Building a Sustainable Strategic Advantage
in the
Third Millennium:
A Case Method Approach

Jay Azriel, University at Albany, Albany, New York USA
Ervin Starr, University at Albany, Albany, New York USA

1400 Washington Avenue, Management Department, BA 323
Albany, New York USA

(518) 442-4386 / Facsimile (518) 442-4765
jaa@cityusa.net

Abstract

The study and practice of strategy making is greatly enhanced by incorporating both a systems thinking approach and the tools that systems dynamics provides. We argue that the use of case studies augments business simulations, thus providing students with the opportunity to apply newly acquired skills to real business situations. We discuss our experiences incorporating a systems thinking approach to our teaching of strategy and consulting as well as two cases we wrote to help students master this approach.

Introduction

The "systems thinking" approach has great applications to the teaching of strategic management for both undergraduate and graduate students. The systems approach takes a holistic view to strategic planning as well as to solving problems organizations face so that strategies and solutions to problems are not considered in isolation of other organizational or system factors. This characteristic of the systems approach is especially appropriate when considering the organizations from the standpoint of the resource-based view (e.g. Barney, 1986,1991; Conner, 1991; & Peteraf, 1993). The emphasis that the resource-based view places on distinctive histories, experiences, and resources (Schneider, 2000) can be studied through systems thinking and the tools of systems dynamics. Systems thinking and systems dynamics tools are especially useful in filling the gap for a rigorous, comprehensive method for explaining history, anticipating emerging changes, and helping to influence an organization's competitive advantage (Warren & Langley, 1999).

In addition, systems thinking is also beneficial when viewing the organization's external environment, which is the focus of the industrial/organizational model (e.g. Porter, 1980). Systems tools are helpful in facilitating managers' understanding of choice outcomes before a

commitment is made to a specific choice. Studying the relationship of networks of organizations, (Uzzi, 1997) organizational theorists are also in need of tools that allow decision-makers to see the inter-connectiveness and implications of their actions.

In addition, the systems approach can help students better comprehend the importance of understanding the firm as a whole. Many students isolate strategic opportunities and threats. This limits students' ability to develop the best course of action, since they often compartmentalize problems and strategic making without considering how their recommendation may affect other parts of the organization or the firm down the road. Often problem points are pinpointed and "rectified" without due consideration of the system as a whole. The result is that today's solution elicit tomorrow's problems. However, students can be taught to utilize stakeholder analysis, goal mapping, and causal loop diagramming when examining an organization's internal resources, developing strategies, and solving problems. Students who are taught Peter Senge's philosophy (1990) learn that a solution that addresses only the immediate problem may have unforeseen consequences to the firm in the future. They are then able to consider strategies that are less likely to impact the firm in unforeseen ways.

Link to Strategy Making

According to Eden and Ackermann (1999), strategy making is a journey. The path of the journey is a result of the decisions that are made by the organization's leaders. Strategies are often based on assumptions that are often implicit and untested (Senge, 1990). Frequently one or more of these assumptions prove to be inaccurate, necessitating changes to the organization's strategic plan. According to Senge, techniques such as the use of simulations (microworlds) can help in testing assumptions. In our own experience with assisting non-profit organizations with their strategy making process, we found that clients were able to better assess and then understand their organization's environment by utilizing systems thinking techniques such as stakeholder analysis (Eden & Ackermann, 1999), causal loops (Senge, 1990), and goal mapping (Bryson, 1990). These techniques have served to help our clients identify viable strategies. We have used Vensim and Decision Explorer to create causal diagrams and stakeholder and goal maps that were key in helping clients understand Senge's principles.

