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CASE MAP

Organization Theory and Design, 9th Edition

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TITLE	PROVIDER PRODUCT NUMBER LENGTH TEACHING NOTE	ABSTRACT & SUBJECT AREAS
Chapter 1 - Organizations and Organization Theory		
Khalil Abdo Group	Product#: 9-898-011 Length: 6 pages Teaching Note: YES	Description: Three brothers inherit a business in Egypt; the complications begin as each gets married, has a family, and becomes torn among different family interests. Now the third generation is appearing. Setting: Egypt; Pharmaceutical industry; \$5 million revenues; 500 employees
Egghead.com	Product#: 9-898-283 Length: 18 pages Teaching Note: NO	Description: Egghead Software, an entrenched traditional chain retailer specializing in computer software and peripherals, had established a nationwide chain of mall and shopping center stores and a well-organized national brand. In early 1998, management made a highly unusual, and perhaps unprecedented, decision: the company closed down all its stores in North America and moved its retail operations exclusively to the Web. This rejection of marketplace in favor of marketplace illustrated the differences in managing retail operations for "information products," such as software, and "physical products," such as home furnishings or tools. The fact that software could be examined, sampled, purchased, and even distributed on-line indicated to Egghead management the high costs in PPE and labor represented by physical retailing were no longer justified by the category. The brand promise of Egghead could be realized as effectively at lower cost of operations on the Web, and the Web could begin to provide new sources of consumer value as the Egghead site harnessed the unique attributes and advantages of the digital environment. Setting: Computer industry; \$1 million revenues; 1998

Chapter 2 - Strategy, Organization Design, and Effectiveness		
<p>Phase Zero: Introducing New Services at IDEO <i>Amy C. Edmondson, Laura R. Feldman</i></p>	<p>Product#: 9-605-069</p> <p>Length: 19 pages</p> <p>Teaching Note: NO</p>	<p>Description: Focuses on whether world-renowned product design firm IDEO's new customer service fits with the firm's strategic position and organization capabilities. Over the course of IDEO's 13-year history, an increasing share of revenues are a result of "Phase 0" projects--preliminary strategic explorations of future product possibilities for various client firms. Describes a specific Phase 0 project in order to explore the challenge of managing these strategic, intangible services in the context of IDEO's successful history of generating award-winning tangible product designs. A team at IDEO's Boston office worked with mattress manufacturer Simmons to discover unmet customer needs and identify new product line opportunities. Describes the challenges and questions facing the Simmons project team as well as critical and operational questions facing IDEO. Examines these issues through the eyes of the head of the Boston office, who wonders how to evaluate Phase 0 projects.</p> <p>Setting: Boston, MA; 1,000 employees; 2003-2004</p>
<p>The Roman Catholic Diocese of San Jose <i>Allen Grossman, Christina Darwall</i></p>	<p>Product#: 9-303-069</p> <p>Length: 28 pages</p> <p>Teaching Note:</p>	<p>Description: Patrick J. McGrath, the bishop of the healthy and growing San Jose diocese, is pioneering the use of long-term, business-like strategic planning to better deliver on his churches' core mission. The adopted plan addresses issues at the heart of how the diocese is organized and services are delivered. In addition, lay leaders and priests, for the first time, will be held accountable for their performance. Only dioceses facing critical financial crises have used strategic planning in the past. The planning process was arduous, and implementation across 52 churches will challenge all the leadership skills of the bishop and his management team. Can the culture of a 2000-year-old organization successfully merge with approaches to management developed by McKinsey?</p> <p>Setting: San Jose, CA; 2002</p>
Chapter 3 - Fundamentals of Organization Structure		
<p>Leerink Swann & Co.: Creating Comparative Advantage <i>Boris Groysberg, Andrew N. McLean</i></p>	<p>Product#: 9-406-060</p> <p>Length: 34 pages</p> <p>Teaching Note: NO</p>	<p>Description: In the spring of 2005, CEO Jeff Leerink has called a meeting of the executive committee to formulate Leerink Swann's growth strategy over the next five years so that it accomplishes three goals: expand into a new business, reinforce the firm's legacy businesses, and maximize the synergies between different parts of the firm. Covers the history of the boutique investment bank, including the nature and source of its personnel and culture, the development of its competitive strategy, the leadership style of its founder, and the development of each department, product, and function.</p> <p>Setting: United States; Investment banking; \$100 million revenues; 2005</p>
<p>Growth and Profitability at Fresenius</p>	<p>Product#: 9-405-083</p>	<p>Description: In March 2005, Mark Schneider, CEO of Fresenius, is considering</p>

