

SWCRA

SOUTHWEST CASE RESEARCH
ASSOCIATION

2016 ANNUAL CONFERENCE
PROCEEDINGS

OKLAHOMA CITY, OKLAHOMA

March 9-12, 2016

Editor

Irfan Ahmed

Sam Houston State University

Associate Editor

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The University of Texas Health Science Center at Houston

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History of the Southwest Case Research Association (SWCRA)

The origin of the Southwest Case Research Association was due to the efforts of the members of the North American Case Research Association (NACRA) to sponsor workshops at the annual meeting of the Southwest Federation of Academic Disciplines as a service to SWFAD members. In March 1991, Tim Singleton, past president of NACRA challenged case researchers to do something "different" to reenergize the NACRA involvement at SWFAD. The challenge was answered by a few dedicated people who formed SWCRA during the subsequent year. Supported by NACRA, the association held its first formal meeting in San Antonio in March, 1992 when it published its first volume of proceedings.

The first president at that meeting was Robert McClashan of the University of Houston, Clear Lake. Carl Ruthstrom served as program chair and as the first editor of the Association's journal, the *Journal of Applied Case Research*. While the initial participants numbered 79, 84 charter members were identified with numbers 01-84.

The first full slate of officers was elected at the 1992 meeting: Carl Ruthstrom, President; Walt Green, 1993 Program Chair; Secretary and Historian Michael Menefee; and Robert Carter, Treasurer. The Association instituted a Constitution and By-Laws. These were updated significantly at the 2003 meeting in Houston and have been amended periodically.

History of the Journal of Applied Case Research

The Journal of Applied Case Research was formed by SWCRA to publish cases and papers dealing with issues in all business-related disciplines that utilize case writing, research, and teaching. At the time the Journal originally started, there were few publication outlets for cases. However, now there are several case journals, and many article-oriented journals will carry cases on a regular basis.

The Journal focuses on real world cases based on field research or research from secondary sources. Fictitious cases are not considered for publication. An instructor's manual must accompany each case to facilitate classroom use.

Dan Jennings of Texas A&M University succeeded Carl Ruthstrom as Proceedings and Journal Editor in 1997 and held those positions until 2000 when Leslie Toombs, University of Texas -- Tyler, became Editor. Alex Sharland of Barry University was appointed Editor in March 2002. Steve Maranville became Editor in 2007 and served for just over two years. The Journal was edited by Alex Sharland for one year (2009-2010) on an interim basis. At the 2010 meeting, Joe Kavanaugh was appointed to fill a three-year term as Vice President, Publications and Journal Editor. At the 2014 meeting, Irfan Ahmed was appointed to a three year term as Vice President, Publications and Journal Editor

During Steve Maranville's tenure, the Journal of Applied Case Research became a fully digital and online outlet for case research. The online parts of the organization are coordinated by Gerald Kohers at Sam Houston State University.

The editor is actively seeking new cases for acceptance into the next edition. Please consider the Journal for your manuscripts and spread the word. We are open for business and welcome your work.

Journal of Applied Case Research
Editor – Irfan Ahmed, Sam Houston State University
irfanahmed@shsu.edu
936-294-1276

SWCRA Past Presidents

1992-1993	Carl Ruthstrom
1993-1994	Walt Green
1994-1995	Michael Menefee
1995-1996	Doug Grider
1996-1997	Daniel Jennings
1997-1998	Stanley Phillips
1998-1999	Leslie Toombs
1999-2000	Patricia Feltes
2000-2001	Marlene Reed
2001-2002	Wilke English
2002-2003	Carol Cumber
2003-2004	Kay Guess
2004-2005	Steve Maranville
2005-2006	Hank Maddux
2006-2007	Carol Cumber
2007-2008	Joe Kavanaugh
2008-2009	Alex Sharland
2009-2010	Steve Vitucci
2010-2011	Don Mosley, Jr.
2011-2012	Rodney Vandever
2012-2013	Jeffrey Miller
2013-2014	Irfan Ahmed
2014-2015	Simon Medcalfe

Southwest Case Research Association Officers, 2015-16

President	Robert Stevens , Southeastern Oklahoma State University
President Elect	Lawrence Silver , Southeastern Oklahoma State University
Vice President, Programs	Timothy Wise , Southern Arkansas University
Secretary	Wilke D. English , Texas A&M University – Central Texas
Treasurer	Jeri Rubin , University of Alaska, Anchorage
Vice Presidents, Technology	Gerald Kohers , Sam Houston State University
Vice President, Publications (Journal and Proceedings Editor)	Irfan Ahmed , Sam Houston State University
Historian and Archivist	Daniel F. Jennings , Texas A&M University – College Station
Immediate Past President	Simon Medcalfe , Augusta University

2016 Conference Track Chairs

Strategic Management/ Business Policy	Daniel F. Jennings , Texas A&M University – College Station Steve Vitucci , Texas A&M University – Central Texas
Small Business/Entrepreneurship	Martin Bressler , Southeastern Oklahoma State University
Human Resource Management/ Organizational Behavior	Carol Cumber , South Dakota State University
International Business	Syed Tariq Anwar - West Texas A&M University
Case Development	Michael Menefee , University of North Carolina at Pembroke
Accounting/Finance/Economics	Julia Kwok , Northeastern State University John F. Manley , Iona College
Non-Profit Management/Ethics	Robert Howard , Southeastern Oklahoma State University
Marketing	Robert Stevens , Southeastern Oklahoma State University David Loudon , Samford University
Student Cases	Lawrence Silver , Southeastern Oklahoma State University

2016 Conference Reviewers

Bradley Almond, Texas A & M University- Central Texas

Lane Batson, ECP Inc.

Martin Bressler, Southeastern Oklahoma State University

Rusty Calk, Texas A&M University – Central Texas

Charles (Chad) Carson, Samford University

Norman Clark, Texas A&M University, College Station

Carol J. Cumber, South Dakota State University

Wilke D. English, Texas A&M University – Central Texas

Christie Hough, Southern Arkansas University

Robert Howard, Southeastern Oklahoma State University

Daniel Jennings, Texas A&M University, College Station

Mary Kelly, Texas A&M University – Central Texas

Julia Kwok, Northeastern State University

John Manley, Iona College

John K. Masters, Cameron University

H. M. Migliore, Managing for Success

Pamela Rogers, Cameron University

Robert Stevens, Southeastern Oklahoma State University

S. Stephen Vitucci, Texas A & M University-Central Texas

Brian Walkup, University of Tulsa

Timothy Wise, Southern Arkansas University

Alan Wright, Southern Arkansas University

2016 Awards

Recipient of the 2016 McGraw-Hill Education Distinguished Paper Award:

