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Chapter 1
Camp Bow Wow: Innovative Management for a Changing World

Nearly everyone who has been to camp has vivid memories of the woods adventure. In particular, the sights and sounds of the great outdoors leave a lasting impression on campers. There are the cabins, the camp counselors, the campfire treats, the wide open spaces, the incessant barking of the furry four-legged camp goers—well, at least these are the sights and sounds for visitors of Camp Bow Wow, the fastest-growing doggie daycare center in the United States.

Founded little more than a decade ago by dog-lover Heidi Ganahl, Camp Bow Wow is a safe, happy place where people can take their pets when no one is home to care for them. For dog owners who work in the daytime, the Boulder, Colorado-based franchise offers premier doggie daycare services. For pets that need to stay a little longer, Camp Bow Wow has overnight boarding with spacious cabins and comfortable cots.

Every day, the experienced counselors at Camp Bow Wow supervise dozens of canine campers. Pooches receive plenty of personal attention, including grooming, outdoor exercise, food, baths, and medical support. For overprotective owners who worry their pups might get homesick while they are away, the camp’s Live Camper Cams enable anytime viewing of pet play-areas using the Camp Bow Wow app for iPhone.

With more than 150 locations, Camp Bow Wow is one of the hottest franchise businesses in the nation. The pet-care service ranked No. 87 on Entrepreneur magazine’s list of fastest-growing franchises in 2010, and the ranking is likely to go higher as new franchisees prepare for launch. Camp Bow Wow franchise owners receive three weeks of startup training, and individual camps get corporate support in the form of co-op advertising, a grand opening, and ongoing field operations and evaluations.

Sue Ryan, a Camp Bow Wow franchisee from Colorado, knows the ins and outs of managing a doggie day camp. To help launch her business a few years ago, Ryan recruited experienced pet care worker Candace Stathis, who came on as a camp counselor. Ryan soon recognized that Stathis was a star performer with a natural ability to work with clients and pets alike, and today Stathis serves as the camp’s general manager. “Candace is good with the dogs, good with the customers, good with the employees, and she can manage the administrative part of the operation—she does a little bit of everything,” Ryan said of her managerial top dog.

At Camp Bow Wow, store managers have distinct roles from camp counselors. Whereas counselors typically take care of dogs, answer phones, and book reservations, managers must know how to run all operations and manage people as well.

“What I do,” said Stathis, “is make sure all the operational stuff goes off without a hitch—so, making sure that the dogs all get fed, that they get the meds when they’re supposed to, that the staff is taking care of the dogs the way they are supposed to, and making sure that everybody is attentive to the pets. You’re managing the dogs, but you’re also managing the people.”

To keep camp running as efficiently as possible, Stathis maintains a strict daily schedule for doggie baths, nail trimmings, feedings, and play time. Staying on schedule is no easy task, especially during the busy holidays and summer months—or whenever the pets get territorial. Stathis says that while dogs get in occasional tussles, all camp staff members are trained to handle such hairy situations. “It’s part of the job; we are all really prepared to deal with it,” says Stathis.

When it comes to keeping dogs happy at play, an ounce of prevention is worth a pound of cure. “We try to separate the dogs first and foremost by temperament, and then by size,” says Stathis. “We put an even amount of dogs in the yards—say, a couple high-energy dogs with low-energy dogs—to try and balance the yards out.” Other dog management strategies at Camp Bow Wow include the 15 to 1 dog-to-counselor ratio and the preliminary meet-and-greet, where pets are screened for vaccinations and spay and neuter status.

For franchise owner Sue Ryan, having competent management running the camp equals less worry and more personal relaxation—perhaps even more time to go on safari in Africa. For Candace Stathis, however, good management is simply about doing the work she loves. “I love the people, I love the dogs, and I wouldn’t change anything for the world,” Stathis says.

Discussion Questions

1. List the three broad management skill categories and explain which skills are needed most for each of the Camp Bow Wow leaders highlighted in the video.

2. Which activities at Camp Bow Wow require high efficiency? Which activities require high effectiveness?

3. List two activities that leaders at Camp Bow Wow perform daily, and identify which of the ten managerial roles discussed in the chapter figure prominently for each.

Chapter 2
Barcelona Restaurant Group: The Evolution of Management Thinking

When Andy Pforzheimer was in college, he took a road trip to New Orleans that would change his life. The sights and sounds of the Big Easy were thrilling to the nineteen-year-old student,
but it was the smells and tastes of the city restaurants that captured his imagination. While discussing the city’s eclectic dining with locals, a chef challenged Pforzheimer to go to France to discover what cooking is all about.

Decades after heeding the chef’s words, Pforzheimer is himself a renowned chef and the co-owner of Barcelona Restaurant Group, a collection of seven wine and tapas bars in Connecticut and Atlanta, Georgia.

Barcelona Restaurant Group prides itself on being “anti-chain.” When customers dine at any of Pforzheimer’s Spanish cuisine restaurants, they experience the local color and personal touch of a neighborhood eatery in Milan, Rio de Janeiro, or SoHo. The wait staff is personable, and the head chef is known for cooking up flavorful custom dishes to please regulars. Managers get to know customers’ tastes, and they often descend upon tables, bringing flavorful specialties accompanied by wines from Spain, Portugal, and vineyards around the world.

At Barcelona, life is all about authentic cuisine, exceptional service, and a good time. But delivering this unique dining experience requires a unique approach to restaurant management. Barcelona Restaurant Group gives employees the freedom and control they need to impress customers.

The company begins by recruiting self-confident individuals who can take complete ownership over the establishment and its success. When Andy Pforzheimer coaches new recruits, he instructs, “This is your restaurant—when customers walk in the door, I don’t want them looking for me, I want them looking for you.” The straight-talking restaurateur is adamant that his staff be mature and willing to take responsibility for their work and success: “Some of our best managers come from highly regulated large restaurant companies where they were told how to answer a phone and how to set a table but sometimes they make a better one. To give them a correct answer to every question is impossible, and it doesn’t work. In fact, you’re actually limiting your ability to get better.”

Scott Lawton, Barcelona’s chief operating officer (COO), shares Pforzheimer’s approach, and he underscores that Barcelona’s success depends on the mature initiative of employees: “We give some basic guidelines as to what our philosophy is and what our beliefs are, but we have to trust them to work within those confines and make the right choice.”

In refusing to micromanage employee behavior, Barcelona takes risks that other dining establishments would rather avoid. Lawton insists such risks are intentional and beneficial: “They might not always make the choice that I would make, but sometimes they make a better one. To give them a correct answer to every question is impossible, and it doesn’t work. In fact, you’re actually limiting your ability to get better.”

While Barcelona’s leaders care about the wait staff, they make it clear that employees must care about the clientele. “We’re here for the customer experience,” Pforzheimer says. “Everything else is secondary to that.”

Lawton agrees, and he adds that Barcelona’s insistence on service excellence leads to high satisfaction among employees. “If we can empower them to make the guests happy,” Lawton argues, “they’re going to make money, the vibe in the restaurant is going to be a ton of fun, everybody’s going to enjoy the shift, and they’re going to be proud of what they’ve done. And they are happy, because that’s a byproduct.”

Discussion Questions
1. In what ways is Barcelona’s management approach consistent with modern developments in management thinking?
2. In what ways does Barcelona’s management approach run counter to contemporary developments in management thinking?
3. What aspects of restaurant work are especially challenging to wait staff, and how does Barcelona’s approach to management help employees overcome the downsides of the job?

Chapter 3
Camp Bow Wow: The Environment and Corporate Culture

Founder stories play an important role in business. Andrew Carnegie’s rise from a penniless immigrant to a captain of industry is one of the most famous rags-to-riches stories in American history. The tale of Bill Hewlett and Dave Packard starting HP in a garage has inspired a generation of Silicon Valley computer whizzes. More recently, Heidi Ganahl’s launch of Camp Bow Wow has become a powerfully motivational story of triumph over tragedy.

Most people know Camp Bow Wow as a fun franchise that offers doggie day care for pet owners on the go. But the company’s emergence from a single kennel in Denver, Colorado, to a $40 million dollar franchise is as inspirational a story as any in American history. The tale of Bill Hewlett and Dave Packard starting HP in a garage has inspired a generation of Silicon Valley computer whizzes. More recently, Heidi Ganahl’s launch of Camp Bow Wow has become a powerfully motivational story of triumph over tragedy.

“After my husband died, I was struggling to find purpose in life and energy to get out of bed every day,” said Heidi Ganahl in a recent interview about her popular camp for dogs. “I remember my dogs sitting there with tennis balls, dropping them at the base of the bed, like, ‘Come on, get out of bed, life goes on, you have to keep moving, play ball,’” the 44-year-old entrepreneur recalled.

When Ganahl and her first husband were in their mid-twenties, the dog-loving duo dreaded leaving pets at cold cramped clinics, and they dreamed of a better way to care for animals. The couple drew up plans for a dog-friendly kennel business and even began discussing a launch. Then, tragically, Ganahl’s husband died on a Stearman WWII biplane joyride
offered as a gift for his 25th birthday. Heidi’s life went into a tailspin. Depressed and raising her child alone, Ganahl frittered away nearly $1 million dollars received in a settlement, until her brother stepped in and urged her to launch the business she envisioned with her husband. The intervention was magic, and Heidi’s dogs gave her the extra motivation she needed to move forward. “I could not have started Camp Bow Wow if it wasn’t for them,” Ganahl says of her furry four-legged friends.

Heidi’s life story has helped transform Camp Bow Wow into one of the fastest growing franchises in the United States. The transition from a small family business to a national chain, however, required big changes in the company’s culture. “As I’ve grown the company through the years with family and friends, and then getting to know the people who work for me and the franchisees who have come into the system, the focus had to shift from a family-based culture to a business-and-performance-oriented culture,” Ganahl said. Her 2003 decision to turn Camp Bow Wow into a franchise was the right move. “Beginning to franchise wasn’t something that I originally had in the plan, but it was the perfect fit for me because it allowed me to be the visionary and not handle the day-to-day operations,” Ganahl said.

According to Camp Bow Wow’s top dog, corporate culture has many elements: it can mean logos and branded material, a presence on the Internet, or even the relationships developed with customers and employees. But a key element of Camp Bow Wow’s culture that doesn’t exist in other franchises is the staff’s deep emotional connection with animals. The connection is immediately apparent at Camp Bow Wow’s corporate headquarters, where offices are bustling with employees and pets alike. “What we do is focus on what’s important to us, and that’s the animals,” Ganahl said. “Whether it’s the Foundation, our franchises, or our camp counselors, it all comes through in different ways, and it all goes back to the same thing: it’s all about the pets. If we keep that focus and that commitment, I think our culture will be alive and well for a long time.”

Discussion Questions
1. What aspects of Camp Bow Wow’s corporate culture are visible and conscious? What aspects are invisible and unconscious?
2. Why did Camp Bow Wow have to change its culture when it became a national franchise?
3. What impact does Heidi Ganahl’s story have on employees at Camp Bow Wow?

Chapter 4
Holden Outerwear: Managing in a Global Environment

Where can snowboarding enthusiasts find apparel that is fashionable around the globe, whether the destination is Vancouver’s Cypress Mountain, Switzerland’s Saas-Fee, or Loveland, Colorado? Today’s style-minded boarders buy their snow duds from Mikey LeBlanc, a snowboard professional who founded Holden Outerwear in 2002 to inject fashion into the sport. In just one decade, Holden’s independent do-it-yourself ethic has hit slopes worldwide, from Japan and Norway to France and Canada.