Using Simulations to Teach Strategic Management

Business simulations have been used in business schools since the late 1950s (Keys & Wolf, 1990) and have become a very popular pedagogical tool as they provide students with the opportunity to make managerial decisions and receive, in many cases, instant feedback on the results of their decision (Li & Baillie, 1993). A 1976 survey of strategic management faculty found that simulations were by far the most used supplemental course material (Hegarty, 1976), while a 1993 survey of strategic management professors found that nearly half of them used simulations in their course (Keeffe & Dyson). One reason for their popularity with educators is that they put students closer to the role of an actual manager (Li & Baillie, 1993). According to Keys and Wolf's extensive review of the business simulation literature, management games are by and large effective and are an internally valid methodology for teaching strategic management.

Using Cases to Teach Strategic Management

The case method, made famous by Harvard University, is widely used in business courses worldwide. Carefully selected cases not only help students get a better understanding of the implications of concepts that are emphasized through lectures and texts (Li & Baillie, 1993), but also allow students to apply new skills to realistic business situations. Students also benefit from interacting with classmates (Barnes, et al., 1993; Li & Baillie, 1993) as well as being able to practice tools and concepts that they have learned using companies with whom they are often familiar with. The use of cases also helps students develop thoughtful reasoning and analyzing skills (Li & Baillie, 1993).

Writing/Using Cases that Incorporate a Systems Approach

We wrote two cases that incorporate a systems thinking approach. These cases (found in Appendix I) provide students with the information necessary to develop goal maps, stakeholder analysis, and stock and flow diagramming to develop models. The Public Library case (Azriel & Starr, 1999) is based on a consulting assignment for a strategy and systems thinking course. We found that our students enjoyed working on a case about a local organization. We held the case discussion at the local organization where they met the main character of the case. They were thrilled not only to find out that the organization had not only implemented several of their recommendations, and that they are actually working.

The Cold Harbor Brewery case (Anderson, Azriel, & Starr, 1999) was originally written by David Anderson as a follow-up to the Beer Game for his Strategy and Systems Thinking course. We worked with Anderson to further develop the case. In this case students use their systems thinking skills to help the brewery regain its market share. Our students enjoy helping the brewery solve its problems. We do not tell our students that this case is fictitious until the end of our discussion.

Conclusion

Although few business faculty have embraced integrating a systems thinking approach with the case method, we argue that doing so will help train future managers to better handle complexities where intuitive judgment often does not work well. Writing cases that incorporate the tools of systems thinking has helped our students become more aware that solutions to problems and strategies must consider factors that may not be obviously related to the task at hand. Students learn to seek the best long-term best solution, rather than one that provides short-term benefits. Using cases that help us to incorporate systems thinking into our strategy courses has benefited us as instructors, as they allow us to seamlessly integrate Peter Senge's approach into our courses. In addition, these cases have not been more difficult to write than other cases, and have been extremely useful. It is important for systemic thinkers to publish cases that can be

utilized by business educators. The tools are essential for students to succeed as managers in today's fast paced competitive landscape.

Cases are a good follow-up to simulations, since they immerse students in a "real-world" organization and engage students in an exchange of ideas with their classmates and professor (Barnes, et al., 1993). Furthermore, case discussions let students learn through the use of the devil advocacy methodology, where fellow classmates challenge thinking. This results in a richer, fuller understanding of the situation presented by the case, thus increasing the propensity for the development of an optimal strategy.

Finally, we agree with the conclusions of Li and Baillie (1993) that it may be best to integrate both cases and simulations into strategic management courses as they found that both cases and simulations play a similar role. The benefit of cases over some business simulations is that students may have more time to sit down and practice using the tools that are helpful in making strategy. However, there is nothing like seeing the results of the decisions that were made, which the "microworld" of simulators provides students.

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Appendix I

The Public Library

Jay A. Azriel, University at Albany

Ervin M. Starr, University at Albany

Marcus Allen sat at his desk with a worried look on his face. When he accepted the job as the public library's new Director, Marcus was told the circumstances of his predecessor's departure, but he did not fully comprehend the gravity of the situation. During his first meeting with the library's Assistant Director, Jennifer Walker, he fully began to comprehend how difficult it would be to reverse the decline of this library. Marcus stared outside his office window watching the snow descend from the gray sky pondering what actions he should take in order to ensure the library's future. He knew that this library had the potential to be a model for other libraries within the state. However, before this vision could be realized, Marcus would have to deal with several issues including: healing wounds caused by the prior director, reversing a nine year trend of declining circulation, and renovating an old building that was ill suited for use as a library.