Surefooting Foundations, Inc

Martin Bressler, Southeastern Oklahoma State University

David Loudon, Samford University

Lawrence Silver, Southeastern Oklahoma State University

Robert Stevens, Southeastern Oklahoma State University

Recipient of the 2016 SWCRA Outstanding Educator Award

Simon Medcalfe, Augusta University

Recipient of the 2016 Outstanding Student Paper Award

The Koughl Ranch Adventure

Archibold Quaye, South Dakota State University

Sara Adams-Inkoom, South Dakota State University

Charlotte Owusu-Smart, South Dakota State University

Olivia Durowah, South Dakota State University

Carol Cumber, South Dakota State University (Faculty Mentor)

2016 Program Overview

Wednesday, March 9

1:30 p.m. – 3:00 p.m.	Using Cases in Your Courses
3:00 p.m. – 3:30 p.m.	Break
3:30 p.m. – 5:00 p.m.	Using Cases in Online Courses

Thursday, March 10

7:00 a.m. – 7:30 a.m.	Past Presidents Breakfast
7:30 a.m. – 9:00 a.m.	SWCRA Breakfast and Business Meeting
9:00 a.m. – 12:00 p.m.	Case Sessions
1:30 p.m. – 3:00 p.m.	2016 Program Planning Meeting
3:00 p.m. – 3:30 p.m.	FBD Coffee Break

2016 Conference Program

March 9, 2016 (Wednesday)

1:30 p.m. – 3:00 p.m.

SESSION A Panel Discussion: Using Cases in Your Courses

Panel: **Daniel F. Jennings**, Texas A&M University – College Station
Lawrence Silver, Southeastern Oklahoma State University
Robert Stevens, Southeastern Oklahoma State University
Timothy D. Wise, Southern Arkansas University

3:00 p.m. – 3:30 p.m.

SWCRA Coffee Break

3:30 p.m. – 5:00 p.m.

SESSION B Panel Discussion: Using Cases in Online Courses

Panel: **Lawrence Silver**, Southeastern Oklahoma State University (Moderator)
Daniel F. Jennings, Texas A&M University – College Station
Robert Stevens, Southeastern Oklahoma State University

March 10, 2016 (Thursday)

7:00 a.m. – 7:30 a.m.

Past President's Meeting

7:30 a.m. – 9:00 a.m.

SWCRA BREAKFAST AND BUSINESS MEETING

9:00 a.m. – 12:00 p.m.

SESSION C Accounting and Finance Track

Session Chairs: **Julia Kwok**, Northeastern State University, **John F. Manley**, Iona College

Activision Blizzard Shareholders vs Executives: A Derivative Lawsuit
Brian R. Walkup, University of Tulsa

Deposit Insurance: Does it Promote Economic Stability or Cause Instability? A Critical Incident

Mary H. Kelly, Texas A&M University – Central Texas
Wilke D. English, Texas A&M University – Central Texas

Valuation of a Global Company: An Application
Halil D. Kaya, Northeastern State University
Julia S. Kwok, Northeastern State University

BBB Oil and Gas Enterprises: An Auditing Case
Russell (Rusty) Calk, Texas A&M University – Central Texas

SESSION D HR/Organizational Behavior Track

Session Chair: **Carol Cumber**, South Dakota State University

*Firing vs. Retaining a “Valuable” Employee
(A Critical Incident Regarding a Painful Managerial Decision)*
Wilke D. English, Texas A&M-Central Texas
Angela Johns, Texas A&M Central Texas

Scientific Management Systems (SMS)
Michael L. Menefee, University of North Carolina Pembroke
Rodney Vandever, Purdue University

9:00 a.m. – 12:00 p.m.

SESSION E Non-Profit Management/Ethics Track

Session Chair: **Robert Howard**, Southeastern Oklahoma State University

Augusta Radio Fellowship, Inc.

Jeffrey R. Miller, Sam Houston State University

An Ethical Accounting Dilemma (A Critical Incident Regarding a Painful Dilemma)

Wilke D. English, Texas A&M- Central Texas

Alla Lopez, Texas A&M - Central Texas

EXI Corporation (A)

Daniel F. Jennings, Texas A&M-College Station

Lane Batson, President

Aaron Schrimms, Managing Director

EXI Corporation (B)

Daniel F. Jennings, Texas A&M-College Station

Lane Batson, President

Aaron Schrimms, Managing Director

SESSION F Marketing Track

Session Chair: **Robert Stevens**, Southeastern Oklahoma State University **David Loudon**,
Samford University

Surefooting Foundations, Inc

Martin Bressler, Southeastern Oklahoma State University

David Loudon, Samford University

Lawrence Silver, Southeastern Oklahoma State University

Robert Stevens, Southeastern Oklahoma State University

The Case Method and the Marketing Research Class

Robert E. Stevens, Southeastern Oklahoma State University

Lawrence S Silver, Southeastern Oklahoma State University

Courtney Kernek, Southeastern Oklahoma State University

Martin S. Bressler, Southeastern Oklahoma State University

Kara O'Brien, Southeastern Oklahoma State University

9:00 a.m. – 12:00 p.m.

SESSION G Small Business and Entrepreneurship

Session Chair: **Martin Bressler**, Southeastern Oklahoma State University

Tooltopia.Com

Timothy D. Wise, Southern Arkansas University

The University of Southern Oklahoma Therapeutic Riding Program

Kitty Campbell, Southeastern Oklahoma State University

Martin Bressler, Southeastern Oklahoma State University

Rod Leird, Southeastern Oklahoma State University

SESSION H Strategic Management /Business Policy/ International Business

Session Chairs: **Steve Vitucci**, Texas A&M – Central Texas

Syed Tariq Anwar, West Texas A&M University

Corporate Inversions and MNCs' Mergers: A Case of Pfizer

Syed Tariq Anwar, West Texas A & M University

Continental Can

R. Henry Migliore, Oklahoma State University

IBM

R. Henry Migliore, Oklahoma State University

Luby's

Pamela Rogers, Cameron University

John K. Masters, Cameron University

9:00 a.m. – 12:00 p.m.

SESSION I Strategic Management/Business Policy

Session Chair: **Daniel F. Jennings**, Texas A&M University – College Station

Educational Development Corporation: David Among the Goliaths
John K. Masters, Cameron University

*The Killeen Airport Reconsiders a Generous Benefit to the Military
(A Critical Incident Where Generosity Meets Reality)*
James Fullingim, Texas A&M University-Central Texas
Wilke English, Texas A&M University-Central Texas

Maersk's Big Box Boats and Global Strategy in the World Shipping Industry
Syed Tariq Anwar, West Texas A & M University

SESSION J Student Track

Session Chair: **Lawrence Silver**, Southeastern Oklahoma State University

Ethical Drug Dealers?
Erica Starnes, Texas Wesleyan University
Thomas D. Tolleson, Texas Wesleyan University (Faculty Mentor)

Deception, Divorce, & Bankruptcy: A Messy Triangle
Audrey Showalter – Texas Wesleyan University
Thomas D. Tolleson – Texas Wesleyan University (Faculty Mentor)

The Kougil Ranch Adventure
Archibold Quaye, South Dakota State University
Sara Adams-Inkoom, South Dakota State University
Charlotte Owusu-Smart, South Dakota State University
Olivia Durowah, South Dakota State University
Carol Cumber, South Dakota State University (Faculty Mentor)

9:00 a.m. – 12:00 p.m.