Holden is a brand with attitude. First, the company’s namesake association with Holden Caulfield, the angst-fuelled anti-hero of J.D. Salinger’s The Catcher in the Rye, is a symbol not lost on today’s youth. Next, Holden jackets and pants, with their street-wear cuts borrowed from skate culture and the global fashion industry, represent a rejection of the “Michelin Man look” so common among skiers. “Fashion definitely figures in to Holden—that’s where we look for inspiration,” LeBlanc says of his brand’s distinct style. “A lot of our competitors look inside our industry for inspiration. We’ve always looked outside, whether it was stores, current trends in fashion, or to our friends.” Not only do Holden jackets make a statement, but they also may be good for the planet. Holden fabrics are made from hemp, recycled plastic, and bamboo, and finished garments ship in biodegradable bags that reduce waste while keeping products free of dust.

Although Holden boasts followers throughout Asia, Europe, and North America, LeBlanc’s team manages business operations from the sports-apparel Mecca of Portland, Oregon, home to such iconic brands as Nike, Columbia, and Nau. To serve stores in the United States and Canada, Holden maintains an in-house sales team led by a company sales manager. Overseas marketing, however, is handled through partnerships with outside distributors.

Like so many other American brands, Holden apparel is “made in China.” LeBlanc explains that while he would like to manufacture lines in the United States, government regulations, labor costs, and high corporate tax rates are too heavy a burden. “If we were to produce garments in the United States, our prices would be doubled,” LeBlanc says. “It’s really hard to beat the price coming out of China.” Domestic costs are not the only reason Holden produces outerwear in Asian factories: availability of materials is another factor. “A lot of the goods are located there—fabrics, buttons, and snaps,” LeBlanc says. “If we were to make a garment in the United States, we would still have to bring the pieces in from Asia.” In addition to the tricky economics of domestic production, garment making requires skilled laborers, and LeBlanc says that the United States lacks a manufacturing base to do the job. “It’s really hard to find workers in the United States who know how to take garments and do all the things you need when producing a technical garment.”

Finally, for any company that sources materials and labor overseas, shipping is a vital, ongoing concern. In the early years, LeBlanc used nearly a dozen shippers to transport garments from China to warehouses in the United States and Canada. To increase efficiency and reduce costs, LeBlanc found a way to coordinate overseas factories through a single distribution hub in China. Now Holden’s transport is carried out through just two shipping companies.
The behind-the-scenes management at Holden is paying off. Yet for small companies that have mastered the making, moving, and marketing of goods, scheduling can be the difference between success and failure. “You want to be on time—that’s the biggest thing,” LeBlanc says. “When I talk to my retailers and ask what is the most important thing, the answer is time. The most important thing you can do is have your product in stores on your in-date.” He adds that you have to see things from the retailer’s perspective: customers shop retail stores looking for products, and if they can’t find them they’ll walk away—perhaps permanently.

Holden Outerwear may have an independent spirit, but LeBlanc has no interest in missing the delivery dates of his retail customers. After all, helping snowboarders suit up for the world’s most challenging courses is a team effort, not a solo performance by a heroic recluse in a Salinger novel.

Discussion Questions
1. Which stage of globalization characterizes Holden Outerwear’s international involvement?
2. Identify Holden’s primary approach to entering the international market. What are the benefits of this entry strategy?
3. What are the challenges of international management for leaders at Holden?

Chapter 5
Theo Chocolate: Managing Ethics and Social Responsibility

As a boy growing up in Philadelphia, just hours from Hershey, Pennsylvania, confectioner Joe Whinney fell in love with chocolate. Halloween was sheer bliss for the youngster, and Whinney recalls often getting lost in thought while munching on a chocolate bar.

When he grew older, Whinney got an opportunity to visit cocoa bean farms in the rainforests of Central America, while serving as a volunteer for a conservation program. The experience was life changing.

Propelled by his combined love of chocolate and the environment, Whinney dreamed of building the first organic fair trade chocolate factory in the United States. In 1994 he pioneered the import of organic cocoa beans to the United States, and in 2006 Whinney’s Theo Chocolate company became the first and only sustainable chocolate maker in the nation.

Unlike U.S. chocolate manufacturers who deliver sweets in high volume, Theo’s award winning chocolate is produced in small batches. The company’s “bean-to-bar” production method uses cocoa beans grown without pesticides and without harm to the environment or farmers. The result is a creamy delectable milk chocolate bar that is as good for the ecosystem as it is for the palate.

Like other social entrepreneurs, Joe Whinney exudes a sense of mission in everything he does. “After my experience in Central America,” says Whinney, “I saw that social and environmental degradation were really business problems, and I wanted to help save the world by making chocolate.” The chocolate maker’s objective is to operate a business that is profitable, ethical, and good for the environment. “Our business ethic,” says Whinney, “is informed by our belief that all life on the planet is interconnected. We need consumers to be healthy and well, our farmers to be healthy and well, and the entire planet to be healthy and well in order for us to be successful and profitable.”

Organic farming and fair trade are important to Whinney. In Theo Chocolate’s world, organic means that the cocoa beans are naturally grown and harvested in ways that preserve habitats and the balance of the ecosystem. Fair trade is an economic concept that ensures equity between buyers and growers in developing nations, as well as fair treatment of workers. Theo Chocolate is proud of its status as a certified fair trade company. “Fair trade certification is important for us to build trust with our consumers, so that we do what we say we are going to do,” says Whinney.

Since fair trade certification is important in preventing companies from exaggerating their green credibility, Theo chose IMO Fair for Life to be its accountability certification program. “What’s great about Fair for Life is that it is a certification that ensures the economic and social integrity of our entire supply chain, from the cocoa farmers that we work with all the way through to our own factory operations,” remarked Whinney.

Debra Music, a fellow chocoholic and the vice president of sales and marketing at Theo, says the company is an example of “enlightened capitalism.” Music expresses pride in being the only fair-trade-certified bean-to-bar chocolate factory in the United States. “We’re trying to define the intersection of artisan world-class chocolate making with sustainable practices,” Music says. “Simply put, I like to say it’s about doing good while doing well.”

While Theo Chocolate is finding good success in the organic foods industry, perhaps the most exciting thing for “Theonistas” is that the company is being hailed as a voice for change. Employees say they have gained a loyal following for their efforts in the developing world, and business success has opened up new opportunities for sharing their vision of a better world.

Discussion Questions
1. What practices at Theo Chocolate embody the concept of sustainability?
2. What does Vice President Debra Music mean when she says that Theo is a “triple bottom line” company? How is this different from any other company?
3. What does the term fair trade mean to the leaders at Theo? What happens if fair trade goals conflict with a company’s primary responsibility to be profitable?
Chapter 6
LivingSocial Escapes: Managing Small Business Start-Ups

After graduating from college and working as a derivatives trader on Wall Street, Maia Josebachvili began to plan weekend getaways to escape the bubble of city life. One night, while seated around a campfire with a group of fellow campers, Josebachvili decided that her weekly planned excursions could appeal to other young professionals. Willing to take risks, Josebachvili left her job and founded Urban Escapes (now called LivingSocial Escapes), a firm that creates social adventures for travel-minded individuals. “I left Wall Street for a year, traveled around the world, and figured out exactly what it was that I wanted to do,” Josebachvili says. “I came back and e-mailed 200 people and said, ‘Hey, I’m starting a camping company, so come camping.’”

An outdoors enthusiast who has hiked to Everest Base Camp and climbed Kala Patthar in Nepal, Josebachvili began her start-up with basic planning. Josebachvili’s first business model predicted that organizing getaways could earn $12,000 in the first year, and she proceeded to launch in May 2008. “I started with about $4,000, got a cheap apartment, and worked from home and from coffee shops,” Josebachvili says. “After the first bit of money came in from my trips, I invested $2,000 in a Web site.”

As the concept began to catch on, Josebachvili looked to business partner Bram Levy to handle business operations. Like Josebachvili, the LivingSocial Escapes partner is a serious outdoor enthusiast with serious adventurer credentials, including hikes in the Himalayas and scuba diving in the Great Barrier Reef. With a background as a teacher and management consultant, Levy was the perfect match for Josebachvili’s creative output. “I’m more of the business side,” Levy says. “Maia is a real genius when it comes to what is exciting and interesting to people, and what people get motivated about; I was able to help organize the business, figure out where we needed to go, and figure out how to keep things more logically structured.”

After a successful first year, the partners decided to target other nearby cities. When Josebachvili and Levy concluded that finances were in place for expansion, LivingSocial Escapes began serving Boston, Philadelphia, and Washington D.C. According to Levy, money wasn’t a major problem. Since customers of LivingSocial Escapes pay up front for travel events, the company always has cash in hand to carry out operations.

From the beginning, LivingSocial Escapes has pursued a very simple objective: “Keep it going,” Levy says. “What I’m most happy with,” Josebachvili says, “is that I’m now a real genius when it comes to what is exciting and interesting to people, and what people get motivated about; I was able to help organize the business, figure out where we needed to go, and figure out how to keep things more logically structured.”

Discussion Questions
1. Are Maia Josebachvili and Bram Levy entrepreneurs, social entrepreneurs, or both? Explain.
2. Describe the personality traits of the LivingSocial Escapes founders.
3. How did the founders of LivingSocial Escapes finance the company’s growth, and what options did they have for additional funding?

Chapter 7
Modern Shed: Managerial Planning and Goal Setting

In 2003, builder Ryan Smith was restoring an old home in Washington when a client marveled at the small work shed he set up for the project. The customer admired the compact portable structure, and it dawned on Smith that the kit could be decked out with modern features and used for studio spaces, home offices, guesthouses, and more. Smith ran with the idea and launched his own startup business, Modern Shed. Today his company designs stylish prefabricated backyard dwellings for nearly any purpose.

To make the best use of limited resources, Modern Shed hires outside contractors to help produce its small paneled sheds. Since the company doesn’t have an in-house marketing and sales department, Smith outsources the firm’s marketing planning to Seattle consultant Scott Pearl, a real estate veteran who serves as the company’s go-to guy for sales. “Scott has
always been interested in the real estate market—he’s a natural to work with,” Ryan Smith said of his marketing partner.

But planning and goal setting can be a real challenge for the small Seattle-based company. As a new product concept that lacks a well-established market, Modern Shed finds itself in uncharted territory. Until recently, the company had few clear sales objectives. “When I joined with Modern Shed,” Pearl recalls, “they didn’t have any sales goals because they were still primarily selling through their Web site and through their dwell ad. So we had to start somewhere.” Fortunately for Modern Shed, Pearl is an experienced marketer who thinks outside the box and has little trouble generating fresh ideas.

After being hired on as a consultant, Pearl began analyzing the company’s local ads to see what product types were selling. He noted that Modern Shed was popular with people who wanted small backyard offices and studio spaces, and he determined that selling two 10 ft. x 12 ft. structures per month would be an effective first sales goal. As expected, he was able to achieve that goal in a timely manner.