<p><i>Joel Podolny, Vincent Dessain, Monika Stachowiak, Anders Sjoman</i></p>	<p>Length: 28 pages</p> <p>Teaching Note: NO</p>	<p>the group's strategic and organizational future. The highly decentralized 7 billion euro German health care group is active in three different business units, with the largest, FMC AG, listed separately from the parent Fresenius AG and representing the lion's share of the company's revenue and profit. A decentralized approach had let the group units grow independently over the years, and Fresenius took pride in its adaptive, entrepreneurial spirit. Schneider, however, wonders whether the decentralized approach will allow the group to continue to grow in a coordinated and cost-conscious fashion. How should he combine the company's entrepreneurial and profit-oriented culture with any latent synergies in the existing organization? Although Fresenius looks healthy at the moment, Schneider knows that the company's future is tied to improved sales and profitability.</p> <p>Setting: Germany; Pharmaceutical industry; 7 billion euros; 68,000 employees; 2005</p>
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Chapter 4 - The External Environment

<p>Yahoo!: Business on Internet Time <i>Jan W. Rivkin, Jay Giroto</i></p>	<p>Product#: 9-700-013</p> <p>Length: 27 pages</p> <p>Teaching Note: NO</p>	<p>Description: To examine how a company organizes itself to formulate strategy in the midst of rapid environmental change and reveals how external turbulence puts new pressures on a firm's strategy, its organizational structure, and its managers. To consider how one successful company has structured itself to cope with severe environmental uncertainty. To consider the structural attractiveness of the portal industry and the strength of Yahoo!'s position in the industry.</p> <p>Setting: Internet & online services industries; \$30 billion market value; 900 employees; 1999</p>
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<p>Plum Creek Timber (A) <i>Max H. Bazerman, Hannah Riley, Dov Brachfeld, John G. Troast Jr.</i></p>	<p>Product#: 9-801-131</p> <p>Length: 19 pages</p> <p>Teaching Note: NO</p>	<p>Description: Plum Creek Timber Co., the nation's sixth largest private timberland owner and forest products company, must decide whether to enter negotiations with the U.S. government to establish a Habitat Conservation Plan (HCP) on its Pacific Northwest properties for a threatened fish species, the bull trout. Under the Endangered Species Act, Plum Creek could voluntarily create an HCP in exchange for long-term regulatory assurances from the U.S. government. The company has to weigh several factors in its decision to proceed with the negotiations: whether it can replicate the success of a recent HCP for spotted owls, the likelihood of government or third-party lawsuits against the company, the costs of coordinating with multiple state and federal environmental agencies, and the value of regulatory predictability.</p> <p>Setting: Seattle, WA; Forest products industry; \$725.6 million revenues; 2,500 employees; 1993-1997</p>
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Chapter 5 - Interorganizational Relationships		
<p>IBM and Eclipse (A) <i>Siobhan O'Mahony, Fernando Cela Diaz, Evan Mamas</i></p>	<p>Product#: 9-906-007</p> <p>Length: 19 pages</p> <p>Teaching Note: NO</p>	<p>Description: IBM faces a collective action problem: It open sourced its \$40 million application platform and has to convince other companies to contribute. Explores the events leading up to IBM's decision to make the Eclipse platform available as an Open Source project. In 1998, Lee Nackman, director of architecture for the application and integration middleware of the IBM Software Group, initiates the development of a software platform that would enable IBM products to offer better interoperability and a common look and feel. In the years that follow, Lee faces the challenge of getting the platform adopted within IBM and the need to manage carefully its evolution. The Eclipse platform works and gains momentum, but IBM would like to create an ecosystem of complementing applications developed by independent software vendors (ISVs). In 2001, IBM forms the Eclipse Consortium and makes the Eclipse platform available as Open Source software. Despite the popularity of the Eclipse platform, ISVs still hesitate to deliver complementing applications and to contribute actively back to the platform. Market analysts are not sure whether this project is truly open source. Lee and his colleagues are trying to decide whether the Open Source strategy was the right choice. Also, how can IBM alleviate the concerns of ISVs and encourage their participation?</p> <p>Setting: North America; \$81.7 million revenues; 291,067 employees; 1998-2001</p>
<p>Jeanette Clough at Mount Auburn Hospital <i>Laura Morgan Roberts, Ayesha Kanji</i></p>	<p>Product#: 9-406-068</p> <p>Length: 21 pages</p> <p>Teaching Note: NO</p>	<p>Description: Jeanette Clough, the CEO of Mt. Auburn Hospital, successfully leads a turnaround for the struggling local hospital. When she assumed leadership of Mt. Auburn in 1998, the hospital had recently suffered a \$10 million loss. During her first six months, several members of the senior leadership team quit. Clough successfully led this change effort through a transparent, collaborative approach that focused first and foremost on patient care. She was skilled at building trust and credibility with key constituents: the trustees, medical staff, and employees. After the first year, they reduced the losses to \$5 million. In 2000, the hospital broke even. In 2004, the hospital earned a \$7 million profit. The hospital is currently in the midst of a capital campaign to update the facilities and expand. Community groups are resisting the hospital expansion in Cambridge, posing a new set of challenges. Clough must also be clear about the strategic positioning of the hospital--a mixture of a community and teaching hospital. How can Mt. Auburn maintain this unique positioning without attempting to expand beyond its reach in competing with the other Boston-based teaching hospitals?</p> <p>Setting: Boston, MA; Health care industry; 2,700 employees; 1997-2004</p>
Chapter 6 - The International Environment and Organization Design		
<p>Andersen Consulting - EMEAI: Reorganization for</p>	<p>Product#: 9-396-007</p>	<p>Description: Vernon Ellis, managing partner of Andersen Consulting -- Europe,</p>

