, may be that too many companies benchmark their processes and by doing so, prevent managers from focusing on what is unique to their situation. Good planning processes, the author argues, are not generic processes but ones in which both analytic techniques and organizational processes are carefully tailored to the needs of individual businesses and to the skills of corporate managers. The author cites examples of three companies that have successfully individualized their processes: Granada, Dow Chemical Company, and Emerson Electric. A mature electrical-products business such as Emerson, he says, has different planning needs than a fast-growing entertainment business like Granada or a highly cyclical chemicals business like Dow. Different chief executives may have different insights about how to go about adding value. Take the CEOs of Granada and Dow. Both set tough targets to stretch their businesses, but the way each CEO gets his managers to commit to his targets differs considerably. Bad planning can actively destroy value, the author says. It wastes people's time and money. It sends the wrong signals to managers. It can even lead managers to follow bad advice. That's why managers should go to the effort of reexamining and possibly changing their company's planning process
<b>Chapter 7: Making Decisions</b>			
Alaska Airlines and Flight 261 (A)	HBS #801-113 16p	Seattle, WA, airline, 14,000 employees, 2000	Weeks after the crash of Alaska Airlines Flight 261, 64 mechanics claim that they have been "pressured, threatened, and intimidated" into taking shortcuts. After briefly describing Alaska

			Airlines' history and CEO John Kelly, the case details how the airline responded to the crash and the resulting investigations. Also describes labor relations between management and its largest unions. At the end of the case CEO Kelly prepares for a news conference to respond to the mechanics' allegations. The case addresses crisis management, corporate diplomacy, labor relations, public relations, and transportation safety.
Victory Supermarkets: Expansion Strategy?	HBS #599054 20p	Massachusetts, grocery, \$250 million revenues, 1750 employees, 1998	Jay DiGeronimo, president of a 16-store supermarket chain, is trying to decide the timing and method for expanding his chain. The family-owned company could continue in a maintenance mode, with each family member running one store. It could expand slowly using a new Market Square concept. Or it could try to double its size in the next ten years. What are the costs and benefits of each approach? Should the company continue opening Market Squares, even though that format has higher opening and operating expenses than more conventional operations? Teaching Purpose: The financial data allow students to understand how supermarkets make money. The investment questions, from a financial as well as a merchandising point of view, create interesting tensions: Can a small operator compete against the national and international supermarket chains by offering higher-end differentiation?
Frasier (A)	HBS 13p #801-447 B case # 801-448 TN # 902-054	Burbank, CA; entertainment; 2000-2001	In 2001, NBC entered into contract negotiations with Paramount Television Group to keep the hit show "Frasier" on the network. Paramount, the studio that produced the show, threatened to move "Frasier" to CBS, Paramount's sister network, if NBC did not agree to a substantially higher license fee than the one it was currently paying. This case follows Marc Graboff's (EVP of NBC West Coast) analysis of the situation. Teaching Purpose: Highlights core concepts such as BATNA, ZOPA, and reservation price in a real-world case.
Decision Making at the Top: The All-Star Sports Catalog Division	HBS 21p #398-061 TN # 398-103	United States, retail/mail order, \$800 million revenues, 1,000 employees, 1997	Describes a senior management team's strategic decision-making process. The division president faces three options for redesigning the process to address several key concerns. The president has extensive quantitative and qualitative data about the process to guide him as he and the senior team attempt to make improvements. Teaching Purpose: To teach students about how general managers can design and shape decision-making processes, and how these processes affect the quality of the choice and the implementation
What You Don't Know About Making Decisions	HBR Reprint #r0108g 9p	N/A	Most executives think of decision making as a singular event that occurs at a particular point in time. In reality, though, decision making is a process fraught with power plays, politics, personal nuances, and institutional history. Leaders who recognize this make far better

			<p>decisions than those who persevere in the fantasy that decisions are events they alone control. That said, some decision-making processes are far more effective than others. Most often, participants use an advocacy process, possibly the least productive way to get things done. They view decision making as a contest, arguing passionately for their preferred solutions, presenting information selectively, withholding relevant conflicting data so they can make a convincing case, and standing firm against opposition. Much more powerful is an inquiry process, in which people consider a variety of options and work together to discover the best solution. Moving from advocacy to inquiry requires careful attention to three critical factors: fostering constructive, rather than personal, conflict; making sure everyone knows that their viewpoints are given serious consideration even if they are not ultimately accepted; and knowing when to bring deliberations to a close. The authors discuss in detail strategies for moving from an advocacy to an inquiry process, as well as for fostering productive conflict, true consideration, and timely closure. And they offer a framework for assessing the effectiveness of your process while you're still in the middle of it. Decision making is a job that lies at the very heart of leadership and one that requires a genius for balance: the ability to embrace the divergence that may characterize early discussions and to forge the unity needed for effective implementation.</p>
<b>Chapter 8: Strategic Planning</b>			
Strategic Planning at Sun Life	HBS # 301-084 21p	Toronto, Canada; financial services; \$1.3 billion revenues; 1300 employees; 2000	Describes the firm's strategic planning activities and focuses on the challenge of developing processes that enable the firm to improve the core business as well as processes that foster the creation of promising new business opportunities. Teaching Purpose: To teach students about how to design different types of strategy formulation to accomplish different objectives.
Newell Company: Corporate Strategy	HBS #799-139 22p TN #702-401	Illinois, consumer products, \$3.3 billion revenues, 32,000 employees, 1998	In 1998, Newell Co., a manufacturer of low-tech, high-volume consumer goods, acquired Calphalon Corp., a high-end cookware company, and Rubbermaid, a \$2 billion manufacturer of consumer and commercial plastic products. The case focuses on Newell's strategy and its elaboration throughout the organization, as well as the importance of selecting appropriate acquisitions to grow the company. Do Calphalon and Rubbermaid fit with the company's long-term strategy of growth through acquisition and superior service to volume customers?
Edmunds.com (A)	HBS #701-025 23p	Santa Monica, CA, Internet, 1997-2000	Edmund's began in 1966 as a publisher of new and used vehicle guides and grew into one of the leading third-party automotive Web sites of today.

			This case explores how Edmunds.com gained a competitive edge using strategic partnerships and alliances, as well as careful product positioning and strategy implementation.
The Walt Disney Co.: The Entertainment King	HBS # 701-035 27p	United States, entertainment, \$25.4 billion revenues, 110,000 employees, 1923-2000	The first ten pages of this case are comprised of the company's history, from 1923 to 2001. The Walt years are described, as is the company's decline after his death and its resurgence under Eisner. The last five pages are devoted to Eisner's strategic challenges in 2001: managing synergy, managing the brand, and managing creativity. Students are asked to think about the keys to Disney's mid-1980s turnaround, about the proper boundaries of the firm, and about what Disney's strategy should be beyond 2001.
Matching Dell	HBS #799-158 31p TN #700-084	Global, personal computers, 1998	After years of success with its vaunted "Direct Model" for computer manufacturing, marketing, and distribution, Dell Computer Corp. faces efforts by competitors to match its strategy. This case describes the evolution of the personal computer industry, Dell's strategy, and efforts by Compaq, IBM, Hewlett-Packard, and Gateway 2000 to capture the benefits of Dell's approach. Students are called on to formulate strategic plans of action for Dell and its various rivals. Permits an especially detailed examination of imitation; illustrates how fit among activities and incompatibilities between competitive positions can pose particularly high barriers to imitation. Can also be employed to illustrate competitor analysis, the evolution of industry structure, and relative cost analysis.
The Pitfalls of Parenting Mature Companies	<i>HBR Reprint</i> #96508 10p	N/A	Jack Marlowe, Sargon Corp.'s president, is wrestling with one of the most intractable problems he has dealt with since joining the company: what to do about Arcell, Sargon's mature household appliances unit, and Charlie Crescent, its president. CEO Hal Hestnes and Marlowe are forging a new identity for Sargon--formerly a small defense contractor--as a diversified manufacturer. Sargon is counting on Arcell's unit to provide the lion's share of the money for the company's investment in its future. Marlowe has made it clear to Crescent that he expects Arcell to run lean and mean. And Crescent has said that he understands. But his actions don't show it. He keeps wanting to plow his profits back into Arcell. Marlowe faces several questions: Should he replace Crescent? If so, where should he put this valued employee? Wouldn't whoever replaced Crescent be equally frustrated at having to lead a unit that the company considers a cash cow? Four experts analyze Marlow's problem in this fictitious case study.
<b>Chapter 9: Plans and Planning Tools</b>			