Today Pearl is looking to expand the company’s sales goals. Instead of focusing only on Modern Shed’s small structures, Pearl has added sales targets for the company’s larger, more profitable sheds. According to the marketing consultant, Modern Shed’s larger dwellings need to represent 25 percent of all products sold—a stretch for the young firm.

With a new stretch goal in place for the company’s larger dwellings, Pearl has begun creating a plan for how to achieve his higher target. In recent months Pearl has narrowed down consumer segments, and he believes he has identified a perfect customer for the larger sheds: dual-income families that use nannies and au pairs to manage the home. Since Modern Shed manufactures a 12 ft. x 16 ft. dwelling with a bathroom and comfortable living quarters, Pearl believes he can pitch the shed as a “nanny solution” for Seattle’s well-to-do families. Using information gathered from local title companies, Pearl discovered that his new residential target customer tends to live in upscale neighborhoods with mid-century modern architecture. Once Pearl’s marketing plan is finalized, Modern Shed’s sales teams will be ready to contact customers by direct mail, telesales, and personal sales appointments.

Pearl’s marketing plan appears to be a good next step toward achieving Modern Shed’s top-level strategic goals. “Modern Shed has been really popular with folks who are doing backyard offices, studios, and guestrooms, but the potential in the residential arena is a once-in-a-lifetime opportunity,” Pearl says. According to the Seattle marketer, the economic recession actually works in the company’s favor. “Because the downturn in the economy has been so severe, we’re now seeing finished lot prices in the Northwest as low as $15,000 per lot, which is unheard of,” Pearl said. “One of the reasons I’m driving this now is that we may not in our lifetimes see land at the price it is today.”

Given the present state of the economy, Modern Shed’s low cost living solutions could catch on quickly, especially in Seattle where starter houses can average $300,000. “We might be able to bring finished lot and house product to market for under $200,000, which would be unbelievable,” Pearl says. For certain, if the plan works out, Modern Shed’s little living spaces could become the next big thing.

**Discussion Questions**

1. What level of planning and goal setting does marketer Scott Pearl perform for Modern Shed?

2. Do Scott Pearl’s goals meet the criteria of effective goal setting as discussed in the chapter? Explain.

3. What are some of the ways in which Scott Pearl’s plans and goals benefit Modern Shed as an organization? Are there potential downsides to such planning?

**Chapter 8**

**Theo Chocolate: Strategy Formulation and Execution**

Seattle’s Theo Chocolate specializes in the divine. The cocoa that the chocolate maker harvests to produce its delicious candy bars comes from a tropical evergreen known as *Theobroma cacao*—translated literally, “food of the gods.” The heavenly flavor that resides in the plant’s cacao pods helps sustain the worldwide confectionery industry, and Theo is one of the newest companies to master the art of cacao cultivation.

Founded in 2006 by Joseph Whinney, Theo Chocolate prides itself on being the first organic and Fair Trade Certified chocolate maker in the United States. In addition to producing world-class chocolate, Theo integrates ethical standards throughout its entire business, all the way from the cocoa farm to the candy rack.

When Theo first started its production, the company offered an exotic line of dark chocolate and milk chocolate bars and truffles. These early treats had unusual names such as Coconut Curry, the 3400 Phinney Bar, and Bread & Chocolate. Moreover, the bars were wrapped in artistic watercolor packaging with whimsical cover designs. Theo’s launch garnered accolades from critics and organic food consumers alike, in part because of the company’s creativity and sustainable business model.

But selling chocolate to foodies and green consumers didn’t add up to the high volume that Joe Whinney and his management team hoped to achieve. In addition, Debra Music, Theo’s vice president of sales and marketing, began noticing barriers to mainstream acceptance of Theo’s products. In particular, Theo’s flavors and product names were too funky for mass appeal, and wrapper designs were so artistic that customers were confused about what was inside the packaging. Managers knew something had to be done.

“When we looked at our numbers and realized we were not growing at the rate that we thought we should, and that in certain markets we were struggling,” Music remarks, “we decided to apply some science to what we were doing.” The marketing executive’s research turned up some possible solutions.
“We found that we needed to be selling in places where people wanted just a milk chocolate bar,” Music said. “Our products were a little bit intimidating, so we decided to rein that in and create a much more accessible product line.”

Founder Joe Whinney began working on a new strategy—one based around the company’s ultimate goal. “The overall goal is that we would like Theo to be the most loved chocolate company in the world,” said Whinney. “But since widespread appeal is rare for exotic products, Theo’s founder had to go back to the drawing board.” “When we decided to alter course and make more accessible products, we looked at market data for the first time, and we looked at what were the clear winners in the market,” Whinney says. “We decided that consumers were choosing the winners already, so we designed products that we felt would meet consumers’ expectations and allow us to stay true to our ethics and quality.”

Since managers agreed that Theo needed a gateway product that would attract consumers more easily, the company started producing classic milk chocolate bars. Unlike the exotic bars produced at the company’s launch, Theo’s classic line included familiar taste combinations such as chocolate and mint, regular milk chocolate, and cherries and almonds. “We created a classic line that had more traditional flavors and that was in packaging that was easy for consumers to understand,” says Whinney.

The end result is that Theo now offers two distinct product lines for two different market segments. The company roasts a Classic line of milk chocolate bars for mainstream customers, and it offers Fantasy Flavor chocolates for more adventurous eaters. Each line embodies the high quality and sustainability that make up the Theo brand.

The strategy was a hit with consumers. “The growth was fairly dramatic,” says Whinney. “We were able to access markets that we weren’t able to before. In the Pacific Northwest we’re the No. 1 selling chocolate brand in the natural and organic category—and we’re the fastest growing in the top 10 across the country.”

While some small businesses prefer niche markets, appealing to mainstream customers was consistent with Joe Whinney’s belief that everyone should be able to enjoy Theo Chocolate. “We believe that everyone should have access to great chocolate, and so we wanted to make sure that we were responding to the marketplace, listening to what people really wanted, and then producing products that met our goals and theirs as well.”

If Theo maintains its current growth, Joe Whinney’s goal of becoming the most loved chocolate company in the world may be more than just a dream—it could be divine destiny.

Discussion Questions

1. Evaluate Theo’s new strategy in light of the company’s strengths, weaknesses, opportunities, and threats.
2. Using the BCG Matrix, explain Theo’s decision to offer a classic line of chocolate bars after having limited success with Fantasy Flavor chocolates.
3. Which of the three competitive strategies—differentiation, cost leadership, or focus—do you think is right for Theo Chocolate? Explain.
our design and choices,” says Carleo. “But when you’re working with landscape architects, they could come up with something that we don’t even really agree with.”

Despite Carleo’s confidence in her own decision making, the Plant Fantasies owner understands the benefits of empowering others. “More and more, as I’m trying to grow the company, I’m trying to get my team to be more independent of me. I don’t want to know every single thing.” Regardless of who makes decisions, Carleo expects all her employees to share her high standards for quality: “I want them to take care of it, but I want them to take care of it the way I would take care of it myself. And that’s hard, because not everybody is the same.”

**Discussion Questions**

1. Did Plant Fantasies owner Teresa Carleo follow the rational decision-making process to launch Plant Fantasies? Explain.
2. List an example of a programmed decision at Plant Fantasies. Identify a nonprogrammed decision at Plant Fantasies.
3. How might managers at Plant Fantasies conduct the final evaluation stage of the decision-making process when installing a new garden for a client?

**Chapter 10**

**Modern Shed: Designing Adaptive Organizations**

If anyone knows about structural designs that are sturdy, contemporary, and adaptive, it’s Ryan Smith, the owner and founder of Modern Shed, a small Seattle company that builds modernized space-saving dwellings.

Smith’s interest in building things began in childhood while playing with a favorite plywood train set. His early fascination matured into an architectural career, and Smith quickly established a reputation as a skillful builder with an eye for stylish home design and renovation.

But in 2003, Smith stumbled upon a very little big idea: after setting up a small temporary work shed while working on a home restoration project, a client remarked that he really liked Smith’s tiny work shelter. A light bulb went on inside Smith’s creative mind, and the enterprising builder determined that the kit could be decked out with modern living features and sold for a range of uses. Today he builds small paneled dwellings for use as studio spaces, home offices, pool houses, project sheds, guesthouses, and more.

Like his stylish sheds, Smith’s company is built to be adaptive, scalable, and suited to the needs of the environment. Modern Shed counts only 12 to 14 full time employees in the firm’s Seattle office. However, at times the company’s output rivals that of a large builder, which is achieved through collaboration with outside sales reps and a dealer network comprised of 35 independent contractors across the United States.

According to Smith, partnering with outside specialists was the most efficient, effective, and flexible way to run a startup company. “If you need to create a business organization, and you bring it all in house,” says Smith, “you need to have the accounting position, the organizing position, the person who is going to answer the phones, and the people who are going to make the things—and you just can’t do that when you start a company. It doesn’t make sense.”

One partner who helps boost Modern Shed’s output is Scott Pearl, a marketing consultant who also lives in Seattle. Pearl’s background is in real estate, where he worked on multimillion-dollar projects before starting his own marketing consultant firm. In light of the recent crash of the real estate market, Pearl is excited to be managing many of Modern Shed’s sales and marketing functions. According to Pearl, Modern Shed is one of the few building concepts thriving in today’s depressed housing market. “Modern Shed has positioned itself so that we’re insulated from what’s going on in the general marketplace,” the marketer states.

Smith’s dealer network is made up of dozens of such partners who specialize in everything from materials and construction to sales and office processes. The partners connect regularly to discuss projects and plans. “On a monthly basis we’ll have conference calls with the reps and the dealers about new products, new promotions, changes in pricing, and new opportunities for them in terms of their marketing,” Pearl remarks. “It’s very lean and unstructured because all those folks are independent contractors.”

What impresses Scott Pearl most about Modern Shed is the organization’s ability to respond quickly to the needs of the market. “We were recently approached by a nationally recognized home-and-garden expert who wanted us to create an entirely new product line of Modern Shed,” says Pearl. “The fact that Ryan can just drop everything and focus on this, get the team focused on it, and actually come up with a brand new product in under eight weeks is phenomenal. It could not be done unless the organization was nimble like we are.”

Small, flexible, responsive—these are the qualities that have enabled Modern Shed to thrive even during an economic recession. According to Smith, the logical process of building sheds from smaller scale structures to larger ones is a metaphor for how modern organizations should be built. “You can use the analogy for organizations and people as well as structures,” Smith states. “If you go too big you don’t understand it; you have to start small.”

As for Scott Pearl, he doesn’t expect to become an employee of Modern Shed. Nevertheless, the marketing consultant considers himself an important part of Modern Shed’s organization and success.

**Discussion Questions**

1. Which of the five approaches to structural design is used at Modern Shed, and how are the company’s departments organized and coordinated?
2. What are the advantages and disadvantages of Modern Shed’s organizational structure?
3. How did Ryan Smith determine whether his company needed a mechanistic structure with a formal vertical hierarchy or an organic one involving free-flowing partnerships?

Chapter 11
Holden Outerwear: Managing Change and Innovation

While many apparel manufacturers dream of setting trends in the world of fashion, Holden Outerwear is the ultimate fashion innovator. Founded in 2002 by professional snowboarder Mikey LeBlanc, the Portland, Oregon, sports-apparel maker has given traditional baggy outerwear a complete style make-over. Unlike ski-apparel brands that focus on utility at the expense of looking good, Holden believes technical garments can look cool. “What I love most about Holden is that they take cues from fashion and they’re not looking at what everyone else in the outerwear market is doing,” says Nikki Brush, design and development manager at Holden.