<p>Revitalization <i>Ashish Nanda, Michael Y. Yoshino</i></p>	<p>Length: 20 pages</p> <p>Teaching Note: NO</p>	<p>Middle East, Africa, and India (AC -- EMEAI), is considering how best to reorganize. AC -- EMEAI has grown rapidly over the past five years to become Europe's largest consulting operation. However, Ellis feels that the organization needs to be reconfigured if it has to continue on its trajectory of rapid growth. Each of the various alternatives that he is considering offers intriguing potential benefits but also carries considerable risks.</p> <p>Setting: Europe; Consulting; large; \$1.2 billion revenues; 10,000 employees; 1994</p>
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Chapter 7 - Manufacturing and Service Technologies

<p>DispatchPro System: Leveraging Government-Initiated IT Infrastructure <i>Ali Farhoomand, Pauline Ng, Vincent Mak</i></p>	<p>Product#: HKU277</p> <p>Length: 3 pages</p> <p>Teaching Note: NO</p>	<p>Description: In early 2000, Info Mapping (Hong Kong) Ltd., a Hong Kong-based technology SME with an interest in developing logistics applications for local businesses, spotted a growing demand among Hong Kong companies for an efficient job allocation and job status reporting system for their outdoor workers. It proceeded to design and develop an innovative software application called DispatchPro System, whereby employers could schedule jobs to employees, and employees could remotely access such work schedules on a real-time basis. However, Info Mapping needed an IT infrastructure that covered the major areas of Hong Kong to leverage the full benefits of the application. The company did not have the resources to build such a vast and complicated infrastructure itself and decided to use the sprawling network of easy-to-use IT kiosks established by ESD Services Ltd. under the auspices of the Hong Kong government. Was it the best choice? Why? Serves as a best-practice example of an SME managing and furthering business growth through leveraging government-initiated IT infrastructure.</p> <p>Setting: Hong Kong</p>
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<p>ITT Automotive: Global Manufacturing Strategy—1994 <i>Gary P. Pisano, Sharon Rossi</i></p>	<p>Product#: 9-695-002</p> <p>Length: 23 pages</p> <p>Teaching Note: YES</p>	<p>Description: ITT Automotive is in the process of developing a new-generation antilock brake system (ABS), designated the MK-20. The case focuses on the level of automation to be used in the production of this new system, and whether all plants should use the same process technology. Due to intensifying cost pressure and rapidly growing demand for lower-cost ABS, the development team and senior management (based in Frankfurt, Germany) strongly favor using a single, highly automated production process in the four plants scheduled to produce the MK-20 (located in Germany, Belgium, and the United States). Managers at the company's two plants in the United States favor using less automation technology in order to allow greater flexibility for improving process technology over time.</p> <p>Setting: Germany; Automotive industry; \$2 billion revenues; 10,000 employees; 1994</p>
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Chapter 8 - Information Technology and Control		
<p>Intermountain Health Care <i>Richard Bohmer, Amy C. Edmondson, Laura R. Feldman</i></p>	<p>Product#: 9-603-066</p> <p>Length: 30 pages</p> <p>Teaching Note: YES</p>	<p>Description: Intermountain Health Care (IHC), an integrated delivery system based in Utah, has adopted a new strategy for managing health care delivery. The approach focuses management attention not only on the facilities where care takes place but also on physician decision making and the care process itself, with the aim of boosting physician productivity and improving care quality, while saving money. This case explores the challenges facing Brent James, executive director of the Institute for Health Care Delivery Research at IHC, as he implements new structures and systems (including a data warehouse for care outcomes, electronic patient records, computer workstations, clinical data support systems, and protocols for care) designed to support clinical process management across a geographically diverse group of physicians with varying levels of interest and dedication to IHC. Also highlights an innovative strategy for creating and disseminating knowledge at the individual and organizational levels to maintain high standards in care delivery.</p> <p>Setting: Utah; Health care industry; 2002</p>
<p>GE's Digital Revolution: Redefining the E in GE <i>Christopher A. Bartlett, Meg Glinska</i></p>	<p>Product#: 9-302-001</p> <p>Length: 24 pages</p> <p>Teaching Note: YES</p>	<p>Description: This case details the implementation of the e-business initiative--the last of Jack Welch's four company-wide strategic thrusts. First, it summarizes the 20-year change process that Welch led, detailing the initiatives he put in place. It then traces how Gerry Podesta, the e-business head in GE Plastics, implemented the new initiative. In doing so, highlights how the "social architecture" (culture and values) and "operating systems" (systems and processes) help the company drive through changes that have it named Internet Week's top e-business of 2000. Ends with questions about the effectiveness of successive pushes on "e-sell," "e-buy," and "e-make" and whether the e-business teams should be broken up and rolled back into the company.</p> <p>Setting: Global; Industrial goods; \$130 billion revenues; 300,000 employees; 1999-2001</p>
Chapter 9 - Organization Size, Life Cycle and Decline		
<p>Olympus Optical Co. Ltd. (A): Cost Management for Short Life Cycle Products <i>Robin Cooper</i></p>	<p>Product#: 9-195-072</p> <p>Length: 12 pages</p> <p>Teaching Note: NO</p>	<p>Description: Explores Olympus Optical's strategic response to major losses in its camera business. Key to Olympus's recovery were its extensive product planning process, a quality improvement program, and an aggressive cost-reduction program. In particular, the case details Olympus's target costing system, which enabled the firm to design high-quality products at low cost.</p> <p>Setting: Global; Industrial goods; \$130 billion revenues; 300,000 employees; 1999-2001</p>