Merchandising at Nine West Retail Stores	HBS #698-098 17p TN #601-148	United States, footwear retailing, \$1.8 billion revenues, 1998	Describes the merchandising decision process (organization, structure, and incentives) at Nine West retail stores, a large footwear retailer in the United States. Also describes changes currently occurring at Nine West and thus provides a context in which students can recommend changes to the merchandising process and the structure of the merchandising organization. Teaching Purpose: To explain how merchandising decisions are made at a fashion retailer and to explore how changes in the environment will impact the merchandising organization.
CompUSA	HBS #197-101 24p	United States, computer retailing, \$3.8 billion revenues, 1980-1996	CompUSA was performing poorly until new management reorganized and redirected the business. CompUSA became the #1 retailer in its industry. Management lays out its future plans. Teaching Purpose: Is CompUSA's new business strategy manageable? Is the old one sustainable? Evaluates financial performance.
Clarkson Lumber Co.	HBS #297-028 6p TN #297-076	United States, retail lumber, \$3million revenues, 11 employees, 1991	The owner of a rapidly growing retail lumber company is considering the financial implications of continued rapid growth. The magnitude of the company's future financing requirements must be assessed in the context of the company's access to bank finance and/or equity finance. Teaching Purpose: Development of skills in financial analysis, financial forecasting, and financial planning. A rewritten version of an earlier case.
Case of the Colored Post-It Notes	HBS #897-069 3p	Cambridge, MA; education	Shows an example of how policies about budgeting and resource decisions are commonly misallocated. Teaching Purpose: To discuss the common types of policies and control systems that are not set up efficiently.
Prestige Telephone Co.	HBS #197-097 4p TN #197-098	United States, telecommunications, 1997	An independent regulated telephone company has established a computer services subsidiary that seems to remain unprofitable. Managers must determine whether it is profitable or not and consider changes in pricing or promotion that might improve profitability. Teaching Purpose: To introduce concepts of relevant costs, contribution, and breakeven analysis. A rewritten version of an earlier case
Pioneer Hi-Bred International, Inc.: Supply Management	HBS #898-238 15p (B) case #898-239 TN #899-208	Des Moines, IA; agribusiness; \$1.7 billion revenues; 1997	Depicts the supply-management practices--including planning, production, and distribution--at Pioneer Hi-Bred International, the world's leader in the genetically engineered hybrid crop seed industry. Set in the context of a supply-management planning meeting, it reveals conflicting considerations in setting policies for production (what, how much, and where to plant) and distribution. These considerations include costs, customer service, the vicissitudes of farm production, market uncertainties, and corporate culture. Since the issues are viewed from three independent perspectives--planning, production, and distribution--the case lends itself to role

			playing. Teaching Purpose: 1) To consider the challenges in managing the production, inventory, and distribution functions in a large, complex agribusiness firm. 2) To demonstrate the role of inventory management in supply management, and its relationship with production, marketing, and customer service.
Post-Project Appraisals Pay	<i>HBR Reprint</i> #87204 5p	N/A	Since 1977, British Petroleum (BP) has operated a post-project appraisal unit - a team of inside analysts and investigators who scrutinize projects several years after they have been completed to learn why they succeeded or misfired. The appraisal process has helped managers be more accurate in developing project proposals and more efficient in implementing them. At BP, every project generates a return on investment at least as high as that in the project's forecast.
<b>Chapter 10: Fundamentals of Organizing</b>			
Novartis Pharma: The Business Unit Model	HBS #101-030 20p	Switzerland, pharmaceuticals, \$21 billion revenues, 70,000 employees, 2000	In June 2000, Novartis reorganized its pharmaceutical business to form global business units in oncology, transplantation, ophthalmology, and mature products. The remaining products (primary care products) were managed as before within global functions (R&D, marketing, etc.) The new organization created a matrix structure and new roles for heads of business functions, CEOs of new business units, and country managers. Teaching Purpose: To explore the reasons for Novartis's reorganizing into the new matrix structure, the tensions and challenges the new structure creates, and the culture and accountability needed to make the new structure work.
Polycom, Inc.: Visualizing Culture	HBS #601-073 16p	United States, telecommunications, \$500 million revenues, 2000	Polycom is a rapidly growing maker of video conferencing and teleconferencing equipment. Management is attempting to use "natural work groups" as an organizing mechanism, and to build into the culture implicit rules that will cause desired behaviors to be self-policing. Teaching Purpose: To explore organizational forms that might robustly handle continued growth.
Crunch	HBS #899-233 23p TN #800-146	New York, NY; fitness; \$20 million revenues; 1997-99	Entrepreneur Doug Levine runs a fitness company with an incredibly powerful brand. His company leverages the brand to expand, both in terms of facilities and lines of business. But he may need to make significant organizational changes in order to continue the growth. Teaching Purpose: To illustrate the steps necessary to transition from an entrepreneurial, small company to a professionally managed, medium-sized one.
SMA: Micro-Electronic Products Division	HBS #400-034 19p	Switzerland, electronic manufacturing, 1200 employees, 1990	Describes a division of SMA with financial and organizational problems. Conflict and lack of coordination exist between functional groups. Employees lack a sense of direction and morale is

			<p>low. The cause of these problems is found in a change in business environment followed by change in organization and management.</p> <p>Teaching Purpose: Can be used for analysis of organization-environment relationships and action planning for change and environment. A rewritten version of an earlier case.</p>
<p>USA TODAY: Pursuing the Network Strategy (A)</p>	<p>HBS #402-010 18p (B) case #402-011</p>	<p>Virginia, newspaper, \$700 million revenues, 3000 employees, 2000</p>	<p>Describes the evolution of USA TODAY Online, the electronic version of the newspaper, within the organizational structure of the newspaper. Describes the tensions and issues that develop and the pressure from the Online division to be spun off. At the same time, CEO Tom Curley sees a greater strategic need for integration. Poses the question of what degree/type of strategic integration is required, what degree of organizational integration this implies, and how it can be achieved. Teaching Purpose: Exposes students to difficult issues surrounding integration when two organizational units are so different and explores the ambidextrous organization.</p>
<p>Do You Have a Well-Designed Organization?</p>	<p><i>HBR Reprint</i> #r0203k 7p</p>	<p>N/A</p>	<p>For most companies, organization design is neither a science nor an art; it's an oxymoron. Organizational structures evolve in fits and starts, shaped more by politics than by policies. Although most executives can sense when their organization designs are not working well, few take meaningful action, partly because they lack a practical framework to guide them. The authors of this article provide just such a framework; they present nine tests that can be used either to evaluate an existing organization design or create a new one. Four "fit" tests offer an initial screen: The market advantage test asks whether a design directs sufficient management attention to the company's sources of competitive advantage; the parenting advantage test determines whether the design gives enough attention to the corporate-level activities that provide real value to the company; the people test shows whether the design reflects the employees' strengths; and the feasibility test looks at constraints that may impede implementation. Five "good design" tests can help a company refine its prospective design. The specialist cultures test ensures that there's sufficient insulation for units that need to be different from the prevailing culture; the difficult-links test determines whether a design offers solutions for potentially problematic unit-to-unit links; the redundant-hierarchy test asks whether the design has too many parent levels; the accountability test looks at whether every unit has suitable controls; and the flexibility test ensures that the design lets the company adapt to change. Once a design is altered, the tests should be</p>