For Mikey LeBlanc, Holden is the perfect vehicle for expressing his two favorite interests, snowboarding and urban wear. When the pro boarder is not out taming the mountain, he’s somewhere talking about his company’s approach to design. “We brought an element of old world tailoring to our stuff, so we deal with paper patterns and fit, and we work with the shape of a garment—that was new to the industry,” LeBlanc says. Most outerwear brands focus on keeping skiers warm and dry, not on fashion. Not so with Holden. “We were the first to bring a couple different fits,” LeBlanc adds. “We had a standard fit and a skinny fit on our pants, for example.”

Soon after Holden launched, the company was heralded as the new and improved outerwear maker because of its attention detail. “We use a lot of genuine leather, a lot of wool, and things that weren’t found in outerwear,” LeBlanc says. Holden pants and jackets possess unique features like leather covered snaps, leather shoulders, and urban-style snaps and stitching. LeBlanc and his design teams keep a close eye on runway brands like Marc Jacobs and G-Star, as Holden is always looking to bring new elements of style to the slopes. “It’s all about bringing that element of fashion design instead of technical design to outerwear,” says Holden’s founder. “We’ve been labeled as the brand that pushes the style portion of technical outerwear.”

As a trained designer, Nikki Brush relishes the innovative aspects of working at Holden. “I have a pretty solid background in development and designs, so I get excited about technology, whether it’s working with the fabric mill or a garment manufacturer,” Brush says. In particular, the designer enjoys taking a standard industry garment and doing it differently, as with Holden’s use of denim. “I think our denim is very exciting. Most companies are working in cheap nylon that are printed to look like denim, but we are not.” Unlike brands that substitute faux materials, Brush works with true cotton twill, which is first cut for style and then laminated with waterproofing. “It performs on the mountain as high performance outerwear, but looks like jeans,” Brush says.

By far Holden’s greatest innovation has been the creation of a new eco-friendly fabric. In 2005, LeBlanc and a business partner had an idea to make a natural-fiber waterproof breathable fabric, which didn’t yet exist. So the partners pioneered it. In addition to being technically durable, the new garment material was hailed as an environmental breakthrough.

Today Holden has the attention of everyone in its industry. Retailers wait anxiously to see LeBlanc’s newest collections, and competitors from Burton and Salomon to Bonfire and Walmart borrow heavily from Holden’s collections. LeBlanc doesn’t worry too much about the rampant plagiarism that goes on in his industry. As the pro-boarder sees it, imitation is the highest form of flattery. Plus, Holden’s business is based on finding the next big thing. When it comes to style, Holden is the leader, never the follower.

Discussion Questions
1. Identify the type of change that Holden’s leaders are managing on a daily basis.
2. Is Holden’s creative approach to outerwear an example of disruptive innovation? Why or why not?
3. What resistance has Holden encountered while introducing innovative garment designs?

Chapter 12
Barcelona Restaurant Group: Managing Human Resources

The restaurant business is always in flux, with workers coming and going in a revolving-door fashion. This is true even of high-end concepts like Barcelona Restaurant Group, a collection of seven wine and tapas bars located in Connecticut and Atlanta, Georgia.

At Barcelona, life is all about authentic cuisine, exceptional service, and a great time. The restaurant group offers eclectic Spanish cuisine with an authentic ambiance that recalls a neighborhood eatery in Milan or Rio de Janeiro. At Barcelona, wait staff are friendly, and chefs are known to create personalized dishes that impressregulars. Barcelona’s flavorful tapas are infused with olive oil, lemon, and smoky paprika, and the comprehensive wine list features top vintages from Spain, Portugal, and vineyards around the world.

It takes the right mix of people to deliver this upscale culinary experience, and that’s a job for Barcelona COO Scott Lawton. “Human resources is one of the most important things we do in our business,” says Lawton. “This is a transient business, so people are constantly moving. The minute you stop
looking for talent you’re actually sliding backwards—so, we're always hiring.”

For anyone who has waited tables, restaurant turnover is a familiar experience. Cooks, servers, and bussers have short careers in most establishments; managers typically stick around longer. But Barcelona has exceptionally high standards for service, and this requires letting go employees who aren’t up to snuff. “In the three years I’ve worked here, only one or two managers has quit,” Lawton states. “However, we’ve turned over probably 60 to 70 percent of all management in the past three years, and that’s because we were not afraid to let people go. We demand a certain level of quality, and we're continuously raising the bar on our expectations.”

With so much talent revolving through the organization, Lawton integrates recruitment into daily operations. The restaurant keeps want ads running at all times, and managers conduct interviews each and every day. The process is highly strategic. According to Barcelona’s operations chief, smart restaurant managers can hire their way out of problems simply by selecting the right people. “We can train people all day,” Lawton states, “but we can’t train happy people with good attitudes—we can’t train that into people.” Lawton instructs managers to hire the right people with the right work attitudes.

Judging an applicant’s work attitudes is no easy task, however. To ensure that Barcelona finds the right employees, Lawton uses a three-stage recruitment process. First, leaders conduct 20-minute interviews with dozens of candidates. Next, applicants are sent on “a shop”—an assignment during which candidates spend $100 dollars at a Barcelona restaurant and write an essay about the event. For applicants who survive the first two stages of the selection process, there is one final assessment: “the trail.” At Barcelona, the trail acts as a kind of test drive in which job candidates command the floor, interact with wait staff and customers, and demonstrate job skills. Approximately one-fourth of the candidates who go on a trail can expect to be hired.

At the end of the day, according to Scott Lawton, people either possess the necessary intelligence and skills to run a restaurant or they don’t. The industry doesn’t have much time for learning curves, and the success or failure of any establishment depends on the performance of competent self-motivated employees. No one knows this more than Lawton. “For any company that is involved in customer service,” states the restaurant veteran, “the most important thing you can do is have the right people in front of your customers.”

**Discussion Questions**

1. List the three main activities of human resource management (HRM) and identify which activity is examined at length in the video.
2. Of the various steps in Barcelona’s employee selection process, the job interview is the most brief. Do you agree with the company’s approach to interviewing? Why or why not?

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**Chapter 13**

**Mitchell Gold + Bob Williams: Managing Diversity**

When Mitchell Gold and Bob Williams started their furniture company in 1989, the rules governing the upholstery industry were so outdated that the two businessmen had to write their own. Trends taking hold in the larger business community were far from the minds of most furniture executives, and service throughout the industry was inconsistent. But Gold and Williams had a vision for how they wanted to run things: they would guarantee comfort, minimize costs, enact rigorous controls, and produce the styles they liked for their own homes. Most importantly, they would never skimp on quality.

But the entrepreneurs had one other important goal: to foster a diverse workplace where employees could labor unburdened by stress, worry, or discrimination. To achieve their ideal company, the partners began devising creative benefits and worker-friendly facilities. More than 20 years later, Mitchell Gold + Bob Williams (MG+BW) has some of the most generous benefits in the industry, and the company’s efforts have earned high marks on the Corporate Equality Index—a business diversity measure sponsored by the Human Rights Campaign.

To better understand the inclusive management practices at MG+BW, it helps to know something about the Corporate Equality Index rankings. For starters, MG+BW receives points for having nondiscrimination policies and diversity training. Next, all employees at the furniture company receive the same benefits, regardless of race, gender, or religion—another ratings booster. Maria Thompson, a manager of the flagship MB+BW store in SoHo, says glass ceilings aren’t a worry for employees. “As a woman working for this company, I don’t feel that my gender has any correlation to my performance, my evaluations, or my relationships with other coworkers—and that’s something very different,” she remarks.

Simply put, Mitchell Gold and Bob Williams believe employees will be happier and more productive if they are treated positively and have access to a comprehensive wellness program. The benefits at MG+BW are so useful that many employees satisfy personal needs through perks like gym facilities, on-site daycare, and the café. To help working parents, MG+BW built a child enrichment center next to its headquarters in Taylorsville, North Carolina. With the help of the affordable daycare, parents spend less time driving around—and that means more time with kids. Parents can even have healthy lunches with their little ones at the café. Once the kids are grown, MG+BW offers a college scholarship program to give them a head start on their careers.
Such benefits are not merely a means of attracting good talent. Like other companies, MG+BW must manage employee stress if it wants to avoid poor employee performance, absenteeism, burnout, turnover, aggression, and lawsuits. If employees are experiencing stress-related problems, the company can’t expect high-performance results. To combat stress related to harsh work environments, MG+BW has an air-conditioned factory with good lighting. For stress related to health worries, the company offers an annual health fair that delivers preventive care for common health issues. To alleviate stress arising from diversity challenges, Gold and Williams maintain an effective diversity policy.

As employees have come to recognize, Mitchell Gold + Bob Williams is a diversity trendsetter. The company’s founders envisioned a workplace where individuals felt safe and respected, and now, some 20 years later, the business is reaping rewards of visioned a workplace where individuals felt safe and respected, and now, some 20 years later, the business is reaping rewards of good-natured personality was popular not only with customers, but also with coworkers who frequented her cubicle to get help with computer issues. “It seemed that when people had problems with their computers, they typically came to me and asked for help,” Clay remembers.

In many organizations, hidden talents often remain hidden. But at Mitchell Gold + Bob Williams, management pushes employees to discover their talents and seize new opportunities. In this case, MG+BW managers recognized Clay’s knack for computers, and they came to her to discuss a new idea: a computer help desk. “We decided to create the help desk, which we never had before,” Clay states. “Since everybody was coming to me with computer questions, it seemed a good fit for me.” Although Clay lacked formal computer training, she was willing to put herself out there and see where the opportunity might lead. “I felt like it was a big challenge to move from customer care to technology. I had never done anything with computers before, so I was really excited to try it,” she says.

Today Kim Clay is the IT manager for the entire MG+BW organization. Her positive work attitudes have made her an up-and-coming leader over a high-tech process. At MG+BW, all new furniture pieces begin with a production ticket generated from a computer enterprise resource planning (ERP) system. As items move through the process, computers track development all the way to final shipping and invoicing. Clay oversees the computerized system from end to end. “It’s a constantly changing field, and we have to stay on top of it to keep the business competitive,” Clay states. “We have to know the new technology that’s out there and incorporate it into our business as quickly as we can.”

Although Clay’s rise through the ranks was no surprise to those who saw her early potential, few could have predicted the career path she made for herself at MG+BW. Vice President Dan Gauthreaux, who recognized Clay’s work ethic and organizational commitment early on, never imagined she would become a top manager over technology. But as Gauthreaux is quick to add, MG+BW seeks maximum development for all its employees. “There is a tolerance for letting folks expand and develop on their own,” Gauthreaux says of the company’s approach to human resources. “We’re the kind of company that, whomever Kim reports to, they’re not going to let her step off that ledge and not be successful.” He adds that personal development is a learning partnership between the employee and the organization: “Employees are encouraged to push themselves, but we’ve created a culture where we’re not going to let each other fail. There’s a sense that your success is my success.”