SESSION K Case Development Track

Session Chairs: **Michael Menefee**, Univ. of North Carolina at Pembroke

No Way, Jose

Kylie Casey, Texas Wesleyan University

Thomas D. Tolleson, Texas Wesleyan University

Progreso: Pay to Play

Maria Harris, Texas Wesleyan University

Thomas D. Tolleson, Texas Wesleyan University

Cisco Systems, Inc.

Leisa M. Stallworth, Stallworth Research Company/Langston University

International Business Machines Corporation (IBM)

Leisa M. Stallworth, Stallworth Research Company/Langston University

EMC International

Leisa M. Stallworth, Stallworth Research Company/Langston University

1:30 p.m. – 3:00 p.m.

SESSION L 2017 Program Planning Meeting

Session Chair: **Lawrence Silver**, Southeastern Oklahoma State University

Case Synopses

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ACTIVISION BLIZZARD SHAREHOLDERS VS EXECUTIVES: A DERIVATIVE LAWSUIT

Brian R Walkup, The University of Tulsa

Case Objectives and Use

This case examines the derivative lawsuit regarding Activision Blizzard, Inc. The core topics covered in this case deal with corporate governance, agency theory, and ethical decisions. Therefore, it is most appropriately suited for an upper-level undergraduate corporate finance course, graduate-level corporate finance course, or perhaps a business law course where derivative lawsuits and fiduciary duty may be introduced. It should be utilized during a unit of the course covering the aforementioned topics as a way to engage discussion and get students to begin recognizing applications of what they are being taught.

Case Synopsis

This case examines the derivative lawsuit brought forth by a shareholder for Activision Blizzard, Inc. The resulting settlement (\$275 million) was the largest cash settlement of a derivative lawsuit in U.S. history. While derivative lawsuits are not overly common, they represent a unique opportunity to discuss agency theory, corporate governance, ethics, and other related topics. The specifics of the case allow the instructor to touch on a number of learning objectives, while encouraging students to engage in a lively discussion on an interesting real-world scenario.

In this case, the reader is familiarized with the company and then provided a brief background of the events leading to the lawsuit, a brief introduction to derivative lawsuits as a whole, and the resulting settlement of the case. The decision focuses on a newly appointed member of the Board of Directors for Activision Blizzard (the company was forced to appoint two additional independent directors as part of the settlement) who is tasked with evaluating the direction Activision should take in the midst of the fallout. A stance must be taken and corresponding justification must be provided.

Contact person: Brian R Walkup, Assistant Professor of Finance, University of Tulsa, 800 S. Tucker Dr, Helmerich Hall 118J, Tulsa, OK 74104. Phone: (918) 631-2933. E-mail: brian-walkup@utulsa.edu.

**DEPOSIT INSURANCE:
DOES IT PROMOTE ECONOMIC STABILITY OR CAUSE INSTABILITY?**

Mary H. Kelly, Texas A&M University-Central Texas
Wilke D. English, Texas A&M University-Central Texas

Case Objectives and Use

Students are likely to think that deposit insurance provided by the Federal Deposit Insurance Corporation is a good idea and means they don't need to be concerned with the operations or solvency of a bank. Readings will have a global perspective that shows different opinions on the level of deposit insurance that mitigates economic instability, including no insurance at all. Students are likely to be surprised by the complexity of deposit insurance, and an objective of the case is to deepen their appreciation for thorough analysis of the intersection of public policy and financial decision-making.

Case Synopsis

The case requires analysis of how and why a bank decides to offer insured deposits, as well as reasons for the government to be the insurer. A global perspective will compare deposit insurance across the world. The readings describe key concepts in the case: Economic stability reduces depositors' incentive to cause bank runs; Moral hazard induces banks to engage in excessive risk taking; Funding Systems for insured deposits can make a difference, i.e., ex ante funding involves advance collection of premiums from members of the deposit insurance system, ex post funding collects from members when a member institution fails, and hybrid systems combine aspects of both.

Divergent opinions in the readings will show support for low levels of deposit insurance, medium levels and higher. Student opinions are likely to differ and each will write a position paper that includes a defense of their answer to the question in this case.

Contact Person: Mary Kelly, Texas A&M University-Central Texas. Founder's Hall 323F; 1001 Leadership Place; Killeen, Texas 76549. Phone: (254) 501-5846. E-mail: mhkelly@tamuct.edu.

Valuation of a Global Company: An Application

Halil Kaya, Northeastern State University
Julia S. Kwok, Northeastern State University

Case Objectives and Use

This case deals with the valuation of PepsiCo's shares using two well-known methods: the dividend discount model, and the residual earnings model. The students will learn these two methods' advantages and disadvantages when valuing a company. They will also estimate the value of the company's shares using these methods and then make an investment decision. It is a hands-on application for investment and financial management undergraduates and graduate students who want to learn how to value a company. This case uses actual financial data of PepsiCo.

Case Synopsis

This case deals with the valuation of PepsiCo's shares using two well-known valuation methods: the dividend discount model and the residual earnings model. The students will learn how to use dividends and earnings to value a target company's common shares. They will learn these two methods' advantages and disadvantages when valuing a company. In their calculations, they will use different assumptions regarding the company's future growth rate. Based on their calculations, they will make an investment decision: Buy, Hold, or Sell. First, they will calculate the value of PepsiCo's shares using dividend estimates. Then, they will calculate the value of PepsiCo's shares using earnings estimates. Finally, in order to reach an investment decision, they will average their share value estimates for PepsiCo and then compare this average to the current share price of the company. It is a hands-on application for students who want to learn how to value a company.

Contact Person: Julia S. Kwok, Associate Professor of Finance, Department of Accounting and Finance, College of Business and Technology, Northeastern State University, Broken Arrow, OK 74014; Phone: 918-449-6516. Email: kwok@nsuok.edu.

BBB OIL AND GAS ENTERPRISES

Russell Calk, Texas A&M University – Central Texas
Cindy Seipel, New Mexico State University
Pamela S. Carr – Arkansas Tech University

Case Objectives and Use

This case examines the audit of two related tribal entities. At issue is the interpretation and application of governmental accounting standards and the resulting appropriate financial statement presentation of the entities. The case is appropriate for graduate classes in auditing, accounting research, or ethics.

Case Synopsis

Jeff Kimble is an assurance partner with Kelton & Maxwell LLP. The firm has been engaged to audit the stand alone financial statements of BBB Oil and Gas Enterprises and BBB Marketing Inc. BBB Oil and Gas Enterprises was formed in 1985 as an enterprise of the Oklahoma Indian Tribe. BBB Marketing, Inc., a State of Oklahoma corporation, was formed in 2005 and is wholly owned by BBE Oil and Gas Enterprises.