			repeated. Organizational decisions are inevitably complex, and tweaking one part of the design may produce unanticipated consequences elsewhere.
<b>Chapter 11: Responsibility, Authority, and Delegation</b>			
The Ritz-Carlton Hotel Company	HBS #601-163 31p TN #602-113	Washington, DC; hospitality; \$1.5 billion revenues; 18,000 employees, 2000	In just seven days, The Ritz-Carlton transforms newly hired employees into "Ladies and Gentlemen Serving Ladies and Gentlemen." The case details a new hotel launch, focusing on the unique blend of leadership, quality processes, and values of self-respect and dignity, to create award-winning service. Teaching Purpose: Allows students to examine innovation and improvement in a service industry. Raises questions of when and how to innovate in a successful service operating system and the challenges of innovation for a brand built on customer experience. Teaching points include the role of leadership and values in creating a culture of service and the need to manage the tension between standardized quality procedures and the cultivation of empowered employees who can customize each interaction to meet the needs of their customers.
Jack Stack (A)	Business Enterprise Trust #993-009	Springfield, MO; diesel engine remanufacturing; \$70 million revenues	Describes Jack Stack's efforts to revive a diesel engine remanufacturing plant owned by International Harvester. Stack engineers a leveraged buyout of the factory by its managers. He then implements a radical system for managing the company, through which every employee is trained to read complete financial reports of the company and given weekly operating data. In this way, they can see in detail how the company is progressing. Teaching Purpose: May be used in Human Resources, Organizational Behavior, Strategic Management, and Entrepreneurship courses to help students explore: 1) worker empowerment and related human resources issues; 2) the impact of the disclosure of company data on corporate strategy; 3) how an entrepreneur engineers a leveraged buyout; 4) the revitalization of "rust-belt" facilities; and 5) the role of worker empowerment in entrepreneurship.
Cambridge Consulting Group: Bob Anderson	HBS 5p #496-023	Boston, MA; consulting; \$85 million revenues	Describes the situation facing the head of a rapidly growing industry-focused group within a consulting company. Highlights the dilemmas of being a "producing manager" (i.e., a professional who has both individual production as well as management responsibilities). Issues raised include: delegation, developing subordinates, developing an agenda, and building an organization. Teaching Purpose: Demonstrates dilemmas of the producing manager's role.
J.C. Penney	HBS	Dallas, TX; retailing;	J.C. Penney utilized sophisticated technology to

	31p #596-102	\$21 billion revenues; 1990-1995	preserve the company's tradition of decentralization, which gave the stores a strong voice in selecting inventory. The benefits gained from local market knowledge, however, had to outweigh the foregone savings from decreased vendor leverage and speed. J.C. Penney executives realized that technology alone was not adequate to ensure effective merchandising. Looking ahead, they wondered what further changes could contribute to the goal of becoming an even more successful national department store chain. Would the balance between central and store responsibility have to be additionally adjusted to compete effectively with increasingly more centrally run retailers?
Balancing Corporate Power: A New Federalist Paper	<i>HBR Reprint</i> #92604 9p	N/A	Given that organizations are seen more and more as minisocieties, the prospect of applying political principles to management makes a great deal of sense. Federalism is particularly appropriate because it offers a well-recognized system for dealing with paradoxes of power and control: the need to make things big by keeping them small; to encourage autonomy but within bounds; and to combine variety and shared purpose. Federalism responds to these paradoxes by balancing power among those in the center of the organization, those in the centers of expertise, and those in the center of the action--the operating businesses. Federalism avoids the risks of autocracy and the overcontrol of a central bureaucracy. It ensures a measure of democracy and creates a "dispersed center" that is more a network than a place. McKinsey Award Winner.
<b>Chapter 12: Managing Human Resources</b>			
Southwest Airlines: Using Human Resources for Competitive Advantage (A)	Stanford #HR1A 24p (B) case #HR1B TN #HR1T	United States, airlines, 12,000 employees, 1994	In 1994 both United Airlines and Continental Airlines launched low-cost airlines-within-an-airline to compete with Southwest Airlines. From 1991 until 1993 Southwest had increased its market share of the critical West Coast market from 26% to 45%. This case considers how Southwest had developed a sustainable competitive advantage and emphasizes the role of human resources as a lever for the successful implementation of strategy. Asks whether competitors can successfully imitate the Southwest approach.
Human Resources at Hewlett-Packard (A)	HBS #495-051 27p (B) case #495-052 TN#497-022	California, high tech, \$25 billion revenues, 90,000 employees, 1979-92	Provides an overview of the human resource policies and practices applied by Hewlett-Packard (HP). Discusses HP's reactions as an organization to changes in its business environment. As such, it is an opportunity to analyze HP's practices, and how they have been affected through the years in all four policy areas: stakeholder influence, flows, rewards, and work systems.
The SAS	Stanford	North Carolina,	The SAS Institute is a large, growing software

<p>Institute: A Different Approach to Incentives and People Management Practices in the Software Industry</p>	<p>#HR6 17p</p>	<p>software, \$750 million revenues, 1997</p>	<p>company headquartered in the Research Triangle in North Carolina. Founded more than 25 years ago, it has evolved a unique approach, given its industry, to developing and retaining talent including using no stock options or phantom stock and not paying its salespeople on commission. The CEO and Vice President of Human Resources must decide how well their current management practices will continue to serve them as the company gains greater visibility and faces an increasingly competitive labor market.</p>
<p>Wolfgang Keller at Konigsbrau-Hellas A.E. (A)</p>	<p>HBS #498-045 18p TN #400-069</p>	<p>Europe, brewery</p>	<p>Raises issues concerning performance evaluation, performance appraisal, managing ineffective performance, and conflicts in management style.</p>
<p>The Firmwide 360-degree Performance Evaluation Process at Morgan Stanley</p>	<p>HBS #498-053 16p TN #400-078</p>	<p>New York, NY, investment banking, 2,000 employees, 1993-1995</p>	<p>Describes Morgan Stanley's firmwide, 360-degree performance evaluation process. Evaluation forms are included as exhibits.</p>
<p>How to Lose Your Star Performer Without Losing Customers, Too</p>	<p><i>HBR Reprint</i> #r0110g 9p</p>	<p>N/A</p>	<p>It's bad enough to lose a trusted employee who works well within your organization, but when you lose a star performer who has built up strong customer relationships, something else is at stake: The star's customers may also walk out the door. In a two-year study of more than 200 people from 57 companies, Neeli Bendapudi and Robert Leone found that most strategies to keep customers when stars leave are largely ineffective because they grow out of a company's perspective, not a customer's. The authors asked customers how they felt and discovered three main concerns. First, customers can become attached to a particular key contact employee, and if that person leaves, they wonder whether service will suffer. You can forge a broader relationship by ensuring that customers interact with many employees, using techniques like deploying teams, rotating staff, and offering one-stop shopping. Second, customers fear that a replacement won't be as good as the employee who left. You can combat this by stressing the quality of all your employees--not just superstars. Publicize your hiring practices, training, and employees' achievements. Third, customers want information about the changeover and how you will manage the transition. Communicate the identity of a replacement in advance of a departure, and have the outgoing employee introduce the new person. Addressing all areas of customer concern in concert tells customers that you value their business and that you deserve to keep it. In the article, the authors also include a scorecard to rate your company on how well you are protecting customer relationships when</p>

			employee turnover occurs.
<b>Chapter 13: Organizational Change and Stress</b>			
Corning--1983-96: Transition at the Top	HBS #401-034 30p Follow-on case #401-035	Corning, NY; \$5 billion revenues; 20,000 employees; 1983-96	Focuses on Jamie Houghton's efforts to revitalize Corning from 1983-96, including the development of a very strong set of values and culture. The issue centers around Roger Ackerman's rise to president then chairman/CEO, and his drive to both change the business strategically/financially and develop a new culture to support this change. Teaching Purpose: Demonstrates importance of fit among senior team, culture, strategy, and organization, and how change in one requires change in others. Gets students to think through details of implementing culture change.
Andy Chew at Siemens Nixdorf: Change from the Middle	HBS #396-204 12p	Germany, computers, 1995	Andy Chew, a British manager reassigned to Germany by a large German computer company, is in the middle of carrying out a project as a designated "change agent" in a program to reshape the culture toward one that is more entrepreneurial for success as a nimble global competitor. He is still uncertain of his support.
What's the BIG Idea?	HBS #602-105 22p	Manchester, NH; kids/toys; \$200,000 revenues; 10 employees; 2001	CEO Michael Collins must decide if and how a process he developed to further innovation in the kids' industry could port over to other industries. The process was based on Collins' experiences as an inventor and as a venture capitalist, and it allowed his company to be an intermediary between inventors and innovation-seeking companies. The process seemed to be working quite well in the kids' industry and Collins had to decide what would "travel" to a different vertical. Teaching Purpose: Demonstrates how <b>innovation</b> that might not happen internal to a company can happen once it is removed from a company's processes. Also raises questions as to whether you can develop a process to identify good invention ideas or whether it is an "art."
Napster and MP3: Redefining the Music Industry	Ivey/UWO #901M02 TN #801M02	Global, internet/music, 2000	The music industry has changed dramatically as a result of technological and business innovations that have transformed how music is acquired, and how value is created and distributed. Napster, Inc. operated one of several Web sites that allowed Internet users free access to MP3 music files-- which eventually led to lawsuits around issues of the protection of intellectual capital. These issues lead to the examination of the forces at play in the transformation of the music industry, the strategic alternatives for players in the industry and the legal context underpinning the strategic alternatives, with a particular focus on the protection of intellectual capital.
Change Without Pain	<i>HBR Reprint</i> #r00401 5p	N/A	Change or perish is a corporate truism, but so is its unhappy corollary: many companies change and perish. The process of change can tear an