**Discussion Questions**

1. What are advantages and disadvantages of diversity at Mitchell Gold and Bob Williams?
2. Which belief is championed at MG+BW: ethnocentrism or ethnorelativism?
3. How might a commitment to diversity at MG+BW help managers with globalization?

**Chapter 14**

**Mitchell Gold + Bob Williams: Understanding Individual Behavior**

When Information Technology (IT) Manager Kim Clay began answering phones as a consumer inquiry representative for Mitchell Gold + Bob Williams (MG+BW), she was not particularly self-confident, nor was she certain about the direction of her career. “When I first started working here, I definitely wouldn’t say that confidence was something I exuded,” Clay says of her early days at the furniture company. Clay took the position because the company was near to her apartment, and she also liked interacting with people. “In Consumer Inquiry, I would answer the phone and tell people about our furniture where they could find it,” she recalls.

Although Clay’s start at MG+BW was uneventful, coworkers noted her positive work attitudes. “Kim was someone you could really rely on and trust—she was a great communicator,” says Dan Gauthreaux, vice president of human resources. “You knew that if Kim was given an assignment or project, or needed to follow up with this customer or expedite something, she would make it happen.”

Clay soon moved on to the Customer Care department, where she dealt with customer issues at the retail level. Her good-natured personality was popular not only with customers, but also with coworkers who frequented her cubicle to get help with computer issues. “It seemed that when people had problems with their computers, they typically came to me and asked for help,” Clay remembers.

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**Discussion Questions**

1. Which component of attitudes does Vice President Dan Gauthreaux express when he says, “I think you can learn from any job you do and try to make the best of it?”
2. How did Kim Clay’s organizational citizenship behavior lead to the creation of a new computer help desk at MG+BW?
3. What role did management play in fostering Kim Clay’s high organizational commitment? In what ways does this commitment benefit the organization?

Chapter 15
Camp Bow Wow: Leadership

Some of the world’s most iconic leaders have come from business. During the twentieth century, Henry Ford, Thomas J. Watson, Sr., Sam Walton, and Bill Gates made contributions that define how we live and work in the modern era. More recently, executives like Indra Nooyi, Oprah Winfrey, and Meg Whitman have reshaped leadership for a new century and inspired a generation of businesswomen in the process.

Heidi Ganahl, the 44-year-old founder of Camp Bow Wow, is among the most recent leaders to take the business world by storm. A little over a decade ago, while Ganahl was laying tile in her new pet care facility in Boulder, Colorado, a powerful passion gripped the young entrepreneur and inspired confidence that her doggie daycare concept would catch on with pet owners. Today Camp Bow Wow ranks among the fastest-growing chains in America, with annual revenue of nearly $50 million.

As the owner of a wildly popular pet franchise, Ganahl is top dog to an increasing number of employees. “At Camp Bow Wow, leading a franchise company means leading 2,000 employees that work at camps, at Home Buddies, and at Bow Wow Behavior Buddies franchises,” Ganahl said of her expanding pet care empire. One challenge Ganahl faces in leading so many talented people is getting everyone to follow a single business model. “One of the most important things about franchising is being able to duplicate and replicate the original business and, as it evolves, keep everybody on the same page, with all the facilities looking the same, the service the same, and the attributes of the brand the same,” Ganahl said.

While consistency and conformity are critical to the success of any chain, Camp Bow Wow seeks creative input from the franchisees who bought in to the system. To maintain a standard business template while encouraging fresh ideas, Ganahl keeps a door open for anyone who wants to meet and offer feedback. “I found that the best way to get people committed to a vision is to have an open door policy and let people communicate their ideas and be part of the growth and execution of the brand,” says the CEO. “If you do that, you’ll come up with amazing things that you wouldn’t have if you were not open to involving your team, franchisees, and staff.” The policy has produced many visible improvements to the company, such as the new Tea Cup Pup Lounge, a play zone for small dogs. Originally recommended by a franchisee from Pittsburgh, the new play lounge has increased the safety and happiness of smaller pups that play at the camps.

Since franchise companies attract hundreds of independent business owners into the system, Ganahl has to work with many strong leaders. Sue Ryan, a Boulder businesswoman who bought one of Ganahl’s original camp locations, says that the hand-off of the business required two-way cooperation and respect, especially since the location had pre-established processes, goals, and staff. Despite some expected difficulties, Ganahl’s approach made the transition as smooth as possible, and Ryan came away from the experience with a deep appreciation of Ganahl’s leadership qualities. “She’s very down to earth, so she doesn’t bring a lot of ego to the table,” Ryan said of Camp Bow Wow’s founder. “Heidi knows what she has to offer and is confident with it, but she doesn’t take it beyond there.”

Another tricky part of Ganahl’s job involves managing personal relationships. Heidi founded Camp Bow Wow with the help of family and friends, and many of these early contributors work at the corporate office today. “There’s a line between friends, family, and business, and I’ve had a lot of friends and family join the company,” Ganahl states. “It’s difficult at times to hold folks accountable and to separate the business relationship from the family or friendship.” She adds that the culture of a family business is very different from the culture of a franchise, but she insists that everyone in the organization is equally responsible for meeting the company’s performance metrics and goals, regardless of personal connections.

Whether employees think of Heidi as boss, friend, or family, the Camp Bow Wow chief knows how to keep every individual focused on business. “We’re all in this together, and we’re all representing the brand,” Ganahl states. “They’re all on the front lines working with the customers and dogs; they are all a vital part of Camp Bow Wow.”

Discussion Questions

1. Does Camp Bow Wow CEO Heidi Ganahl possess qualities associated with contemporary leadership?

2. In what way is Heidi Ganahl’s leadership charismatic and visionary? Give examples.

3. Where does Heidi Ganahl’s leadership fall on the Leadership Grid discussed in the chapter? Explain.

Chapter 16
LivingSocial Escapes: Motivating Employees

When today’s young professionals look to catch a break from hectic city life, they look to LivingSocial Escapes. Founded in 2008 by Maia Josebachvili and Bram Levy, the social travel firm has earned high praise for its array of exciting outdoor adventures. Whether the moment calls for a lazy campfire gathering or a thrilling encounter with nature, expert guides at the East Coast trip service have a weekend getaway for any occasion.

LivingSocial Escapes offers a range of outdoor excursions. From whitewater rafting in the Poconos to camping in the Catskills, the company’s trips help customers escape the bubble and recapture their lust for life. The firm’s passion for all things...
outdoors is rooted in the active lifestyles of founders Maia Josebachvili and Bram Levy. Josebachvili’s adventure resume includes such titles as ‘professional skydiver’ and ‘mountain-bike racer.’ Levy’s ‘outdoor cred’ includes hikes in the Himalayas and scuba diving in Australia’s Great Barrier Reef.

Not surprisingly, the business partners have a non-traditional approach to career development. Josebachvili’s journey included a brief stint on Wall Street before launching LivingSocial Escapes. Levy, a former management consultant, joined LivingSocial Escapes because “it seemed like something fun to do.” Levy says he figured he could “always come back to the safe world” if things didn’t work out.

For the LivingSocial Escapes employees who work behind the scenes to deliver “Zen Escape Yoga Hikes” and “Boulder and Brew Tours,” work motivation comes naturally. The company’s managers, guides, and directors are driven by the freedom that only a start-up company can offer. “We gave everyone a lot of ownership in their cities,” Josebachvili says. “We said every time you want to run a trip, you run it by us. We’d talk about it and we’d see if it works. Within a few months I was like, ‘Okay, if you know it’s going to work, don’t come to us—you got this.’ After a year, I felt really good about what they were doing.”

Although his start-up is yet in early development, Levy says founding a company taught him important lessons about people and motivation. “When people are excited about something, they’ll do virtually anything,” Levy states. “We had employees across the country working for us for virtually no income and no stability, and merely because they enjoyed what we had to offer and they were having fun.” As part of his training for new hires, Levy offers only the most basic outline of job responsibilities. “Think about the brand and what we’re trying to develop,” Levy tells new recruits. “Now take it and formulate what you think will be best and run with it.”

Since 2008, the LivingSocial Escapes roster has grown to more than eight directors, twenty city managers, and dozens of adventure guides. Josebachvili claims that the company’s directors, many of whom are in their mid-twenties, are excited about rapid expansion. “We’re asking someone who’s 23 years old to manage five different cities and city managers, as well as teams under the city managers.” LivingSocial Escapes demands high commitment from teams, but if the company succeeds, employees can share in the financial rewards—even part-time guides get special bonuses if trips are profitable.

At this early stage, working for LivingSocial Escapes is not about stability or following a traditional career path: it’s about adventure. “We’re selling the nontraditional path,” Levy states. “There are plenty of opportunities to have the stable career path that our parents’ generation had and wants us to have as well. I think we’re selling the opportunity to do something truly unique and different and have fun.”

**Discussion Questions**

1. Which needs in Maslow’s hierarchy are most important to the employees who work for LivingSocial Escapes, and how can managers use this information to develop a highly motivated workforce?

2. According to equity theory, how might a LivingSocial Escapes guide react if he or she feels underpaid or unappreciated?

3. What outcomes or rewards possess high valence for managers and guides who work at LivingSocial Escapes?

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**Chapter 17**

**Plant Fantasies: Managing Communication**

Can companies really Twitter their way to profits? Is Facebook replacing face-to-face meetings? Do personal hand-written business letters have any place in the digital age? If Plant Fantasies is any indication, reports concerning the death of traditional business communication are greatly exaggerated. "In terms of e-mails and e-blasts and Facebook and tweeting, I don’t do it," says Plant Fantasies owner Teresa Carleo. "I feel it’s more significant and meaningful to make a connection with somebody.

It’s hard to argue with success: since founding Plant Fantasies in 1987, Carleo has become gardener to some of New York City’s most prestigious property owners—including Donald Trump.

At first glance, Carleo’s preference for traditional communication methods seems out of touch with twenty-first century technologies. Far from being neo-Luddites, however, the leaders at Plant Fantasies demand communication that works—and that means matching the right communication methods with the right business situations. For example, some tasks at Plant Fantasies involve installing and maintaining gardens. Other situations require collaboration with landscape designers. Still others involve speaking with clients. Not all communication channels are equally suited for each situation; tweeting may be effective in one situation yet hopelessly inappropriate within another setting.

According to Steve Martucci, the sales director for Plant Fantasies, nothing beats a personal meeting with clients. “When there’s time, I think it’s a great idea to always do face-to-face—it’s good for the customer,” the director states. “You want them to see you and remember you. You want them to see that you took the time to come there, and that you didn’t just shoot them an e-mail in a cab going somewhere else.” According to Martucci, most new business at Plant Fantasies is generated by word-of-mouth. In the past, the sales director spent time and money on brochures and e-mail marketing strategies. Martucci returned to face-to-face interaction after watching people ignore his electronic messages. "You need to meet people so they can put a face with a name,” the sales director states. He also notes that e-mail, while useful for some tasks, can eat up precious time. “E-mail is the best way to get the basic information across, but the back and forth for a conversation that would take a minute on the phone is a waste of time. I’d rather just make the phone call.”

Although face-to-face interaction is preferred at Plant Fantasies, electronic communication is part of the company’s...
overall communication strategy—especially when it comes to coordinating labor-oriented tasks. For example, if the company has 15 gardening jobs to fulfill in any given day, each job will require coordination of trucks, tools, plants, equipment, and laborers. To establish a daily agenda, Carleo sends a batch of e-mail messages first thing in the morning. Then, as needed, landscape workers use cell phones and text messaging to address issues on site. “We all have Blackberys, so we all do direct connect—which is very helpful because I have the trucks and people going around,” Carleo explains.