Situational Background

The library is located in a small city in the Northeast portion of the United States. It was founded in 1833, and consists of the main branch located just outside of the city's downtown corridor, and four smaller branches. In 1977 the library moved its headquarters from its original building to a new location up the street in order to meet increasing demand for space. Right from the start the new building was not ideal for a library. The building, for example, has low ceilings and the space was spread over four floors including a basement. The new building also lacked the ambiance desired for a public library.

The majority of the funding for the library system comes from the mayor's office. Marcus is concerned that if he is not able to quickly reverse the downward trend of the library's circulation, the mayor may cut his budget. Increasing circulation will not be easy to do right away for several reasons. Usage of the main branch of the library has decreased as the city's population has steadily moved to the suburban areas. The good economy means that some patrons are purchasing more books. The area has a large Barnes and Nobles and a Borders Books. While driving around the area, Marcus noticed that the parking lots of both bookstores were quite full.

Marcus also believes that the advent of Internet shopping poses another challenge to increasing the library's circulation. Amazon.com and other Internet booksellers offer customers the convenience they are seeking at discounted prices. Internet booksellers are realizing increases in sales as some people find it is easier to shop on the Internet than to visit local stores. Busy library patrons may choose the convenience of shopping rather than making two trips to the library.

The Library's Organizational Structure

The mayor appoints 16 board members that act in an advisory capacity and are also responsible for firing/hiring the library's Director. In addition to the Board of Directors, the library also has an auxiliary group called Friends of the Library. Historically this group has been responsible for developing programming for the library, including guest speakers. While this group fund raises, the funds are used for programming and none of the proceeds go to the library.

The library employs over 50 professionals and para-professionals. One-third have earned a Master of Library Science (MLS) degree. A third of the remaining employees have a Bachelors degree in a related field. Despite the problems caused by the old director, turnover has been quite low. A number of employees have more than ten years of service. While overall morale of the employees is quite low, most of them are still dedicated to serving the public. Because of the low turnover, many of the employees lack training in electronic technology. It is felt by the Director that many of his full-time employees are unwilling to update their skills.

The library's branches serve local neighborhood constituencies that range from the city's poorest to the city's upper class. Like the populations they serve, the buildings also differ a great deal. For example, one library is housed in an elementary school, while another is located in costly retail space in a shopping center. One problem with the branches is their location. The branch locations do not serve a number of potential customers who live at the fringes of the city. While most everyone agrees that the location of the branches needs to be rethought, Marcus is aware that moving branches will not be popular with the patrons who live near the branches that would be closed, even though they could be served by another branch that is not much further away. However, in order to dramatically increase the library's circulation, Marcus realizes that he must provide convenient branch locations to underserved areas of the city.

When problems became unbearable for the staff, a union was formed. Unlike most union shops, the managers were responsible for starting the union. Currently, the union represents both managers and full-time employees, which is a potential source of problems, because the managers are responsible for evaluating and disciplining the employees. Many of the managers are unsure that the union has a role for them since the threat posed by the old Director is no longer there.

Industry/Environment

Although the general role of libraries has not changed much over the past 100 years, the way in which they fulfill their missions have. The role that electronic information systems play in libraries is increasing. During the past five years, for example, the use of personal computers by patrons has escalated dramatically. Many resources such as daily newspapers, company reports, and other reference materials that were only available on paper are now being offered in electronic form via CD ROM and the Internet. Today, many libraries around the country are providing patrons with access to electronic information and software. Many patrons who make use of the library's computers do not have access at home.