			<p>organization apart. Drawing on his research over ten years, the author suggests that companies alternate major change initiatives with carefully paced periods of smaller, organic change, using processes he calls tinkering and kludging (kludging is tinkering on a large scale). The result is dynamic stability, which allows change without fatal pain. Citing examples from General Electric to Barnesandnoble.com, the author describes dynamic stability as a process of continual but relatively small reconfigurations of existing practices and business models rather than the creation of new ones. As they tinker and kludge, successful companies would be wise to follow these four guidelines: reward shameless borrowing; appoint a chief memory officer who can help the company avoid making the same old mistakes; tinker and kludge internally before searching for solutions externally; and hire generalists, because generalists tend to be more adept at tinkering and kludging. As a paradigm of successful pacing, the author cites the efforts of Lou Gerstner at IBM, American Express Travel Related Services, and RJR Nabisco.</p>
<p><b>Chapter 14: Fundamentals of Influencing and Communication</b></p>			
<p>Dawn Riley at America True (A)</p>	<p>HBS 17p 401-006 Supplement #401-007</p>	<p>San Francisco, sports, startup, 100 employees, 1999-2000</p>	<p>Dawn Riley is the CEO/Captain of America True, the first coed syndicate to race for the America's Cup. Over three years, based on her vision for America True, she built the syndicate from scratch, bringing on investors and sponsors, designing and building a boat, and hiring a sailing crew to race it. In June 1999, Riley must decide how to handle the San Francisco office now that America True's base of operations is moving to Auckland, New Zealand, where racing will begin in four months. She is facing pressure to phase out the office to cut down on costs, but Riley believes that the people in San Francisco and the work they are doing are key to her vision for America True. She must weigh the tension between immediate pressures to win and the longer-term sustainability of her vision. Teaching Purpose: To demonstrate the challenges of leading a start-up: the importance of communicating a vision, aligning people around that vision, and executing on it. To explore issues of gender and power.</p>
<p>Jack Welch: General Electric's Revolutionary</p>	<p>HBS #394-065 22p TN #395-232</p>	<p>United States, conglomerate</p>	<p>Describes the work of Jack Welch as CEO of General Electric from 1981 to 1992, focusing particularly on his transformation of the company's portfolio through extensive dispositions and acquisitions and the company's culture through a mandated process called "work out."</p>
<p>Jack Thomas</p>	<p>HBS #494-062</p>	<p>New York, publishing, 1990</p>	<p>This disguised version of an earlier case, Tom Levick, provides an updated setting but does not</p>

	13p		change the teaching objectives. Chronicles the first six weeks of experience on the job for a recent business school graduate. Emphasis is on managing upwards--particularly with respect to errors discovered by the protagonist for which his boss was responsible.
Jensen Shoes: Lyndon Twitchell's Story	HBS #395-121 8p TN #396-017	United States, shoes, \$65 million revenues, 4500 employees, 1994	Details the experiences of Jane Kravitz (Caucasian female), strategic product manager, and Lyndon Twitchell (African American male), a member of her staff at Jensen Shoes, a successful producer and marketer of casual, athletic, and children's footwear. They are assigned to new positions and to each other at the start of the story. Presents their very different points of view on their first couple of months working together. Teaching Purpose: Raises how stereotypes and self-fulfilling prophecies influence performance feedback. Can be taught in a variety of ways: with all students receiving both cases; half receiving one and half receiving the other; or a third of the class receiving both, one third receiving one, and one third receiving the other (as is appropriate). Should be used with Jensen Shoes: Jane Kravitz's Story.
Jensen Shoes: Jane Kravitz's Story	HBS #395-120 7p TN #396-017	United States, shoes, \$65 million revenues, 4500 employees, 1994	Details the experiences of Jane Kravitz (Caucasian female), strategic product manager, and Lyndon Twitchell (African American male), a member of her staff at Jensen Shoes, a successful producer and marketer of casual, athletic, and children's footwear. They are assigned to new positions and to each other at the start of the story. Presents their very different points of view on their first couple of months working together. Teaching Purpose: Raises how stereotypes and self-fulfilling prophecies influence performance feedback. Can be taught in a variety of ways: with all students receiving both cases; half receiving one and half receiving the other; or a third of the class receiving both, one third receiving one, and one third receiving the other (as is appropriate). Should be used with Jensen Shoes: Lyndon Twitchell's Story.
Selling the Brand Inside	<i>HBR Reprint</i> #r0201j 7p	N/A	When you think of marketing, chances are your mind goes right to your customers--how can you persuade more people to buy whatever it is you sell? But there's another "market" that's equally important: your employees. Author Colin Mitchell argues that executives by and large ignore this critical internal audience when developing and executing branding campaigns. As a result, employees end up undermining the expectations set by the company's advertising--either because they don't understand what the ads have promised or because they don't believe in the brand and feel disengaged or, worse, hostile toward the company. Mitchell offers three

			principles for executing internal branding campaigns. First, companies need to market to employees at times when the company is experiencing a fundamental challenge or change. Second, companies must link their internal and external marketing campaigns. And, third, internal branding campaigns should bring the brand alive for employees, creating an emotional connection to the company that transcends any one experience. It is a fact of business, writes Mitchell, that if employees do not care about or understand their company's brands, they will ultimately weaken their organizations.
<b>Chapter 15: Leadership</b>			
Meg Whitman at eBay, Inc. (A)	HBS #401-024 32p	San Jose, CA, Internet, 1999	Meg Whitman takes over as CEO of eBay from the founder. She must figure out how to lead the company through a stage of phenomenal growth without compromising eBay's unique external customer culture and internal culture--its key success factors.
Jack Welch: General Electric's Revolutionary	HBS #394-065 22p TN #395-232	United States, conglomerate	Describes the work of Jack Welch as CEO of General Electric from 1981 to 1992, focusing particularly on his transformation of the company's portfolio through extensive dispositions and acquisitions and the company's culture through a mandated process called "work out."
Chrysler: Iacocca's Legacy	HBS #493-017 19p TN #496-059	United States, automobiles, 140,000 employees, 1978-92	Describes the changes fashioned by Iacocca during his tenure as CEO of the Chrysler Corp. Pays particular attention to the rhetoric he employed in mobilizing change and the actions he took to implement change.
Bill Gates and the Management of Microsoft	HBS #392-019 19p	United States, computer software, \$1.8 billion revenues, 1991	In July 1991, Microsoft has achieved record growth and profitability in the PC software industry. The case focuses on Microsoft's founder and CEO, Bill Gates, and his top management team, as they seek to retain the innovation and spirit of a small company in a rapidly growing and changing environment. Specific issues include the management of organizational complexity, cultural change, CEO and COO interaction, compensation, and leadership.
Mary Kay Cosmetics, Inc.: Sales Force Incentives (A)	HBS #190-103 16p (B) case #190-122 TN #191-198	Dallas, TX; cosmetics; \$400 million revenues; 1989	Describes the incentive system by which Mary Kay Cosmetics motivates the sales force of 200,000 independent agents who comprise the firm's only distribution channel. Illustrates the powerful effect on sales-force behavior that results when creative types of employee recognition are combined with financial incentives. Focuses on the challenges that managers face when they try to reduce program costs by modifying the VIP automobile program that awards the use of pink Cadillacs and other cars to successful sales agents. A detailed description of the parameters and formulas that drive the recognition and reward programs is