To keep leaders on the same page at the office, Carleo hosts daily meetings. “I try to have a meeting at least once in my office,” Carleo says. “We talk and try to problem solve and throw ideas around.” According to Martucci, the daily meetings are useful, and each member comes away with different perspectives. “We all listen differently. I’ll go into meetings with Teresa, and she’ll hear some of it and I’ll hear other things—so we both take away different things from the meeting.” Frequent contact is also important to Martucci, who admits being “a control freak” when it comes to staying connected with subordinates. “I always need to know what’s going on, and I constantly check in. I don’t think you can ever be too annoying,” he said.

Despite the many digital communication technologies at her disposal, Teresa Carleo insists on making a personal connection with customers. After a friend’s hand-written note recently touched her in a unique way, the Plant Fantasies founder decided to launch a personal letter writing campaign to clients. “I think I have a better chance of my customers opening that envelope than opening an e-blast,” Carleo remarked. “Maybe I’m archaic, but my clients aren’t 20.”

Discussion Questions

1. Using the concept of channel richness, explain why leaders at Plant Fantasies place a high value on face-to-face communication.
2. What impact might gender have on the communication styles of Teresa Carleo and Steve Martucci? Give examples.
3. Which of the three types of formal organizational communication would you expect to originate from Teresa Carleo and Steve Martucci, and why?

Chapter 18

Holden Outerwear: Leading Teams

“I like the word ‘team’ because it brings people together,” says Mikey LeBlanc, professional snowboarder and founder of Holden Outerwear. The Portland resident launched Holden in 2002 to support his snowboarding addiction, and today LeBlanc’s company produces some of the most interesting designs ever to appear on slopes.

With their stylish zippers, fit cuts, and leather shoulders and snaps, Holden technical garments have more in common with urban skate wear than with traditional ski suits. Recreational snowboarders wear Holden Outerwear because the collections are sleek and fashionable; experts like Holden because the performance outerwear promotes the right state of mind for taming mountains.

When asked about the advantages of his company’s development process, LeBlanc waxes philosophical. “You can watch an NBA team that has a superstar who doesn’t work well with anyone, or you can watch a great team that works together. That’s what we’re trying to have here at Holden,” LeBlanc says. The soft-spoken snowboarding pro adds that working in teams is necessary for practical and inspirational reasons. “It can’t be just one person because you get spread too thin, and the inspiration of design would be lost,” he states.

Nikki Brush, a design and development manager at Holden, shares LeBlanc’s perspective. Her appreciation of teams was an evolution, however. Brush says her first work-group experiences in college were anything but inspirational: one student would cut a pattern, another person would cut fabric, and still another would have to sew—but no one took ownership of the project. Things changed when Brush entered the workforce and received a team assignment that proved to be transformative. “It was the first time I really felt like I worked with someone as a team, because we were both on the same page,” Brush remembers. “I trusted her, she trusted me, and in the long run it made us so much better as designers—and more effective at delivering the product.” The experience taught Brush that teams make a difference when individual members hustle, take ownership, and collaborate on shared goals.

Holden’s use of teams is something that emerged out of necessity. For much of the company’s brief history, managers worked independently on design projects—a preference that offered ultimate control over the process. But as the company grew, LeBlanc needed more designers, and he began looking to outside freelancers for help. For the first time, Holden managers formed virtual teams to produce new apparel lines, and many of the team members were outside contractors. LeBlanc states that the transition was exciting and harrowing at the same time: “Bringing new people in is always really scary. You’re opening up your secrets, and you’re opening up the way you do your process.” He likens the experience to inviting guests for the holidays. “Bringing someone in is like bringing someone home for Thanksgiving dinner—it’s like a family here,” Holden’s owner says with characteristic earnestness.

As for Nikki Brush, she remembers being the “guest” invited over for the holidays. The young designer was a freelancer when Holden’s design chief first contacted her. In a matter of months, she designed one of the most popular pieces of a new Holden collection. Today she is a full time manager at the company. “What I bring is my strong attention to detail, as far as ownership of the project. Things changed when Brush entered the workforce and received a team assignment that proved to be transformative.”
changed. “Freelancing is interesting because you’re not invested in the company, and you don’t know 100 percent where they’ve been or where they’re going,” she says. Even so, she is happier working inside the firm. Not only does she now know where Holden is going, but she helps set the course.

Discussion Questions

1. Is Design Manager Nikki Brush a part of a group, or part of a team? Explain the difference.
2. What type of team did Nikki Brush participate in when she was a freelancer? What type of team does she participate in as a full-time employee at Holden?
3. What are potential disadvantages of teams for Holden’s apparel designers? What can managers do to help avoid these downsides?

Chapter 19
Barcelona Restaurant Group: Managing Quality and Performance

“We’re a chain that’s not a chain,” Andy Pforzheimer says of his Barcelona Restaurant Group, a collection of seven wine and tapas bars located throughout Connecticut and Atlanta, Georgia. Launched in 1995 by Pforzheimer and business partner Sasa Mahr-Batzu, Barcelona is the restaurant of choice for diners who crave flavorful European tapas, sophisticated modern ambience, and the largest collection of Spanish wines of any restaurant group in the country.

An entrepreneur and renowned chef, Pforzheimer began cooking his own meals in high school as a way to control his weight for the school wrestling squad. While a freshman in college, he routinely cooked dinners for black-tie events. At age 19, while studying under a chef in France, Pforzheimer learned a restaurant philosophy that would guide his management decisions throughout his career: “The French chef used to say, ‘Restaurants are very simple things: good food, good service, reasonable price.’ He’s right, and I’ll throw in good location and management that pays attention to how they’re running the business. That’s it—it’s really not that complicated.”

But Barcelona is not just about good food: it’s about a dining experience. Pforzheimer estimates that food makes up 50 percent of the total Barcelona experience, and the rest is comprised of important intangibles: the music, the lighting, the clientele, the atmospherics, and the conversation with managers and wait staff. “Quality in a restaurant is about lots of tiny details,” Pforzheimer says. Barcelona’s owner notes that managing a restaurant’s performance entails managing food quality, wait times, hospitality, bussing, restrooms, prices, and more. For Barcelona to be successful, each employee must deliver his part of the total experience night after night.

To ensure consistent quality across the board, Barcelona uses five “feedback loops” that gauge restaurant performance. First, Barcelona participates in a Secret Shoppers program in which restaurant reviewers make four unannounced monthly visits to Barcelona locations. During the outings, the covert shoppers rate Barcelona on 120 aspects of the dining experience. “We started doing it a few years ago with one or two shops per month, and we’ve increased the frequency because it’s really effective,” states Barcelona COO Scott Lawton. “We’re actually finding out details on things that are important to us.” Second, Barcelona offers a credit card rewards network in which customers get meal discounts and airline miles in return for offering survey feedback. Third, the company issues comment cards in the check presenter, and owners read through all comments. Fourth, the chain receives e-mails from friends and family, and every e-mail addressed to Barcelona goes directly to Pforzheimer. Finally, surveillance cameras allow owners to monitor all work areas from any computer.

Although Barcelona’s feedback loops provide good quantitative data, the owners and general managers are the true eyes and ears of the company. Pforzheimer and his leadership teams walk the floor constantly to advise wait staff and gather feedback from customers. On one occasion, a Cuban customer complained that the bar’s mojitos had lost their zing after the restaurant switched to inexpensive $9 dollar rum. The customer suggested using Castillo brand rum, informing management that it was inexpensive yet perfect for mojitos. Managers followed the customer’s advice, and now Barcelona serves great tasting mojitos at lower expense. According to Pforzheimer, this tactic of management by walking around has led to similar improvements in menu choices, recipes, music, artwork, and more.

And while managing costs is important, Barcelona refuses to sacrifice quality to pinch a few pennies. “The fine line that we walk,” says Scott Lawton, “is determining how can we give the very best product and the very best service and still make a good profit. It doesn’t have to be the best profit, but it has to be a good profit.”

There’s plenty at stake if Barcelona fails to control its performance. Pforzheimer notes that disappointing one’s customers is the quickest way to kill a business. However, failure is about more than losing money: it’s also about losing face. “What’s at stake is my business and my self-respect,” says the restaurateur. “Making people happy is what motivates chefs.” Pforzheimer says if he can’t do that, he wouldn’t be able to stay in the restaurant business.

Discussion Questions

1. How do managers at Barcelona control the company’s financial performance?
2. What is the “balanced scorecard” approach to measuring corporate performance, and in what ways does Barcelona utilize this approach?
3. List the four steps of the feedback control model and describe an instance where Barcelona followed this process to improve its performance.
Chapter 1
In Good Company

A corporate takeover brings star advertising executive Dan Foreman (Dennis Quaid) a new boss who is half his age. Carter Duryea (Topher Grace), Dan’s new boss, wants to prove his worth as the new marketing chief at Sports America, Waterman Publishing’s flagship magazine. Carter applies his unique approaches while dating Dan’s daughter, Alex (Scarlett Johansson).

Management Behavior


What to Watch for and Ask Yourself

• Which management skills discussed in this chapter does Mark Steckle possess? Which does he lack?
• The sequence shows three people who represent different hierarchical levels in the company. Which hierarchical levels do you attribute to Carter Duryea, Dan Foreman, and Mark Steckle?
• Critique the behavior shown in the sequence. What are the positive and negative aspects of the behavior shown?

Chapter 2
Casino

Martin Scorsese’s film is a lengthy, complex, and beautifully photographed study of Las Vegas gambling casinos and their organized crime connections during the 1970s. It completes his trilogy that includes Mean Streets (1973) and Goodfellas (1990). Ambition, greed, drugs, and sex destroy the mob’s gambling empire. The film includes strong performances by Robert De Niro, Joe Pesci, and Sharon Stone. The violence and the expletive-filled dialogue give Casino its R rating.

Organizational Form

This scene is part of “The Truth about Las Vegas” sequence that appears early in the film. It follows the scenes of the casino deceiving the Japanese gambler.

Chapter 3
Charlie Wilson’s War

Democratic Congressman Charlie Wilson (Tom Hanks) from East Texas lives a reckless life that includes heavy drinking and chasing attractive women. The film focuses on the Afghanistan rebellion against the Soviet troop invasion in the 1980s. Wilson becomes the unlikely champion of the Afghan cause through his role in two major congressional committees that deal with foreign policy and covert operations. Houston socialite Joanne Herring (Julia Roberts) strongly urges the intervention. CIA agent Gust Avrakotos (Philip Seymour Hoffman) helps with some details.

Organizational Culture Observations

This sequence appears early in the film after a scene showing the characters drinking and partying in a hot tub. It opens with a shot of the Capitol Building. Congressman Charlie Wilson talks to his assistant Bonnie (Amy Adams) while walking to chambers for a vote. The sequence ends after Wilson enters the chambers. The film cuts to Wilson’s office where Larry Liddle (Peter Gerety) and his daughter Jane (Emily Blunt) wait for Wilson to arrive.