<p>Lehigh Steel <i>V.G. Narayanan, Laura E. Donohue</i></p>	<p>Product#: 9-198-085</p> <p>Length: 15 pages</p> <p>Teaching Note: YES</p>	<p>Description: Lehigh Steel is a specialty steel manufacturer that plummeted from record profits to record losses in less than three years, driven by an inability to distinguish between profitable and unprofitable business. The scale and growth of service activities and overhead costs in an increasingly customized product line suggests that activity-based costing (ABC) could unlock the secrets of profitability. However, the high fixed-cost structure suggests that theory of constraints (TOC) could also be relevant. Lehigh must determine how to measure profitability to rationalize its products.</p> <p>Setting: Pennsylvania; Steel industry; \$90 million revenues; 1993</p>
Chapter 10 - Organizational Culture and Ethical Values		
<p>Establishing an "ECL" Culture in China: Organizational Difference or National Difference? <i>Gilbert Wong, Scarlet Chan, Mary Ho</i></p>	<p>Product#: HKU155</p> <p>Length: 11 pages</p> <p>Teaching Note: YES</p>	<p>Description: Electronic Communications Ltd. (ECL) had decided to make China its second home and to seek common prosperity with Chinese people. The company knew that there were major gains to be made, but there were also risks and challenges. One of these was the management of cultural differences. An essential question facing the management was whether it should adapt ECL's management practice to the Chinese culture or instead implement ECL's global management policies in China.</p> <p>Setting: China</p>
<p>Three Cultures of Management: The Key to Organizational Learning <i>Edgar H. Schein</i></p>	<p>Product#: 9-SMR-022</p> <p>Length: 14 pages</p> <p>Teaching Note: NO</p>	<p>Description: Why do so many organizations fail to learn? According to the author, such failures may be caused not by resistance to change, human nature, or poor leadership, but by the lack of communication among three cultures: operating, engineering, and executive. The culture of operators is based on human interaction. Operators may use their learning ability to thwart management's efforts to improve productivity. The engineering culture represents the design elements of the technology underlying the organization and how the technology is to be used. The executive culture revolves around maintaining an organization's financial health and deals with boards, investors, and capital markets. According to the author, when organizations attempt to redesign or reinvent themselves, the cultures collide and failure occurs. Executives and engineers are task focused and assume that people are the problem. Executives band together and depersonalize their employees. Executives and engineers can't agree on how to make organizations work better while keeping costs down. Each culture must learn how to learn and to analyze its own culture. Then enough mutual understanding must be created among the cultures to evolve solutions that all groups can commit to.</p>
Chapter 11 - Innovation and Change		
<p>Capturing the Real Value of Innovation Tools <i>Stefan H. Thomke</i></p>	<p>Product#: 9-SMR-191</p> <p>Length:</p>	<p>Description: Advanced tools like computer simulations can significantly increase developers' problem-solving capacity as well as their productivity, enabling them to address categories of problems that would</p>