			provided.
Albert Dunlap and Corporate Transformation (A)	Babson #BAB032 17p (B) case #BAB033 TN #BAB532	United States; paper products, home appliances; 1994-2000	After restructuring Scott Paper with a 34% reduction in head count and successfully selling the company to Kimberly Clark, Al Dunlap is hired as CEO by Sunbeam. This case describes the management principles of this corporate turnaround expert and his actions at Sunbeam.
A Letter to the Chief Executive	<i>HBR Reprint</i> #r0210g 6p	N/A	Beyond the recent accounting scandals, something is wrong with the way most companies are managed today. That's the message of this fictional letter from a board member to a CEO, written by Joseph Fuller, CEO of the strategy consulting firm Monitor Group. The letter highlights the challenges and complexities of running a business in today's uncertain environment. The letter addresses a single CEO and company, yet it is intended to speak to executives and boards everywhere: "It wasn't the recession that caused us to make 3 acquisitions in 2 years at very, very high prices; the need to fuel [unreasonable] growth did. Nor was it the recession that caused us to expand our capacity in anticipation of gaining market share; rather, it was our own overly optimistic sales forecasts that led us to that decision. Where did those forecasts originate? From line managers trying to fulfill profit goals that we created after meeting with the analysts. The root cause of many of the problems that became apparent in the last 24 months lies not with the economy, not with September 11, and not with the dot-com bubble. Rather, it lies with that willingness to be led by outside forces--indeed, our own lack of conviction about setting a course." Restoring sound, strategic decision making--thinking that looks beyond tomorrow's analyst reports--will go a long way toward keeping those outside forces at bay, according to Fuller.
<b>Chapter 16: Motivation</b>			
Microsoft's Vega Project: Developing People and Products	HBS #300-004 19p	Redmond, WA, computer software, 31,000 employees, 1975-1998	Describes Microsoft's human resource philosophies and policies and illustrates how they work in practice to provide the company with a major source of competitive advantage. Describes employee development, motivation, and retention efforts in one of Microsoft's product groups. Focuses on Matt MacLellan, a 26-year-old, 5-year Microsoft veteran, particularly on his careful development as a project manager under Jim Kaplan, his boss and mentor. Dissatisfied with his project management role, MacLellan decides to become a developer despite the fact that he had never written code professionally. Kaplan is faced with a difficult decision of whether to support his protegee's radical career shift, and how to do it not only to MacLellan's satisfaction but also in the

			organization's best interest. Illustrates the role of senior management as developer and coach of scarce human assets and the role of human resource policy in supporting an organization's development of competitive advantage.
Mary Kay Cosmetics, Inc.: Sales Force Incentives (A)	HBS #190-103 16p (B) case #190-122 TN #191-198	Dallas, TX; cosmetics; \$400 million revenues; 1989	Describes the incentive system by which Mary Kay Cosmetics motivates the sales force of 200,000 independent agents who comprise the firm's only distribution channel. Illustrates the powerful effect on sales-force behavior that results when creative types of employee recognition are combined with financial incentives. Focuses on the challenges that managers face when they try to reduce program costs by modifying the VIP automobile program that awards the use of pink Cadillacs and other cars to successful sales agents. A detailed description of the parameters and formulas that drive the recognition and reward programs is provided.
Nordstrom: Dissension in the Ranks? (A)	HBS #191-002 24p (B) case #192-027 TN #692-085	United States; retailing; 1989	In 1989, the performance measurement systems and compensation policies of Nordstrom Department Stores unexpectedly came under attack by employees, unions, and government regulators. The case describes the "sales-per-hour" monitoring and compensation system which many believed to be instrumental in Nordstrom's phenomenal success. Illustrates how rapid company growth, decentralized management, and unrelenting pressure to perform can distort performance measurement systems and lead to undesirable consequences.
Visionary Design Systems: Are Incentives Enough?	HBS #495-011 20p TN #495-050	Silicon Valley, CA, 1994	A compensation case about a small, high-tech firm based in Silicon Valley. Visionary Design Systems (VDS) began as a sales company and grew rapidly into a full-service systems integrator. All employees, including engineers, administrators, and receptionists, received a significant portion of their income from commissions and bonuses, and all were shareholders. The company espoused a philosophy of empowerment, under which all employees were given substantial decision-making authority, and were expected to act in the interests of the firm. Examines one group that, although it had both the authority and the incentives to exploit a new market opportunity, continued to wait for top management's instructions and approval before making decisions or taking action. Explores the costs and benefits of decentralized decision rights and the creative use of incentives. Also illustrates the potential problems with compensation systems that assume that well-informed employees faced with the right incentives will make the right decisions.
One More Time: How Do You	<i>HBR Reprint</i> #r0301f	N/A	It's a manager's perennial question: "How do I get an employee to do what I want?" The psychology

Motivate Employees? ("HBR Classic")	9p		of motivation is very complex, but the surest way of getting someone to do something is to deliver a kick in the pants--put bluntly, the KITA. Companies usually resort to positive KITAs, ranging from fringe benefits to employee counseling. But although a KITA might produce some change in behavior, it doesn't motivate. Frederick Herzberg, whose work influenced a generation of scholars and managers, likens motivation to an internal generator. An employee with an internal generator, he argues, needs no KITA. Achievement, recognition for achievement, the work itself, responsibility, and growth or advancement motivate people. The author cites research showing that those intrinsic factors are distinct from extrinsic, or KITA, elements that lead to job dissatisfaction. Jobs can be changed and enriched. Managers should focus on positions where people's attitudes are poor. The investment needed in industrial engineering is cost effective, and motivation will make a difference in performance.
<b>Chapter 17: Groups, Teams, and Corporate Culture</b>			
The Overhead Reduction Task Force	HBS #400-026 7p TN #400-027 Video #400-502	United States, household appliances, mid-size, 1977-99	A middle manager is about to meet with his boss to discuss her request that he head up a task force to determine how overhead can be reduced by 20%. He must decide what to address in that meeting and how the task force should be launched and led. The focus is on team leadership at four stages in a team's life cycle: 1) preparation, 2) initial meeting, 3) mid-course consultation, and 4) post-performance debriefing. Teaching Purpose: To learn about the effective leadership of work groups and <b>teams</b> . A rewritten version of an earlier case.
The Chattanooga Ice Cream Division	HBS #498-001 11p	United States, food products, 750 employees, 1996	Senior functional officers (marketing, manufacturing, research & development, control, and human resources) clash over alternative ideas for turning around a business in decline. The general manager is faced not only with choosing between competing ideas, but also managing conflict and determining whether his consensus-oriented style is appropriate to the needs of the situation.
Buck & Pulleyn's Team Management	HBS #497-007 9p	Rochester, NY; advertising; \$26 million revenues; 70 employees; 1996	In 1993, the firm began to move from a traditional hierarchical structure to client-focused teams. The case describes the process and some consequences of this restructuring. Performance seems to be improving, but some employees preferred the structure certainty and client variety of the old days. How does management deal with these issues? Teaching Purpose: Team management has become very popular, but transitions from traditional structures to teams are not easy. The discussion will center on how to