What to Watch for and Ask Yourself

• This chapter discussed organizational culture as having three levels of visibility. Visible artifacts are at the first level and are the easiest to see. Which visible artifacts did you observe in this sequence?
• Values appear at the next level of organizational culture. You can infer a culture's values from the behavior of organizational members. Which values appear in this sequence?
• Organizational members will unconsciously behave according to the basic assumptions of an organization's culture. You also infer these from observed behavior. Which basic assumptions appear in this sequence?

Chapter 4
Lost in Translation

Jet lag conspires with culture shock to force the meeting of Charlotte (Scarlett Johansson) and Bob Harris (Bill Murray). Neither can sleep after their Tokyo arrival. They meet in their luxury hotel’s bar, forging an enduring relationship as they experience Tokyo’s wonders, strangeness, and complexity. Based on director Sophia Coppola’s Academy-Award-winning screenplay, this film was shot entirely on location in Japan. It offers extraordinary views of various parts of Japanese culture that are not available to you without a visit.

Cross-Cultural Observations

This sequence is an edited composite taken from different parts of Lost in Translation. It shows selected aspects of Tokyo and Kyoto, Japan. Charlotte has her first experience with the complex, busy Tokyo train system. She later takes the train to Kyoto, Japan’s original capital city for more than ten centuries.

What to Watch for and Ask Yourself

• While watching this scene, pretend you have arrived in Tokyo, and you are experiencing what you are seeing. Do you understand everything you see?
• Is Charlotte bewildered by her experiences? Is she experiencing some culture shock?
• What aspects of Japanese culture appear in this scene? What do you see as important values of Japanese culture?

Chapter 5
The Emperor’s Club

William Hundert (Kevin Kline), a professor at the exclusive Saint Benedict’s Academy for Boys, believes in teaching his students about living a principled life. He also wants them to learn his beloved classical literature. A new student, Sedgewick Bell (Emile Hirsch), challenges Hundert’s principled ways. Bell’s behavior during the 73rd annual Mr. Julius Caesar Contest causes Hundert to suspect that Bell leads a less-than-principled life, a suspicion confirmed years later during a reenactment of the competition.

Ethics and Ethical Behavior

Mr. Hundert is the honored guest of his former student Sedgewick Bell (Joel Gretsch) at Bell’s estate. Depaak Mehta (Rahul Khanna), Bell, and Louis Masoudi (Patrick Dempsey) compete in a reenactment of the Julius Caesar competition. Bell wins the competition, but Hundert notices that Bell is wearing an earpiece. Earlier in the film, Hundert had suspected that young Bell wore an earpiece during the competition, but Headmaster Woodbridge (Edward Herrmann) urged him to ignore his suspicion.

This scene appears at the end of the film. It is an edited version of the competition reenactment. Bell announced his candidacy for the U.S. Senate just before he spoke with Hundert in the bathroom. In his announcement, he carefully described his commitment to specific values he would pursue if elected.

What to Watch for and Ask Yourself

• Does William Hundert describe a specific type of life that one should lead? If so, what are its elements?
• Does Sedgewick Bell lead that type of life? Is he committed to any specific view or theory of ethics?
• What consequences or effects do you predict for Sedgewick Bell because of the way he chooses to live his life?

Chapter 6
Dr. Seuss’ How the Grinch Stole Christmas

Readers and lovers of the Dr. Seuss original tale may feel put off by Ron Howard’s loose adaptation of the story. Whoville, a magical, mythical land, features the Whos who love Christmas and the Grinch (Jim Carrey) who hates it. Cindy Lou Who (Taylor Momsen) tries to bring the Grinch back to the Yuletide celebrations, an effort that backfires on all involved. Sparkling special effects will dazzle most viewers and likely distract them from the film’s departures from the original story.

Personality Traits

The selected scene is an edited version of the “Second Thoughts” sequence early in the film. Just before this scene, fearless Cindy Lou entered the Grinch’s lair to invite him to be the Holiday Cheermeister at the 1,000th Whobilation celebration. In typical Grinch fashion, he pulls the trap door on Cindy Lou, who slides out of his lair and lands on a snowy Whoville street.

What to Watch for and Ask Yourself

While viewing this scene, assess the Grinch on the following personality traits. Use the adjectives “low,” “middle,” or “high” in your assessment. Also describe the behavior you associate with each trait.

• Internal locus of control: A belief that external forces have little effect on a person; the person controls his or her destiny.
• High energy level: An intense focus combined with unconventional risk taking and an unwavering belief in a dream.
• Innovative way: A commitment to finding creative solutions to problems and issues.
• Need to achieve: Motivated to excel and picks situations in which he or she is likely to succeed.
• Self-confidence: A feeling of confidence about handling almost anything that could happen in the future.
• Tolerance for ambiguity: Untroubled by uncertainty and disorder.

Chapter 7
Inside Man

New York City detective Keith Frazier (Denzel Washington) leads an effort to remove Dalton Russell (Clive Owen) and his armed gang from the Manhattan Trust Bank building. Complexities set in when bank chairman Arthur Case (Christopher Plummer) seeks the help of power broker Madeline White (Jodie Foster) to prevent the thieves from getting a particular safe deposit box. This fast-paced action film goes in many directions to reach its unexpected ending.

Planning
This scene starts as Captain John Darius (Willem Dafoe) approaches the diner. Detectives Keith Frazier and Bill Mitchell (Chiwetel Ejiofor) leave the diner to join Captain Darius. The scene ends after the three men enter the New York Police Department command post after Captain Darius says, “Your call.” The film cuts to Madeline White and Arthur Case walking along a river.

What to Watch for and Ask Yourself
• Does this scene show strategic or tactical planning?
• What pieces of the planning type does it specifically show? Give examples from the scene.
• Do you expect this plan to succeed? Why or why not?

Chapter 8
Played (I)

Ray Burns (Mick Rossi) does prison time for a crime he did not commit. After his release, he focuses on getting even with his enemies. This fast-moving film peers deeply into London’s criminal world, which includes some crooked London police, especially Detective Brice (Vinnie Jones). The film’s unusual ending reviews all major parts of the plot.

Strategy and Action
These scenes start with a nighttime shot of a house on Edenville Street. Ray says, “OK, what we got, guys? Nathan. One, two, three, four moves, okay?” They begin after Ray tells Terry (Trevor Nugent) and Nikki (Meredith Ostrom) that they have the robbery job. These scenes end as Ray and Terry leave with the sound of the alarm. The film cuts to Detective Brice sitting in his car under a bridge talking to Riley (Patrick Bergin) on his cell phone.

What to Watch for and Ask Yourself
• This chapter strongly argued that strategic planning plays a major role in an organization’s success. Ray guides the planning process in these scenes. As the sequence unfolded, did you expect it to succeed or fail? Why or why not?
• This chapter defines a SWOT analysis as “a search for strengths, weaknesses, opportunities, and threats that affect organizational performance.” Did Ray and the others do such an analysis? If not, what was missing from their analysis?
• Synergy results from combining organizational resources in a way that gets more than the sum of individual resources. Assess the synergy that occurred in these scenes. Did Ray and the others combine in a way to have the most positive effect? Why or why not?

Chapter 9
Failure to Launch

Meet Tripp (Matthew McConaughey), who is 35 years old, has a nice car, loves sailing, and lives in a nice house—his parents’. Tripp’s attachment to his family usually annoys any woman with whom he becomes serious. Mother Sue (Kathy Bates) and father Al (Terry Bradshaw) hire Paula (Sarah Jessica Parker). She specializes in detaching people like Tripp from their families. The term “failure to launch” refers to the failure to move out of the family home at an earlier age.

The Bird Problem: Fast Decision Making!
This fast-moving sequence begins with the sound of a bird chirping as it perches on a tree limb. Kit (Zooey Deschanel) and Ace (Justin Bartha) have waited patiently for the bird’s arrival. This bird has annoyed Kit for many days. Ace believes that Kit only pumped the shotgun twice. The sequence ends after the bird leaves the house. The film continues with Kit and Ace embracing and then cuts to a baseball game.

What to Watch for and Ask Yourself
• Does “The Bird Problem” present Kit and Ace with a programmed or nonprogrammed decision? What features of their decision problem led to your choice?
• Assess the degree of certainty or uncertainty that Kit and Ace face in this decision problem. What factors set the degree of certainty or uncertainty?
• Review the earlier section describing the decision-making steps. Which of those steps appears in “The Bird Problem”? Note the examples of each step that you see.
Chapter 10
Rendition

U.S. government operatives suddenly whisk Anwar El-Ibrahimi (Omar Metwally) from his flight from Cape Town, South Africa, after it arrives in Washington, D.C. He is a suspected terrorist whom the government sends to North Africa for torture and interrogation (extraordinary rendition). Douglas Freeman (Jake Gyllenhaal), a CIA analyst, becomes involved. He reacts negatively to the torture techniques and urges El-Ibrahimi’s release. The story has other complications in the form of El-Ibrahimi’s pregnant wife at home who desperately works for her husband’s safe return.

Organizational Structure

This scene opens with a night shot of the Washington Monument. It follows Kahlid’s (Moa Khouas) discussion with Hamadi (Hassam Ghancy), the leader of the terrorist bomb group. Congressional aide Alan Smith’s (Peter Sarsgaard) voice-over says, “She called you?” The scene ends after Senator Hawkins (Alan Arkin) tells Alan to back off. The film cuts to a panning shot of a market area and Douglas Freeman drinking.

Alan Smith’s question, “She called you?” refers to Corrine Whitman (Meryl Streep), head of U.S. intelligence. She authorized the extraordinary rendition of El-Ibrahimi. Alan Smith, earlier in the film, pressed her for El-Ibrahimi’s release and his return to the United States. Whitman lied about El-Ibrahimi’s existence. This scene does not explicitly discuss organizational structure, but you can infer several aspects of structure from the scene.

What to Watch for and Ask Yourself

• What formal tasks does this scene imply? What reporting relationships does it show?
• Can you sense the division of labor represented by Senator Hawkins and Alan Smith? Corrine Whitman does not appear in this scene but is also part of a division of labor.
• Does the scene show line authority or staff authority? Does it imply a functional or divisional structure? Give some examples from the scene.

Chapter 11
Field of Dreams

Ray Kinsella (Kevin Costner) hears a voice while working in his Iowa cornfield that says, “If you build it, he will come.” Ray concludes that “he” is legendary “Shoeless Joe” Jackson (Ray Liotta), a 1919 Chicago White Sox player suspended for rigging the 1919 World Series. With the support of his wife Annie (Amy Madigan), Ray jeopardizes his farm by replacing some corn fields with a modern baseball diamond. “Shoeless Joe” soon arrives, followed by the rest of the suspended players.

This charming fantasy film, based on W. P. Kinsella’s novel Shoeless Joe, shows the rewards of pursuing a dream.

Forces for Change

This scene is part of the “People Will Come” sequence toward the end of the film. By this time in the story, Ray has met Terrence Mann (James Earl Jones). They have traveled together from Boston to Minnesota to find A. W. “Moonlight” Graham (Burt Lancaster). At this point, the three are at Ray’s Iowa farm.

This scene follows Mark’s (Timothy Busfield) arrival to discuss the foreclosure of Ray and Annie’s mortgage. Mark, who is Annie’s brother, cannot see the players on the field. Ray and Annie’s daughter Karin (Gaby Hoffmann) has proposed that people will come to Iowa City and buy tickets to watch a baseball game. Mark does not understand her proposal. The film continues to its end.