The advent of life long learning and other socio-cultural changes provide libraries with a host of opportunities. Libraries are in the position to provide their patrons with a wealth of information on diverse topics such as careers, resume writing, community life, and retirement planning. The aging population, for example, has more leisure time to read. Many retired people on a budget use the library instead of paying for books. On the other hand, despite of an increase in the number of parents reading to their children, the advent of the two income families makes it difficult for parents to find time to visit local libraries.

As the wealthier, more educated population of large and small cities moves to the suburbs, libraries have had to not only change to meet new demand outside of the city, but also deal with changing demographics within the city. City populations have been growing increasingly ethnically diverse, economically challenged, and less educated. Once a haven for young

children, some city libraries have become hangouts for the homeless, chasing away the few children remaining in the area. Marcus is unsure of how to deal with this problem.

Another phenomenon is the impact technology has had on libraries. Access to electronic information has lowered the cost of providing some services to constituents and helps reference librarians provide more up-to-date information. However, the Internet has also become a competitor of the library. For those who have access to the Internet at home, researching a particular question is easily done without a trip to the library. The future will bring access to books on-line. Clearly, libraries must actively think about what roles they will play in the future.

The nation's overall strong economy may also be hurting libraries to a degree. Not only are people ordering books over the Internet, but also traditionally libraries have served as an important source for the job hunter. For instance, most libraries have job postings, books on resume writing, and other materials job seekers need. Fewer patrons are using libraries for this purpose as companies are seeking out employees. The Intranet also has impacted on the library in this area, since it provides a variety of information and services including the ability to post a resume.

The Organizational Dynamics

The library's previous Director was not well liked by the employees. The library's Board finally fired him, but not until library had deteriorated under his leadership. Under his tenure the library's staff had formed a Union to protect themselves from his threats of firings, circulation steadily decreased, and the facilities became outdated and were allowed to deteriorate. Although the employees were relieved that someone like Marcus was hired, they have had a hard time trusting him. For example, despite his open door policy, Marcus has not gotten the feedback he anticipated. While Marcus has been applauded for being open to new ideas and change, the employees have not made it easy for Marcus to implement change.

Marcus Allen

Marcus Allen was born in the Northeast and was excited at the prospect of bringing his wife back to the northeast. He earned a MLS at a university that has a prestigious information science program. Marcus got his start in libraries as a bookmobile librarian. He believes that bookmobiles bring books to underserved populations. The Board at the current library hired him because of his impressive record for raising funds as well as increasing circulation at the last library he served as Director.

Conclusion

Marcus has realized that the task of turning around the library is too large for him and his Assistant Director to address on their own. He has decided to go outside the organization for help. Your consulting company has been hired to assist and advise Marcus with transforming the library into one of the best in the state. From your first meeting with Marcus and Jennifer you realize that that the two have their work cut out for them before they can begin to think about Marcus's overall goal. You will be making a presentation to Marcus and Jennifer next week on what you see are the library's major issues and how you suggest that they be resolved. To help with your analysis you and your team create the following:

1. A stakeholders map
2. A goal map
3. SWOT analysis
4. Goal map

Cold Harbor Brewery Case

David Anderson, University at Albany, Rockefeller College

Jay A. Azriel, University at Albany

Ervin M. Starr, University at Albany

William, Susan, and Conrad sat around the small kitchen table. It was three o'clock in the morning and the three had been talking, sometimes shouting, for several hours about what should be done to reverse Cold Harbor Brewery's declining sales. While it was evident that each of the family members cared greatly for the family brewery, each had their own ideas as to what would help Cold Harbor regain its position as the region's leading brewery. After several meetings they had not been able to come to an agreement on how to help the ailing company. If something was not done soon Cold Harbor would either be forced to close its doors or perhaps be sold to one of the larger national brewers that was looking for a small regional brewery.

Cold Harbor's History

Cold Harbor Brewery, a regional brewery located in New Hampshire, was started by Adam Samuelson shortly after he returned home from World War II.   Major Samuelson was stationed in Britain during the war and decided that he would bring the unique taste of British beers to America.   Samuelson sponsored a young Irish brewer he had befriended and the two became business partners.