			deal with these issues.
Business Teams at Rubbermaid, Inc.	HBS #897-165 26p	Wooster, OH, consumer products/plastics, 14,500 employees, 1996	Rubbermaid, a consumer products company widely praised for its innovation, has instituted a company-wide experiment to stimulate innovation even further. The experiment consists of creating small cross-functional business teams within each division, with each team being responsible for the creation, management, and profitability of a particular product line. The staffing, reporting structure, and management of the business teams vary across divisions, and clear differences emerge in the performance of four highlighted teams. The case explores the possibility of using cross-functional teams within established firms to simulate entrepreneurial ventures and accelerate innovation.
Rudi Gassner and the Executive Committee of BMG International (A)	HBS #494-055 21p TN #494-122	Global, entertainment, 1993	Explores the roles of CEO Rudi Gassner and the 9-person executive committee in leading BMG International. BMG International is the music subsidiary of Bertelsmann, the second-largest media conglomerate in the world. Describes a 1993 decision that Gassner and the executive committee must make about whether to change managers' business plans and bonus targets as a result of a newly negotiated reduced manufacturing cost. Allows for discussion of a number of timely and important issues: (1) the complexities of managing and growing a large global business; (2) the tensions between centralized corporate control and decentralized local management in a global organization; (3) the impact of leadership style on corporate culture and performance; (4) the challenges of leading a senior management team; and (5) the final decision by CEO Rudi Gassner and the subsequent actions taken by the members of the executive committee.
JetBlue Airways: Starting from Scratch	HBS #801-354 20p TN #801-386	New York, NY, airlines, 950 employees, 2000	JetBlue Airways shows how an entrepreneurial venture can use human resource management, specifically a values-centered approach to managing people, as a source of competitive advantage. The major challenge faced by Ann Rhoades is to grow this people-centered organization at a rapid rate, while retaining high standards for employee selection and a small company culture. Considers the role of human resource management, leadership, and values in a start-up venture, and addresses the tension between a strong organizational culture and rapid growth.
The SAS Institute: A Different Approach to Incentives and People-Management	Stanford #HR6 17p	North Carolina; software; 5,000 employees; 1997	The SAS Institute is a large, growing software company headquartered in the Research Triangle in North Carolina. Founded more than 25 years ago, it has evolved a unique approach, given its industry, to developing and retaining talent including using no stock options or phantom stock and not paying its salespeople on

Practices in the Software Industry			commission. The CEO and Vice President of Human Resources must decide how well their current management practices will continue to serve them as the company gains greater visibility and faces an increasingly competitive labor market.
Speeding Up Team Learning	<i>HBR Reprint</i> #r0109j 7p	N/A	Cardiac surgery is one of medicine's modern miracles. In an operating room no larger than many household kitchens, a patient is rendered functionally dead while a surgical team repairs or replaces damaged arteries or valves. Each operation requires incredible teamwork--a single error can have disastrous consequences. In other words, surgical teams are not all that different from the cross-functional teams that have become crucial to business success. The challenge of team management these days is not simply to execute existing processes efficiently. It's to implement new processes as quickly as possible. But adopting new technologies or new business processes is highly disruptive, regardless of the industry. The authors studied how surgical teams at 16 major medical centers implemented a difficult new procedure for performing cardiac surgery. The setting was ideal for rigorously focusing on how teams learn and why some learn faster than others. The authors found that the most successful teams had leaders who actively managed the groups' learning efforts. Teams that most successfully implemented the new technology shared three essential characteristics. They were designed for learning; their leaders framed the challenge so that team members were highly motivated to learn; and an environment of psychological safety fostered communication and innovation. The finding that teams learn more quickly if they are explicitly managed for learning poses a challenge in many areas of business. Team leaders in business tend to be chosen more for their technical expertise than for their management skills. Team leaders need to become adept at creating learning environments, and senior managers need to look beyond technical competence and identify leaders who can motivate and manage teams of disparate specialists.
<b>Chapter 18: Understanding People</b>			
Merck Latin America (A)	HBS # 401-029 12p	Latin America, pharmaceuticals, \$33 billion revenues, 1999	Introduces Grey Warner, the vice president of Merck's Latin America region, and his efforts to improve the organizational effectiveness of the region and to introduce a more global business culture and values. Discusses Merck's ethics and values, its Latin American organization, the change methodologies used, and the political and economic conditions in the region. The change

			methodologies included Myers Briggs personality type assessment, 360 degree feedback management evaluations, a new strategic planning process, and especially, organizational fitness profiling to discover and overcome barriers to achieving the strategic vision. Teaching Purpose: Allows students to examine the management of foreign operations--especially the management of change and the cultural implications thereof.
Mark Twain Bancshares, Inc.	HBS #385-178 18p	St. Louis, MO; banking; \$750 million assets; 1984	Describes the history, management, and organization of an extremely successful bank holding company. The company has had a very charismatic chairman, has made MBAs bank presidents at very early ages, and has a long record of innovation. Now deregulation and a coming change of leadership may threaten the "system" that has made the bank so successful. The teaching objectives are to display the advantages and drawbacks of management based on a strong personality and strong values in the face of major market changes
The SAS Institute: A Different Approach to Incentives and People-Management Practices in the Software Industry	Stanford #HR6 17p	North Carolina; software; 5,000 employees; 1997	The SAS Institute is a large, growing software company headquartered in the Research Triangle in North Carolina. Founded more than 25 years ago, it has evolved a unique approach, given its industry, to developing and retaining talent including using no stock options or phantom stock and not paying its salespeople on commission. The CEO and Vice President of Human Resources must decide how well their current management practices will continue to serve them as the company gains greater visibility and faces an increasingly competitive labor market.
The Failure-Tolerant Leader	<i>HBR Reprint</i> #r0208d 6p	N/A	"The fastest way to succeed," IBM's Thomas Watson, Sr., once said, "is to double your failure rate." In recent years, more and more executives have embraced Watson's point of view, coming to understand what innovators have always known: Failure is a prerequisite to invention. Although companies may grasp the value of making mistakes at the level of corporate practices, they have a harder time accepting the idea at the personal level. In this article, psychologist and former Harvard Business School professor Richard Farson and co-author Ralph Keyes discuss how companies can reduce the fear of miscues. What's crucial is the presence of failure-tolerant leaders--executives who, through their words and actions, help employees overcome their anxieties about making mistakes and, in the process, create a culture of intelligent risk-taking that leads to sustained innovation. Drawing from their research in business, politics, sports, and science, the authors identify common practices among failure-tolerant leaders. These leaders

			break down the social and bureaucratic barriers that separate them from their followers. They engage at a personal level with the people they lead. They take a nonjudgmental, analytical posture as they interact with staff. They openly admit their own mistakes. And they try to root out the destructive competitiveness built into most organizations. Above all else, failure-tolerant leaders push people to see beyond traditional definitions of success and failure. They know that as long as a person views failure as the opposite of success, rather than its complement, he or she will never be able to take the risks necessary for innovation.
<b>Chapter 19: Principles of Controlling</b>			
Verizon Communications, Inc.: Implementing a Human Resources Balanced Scorecard	HBS #101-102 23p	United , telecommunications, \$60 billion revenues, 1996-2000	In early 2000, Verizon Communications implemented a Human Resources Balanced Scorecard to evaluate the effectiveness of and payoffs from human resource management. This case describes the benefits of the scorecard and the challenges of measurement and implementation. Teaching Purpose: To help students understand: 1) how to implement a Balanced Scorecard, 2) how to measure and improve the effectiveness of support functions, and 3) how to link nonfinancial measures to financial measures of support functions when financial benefits are difficult to quantify.
Bausch & Lomb, Inc.: Pressure to Perform	HBS #198-009 20p	United States, optics, 1995	Bausch & Lomb is the subject of press attacks and experiences a sharp fall in stock price when management practices are exposed. Aggressive goal setting, supported by financial market expectations, is discussed as a precursor to a series of events that results in misstated financial results and angry customers. A defiant CEO stands his ground as shareholders demand his resignation. Industry and competitive data allow students to calibrate performance pressures.
The Classic Pen Co.: Developing an ABC Model	HBS #198-117 4p TN # 199-029	Unspecified	A simple numerical exercise, based on the Cooper/Kaplan pen factory example, to illustrate the rationale for activity-based costing (ABC). Classic Pen has diversified from its core blue and black pen business by introducing new specialized colors. But costs have risen and margins on blue and black pens are decreasing. The controller turns to ABC for an explanation. Teaching Purpose: Illustrates application of ABC.
Putting the Balanced Scorecard to Work	<i>HBR Reprint</i> #93505 14p	N/A	In an earlier, groundbreaking article, Balanced Scorecard - Measures That Drive Performance, Reprint #92105, the authors proposed a new measurement system that provided managers with a comprehensive framework to translate a company's strategic objectives into a coherent set of performance measures. Now the authors show how several companies are putting the balanced