In the course of the audit, Jeff Kimble came in conflict with the management and board of BBB Oil and Gas Enterprises with respect to the proper presentation of BBB Marketing, Inc. in the BBB Oil and Gas Enterprises financial statements. Jeff Kimble asserted that BBB Oil and Gas Enterprises qualified as a component unit of the Oklahoma Indian Tribe. Management, as well as their predecessor auditor and their independent legal counsel, believe that this is not the case. If Jeff's position is valid in accordance GAAP, BBB Oil and Gas Enterprises would be required to consolidate BBB Marketing, Inc.

Through the case, students will work through technical, professional, and ethical issues. First, students will replicate and document Jeff's analysis to support or refute his conclusion. Second, students will avenues available to Jeff in resolving his dispute with management. Finally, students will evaluate Jeff's final decision from an ethical perspective.

Contact Person: Russell Calk, Associate Professor of Accounting, Texas A&M University – Central Texas, 1001 Leadership Place, Killeen, TX 76549. Phone: (254)519-5779. Email: rcalk@tamuct.edu.

SCIENTIFIC MANAGEMENT SYSTEMS

Michael L. Menefee, University of North Carolina Pembroke
Rodney Vandever, Purdue University

Case Objectives and Use

This case provides insights into the impact on organization culture resulting from a change in managers. The case challenges the student to study the different leadership styles in the case and explore additional leadership and managership styles. The questions charge the student to make decisions on the individuals in the current leadership positions, what might be alternatives and determine the appropriate organizational culture for SMS Macon South.

Courses and Level

This case is intended for use in business management undergraduate or graduate level courses with focus on organizational behavior, organizational culture and situational leadership styles. The case is based on a real company and information was gathered by field research.

Case Synopsis

Scientific Management Systems (SMS) is a multiple location consulting service for companies. It has 17 locations in the Southeastern United States with its headquarters in the Research Triangle of North Carolina. The headquarters group including the president, senior vice presidents, and their staff are housed together near one of the operating locations. Each operating location has a company manager overseeing all the operations at that location. Ed Meadows, a long-time company manager there, fit well into this environment. He was very open and approachable. He liked going out and talking to the workers. He had led his company through a period of sustained growth and many improvements in working conditions. Unfortunately for SMS and Macon South, Ed was sought after by other companies in the field. One company in his home town in another state offered him the deal he could not refuse. He was going to be president of a smaller company with better pay, benefits, and a ticket to go home. He took the position and left SMS and Macon South. His successor Frank Devlin was a Theory X manager with a coercive leadership style. Under the new leadership, the company finds itself with a loss of productivity, low employee morale, and high employee turnover.

Contact Person: Michael L. Menefee, Thomas Family Center for Entrepreneurship, University of North Carolina Pembroke, P. O. Box 1510, Pembroke, NC 28372-1510, Phone: (910) 775-4210. Email: michael.menefee@uncp.edu.

AUGUSTA RADIO FELLOWSHIP

Jeffrey R. Miller, Sam Houston State University

Case Objectives and Use

This case deals with a man named Clarence, who has wants to start a not-for-profit radio station. An experienced radio manager and others have told him that his dream is not achievable. Clarence had no radio experience, limited resources, and must keep his full-time job. Nevertheless, he is determined to start a 24-hour, family friendly radio station in Augusta, Georgia. He also hoped to expand someday into other areas, particularly in the southeastern part of the United States.

This case would be appropriate for courses that cover not-for-profit organizations and entrepreneurship. Learning outcomes for the case are as follows:

1. Appraise the importance of partnerships in establishing and maintaining an enterprise.
2. Examine the character qualities of an entrepreneur in starting a not-for-profit organization.
3. Formulate what would be necessary in order for a not-for-profit organization to continue to exist and perhaps to even expand given the competition and declining radio industry.
4. Contrast a not-for-profit organization with a for-profit business.

Case Synopsis

“Clarence, you’re a basket case. There is no way in the world that you can do what you want to do.” Ed Dunbar, general manager of WBBQ in Augusta, Georgia, was quite firm as he gave his blunt opinion of Clarence’s desire to start a radio station. Dunbar knew the radio business. He had won numerous broadcasting awards and served on advisory boards with the Mutual Broadcasting System and the National Association of Broadcasters. He was also the general manager of the city’s number one listened-to radio station. The idea of Clarence starting a radio station seemed ridiculous to this seasoned veteran. Clarence had to keep his full-time job, had few resources, and, most importantly, had no experience in the radio business. Dunbar’s candid statements about Clarence’s chances of fulfilling his dream did not seem to faze Clarence for he was determined. How would it be possible to start such a venture? And if he could even get a radio station started, how could such a non-profit operation be sustained?

Contact person: Jeff Miller, Department of Accounting, Sam Houston State University, 1821 Avenue I, 302, Box 2056, Huntsville, TX 77341. Email: jrmiller@shsu.edu. Phone: 936-294-2490.

**AN ETHICAL ACCOUNTING DILEMMA
(A CRITICAL INCIDENT REGARDING A PAINFUL DILEMMA)**

Wilke D. English, Texas A&M University – Central Texas
Alla Lopez, Texas A&M University – Central Texas

Case Objectives and Use

Courses in which this case would be appropriate would be any course that deals with ethical situations, such as Business Ethics and particularly Accounting Ethics. Frequently, people find themselves in situations in which persons are asked to compromise their honesty, or face devastating consequences occur. This is one of those situations.

Case Synopsis

Bob is a young, yet increasingly successful CPA, and faced with the dilemma to either compromise his honesty as a CPA or face consequences that could be absolutely devastating. Bob has worked for years to be a Certified Public Accountant (CPA). He has landed an incredible contract with the owner of 20 successful franchise outlets, which Bob used to get a \$300,000 loan to buy out the other partners of his small firm. But in doing the personal taxes for the owner, the owner told him not to report the sale of a property with a tax liability of \$25,000. If Bob insists upon reporting the sale, the owner said he will move his account, which would cost Bob the firm and destroy his dreams. Admittedly, the probability of being caught is low, but if he does not report the sale, and the fraud is caught, Bob will lose even more. He will lose the firm, he will lose his CPA license, and he may face a fine of up to \$10,000 and up to a year in jail.

What would you do if you were Bob and you were faced with such a situation?

Contact Person: Wilke English, Texas A&M – Central Texas, 1001 Leadership Drive, Killeen, TX 76549. (254) 541-6348. w.english@tamuct.edu or wdenglish1@hotmail.com

ExI CORPORATION (A)

Daniel F. Jennings, Texas A&M University
Lane Batson, ECP Sales
Aaron Schrems, North of 80 LLC

Case Objectives and Use

This case was designed for use in a course in which ethics is taught at either the graduate or undergraduate level and can also be used in an executive education program. In particular, the case has been designed to focus on the alleged unethical behavior of a partner in a business who has been rebuffed in an attempt to buy out his business partner. This case has been used at both the graduate and undergraduate level.