The beer drinking population was thirsty for the product.   The 18th Amendment that outlawed the production and distribution of alcoholic beverages was never popular with the general

population. After the 21st Amendment repealed prohibition, breweries scrambled to satisfy consumers' thirst for beer. Under the firm guidance of Adam Samuelson, Cold Harbor quickly grew by catering to a market spread across the northeastern states.   During its peak, Cold Harbor produced just over 16,000 barrels of their products per year. Cold Harbor's products were especially popular among the bars and pubs that catered to working class immigrants who longed for the taste of beers from home.

Shortly after Cold Harbor became successful, the young brewer grew increasingly homesick. Samuelson worked hard to learn what his friend could teach about crafting fine ales and beers. One day his friend told Samuelson that he was "every bit as good as me at the craft of brewing." Samuelson bought his business partner's half of the brewery and said goodbye to his friend.

Today, Cold Harbor distributes its products to a loyal customer base through a traditional chain of distributors and wholesalers who ultimately make the product available to retailers. Over half of Cold Harbor's sales are directly through taverns, restaurants, and other eating establishments. Cold Harbor's main products are a lager and a hearty stout with some seasonal brews that are distributed both in kegs and in returnable bottles. Throughout the years Cold Harbor has been able to keep up with the changing tastes of its customers. When micro-brewed products became popular in the late 1980s, Cold Harbor saw an increase in sales helped in part by its creative packaging. Customers, thirsty to try micro-brew products, were drawn to Cold Harbor's packaging. This until recently has helped keep their products on the highly competitive shelves of some national retail chains that are located in their distribution area.

 When Adam Samuelson announced his retirement in 1995, William, his eldest son, was seen by most everyone as in line to take over the family brewing business. William's two siblings, Susan and Conrad, also play an important role in the business and serve on the Board of Directors along with William and the elder Samuelson.   After a heated debate at the last Board of Director's meeting, Mr. Samuelson stood up and pounded his fist on the table. He strongly expressed his dissatisfaction with his three children and told them that if they could not come up with a plan to save the business, he would sell Cold Harbor to someone who could. With a tear in his eye, he stormed out of the meeting, leaving his children sitting there speechless for several minutes.

History Brewing Industry

Beer and ale in the U.S. date back to the pilgrims. It was an essential part of their diet as it was considered healthier than water, which was often unsafe. Hearty ales sustained the pilgrims during the harsh winter months as food stocks became low. As the New World became colonized, breweries and taverns sprung up to serve their patrons these hearty brews. These taverns became social centers for the working and upper classes alike.

Today, brewing is a $50 billion industry in the United States. During 1998 taxes were paid on 179.5 million barrels of malt beverages. This was an increase of 1.1% over 1997. Beer imports for 1998 were over 16.3 million barrels, an increase of 14% over 1997.

History Craft-brewing Industry

Forty-nine states and the District of Columbia have either partially or entirely legalized brewpubs as of 1998. Montana is the only state not to legalize brewpubs. As of 1998, the craft-brewing segment of the brewing industry was $3 billion or six percent of the overall brewing industry. The craft brewing industry in the United States is rapidly growing. During 1998, 183 (138 brewpubs and 45 microbreweries) new breweries opened. As of 1998 there were 37 regional specialty breweries, 433 microbreweries, and 910 brewpubs in the United States.

While overall beer consumption has been fairly flat over the last five years, total craft brewery production has grown at 30% to 40% per year. Twenty-one of the top fifty craft-brewing companies grew by ten percent or more in 1998. Long Trail Brewing (VT), Brooklyn Brewery (NY), Otter Creek Brewing Company (VT), and Magic Hat Brewery (VT) grew by 18%, 11%, 19%, and 32% respectively. The Frederick Brewing Company of Maryland experienced an increase of 81%.

The U.S. craft-brewing industry has enjoyed an unusually high survival rate. On average two out of three new businesses in the United States go out of business within the first five years. During 1998 only one in five brew pubs and one in four microbreweries went out of business. This is due in part by a strong U.S. economy and a busy population that eats out an average of three times per month.