			scorecard to work. Effective measurement, the authors point out, must be an integral part of the management process. Much more than a measurement exercise, the balanced scorecard is a management system that can motivate breakthrough improvements in such critical areas as product, process, customer, and market development. Several examples--Rockwater, Apple Computer, and Advanced Micro Devices--illustrate how the scorecard combines measurement and management in different companies. From the experiences of these companies and others, the authors have found that the balanced scorecard is most successful when it is used to drive the process of change.
<b>Chapter 20: Production Management and Control</b>			
Eli Lilly and Co.: The Flexible Facility Decision--1993	HBS #694-074 19p TN #696-041	Indianapolis, IN; pharmaceuticals; \$6.2 billion revenues, ; 1993	In 1993, Eli Lilly is preparing to build manufacturing capacity for three new pharmaceutical products that it expects to launch in 1996. Management wrestles with a decision of whether to add specialized manufacturing capacity or flexible capacity. This question touches off a broad debate within the company about which strategy to follow for future facilities decisions. This case presents two alternatives (flexible and specialized plants) and describes the benefits and costs associated with each. Teaching Purpose: Requires students to analyze the tradeoffs between the alternatives and consider if and how each would help Lilly accomplish its strategic goals. Students should consider the net present value of the alternative investments, as well as explore the value of flexibility in manufacturing and capital investment decisions.
Mattson Foods, Inc.: The Bardolini Division (Revised)	HBS #695-058 14p	United States, food processing, \$30 million revenues, 1988	The Bardolini Division of Mattson Foods, with plants in the northeast and midwest, wants to open up the western market for its pizza. Management must decide whether to build a new plant on the West Coast, and what type of technology to put in the plant if they decide to build it. The case addresses the issue of building a plant for marketing purposes and raises a number of logistical issues, including transportation and warehouse economics. A rewritten version of an earlier case.
GE: We Bring Good Things to Life (A)	HBS #988-162 23p (B) case #899-163 TN #899-222	Global, diversified, \$80 billion revenues, 222,000 employees, 1995	Jack Welch and the Corporate Executive Council of GE are faced with a decision about whether and how to implement a six sigma quality improvement effort in the context of many other initiatives already undertaken at GE in recent years. Teaching Purpose: To illustrate the complexity of managing change and the momentum that related and integrated initiatives can provide.
Daewoo	HBS	Korea, shipbuilding,	Daewoo Shipbuilding and Heavy Machinery

Shipbuilding and Heavy Machinery	#695-001 18p TN #696-053	1994	rescued its plant from the labor riots of 1987 to make it, by 1994, to be the fastest improving shipyard in the world. With its competition in Korea making huge investments in additional capacity in anticipation of the end of the recession, Daewoo instead has to decide if its strategy of continuous investment can provide the needed capacity. Teaching Purpose: Addresses manufacturing improvement strategies and plant management. In addition, it looks at the interaction between "step-change" improvement and continuous improvement.
EG&G Rotron Division	HBS #695-037 17p TN #697-100	New York, motors and electronics, \$20 million revenues, 200 employees, 1995	Rotron has recently entered the commercial motor market, after many years of servicing government military contracts. Faced with fierce commercial competition, Rotron has attacked its costs, and reduced its delivery times and its plants. A new crisis, however, is causing it to rethink its just-in-time production system and the plant manager must decide whether to re-introduce inventory for key production. Teaching Purpose: Addresses issues related to just-in-time production and strategic flexibility.
Johnson Controls, Automotive Systems Group: The Georgetown, Kentucky Plant	HBS # 693-086 23p TN #693-102	Georgetown, KY; automotive; \$5 billion revenues; 40,000 employees; 1993	Prior to the 1980s, auto makers purchased individual seat components and built the seats alongside their auto assembly lines. This case describes how Johnson Controls, Automotive Systems Group blossomed when auto makers turned to outsourcing the complete seat set. Closely examines one plant, in Georgetown, Kentucky, that switched from just-in-time (JIT) delivery of seat sets to JIT assembly to serve a nearby Toyota Camry assembly operation. Exposes the challenge of dealing with growing seat variation and an opportunity of doubling the plant floor space at a separate site. The specific case question is how the plant should use this new space. Teaching Purpose: Students who have been only exposed to the concept of JIT production will grasp not only how JIT is actually practiced but what it really entails.
The Fallacy of the Overhead Quick Fix	<i>HBR Reprint</i> #91403 8P	N/A	Many large manufacturing companies are finding themselves at a cost disadvantage in markets they have dominated for years. This is because of excessive overhead structures and the emergence of the "robust" competitor, comparable in size and product scope but able to produce at a lower unit overhead cost. High-overhead companies should not cut overhead by outsourcing or downsizing. If they expect to retain their size and also become more cost competitive, they must rethink their manufacturing systems.
<b>Chapter 21: Information Technology and the Internet</b>			
Measurement and Management	HBS #100-056	Cambridge, MA; software; \$1	CitySoft is a very small software developer that is grappling with issues of cost measurement and

at CitySoft	21p TN #101-073	million revenues; 25 employees; 1999-2000	management. Students must decide what reports should be generated and how to use these reports. Teaching Purpose: Introductory case for a course in cost and performance measurement.
Frito-Lay, Inc.: A Strategic Transition--1990-1992	HBS #194-109 18p TN #195-016	United States, consumer products, \$6.1 billion revenues, 1990-92	Describes the changes in structure, management systems, people, and processes instituted by the company. Provides students with an opportunity to explore the nature of "IT-enabled" organizational change and the process through which it is implemented. Also enables a more general discussion of the challenges that companies face in organizing and managing in the 1990s and the actions that they are taking to meet those challenges. Affords an opportunity to confront the rhetoric of the emergence of a "new organization paradigm" with the reality.
Pricewaterhouse Coopers: Building a Global Network	HBS (University of Hong Kong) #HKU095 17p TN #HKU096	Global, accounting, 2000	Price Waterhouse and Coopers & Lybrand merged in July 1998, creating one of the world's largest full-service professional organizations. This case provides a study of how two major organizations are putting together a global knowledge base that would facilitate communication and coordination within the PricewaterhouseCoopers (PwC) practice. Eventually, this knowledge base would be made available to PwC clients. Discusses the changes, issues, and challenges at PwC in building its Intranet, called KnowledgeCurve, a knowledge management system that incorporates all the assets (knowledge, people, skills) of the company to be utilized by the firm. In order for the organization to be successful, it is crucial for PwC to encourage the users to fully utilize the available resources and to contribute information to the KnowledgeCurve.
Cisco Systems: Web-enablement	HBS #301-056 24p TN #301-144	Silicon Valley, CA; information technology; \$8 billion revenues; 10,000 employees; 1998	Describes how Cisco web-enabled their ERP systems and developed the "front office" systems to electronically link to their customers and suppliers. A rewritten version of an earlier case.
Ford Motor Company: Maximizing the Business Value of Web Technologies	HBS #198-006 15p TN #699-030	Michigan, automobiles, \$150 billion revenues, 370,000 employees, 1994- 97	Describes how one of the largest companies in the world is aggressively deploying Web technology, and how they are managing and supporting the new technology. Includes a discussion of infrastructure renewal, application development, extranets, and content management. Teaching Purpose: To demonstrate an effective rollout of a new technology with a particular focus on the challenges of managing information content to make it more useful to the business.
Strategy and the Internet	<i>HBR Reprint</i> #r0103d 17p	N/A	Many of the pioneers of Internet business, both dot-coms and established companies, have competed in ways that violate nearly every precept of good strategy. Rather than focus on profits, they have chased customers indiscriminately through discounting, channel incentives, and advertising. Rather than concentrate on delivering value that