This is a disguised case based on the actual incidents that occurred in a particular company. Two of the case authors were senior officials of the disguised host company. Data sources for the case included field interviews, observations, and personal experiences of two of the three case authors. This case is a descriptive case that is used to illustrate a scenario in ethical behavior for organizational analysis and covers a fourteen year period.

Case Synopsis

In order to perform needed routine maintenance and to replace malfunctioning equipment, large manufacturing firms, power plants, and firms in different process industries schedule turnarounds. During the turnaround, specific operating equipment is shut down, the needed repairs and replacements are made, and the equipment is then restarted and becomes operational. A major task in restarting the operating equipment is to ensure that all electrical systems are properly calibrated to ensure that electrical power quality is attained. Portable electrical testing equipment has been developed that will properly and safely perform the necessary tests. Because the test equipment is very expensive, end-users seek ways to avoid purchasing or leasing such equipment. Accordingly, a number of businesses have developed in which these businesses acquire testing equipment from a particular manufacturer and will then rent that equipment to an end-user for a short-time period. These end-users include the preceding large manufacturing firms, power plants, and firms in different process industries as well as utilities and commercial construction firms.

ExI, an S Corporation located in Grand Prairie, Texas; is such a company. In addition to renting a variety of test equipment to the preceding end-users, ExI also provides qualified engineering technicians that will operate the test equipment during a turnaround. ExI was started by two individuals.

Contact person: Daniel F. Jennings, Texas A&M University, MS 3367, College Station, TX 77843-3367: Phone (979) 845-4972. Email djennings@tamu.edu

ExI CORPORATION (B)

Daniel F. Jennings, Texas A&M University
Lane Batson, ECP Sales
Aaron Schrems, North of 80 LLC

Case Objectives and Use

This case is a continuation of ExI Corporation (A) and was designed for use in a course in which ethics is taught at either the graduate or undergraduate level and can also be used in an executive education program. In particular, the case has been designed to focus on a trial pertaining to the alleged unethical behavior of a partner in a business and the aftermath of the trial.

This is a disguised case based on the actual incidents that occurred in a particular company. Two of the case authors were senior officials of the disguised host company. Data sources for the case included field interviews, observations, and personal experiences of two of the three case authors. This case is a descriptive case that is used to illustrate a scenario in ethical behavior for organizational analysis and covers a fourteen year period.

Case Synopsis

In order to perform needed routine maintenance and to replace malfunctioning equipment, large manufacturing firms, power plants, and firms in different process industries schedule turnarounds. During the turnaround, specific operating equipment is shut down, the needed repairs and replacements are made, and the equipment is then restarted and becomes operational. A major task in restarting the operating equipment is to ensure that all electrical systems are properly calibrated to ensure that electrical power quality is attained. Portable electrical testing equipment has been developed that will properly and safely perform the necessary tests. Because the test equipment is very expensive, end-users seek ways to avoid purchasing or leasing such equipment. Accordingly, a number of businesses have developed in which these businesses acquire testing equipment from a particular manufacturer and will then rent that equipment to an end-user for a short-time period. These end-users include the preceding large manufacturing firms, power plants, and firms in different process industries as well as utilities and commercial construction firms.

ExI, an S Corporation located in Grand Prairie, Texas; is such a company. In addition to renting a variety of test equipment to the preceding end-users, ExI also provides qualified engineering technicians that will operate the test equipment during a turnaround. ExI was started by two individuals.

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SUREFOOTING FOUNDATIONS

Martin Bressler, Southeastern Oklahoma State University
David Loudon, Samford University
Lawrence Silver, Southeastern Oklahoma State University
Robert Stevens, Southeastern Oklahoma State University

Case Objectives and Use

The primary focus of this case is to examine the decision process a company engages in when deciding whether or not to add a new product. Various aspects of adding a new product in an existing firm provide the basis of analysis including field testing of the product, its impact on sales and profit, pricing, and how the new product should be marketed.

Students are also asked to analyze these aspects of a new product from data provided by secondary research. The case is appropriate for an advanced undergraduate course or graduate course in marketing.

Case Synopsis

Kent Smith considers adding a new product/service to his firm – Surefooting Foundations. The new product is a water seepage system designed to maintain the correct amount of moisture in the soil under a house, which keeps the concrete slab from shifting after initial construction.

First, Smith conducted secondary research to establish where the most problem homes occur and the number of homes per area. He found 17 problem states that would be good geographic regions for the product. Smith also determined that two market groups existed – new home construction firms who would buy the system for new construction and homeowners who were repairing the foundation and wanted to avoid a repeat repair.

Smith conducted consumer surveys in his market area to determine the level of interest in the product although his interest in the product was not just local or regional. The research indicated an interest in the product although there were key variables, such as price of the home and the age of the home that correlated with interest in the service. Smith needed to calculate the expected returns they would make from an investment in the foundation system. The case provides sufficient data for students to determine market size, marketing costs, production costs, and total revenues.

Smith is trying to decide if he should go ahead with the idea.

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THE CASE METHOD AND THE MARKETING RESEARCH CLASS

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Martin S. Bressler, Southeastern Oklahoma State University
Kara O'Brien, Marketing Student, Southeastern Oklahoma State University

Case Objectives and Use

The primary focus of this case is to examine whether the case method is suitable for a marketing research course. The instructor wants to use cases in her course but is concerned because of an article she read which purports that the case method is inappropriate for a marketing research course and that research projects should be used.

Students are also asked to review a research project that was used as a “case” in her class and a student write-up using an outline developed by the instructor to see if her objective in using the case were met. The case is appropriate for an advanced undergraduate course or graduate course in marketing.

Case Synopsis

This case centers on a new marketing professor, Dr. Rebecca Baker who, like many professors, struggles with the best way to teach her courses. Although she was a proponent of the case method of teaching, she had recently read an article in *Marketing Science* suggesting that professors abandon the case method approach in favor of other teaching methods. Rebecca decided to develop a case analysis outline to use in evaluating a research proposal and to analyze a completed study. Her outline was composed of two parts. In Part 1 of the outline deals with evaluating the quality of a research proposal with ratings as acceptable, needs improvement, or unacceptable. Part 2 of the outline is use to evaluate a completed research report and is to be analyzed and also evaluated as either acceptable, needs improvement, or unacceptable. The research project that students were asked to evaluate centers on distance learning delivery methods, in particular, IETV and online. Her objective in using the outline was that students would be able to demonstrate ability to identify clearly stated research objectives, evaluate appropriate research design, ability to understand management issues regarding research projects, and verify that management issues are addressed.

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TOOLTOPIA

Timothy D. Wise, Southern Arkansas University

Case Objectives and Use

The ToolTopia case was written for undergraduate entrepreneurship and organization theory classes. Since the company described is an online retailer, the case could also be used in IT and retailing courses. (It does not go into depth about the technology used, however.) It is an example of an online retailer that found success by serving an underserved market niche. It also tracks the company's growth from a tiny part-time venture in an existing company to a stand-alone company and the technical and psychological aspects of its shift from an office-based enterprise to a completely virtual venture operated from the homes of the employees.