The Private Label Products Industry

Private label products (PLP) are a $43.3 billion industry. "One in every five items sold every day in U.S. supermarkets, drug chains and mass merchandisers is a private label product (PLMA, 1999.) The main distribution channels for private label products or store brands are supermarkets, drug chains, and mass merchandisers. Sales of PLPs are quoted both in dollars and in unit sales. Since PLPs are less expensive, many prefer to track sales by unit sales.

Beer and ale products make up perhaps the smallest portion of the edible grocery category for grocery stores. In 1998 private label beer and ale accounted for a dollar share of .03% and a unit share of .04% of all the beer and ale sold in the United States. For a comparison, private label soda and canned juices make up 6.77% and 17.29% respectively of their markets. Drug chains sell even less private label beer and ale (.01% in dollar share and .01% in unit share). Mass merchandisers reported no sales of store brand beer and ale products.

Cyclical Instabilities of the Brewing Industry

Like the soft beverage industry, the beer industry is seasonal by nature. Consumers purchase more beer during the hot summer months. This leads to not only fluctuations in factory orders and production, but also the potential for stock outs at the both the retail and distributor levels. Since the summer season is shorter in the northeast, Cold Harbor wants to ensure that they can meet the increased demand during this busy season. Because Cold Harbor is a small brewery, its resources are pushed to their limits during this time. While everyone is expected to pitch in during these busy times, overtime pay can become a problem and erode the extra income. Additionally, the machinery on the production line tends to break down more often when it becomes stressed from continuous use.

Since the brewery must begin beer production before the summer season, over stocks can be a problem if the Northeast experiences a prolonged winter. Stock outs can also become a big problem if the company fails to correctly predict a summer season extended by warm days known as "Indian Summer" by New Englanders and cuts production too early. These warm days are celebrated with barbecues, hiking, and other outdoor activities by those who want to hang on to the very last vestige of summer.

Distribution

Cold Harbor distributes its products either directly to the customer for special orders (custom label brews) or through one of several distributors. Beer is packaged either in kegs that must be returned or in bottles that are packed in cardboard boxes and stacked on special pallets. Distributors are slow to return the kegs and pallets, often leaving Cold Harbor short. Cold Harbor has unsuccessfully tried to charge a deposit, but the distributors refuse to pay this, sometimes threatening to drop their line from their distribution.

Cold Harbor's relative small size makes it a secondary player for its distributors. William has been pushing Cold Harbor to select one or two distributors who would give them the exposure that he thinks the company deserves.

William's Proposal: Move into Private Label Manufacturing

William has been pushing private label manufacturing as a solution to Cold Harbor's problems. Over the past several years, Cold Harbor has started to brew and bottle beer that chains are marketing under their own label. While this strategy has diversified the end customer base for Cold Harbor, it has led to production problems. As more private label customers come on board, Cold Harbor is finding that it is running smaller and smaller production lots and has to make shipments with less than full lots. Art and production costs for the various labels being put on essentially the same beer are becoming significant since each new customer wants a custom look. Even the issue of getting shipping pallets from Cold Harbor's factory returned from wholesale and distribution sites is becoming an important cost issue that is eating into ever slimmer profit margins.

In a word, with a proliferation of private label "custom brewed" products, Cold Harbor is starting to lose its economies of scale that came from essentially producing only two products—lager and stout. William is considering countering some of these problems with the private label strategy by investigating partnerships with other regionally based breweries. By partnering with breweries in other regions of the country, the partnership could manufacture for a national client, with each regional brewery producing for and distributing to that client's retail outlets in its particular region of the country.

William's two siblings have somewhat differing visions of the future direction for Cold Harbor. However, they also realize that the future health of the family business depends on their ability to create and push a more profitable vision for the future.