			<p>earns an attractive price from customers, they have pursued indirect revenues such as advertising and click-through fees. Rather than make trade-offs, they have rushed to offer every conceivable product or service. It did not have to be this way-- and it does not have to be in the future. When it comes to reinforcing a distinctive strategy, Michael Porter argues, the Internet provides a better technological platform than previous generations of IT. Gaining competitive advantage does not require a radically new approach to business; it requires building on the proven principles of effective strategy. Porter argues that, contrary to recent thought, the Internet is not disruptive to most existing industries and established companies. It rarely nullifies important sources of competitive advantage in an industry; it often makes them even more valuable. And as all companies embrace Internet technology, the Internet itself will be neutralized as a source of advantage. Robust competitive advantages will arise instead from traditional strengths such as unique products, proprietary content, and distinctive physical activities. Internet technology may be able to fortify those advantages, but it is unlikely to supplant them.</p>
<b>Chapter 22: Competitiveness: Quality and Innovation</b>			
GE: We Bring Good Things to Life (A)	HBS 23p 9-899-162 Supplement #899163 TN #899222	Global, diversified \$80 billion revenues 222,000 employees, 1995	Jack Welch and the Corporate Executive Council of GE are faced with a decision about whether and how to implement a six sigma quality improvement effort in the context of many other initiatives already undertaken at GE in recent years. Illustrates the complexity of managing change and the momentum that related and integrated initiatives can provide.
Wainwright Industries (A): Beyond the Baldrige	HBS 15p # 9-396-219 Supplement #396220	Missouri, automotive supplies, \$28 million revenues 300 1979-1996	Traces the growth of a small automotive supply company, focusing on its commitment to quality in 1981, and the evolution of its quality culture. Breakthrough programs that stress "trust and belief" in the workforce and commitment to customers result in Wainwright winning the Malcolm Baldrige Award in 1994. Teaching Purpose: Invites discussion of the meaning of quality and the assumptions that drive quality cultures. Also probes the leadership and change initiatives and encourages examination of the tensions that exist between the Baldrige criteria and ISO 9000 guidelines.
Disruptive Technology a Heartbeat Away: Ecton, Inc.	HBS #699-018 19p TN #600-129	United States, health care, 6 employees, 1998	Describes an innovating start-up company with a disruptive technology to the large, expensive echocardiography machines that leading cardiologists use to create images of heart functions for diagnostic purposes. Ecton's machine is small, cheap, portable, and can't create images as clear as those that large, expensive instruments

			can make. The entrepreneur is searching for a market for his product, and wonders whether he should sell out or try to build a successful commercial organization.
3M: Profile of an Innovating Company	HBS #395-016 20p	United States, high-tech products	Traces the birth and development of 3M Corp., focusing in particular on the origins of its entrepreneurially-based ability to innovate. In particular, it highlights the role of CEO William L. McKnight in creating a unique set of values, policies, and structures to nurture and develop continuous renewal. With the changing environment of the 1980s, however, a new generation of CEOs begin to adopt the policies and change the cultural norms that helped 3M grow. The trigger issue focuses on what other changes are required. Shows how culturally embedded organizational behavior can become a sustainable source of competitive advantage; also shows how such strong cultures can and should be adjusted to new internal and external realities.
Hewlett-Packard: The Flight of the Kittyhawk	HBS #697-060 18p TN #697-122	United States, electronics, 2,000 employees, 1993	Hewlett-Packard decided that, in order to grow more rapidly, it needed to design a revolutionary disk drive product that would create an entirely new market or application for magnetic recording technology. The company followed most of the "rules" good managers follow in such situations: heavyweight project team, lots of senior management support, etc. But it still failed. This case helps students learn why good management isn't enough and how they should manage similar situations.
Chaparral Steel: Rapid Product and Process Development	HBS #692-018 17p TN #692-047	Texas, steel, 900 employees, 1983-1991	One of the nation's foremost mini-mills' core competence is the rapid realization of technology into products. This case describes the development of a highly innovative casting technique and features the role of the company's culture in achieving its goals. The company exemplifies a learning organization.
Open-Market Innovation	<i>HBR Reprint</i> #r0210f 8p	N/A	Companies in many industries are feeling immense pressure to improve their ability to innovate. But executives know that the best ideas aren't always coming out of their own R&D labs. That's why a growing number of companies are exploring the idea of open-market innovation--an approach that uses tools such as licensing, joint ventures, and strategic alliances to bring the benefits of free trade to the flow of new ideas. For instance, when faced with the unanticipated anthrax scare last fall, Pitney Bowes had nothing in its R&D pipeline to help its customers combat the deadly spores. So it sought help from outside innovators to come up with scanning and imaging technologies that could alert its customers to tainted letters and packages. In this article, Bain consultants Darrell Rigby and Chris Zook describe the advantages and

			disadvantages of open-market innovation and the ways some companies are using it to gain competitive advantage. Creative types within a company will stick around longer if they know their ideas will eventually find a home--as internal R&D projects or as concepts licensed to outside buyers. However, the authors warn against entering into open-market innovation without properly structuring deals: Xerox and TRW virtually gave away their innovations and had to stand by while other companies capitalized on them. The company with the most powerful assets will have the greatest growth potential.
<b>Chapter 23: Management's Digital Dimension</b>			
Autobytel.com	HBS 21p # 9-500-015 TN #500076	Irvine, CA; Internet automotive; \$36 million revenues; 200 employees; 1999	Autobytel enjoys first-mover advantage in the Internet new car buying space. According to a number of metrics, it is the online leader in this category. However, a number of competitors have sprung up, raising questions about the long-term viability of Autobytel's purchase referral model. In addition, Autobytel is struggling to accelerate revenue growth. The company has launched several new services and is now seeking to reposition itself in the market. Teaching Purpose: Can be used in either a first-year general marketing course or a second-year marketing course that focuses on channel strategy or Internet marketing.
Charles Schwab, Inc.: Creating an International Marketspace	U. of Hong Kong 16p #HKU067 TN # HKU068	United States, brokerage, large, 1998	In 1996, Charles Schwab, Inc. (Schwab) pioneered online trading and experienced phenomenal growth by creating a whole new market for its products and services. In doing so it significantly altered its business model. The ease with which information could be obtained over the web meant that investors could bypass the traditional brokers (dis-intermediation) and trade on their own at a much cheaper price. This lured not only many new traders to the market but also many new competitors. Price wars followed, which shrunk margins. In order to retain its dominant position and continue growing, Schwab had to find other ways of expanding the market base. Teaching Purpose: Outlines the important role information technology has played in Schwab's development. It specifically focuses on how Schwab successfully created a new market of customers by pioneering the establishment of web-based trading and how this, in turn, has led to new challenges and opportunities. Students will learn how the Internet has transformed the brokerage industry and led to both dis-intermediation and re-intermediation effects. Students are asked to evaluate Schwab's strategy in the face of rising competition.
CVS: The Web Strategy	HBS 16p #500008	New England, drug retailing, \$15 billion revenues	How should America's second-largest pharmacy chain respond to the challenge from online drugstores? Considers prescription drugs and the

	TN #501064		other items that make up 50% of a drugstore's sales. This case describes the purchase of Soma.com by CVS, and its integration into the corporation. A number of tactical questions remain to be answered, and then there is the larger strategic question--why do this at all? Teaching purpose: Issues in the integration of traditional retailing with online channels.
Dell Online	HBS 27p #598116 TN #598146	Texas, personal computers, \$7.7 billion revenues, 1996-1997	Dell started online commerce for its PCs in 1996, and by 1997 had achieved a sales rate of \$3 million a day. The case describes the internal process that led to these dramatic results and poses the question of how the firm should leverage this activity to meet Michael Dell's goal of achieving 50% of the company's anticipated \$20 billion in sales by the year 2000 via Internet channels. Teaching Purpose: To understand the buying behavior and transaction economics underlying Internet commerce and study its implications for channel evolution
Exploiting the Virtual Value Chain	<i>HBR Reprint</i> #95610 11p	N/A	Every business today competes in two worlds; a physical world of resources that managers can see and touch and a virtual world made of information. Executives must pay attention to how their companies create value in both arenas--the marketplace and the <b>marketspace</b> . But the processes for accomplishing this are not the same in the two worlds. Managers who understand how to master both can create and extract value in the most efficient and effective manner. Creating value in any stage of a virtual value chain involves a sequence of five activities: gathering, organizing, selecting, synthesizing, and distributing information. Just as someone takes raw material and refines it into something useful, so a manager today collects raw information and adds value through these five steps.