Learning objectives are the following: 1.) Students will compare and analyze the differences between the online retailing market at the time ToolTopia entered the industry in 2002 and the time they exited in 2008. 2.) Students will analyze statements comparing the work expectations of Generation Y workers and those of previous generations and evaluate them in light of their own experiences. 3.) Students will summarize the technical and psychological challenges involved in transforming an office-based business to a completely online one. 4.) Students will suggest strategies for dealing with the challenges of working from home. 5.) Students will develop criteria for deciding whether or not to sell a successful entrepreneurial venture. 6.) Students will consider options for determining the harvest value of a business whose assets are mostly intangible.

Case Synopsis

After losing one of his best customers to an online competitor, industrial tool supplier Troy Stubblefield and his son Ryan, a college senior, launched an online tool retailing business. With Ryan handling the technology and Troy gathering suppliers and products, the two of them built and launched ToolTopia.com in 2002. The company relocated twice before Ryan turned it into a completely online business. The transition went smoothly, but some employees had to adjust to the isolation of working from home. In 2008, a larger company offered to purchase ToolTopia, and the founders had to decide whether to sell.

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UNIVERSITY OF SOUTHERN OKLAHOMA THERAPEUTIC RIDING PROGRAM

Kitty Campbell, Southeastern Oklahoma State University University
Martin Bressler, Southeastern Oklahoma State University
Rodney Leird, Southeastern Oklahoma State University

Case Objectives and Use

The University of Southern Oklahoma State University case was written for undergraduate entrepreneurship and marketing classes. It is a study of the problems faced by an innovative business professor who is trying to develop a service program for the local community. By using the equestrian facility and student volunteers from the university, she only had to secure funding to meet variable costs associated with the program. The professor who is proposing the therapeutic riding program develops a business plan and now needs to sell the idea to university officials. As the university does not have additional funds for a program of this type, it will be essential that the program become self-funding.

Students must identify issues surrounding the development of the therapeutic riding program, as well as possible solutions. In addition, students must determine whether the proposed business plan effectively addresses those concerns.

The University of Southern Oklahoma Therapeutic Riding Program is an example of community service project developed by a faculty member at a local university that in order to be approved by university administration must be financially self-sufficient.

Case Synopsis

Dr. Kathleen Frazier is a Professor of Management at the University of Southern Oklahoma and an avid equestrian. She has been riding ever since she was a little girl, has ridden competitively and now shows horses. Needless to say, horseback riding has been an important part of her life. Like many riders, she enjoys riding as a means to relax and get away from the everyday stress. Kathleen read several articles on the therapeutic benefits of horseback riding for persons with disabilities and thought there might be a way to help those in the area with disabilities to be able to ride a horse and have fun while alleviating stress.

The university has an equestrian center with both indoor and outdoor arenas used by the university rodeo team. Upon checking with rodeo team coach and the building director, she found that there was plenty of space and available time for the therapeutic riding program. Of course, Dr. Frazier would need to get authorization from the university. She set up an appointment to meet with Dr. Benson, the university Vice President. Dr. Benson was cordial and listened carefully to Dr. Frazier's description of the proposed riding program but seemed uninterested in the idea. However, at the end of the meeting Dr. Benson asked Dr. Frazier to put together a business plan for the therapeutic riding program and he would see if it could be approved.

Dr. Frazier began to work on the business plan. She knew that as the university was subject to state funding, she would be wise to secure as much donated or in-kind equipment as possible. But there were other concerns besides funding. In order for Dr. Benson and the university to approve the proposed Therapeutic Riding Program all the details would have to be worked out and especially, any potential problems. Although the program would not generate tuition revenue for the university, the university mission strongly emphasizes service to the community. Dr. Frazier has already worked out a proposed calendar so that the riding program would not interfere with the university rodeo team schedule. Most of the youth programs would be in the form of summer camps and the veterans programs would be held when no potential scheduling conflicts would arise.

Dr. Frazier developed a detailed business plan and was ready to submit to Dr. Benson and university officials for consideration. Does the proposed business plan provide a safe environment for clients and minimize risk to the university? Would the volunteers be able to secure donations and generate enough revenue to make the therapeutic equestrian program self-sufficient?

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CORPORATE INVERSIONS AND MNCs' MERGERS: A CASE OF PFIZER

Syed Tariq Anwar, West Texas A&M University

Case Objectives and Use

This case analyzes and evaluates Pfizer's 2014 failed merger with AstraZeneca from the UK. In its proposed \$100 billion merger, Pfizer's was to move its headquarters from New York to London because of low taxes and future corporate growth and expansion. During the merger process, the company was criticized by the U.S. government as well as consumers and local communities for abandoning the U.S. market. The primary objective of this case is to examine Pfizer's core competencies and global strategy in the pharmaceutical industry. The case is appropriate for use in graduate and senior undergraduate strategy and international business strategy classes.

Case Synopsis

This case is related to the topic of corporate inversion which is often pursued by multinational corporations (MNCs) in global business. In corporate inversions, companies reincorporate themselves in foreign countries because of favorable taxes and other business benefits. By being an established MNC, Pfizer wanted to follow this route by moving its headquarters to London. At the time of the merger, the company was one of the largest pharmaceutical firms in the world. In 2014, Pfizer's sales surpassed \$46.00 billion with a profit of \$8.99 billion. In 2015, the company's market capitalization stood at \$205.47 billion. Pfizer was founded in 1849 and maintained a rich R&D history and innovations in the industry. Pfizer always remained a high-profile drug company because of its blockbuster drug portfolio, corporate location, and financial resources. The company has been one of the first-mover firms in the industry. In 2015, Pfizer's top five drugs included Enbrel (TNF inhibitor), Lyrica (binds voltage-dependent calcium channel inhibitor), Prevnar (pneumococcal vaccine), Lipitor (HMG-CoA reductase inhibitor), and Celebrex (COX-2 inhibitor). These drugs' sales surpassed \$23.10 billion, constituting 50 percent of Pfizer's annual revenues. The company's plan to move to London was based on the UK government's favorable taxes and friendly business environment. In the coming years, Pfizer will continue to make changes to stay competitive. At the same time, the company may face heightened competition in North America and Europe because of the growing clout of its competitors such as Novartis (Switzerland), Sanofi (France), Merck (US), GlaxoSmithKline (UK), and others. The case is intended to have students look at Pfizer's core competencies and global strategy in the pharmaceutical industry. The case is also intended to have students look at the issues of corporate inversions within the areas of transnational and reverse triangular mergers.

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CHICAGO CONTINENTAL CAN COMPANY

R. Henry Migliore, Oklahoma State University

Case Objectives and Use

This case examines the Chicago plant of the Continental Can Company whose product lines were old and not maintained. The focus of the case requires a strategic review of the company, its personnel system, and the production system in use by the plant. The case was developed by using field research and author's actual experience.