	11 pages Teaching Note: NO	otherwise be impossible to tackle. This is particularly true in the pharmaceutical, aerospace, semiconductor, and automotive industries, among others. Furthermore, state-of-the-art tools can enhance the communication and interaction among communities of developers, even those who are "distributed" in time and space. But new tools must first be integrated into a system that's already in place. Tools are embedded both within the organizations that deploy them and within the tasks the tools themselves are dedicated to performing. Moreover, each organization's approach to how people, processes, and tools are integrated is unique. All too often, companies spend millions of dollars on tools that fail to deliver on their promise, and the culprit is typically not the technology itself but the use of the technology. When new tools are incorrectly integrated into an organization (or not integrated at all), they can actually inhibit performance, increase costs, and cause innovation to founder. To avoid this, companies should beware three common pitfalls: using new tools merely as substitutes, adding instead of minimizing organizational interfaces, and changing tools but not people's behavior.
E Ink in 2005 <i>David B. Yoffie, Barbara J. Mack</i>	Product#: 9-705-506 Length: 24 pages Teaching Note: YES	Description: Explores the challenges of commercializing a bleeding-edge technology. After seven years, E Ink has spent more than \$100 million to commercialize electronic ink. With business momentum picking up, but resources running out, the case examines the key trade-offs in bringing a new technology to market. Setting: Global; Display industry; \$4 million revenues; 60 employees; 1998-2005
Chapter 12 - Decision Making Processes		
Paul Levy: Taking Charge of the Beth Israel Deaconess Medical Center (A) <i>David A. Garvin, Michael A. Roberto</i>	Product#: 9-303-008 Length: 9 pages Teaching Note: YES	Description: On January 7, 2002, Paul Levy became CEO of the Beth Israel Deaconess Medical Center, a troubled organization, in serious financial difficulty. This case describes the situation Levy inherited, his negotiations prior to taking the job, and his first six months as CEO. Setting: Boston, MA; Health care industry; \$790 million revenues; 4,500 employees; 2002
Executive Decision Making at General Motors <i>David A. Garvin, Lynne C. Levesque</i>	Product#: 9-305-026 Length: 20 pages Teaching Note: NO	Description: Describes the evolution of General Motors' strategy, organizational structure, and management processes from its founding to the present day. Focuses on the role of GM's management committee--the senior-decision-making body at the company, now called the Automotive Strategy Board (ASB)--and how it operates under Rick Wagoner, its current CEO. In October 2004, Wagoner and the ASB are wrestling with recent changes in GM's planning and budgeting processes and how they will affect the balance between global and local needs. Setting: United States; Automotive industry; \$185.3 billion (2003) revenues;

326,000 (2003) employees; 2004

Chapter 13 - Conflict, Power, and Politics

Managing Conflict in a Diverse Workplace

Mary Gentile, Sara B. Gant

Product#:
9-395-090

Length:
25 pages

Teaching Note:
NO

Description:

Consists of several vignettes and discussion points around issues of conflict in the workplace. Issues presented are differences of race, gender, nationality, culture, religion; access to power, training, advancement; tolerance of style of management, language, politics; implications of involvement in these issues.

**Mary Kay Cosmetics, Inc.:
Sales Force Incentives (A)**

Robert L. Simons, Hilary A. Weston

Product#:
9-190-103

Length:
16 pages

Teaching Note:
NO

Description:

Describes the incentive system by which Mary Kay Cosmetics motivates the sales force of 200,000 independent agents who comprise the firm's only distribution channel. Illustrates the powerful effect on sales-force behavior that results when creative types of employee recognition are combined with financial incentives. Focuses on the challenges that managers face when they try to reduce program costs by modifying the VIP automobile program that awards the use of pink Cadillacs and other cars to successful sales agents. A detailed description of the parameters and formulas that drive the recognition and reward programs is provided.

Setting:

Dallas, TX; Cosmetic; mid-size; \$400 million sales; 1989