Conrad's Idea

Conrad sees Cold Harbor's problem as essentially one of getting a firmer handle on an end customer base and the whole distribution chain. He sees Cold Harbor becoming more involved in direct marketing to customers, seeking to build stronger brand loyalty to their product line. He sees the microbrewery markets as good examples of how this may occur. Under this vision, Cold Harbor might even become aligned in some sort of a partnership with restaurants and taverns who directly distribute for Cold Harbor. Because Cold Harbor will be in closer contact with its customer base, it can create greater customer loyalty as well as tighter inventory management systems and hence predict shifts in customer demand. Conrad has looked into distributor-managed inventory schemes whereby the manufacturer or distributor of a product takes on responsibility for stocking product directly with the retailer. In effect, under these schemes the manufacturer or distributor becomes the owner of inventories held by the retailer and has greater access to competitive information formerly only available to the retailer. Often the distributor can gain access to the retailer's inventory management information systems and hence gain greater information about shifts in end-customer demand.

Susan's Plan

Susan has yet another vision for the future of Cold Harbor. She agrees with Conrad that the future rests with investing more fully in the distribution chain, but she sees it in a somewhat different light. Susan wants Cold Harbor to become involved in offering a wider line of beverages and snack foods. She believes that by offering products like Cold Harbor root beer, potato chips, and pretzels, the company can increase consumer loyalty as well as profits. Their soft drink and snack partners would produce these products for Cold Harbor, so the brewery would not have to invest in additional plant and equipment. Susan believes that it would be a win/win situation for all parties involved.

In addition, the addition of these products will aid in building partnerships with regional soft drink and snack manufacturers. This will give Cold Harbor access to wholesale and distribution facilities, overcoming many of the instabilities and inefficiencies with small shipment lots that William's scheme entails. By becoming more involved in a greater range of products that Cold Harbor's retailers want, the business can gain more control over its distribution chain.

Your Challenge: How to Align the Family Around a Coherent Strategy

You are facing a difficult role in this family-owned business. You became involved when you met and fell in love with Susan's son Michael whom you met in your graduate management program at the Wharton School of Business. In essence you find that you have married into this family business at a critical phase. Both you and Michael are the only children in the third generation that seem interested in becoming involved in the family business. Following your grandfather's advice you both have been gaining experience by working for other companies.

For the past three years you have been working as a management consultant for the manufacturing group of a major New England consulting firm. You have helped your clients solve problems ranging from production bottlenecks to distribution channel problems. Michael works for the information systems group of the same consulting company. He has deferred to you as his expertise has been in the area of management information systems. While he agrees that Cold Harbor must be able to get more customer data, he realizes that the company's problems are deeper than gathering and using market data. He tells you that he will stand with you on your recommendations.

These "young guns", however, will not easily convince William, Susan, and Conrad. They are stubborn folk and perhaps as single-minded as the family patriarch, Adam. As you and Michael discuss and look over this situation, you see strong points in each of the positions advocated by your mother-in-law and uncles-in-law. However, they seem unable to compromise or to draw up a strategy that takes the best points from each other. It seems to you that the family dynamic at work is plain old stubbornness coupled with a bit of sibling rivalry.

As you formulate your plan, you wonder if the two of you should take your plan first to Michael's grandfather to see if he will support it. This, however, is a big risk that may backfire. This idea may earn the both of you the animosity of your husband's family. In addition, you must be careful not to be seen as an outsider butting into family business. This may hurt your and Michael's chances of taking over the business when the time comes.

Questions:

1. Identify and describe each of the stakeholders.

2. It seems that the group may benefit from developing a common vision and mission. You decide that it would be beneficial if you created a first draft of these documents for them.

3. The siblings cannot agree on the organization's strengths, weaknesses, opportunities, and threats. You sit down and create a first draft of a SWOT analysis.

4. Based on the organization's SWOT analysis, develop a goal map for Cold Harbor.

5. What course of action(s) would you suggest for Cold Harbor? Be sure to defend your action(s).

Information regarding the private label industry was provided by the Private Label Manufacturing Association's 1999 Annual Report.