Case Synopsis

John Jones was brought into the Chicago Stockyard plant as plant manager in early 1968. The plant was not running efficiently and was not living up to its potential. The division headquarters was faced with options whether to close the plant and transfer the business to other Chicago area plants, or try to make the plant profitable. Prieto was given the decision and the opportunity to hand pick four or five managers throughout the company to come in and put the plant back on its feet. R. Henry Channing was part of that group.

Continental Can Co.'s Chicago Stockyards Plant was located in Chicago's near south side at 39th and Pershing, directly across the street from the famous Chicago stockyards. The cattle and hog stockyards grew with the city of Chicago in the early 1900's. Livestock from all over the United States was shipped by railroad to Chicago to be traded or slaughtered.

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International Business Machine Corporation (IBM)

R. Henry Migliore, Ph.D., Managing For Success

Case Objectives and Use

This case examines the problems faced by IBM Corporation as a multinational technology and consulting corporation, acknowledged as a leader in the computer hardware and software marketing manufactures. The focus here is on IBM's new software The IBM Watson Advisory app., but because the technology industry is so fast growing and competitive the race to stay on top is intense. The Watson Group will have to work over time to stay ahead of their competitor's version of The Watson Advisory.

Case Synopsis

IBM Watson Group was established on January 9, 2014 in Armonk, N.Y. This new business unit was but in place to the development and commercialization of cloud-delivered cognitive innovations. IBM was incorporated in the state of New York on June 15, 1911, as the computing-Tabulating-Recording Company (C-T-R), its origins can be traced back to developments at the close of the 19th century. A new generation of IBM leadership oversaw this period of rapid technological change. After nearly four decades IBM's chief executive, Thomas J. Watson, Sr., passed the title of president on to his son, Thomas J. Watson, Jr., in 1952.

The Watson Group has designed a new software that has launched IBM into an all-time high above their competitors. It is called the IBM Watson Advisory. A new class of software, services and apps that think, improve by learning, and discover answers and insights to complex questions from massive amounts of Big Data. The Watson Group now must continue to develop and market Watson Advisory. The technology arena is a shark tank of competitors racing to duplicate their own version of Watson Advisory. The IBM Watson Group will have to work harder than ever to stay on top.

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EDUCATIONAL DEVELOPMENT CORPORATION: DAVID AMONG THE GOLIATHS

John K. Masters, Cameron University

Case Objectives and Use

The case was designed for use in business policy and strategy classes at the undergraduate or MBA level. It is particularly appropriate as an end-of-semester integrative case in capstone courses. The case captures a firm at a time of significant change. The case should allow students to examine the concept of fit between Strategy, Environment, Resources, Values, and Organization in an actual firm. Both the uniqueness of the firm and its industry facilitate the case's accessibility to students, since EDC operates in an industry which is fairly simple to understand (publishing).

The case was originally envisioned to serve as an end-of-semester integrative project, but can be segmented into smaller assignments through the use of questions to focus students' analyses. Students might begin with an analysis of the industry (the five forces) or with a SWOT analysis, either alone or as a prelude to selecting and implementing a strategy for the firm. Identifying the issues facing the firm and the alternatives available for dealing with those issues could also provide for interesting discussion. Further, the case can help students understand the consequences of misfit between a firm and its environment.

Case Synopsis

Educational Development Corporation (EDC) is a small U.S. publisher of books for children and young adults. They have exclusive U.S. rights to books originated in the U.K. by Usborne, Ltd. and had acquired Kane/Miller Publishers, a firm focusing on U.S. versions of books originally published in other countries or languages. The firm has an unusual product line, an unusual sales method and at the time of the case, the firm has taken the dramatic step of ceasing sales to the world's largest retail firms: Amazon and Walmart. Whether this was a wise choice and what to do next are possible directions to pursue with the case.

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LUBY'S: WHERE DO THEY GO FROM HERE?

Pamela Rogers, Cameron University
John K. Masters, Cameron University

Case Objectives and Use

The case was designed for use in business policy and strategy classes at the undergraduate or MBA level. It is particularly appropriate as an end-of-semester integrative case in capstone courses. The case captures a firm at a time of significant change. The case should allow students to examine the concept of fit between Strategy, Environment, Resources, Values, and Organization in an actual firm. Both the uniqueness of the firm and its industry facilitate the case's accessibility to students, since EDC operates in an industry which is fairly simple to understand (publishing).

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Case Synopsis

Luby's, Inc. is a regional cafeteria chain operating primarily in Texas as well as other states in the southern U.S. At the time of the case, early 2015, the firm faces a number of challenges. In 2001, Luby's had a change in top management, with the Pappas brothers taking over as CEO/President (Christopher) and COO (Harris). The firm's new top management team faced a number of difficult decisions concerning the direction the firm should take to return to profitability. They stayed focused on the cafeterias until 2007, when they brought the firm's made-from-scratch food to institutional cafeterias (hospitals, schools, etc.) an expansion into the culinary services business. In 2010, they purchased Fuddrucker's. This was followed by the acquisition of Cheeseburger in Paradise in 2012. The case focuses on finding a strategic direction for this new mix of businesses.

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THE KILLEEN AIRPORT RECONSIDERS A GENEROUS BENEFIT TO THE MILITARY (A CRITICAL INCIDENT WHERE MANAGEMENT MEETS ACCOUNTING, OR WHERE GENEROSITY MEETS REALITY)

James Fullingim, Texas A&M University – Central Texas
Wilke D. English, Texas A&M University – Central Texas

Case Objectives and Use

As the title suggests, this is a real-world situation where Management meets Accounting, or generosity meets reality. Good motives and good intentions are great. The City of Killeen has to decide whether it can sustain a financial loss by giving away nearly \$ 250,000 worth of free parking each year to the military, in a practice that started many years ago, but has now grown to have serious financial consequences for the City's budget.

The case can be used in courses on airport management, principles of management, principles of marketing, and business ethics.

Case Synopsis

The city of Killeen, Texas is a city that owes its existence as a city to the Ft. Hood Army Base, the largest Army base in the free world.

In appreciation, years ago, the city of Killeen designated two categories for free parking for military at the municipal airport, which is owned and operated by the City of Killeen.

From two designations, the free parking has grown to 13 designations. It is estimated that roughly \$250,000 of free parking is dispensed yearly. Can the City of Killeen continue this generosity? How long can the City of Killeen afford to give away \$250,000 of free parking? How can the City back out of that generosity?