What to Watch for and Ask Yourself

• Who is the target of change in this scene?
• What are the forces for change? Are the forces for change internal or external to the change target?
• Does the scene show the role of leadership in organizational change? If it does, who is the leader? What does this person do to get desired change?

Chapter 12
Played (II)

Ray Burns (Mick Rossi) does prison time for a crime he did not commit. After his release, he focuses on getting even with his enemies. This fast-moving film peers deeply into London’s criminal world, which includes some crooked London police, especially Detective Brice (Vinnie Jones). The film’s unusual ending reviews all major parts of the plot.

Recruitment

These scenes begin with a close-up of a photograph of an ape that Riley (Patrick Bergin) carefully examines. They follow Detective Brice’s order to Riley to kill the person who will not give them money. He shoots him in a pub. The scenes end after Ray Burns accepts Riley’s offer. He walks away while saying, “All right. Let’s rock and roll, man. All right. Thanks, Riley.” Riley says, “Thank you, Ray.” The film cuts to Terry (Trevor Nugent) talking to Nikki (Meredith Ostrom) before Ray’s arrival.

What to Watch for and Ask Yourself

• This chapter emphasized a strategic approach to human resource management. Detective Brice outlines a strategy in the opening of these scenes for the job he describes to Riley. What are the key parts of that strategy? What are the human resource implications of the strategy?
Riley’s next step is to recruit Ray Burns. Which recruitment guidelines and activities does he follow? Give examples from that portion of the film scenes.

Does Riley give Ray a “realistic job preview”? Use examples from the film scenes to support your answer.

Chapter 13
Baby Mama

Meet Kate Holbrook (Tina Fey), single, late thirties, successful in her career, but childless. She loves children and wants a child but does not want to take chances with a pregnancy at her age. Kate enlists the help of Angie Ostrowiski (Amy Poehler) from South Philadelphia to act as her surrogate mother. Former attorney, now Super Fruity fruit smoothies’ owner Rob Ackerman (Greg Kinnear) enters the scene and begins dating Kate. Angie becomes pregnant but it is not clear whether the child is Kate’s or Angie’s. The complex, intertwined relationships and social interactions create an enjoyable comedy experience.

Diversity

These scenes start with a shot of Kate and Rob seated at a table in a vegan restaurant. The vegan waiter (Jon Glaser) approaches the table and introduces himself. The scenes follow Kate preparing to leave for her date and talking to Angie about the book she is reading. These scenes end after Rob says, “Term of endearment.” The film cuts to the two of them walking on a street.

What to Watch for and Ask Yourself

• This chapter defined diversity as “all the ways in which people differ.” Do you sense the presence of diversity in these scenes?
• Do you sense differences among Kate, Rob, and the vegan waiter? If so, what are the differences?
• What diversity characteristics appear in the scenes? List specific examples of what you see.

Chapter 14
Because I Said So

Meet Daphne Wilder (Diane Keaton)—your typical meddling, overprotective, and divorced mother of three daughters. Two of her three beautiful daughters have married. That leaves Millie (Mandy Moore) as the focus of Daphne’s undivided attention and compulsive behavior to find Millie a mate. Daphne places some online advertising, screens the applicants, and submits those she approves to Millie. Along the way, Daphne meets Joe (Stephen Collins), the father of one applicant. Romance emerges and the film comes to a delightful, though expected, conclusion.

Personality Assessment

This scene starts after Daphne answers her cell phone and says the person has the wrong number. It follows the frantic rearrangement of the sofa, which ends up in the same place it started. The film cuts to Millie and Jason (Tom Everett Scott) dining at his place.

What to Watch for and Ask Yourself

• Which Big Five personality traits best describe Daphne? Give examples of behavior from the film scene to support your observations.
• Which Big Five personality traits best describe Millie? Give examples of behavior from the film scene to support your observations.
• Review the discussion of emotional intelligence earlier in this chapter. Assess both Daphne and Millie on the four parts of emotional intelligence.

Chapter 15
Doomsday

The Reaper Virus strikes Glasgow, Scotland, on April 3, 2008. It spreads and devastates the population throughout Scotland. Authorities seal off the borders, not allowing anyone to enter or leave the country. No aircraft flyovers are permitted. Social decay spreads, and cannibalistic behavior develops among the few remaining survivors. Eventually, no one is left alive in the quarantined area. The Reaper Virus reemerges in 2032, this time in London, England. Classified satellite images show life in Glasgow and Edinburgh. Prime Minister John Hatcher (Alexander Siddig) and his assistant Michael Canaris (David O’Hara) assign the task of finding the cure to Security Chief Bill Nelson (Bob Hoskins).

Leadership

This sequence starts at the beginning of the scene entitled “No Rules, No Backup” (chapter 4 on the DVD) with a shot of the Department of Domestic Security emblem. The film cuts to Major Eden Sinclair (Rhona Mitra) standing in the rain smoking a cigarette while waiting for Chief Nelson. The sequence ends after Michael Canaris leaves the helicopter while saying to Sinclair, “Then you needn’t bother coming back.” He closes the helicopter’s door. Major Sinclair blows her hair from her face while pondering his last statement. The film cuts to the helicopter lifting off the tarmac.

What to Watch for and Ask Yourself

• Assess the behavior of both Major Sinclair and Michael Canaris. Which leadership traits discussed earlier and shown in Exhibit 15.5 does their behavior show?
• Apply the behavioral approaches to leadership discussed earlier in this chapter. Which parts apply to Sinclair and Canaris’s behavior? Draw specific examples from the film sequence.
• Does this film sequence show any aspects of charismatic and transformational leadership? Draw some examples from the sequence.
Chapter 16
Friday Night Lights (I)

The Odessa, Texas, passion for Friday night high school football (Permian High Panthers) comes through clearly in this cinematic treatment of H. G. (Buzz) Bissinger’s well-regarded book of the same title. Coach Gary Gaines (Billy Bob Thornton) leads them to the 1988 semifinals where they must compete against a team of much larger players. Fast-moving pace in the football sequences and a slower pace in the serious, introspective sequences give this film many fine moments.

Motivation

This sequence starts with a panning shot of the Winchell’s house. Coach Gaines says to Mike Winchell (Lucas Black), “Can you get the job done, Mike?” The sequence follows a harsh practice and Mike talking to his brother or sister from a telephone booth. The film continues with the Odessa-Permian vs. Cooper football game.

What to Watch for and Ask Yourself

• This chapter defined motivation as “the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action.” Does Mike Winchell show the characteristics of this definition early in the sequence? Do you expect him to show any of the characteristics after the sequence ends and he returns to the team?

• Which needs discussed earlier in this chapter does Mike appear focused on early in the sequence? Which needs can become his focus later in the sequence? See the “Hierarchy of Needs” and “ERG Theory” sections earlier in the chapter for some suggestions.

• Apply the various parts of goal-setting theory to this sequence. Which parts of that theory appear in this sequence?

Chapter 17
Friday Night Lights (II)

The Odessa, Texas, passion for Friday night high school football (Permian High Panthers) comes through clearly in this cinematic treatment of H. G. (Buzz) Bissinger’s well-regarded book of the same title. Coach Gary Gaines (Billy Bob Thornton) leads them to the 1988 semifinals where they must compete against a team of much larger players. Fast-moving pace in the football sequences and a slower pace in the serious, introspective sequences give this film many fine moments.

Communication

This sequence begins with a shot of Coach Gaines and the team gathered around him during the half-time break. He starts his speech to the team by saying, “Well, it’s real simple. You got two more quarters and that’s it.” It ends after Gaines says, “Boys, my heart is full. My heart’s full.”

What to Watch for and Ask Yourself

• This chapter emphasized the speaker and the listener(s) in the communication process. Coach Gaines is the speaker and each team member and the assistant coaches are listeners. Only Gaines spoke. Did he still meet the basic requirements of effective communication? Draw examples from his speech to support your conclusions.

• This chapter distinguished between purpose-directed communication and strategic conversation. Which of these communication types best fits this sequence? Draw examples from the sequence to make your point.

• Assess the effectiveness of this communication event. How do you expect team members and the assistant coaches to react in the second half of the game?

Chapter 18
Welcome Home Roscoe Jenkins

Hollywood talk-show host Roscoe Jenkins (Martin Lawrence) returns to his Georgia home for his parents’ 50th wedding anniversary. Cultures clash between the big-city Roscoe and other family members. The culture clash becomes even more severe because of the presence of his upper-class fiancée, Bianca Kittles (Joy Bryant), who does not understand this family and feels superior to them.

Conflict: It Can Sneak Up on You

This sequence starts with Roscoe and his brother, Sheriff Otis Jenkins (Michael Clarke Duncan), carrying a tub of fish and ice from Monty’s butcher shop to Sheriff Jenkins’s pickup truck. It follows the baseball game during which Roscoe hit a ball that struck Mama Jenkins (Margaret Avery) in the head. This sequence ends after Sheriff Jenkins knocks out his brother. The film continues with Roscoe walking down a dirt road. Betty (Mo’Nique) approaches in her car.

What to Watch for and Ask Yourself

• Based on your understanding of a team as described in this chapter, do Roscoe Jenkins and his brother Sheriff Otis Jenkins form a team in this film sequence? Why or why not?


This chapter defined conflict as “antagonistic interaction in which one party attempts to block the intentions or goals of another.” Does the interaction in this film sequence show this definition in action? Give examples from the sequence.

Which conflict-handling style best fits the behavior shown in this film sequence? Give some examples from the sequence.

**Chapter 19**

**In Bruges**

Hit man Ray (Colin Farrell) botches the simple job of murdering a priest in a confessional. The “botch” occurs when a bullet passes through the priest’s body into a young boy’s head. Deeply troubled, Ray and fellow hit man Ken (Brendan Gleeson) go to the beautiful medieval Flemish city of Bruges, Belgium. Ken engages in tourist activities, which Ray finds highly boring. Various characters, such as an American dwarf actor and a beautiful woman selling drugs on a film set, add color and interest to this film.

**Customer Focus**

This sequence has two parts that are separated by a title slide that reads, “And another interaction for the ticket seller.” Watch Part I up to the title slide and pause the film. Answer the first two questions. Restart the film sequence and play to the end. Answer the third question.

**Part I.** This sequence starts as Ken enters the tower to buy a ticket. It ends after he asks the ticket seller (Rudy Blomme) whether he is happy. This sequence follows the discussion about the city of Bruges between Ken and Ray.

**Part II:** This sequence begins as Ken and Harry Waters (Ralph Fiennes) approach the bell tower. It follows their discussion over beers about where Harry should shoot Ken. The ticket seller tells Ken that the tower is closed because a visitor had a heart attack. This sequence ends after Harry’s interaction with the ticket seller. The film continues with various scenes based on the plaza.

**What to Watch for and Ask Yourself**

- Ken is the customer and the ticket seller responds to him as a customer. Do you perceive the ticket seller as having a customer focus as emphasized in this chapter? Why or why not?
- The ticket seller will interact with Ken and Harry Waters in Part II of this film sequence. Do you predict that the ticket seller’s customer approach could result in negative results for him? Why or why not?
- Part II offers a lesson in customer focus. What did the ticket seller fail to understand about his customers?