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MÆRSK'S BIG BOX BOATS AND GLOBAL STRATEGY IN THE WORLD SHIPPING INDUSTRY

Syed Tariq Anwar, West Texas A&M University

Case Objectives and Use

A.P. Moller–Mærsk Group or commonly known as Mærsk is the Denmark's largest conglomerate. The company carries a rich history and is the largest shipping firm in the world. Mærsk operates large container ships which are mostly known as “big box boats”. The main purpose of this case is to discuss and analyze Mærsk and its internationalization and global strategies in the fast changing shipping industry. Mærsk's core competency is the area of ocean shipping and containers. Although Mærsk grew significantly between 2000 and 2015, , its global strategy and international expansion areas have encountered problems because of slowdown in world trade. The case analyzes and discusses these issues within the areas of internationalization and global strategies. The case is appropriate for use in graduate and senior undergraduate international business strategy and strategic management courses.

Case Synopsis

Mærsk was founded in 1912 and traces its rich history from A.P. Møller's entrepreneurial initiatives in the global shipping industry. Møller built his shipyard (Odense Staalskibsvaerft) in 1918/1919. Because of the involvement of logistics and containerization, the global shipping industry remains intertwined and dynamic. This has helped Mærsk and other shipping firms to go international and seek expansion. Because of these developments, Mærsk took advantage of these opportunities and became a major shipping firm. In 1999, Mærsk acquired Sea-Land Corporation and received 70 container ships, container terminals and liner service from CSX Corporation. Later the company changed its name to Mærsk Sealand. In 2001, Mærsk purchased the Dutch Smit-Wijsmüller salvage company and acquired 250 vessels (tugs, barges, offshore and other vessels). No wonder, the Mærsk group became the largest fleet of salvage and offshore vessels in the world. In 2011, Mærsk announced its desire to purchase “Triple E” series of container ships. In 2014 Mærsk unloaded its ownership in retailing and raised \$3 billion. The company had to repurchase its shares worth \$1 billion because of drop in company profit and dwindling market share. As of 2015, Mærsk continues to seek global restructuring and reorganization. On the contrary, Mærsk's market share is down because of weakened revenues and profit. At the same time, Maersk also remains an efficient shipping firm regarding its operations, cost-cutting techniques and global expansion. Industry analysts believe that Mærsk will continue to be a major shipping firm from Denmark. On the other hand, the company will be impacted by heightened competition, regulatory forces, and new technologies in logistics and distribution. Within these developments, the case is intended to have students look at Mærsk's internationalization and global strategies in the world shipping industry.

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ETHICAL DRUG DEALERS?

Erika Starnes, Texas Wesleyan University
Thomas D. Tolleson, Texas Wesleyan University

Case Objectives and Use

This case examines ethical lapses that occur in pharmacies across the United States. While the focus of the case is mainly on Walgreens Pharmacy, the ethical principles apply to various medical professionals. This case was written for undergraduate business ethics classes as well as classes that focus on medical ethics. The case may also serve as a teaching tool for how small lapses in ethical behaviors often give way to slippery slopes. The case was created through field research, personal knowledge and interviews.

Case Synopsis

Ethics are a part of our society, especially so within the medical profession and, more specifically, pharmacies. Six Walgreens pharmacies and one distribution center in Jupiter, Florida were at the center of a massive federal investigation in 2012. This investigation resulted in an \$80 million fine against Walgreens and numerous civil penalties against pharmacists and doctors for the misuse and improper dispensing of controlled substances. The magnitude of the fine and civil litigations were due, in part, because the parties involved not only acted unethically but also violated the Controlled Substances Act.

Pharmacists and physicians have rigorous codes of ethics to guide their behavior; however, lapses in ethical decision-making occur often. Because of Walgreens' landmark investigations and Drug Enforcement Agency (DEA) fines, states across the country began a detailed review of physicians and pharmacy personnel for ethical and legal violations surrounding the dispensing of controlled substances. Pharmacists and physicians may be personally and financially liable for ethical violations surrounding the distribution of controlled substances.

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DECEPTION, DIVORCE, & BANKRUPTCY: A MESSY TRIANGLE

Audrey Showalter, Texas Wesleyan University
Thomas D. Tolleson, Texas Wesleyan University

Case Objective and Use

This case focuses on the unscrupulous behavior of Harold L. Rosbottom Jr., a businessman convicted of bankruptcy fraud for trying to conceal assets during his divorce. Students are asked to reflect on types of power and how nefarious individuals may use power to commit fraudulent acts. Students are also required to apply the Theft Act Triangle (theft, concealment and conversion) to various aspects of the case. This case also provides students with an opportunity to examine some of the motivations and rationalizations of people that commit fraud.

The case is appropriate for use in undergraduate and graduate level classes in Ethics and Introduction to Fraud Examination courses.

Case Synopsis

In September 2009, Harold Rosbottom Jr. filed a personal voluntary Chapter 11 bankruptcy petition in an effort to conceal some of his assets during an acrimonious divorce. Rosbottom and his mistress, Ashley Kisla, tried to hide nearly \$2 million by purchasing multiple cashier's checks for various companies owned by Rosbottom. They would later use the cashier's checks to purchase a \$1,500,000 yacht and 50% ownership in a private jet for an estimated \$500,000. Rosbottom failed to disclose these assets in his bankruptcy filings and went to great lengths to conceal these assets from his bankruptcy trustee as well as from his soon to be ex-wife. The assets were eventually unveiled and both Rosbottom and Kisla were convicted of various counts of concealment of assets, money laundering, giving false oaths, and conspiracy.

Many people were affected by their scheme, one of whom was Carolyn Hess. Hess worked in the accounting department of one of Rosbottom's companies; after the scheme was discovered Hess was suddenly unemployed and left to reflect upon her decision as to why she continued to work for a fraudster.

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THE KOUGL RANCH ADVENTURE

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Olivia Durowah, South Dakota State University
Charlotte Owusu-Smart, South Dakota State University

Case Objectives and Use

This decision-based, non-disguised case was based on transition challenges facing the Kougl family ranch. Case learning objectives include determining business entity alternatives, identifying relevant transition issues and recommendations for dealing with them, analyzing the implications of the concept of “fair” versus “equal” in relation to family members, examining assumptions and their possible implications for the business, and exploring incorporating non-ranching activities into the business.

Case Synopsis

Patriarch Albert Kougl grew up farming with his parents in northwest South Dakota. Although he was the only farming child and wanted to take over the family farm, his parents’ will divided the property equally among all their children, which resulted in the emotionally and financially difficult process of him having to buy out each sibling. Decades later, Albert and one of his sons ran the Kougl ranch, which had expanded to 7,900 acres of land nestled in the Wolf Mountains of Montana near the Crow Indian Reservation. Albert wanted his son and daughter-in-law to avoid the situation he faced when taking over his parent’s farm, but realized there were complexities. Although Albert, his wife Deleen, his son William and daughter-in-law Justine all were involved on the ranch, it was an unincorporated business in Albert’s name only. The land on which the ranch operated was deeded to all four of them, yet the loan was in Albert and Deleen’s names only. They all saw the ranching operation as a big opportunity not only to earn a living but to create a business for generations to come. Albert wondered what the future would hold and asked himself, “I want to ensure that the ranch continues and smoothly transitions to William and Justine. What do I need to consider to make that happen?”

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