

CASE PROBLEM 1.2**Whither an MBA at Strutledge?**

Strutledge is a small private liberal arts school located within 50 miles of a major urban area in the southeast United States. As with most institutions of higher education, Strutledge's costs are rising and its enrollments are decreasing. In an effort to expand its student base, build valuable ties with area businesses, and simply survive, the Board of Regents is considering establishing an MBA program.

Currently no undergraduate degree is given in business, although business courses are taught. The dean of the school visualizes the MBA as an interdisciplinary program emphasizing problem solving, communication, and global awareness. Faculty expertise would be supplemented by instructors from local industry. The use of local faculty would better connect the university with the business community and provide opportunities for employment of the program's graduates.

In terms of competition, a major state-funded university that offers an MBA is located in the adjacent urban area. Strutledge hopes that state budget cutbacks and perceptions of overcrowded classrooms and overworked professors at public institutions will open the door for a new entrant into the market. The Board of Regents also feels that the school's small size will allow Strutledge to tailor the MBA program more closely to area business needs.

Several members of the Board are concerned about recent reports of the dwindling value of an MBA and are wondering if a better niche could be found with another graduate degree, perhaps a master of science in business analytics or something in the education or healthcare field.

1. What action would you recommend to the Board of Regents?
2. How should Strutledge go about making a strategic decision such as this?

CASE PROBLEM 1.3**Weighing Options at the Weight Club**

The Weight Club started out as a student organization of 25 individuals who gathered together to discuss fitness goals and lift weights in the campus gym. When budget cutbacks cut gym hours and equipment availability, the students began to look elsewhere for a facility they could organize and control as they wished. They found an empty store in a small, abandoned strip mall, rented it for next to nothing, asked its members to pay dues, and began sponsoring weight-lifting contests to raise money for equipment. Off-campus now, they could recruit members from the town as well as the university. Their members had many talents, and they began sponsoring cheerleading training and other specialized training programs for athletes.

Growth of the student-run organization was phenomenal. Within six years the club had more than 4000 members from inside and outside of the university community. The facility itself extended over three additional storefronts in the now bustling mall, housing more than 50 pieces of aerobic equipment, two complete sets of Nautilus equipment for circuit training, an entire floor of free weights, a separate room for heavy weights, and a large exercise room for a full range of aerobic, step, kick boxing, and stretch and tone classes. Graduate students found the facility an excellent source of subjects for researches ranging from nutrition to exercise to lifestyle changes (after heart attacks, for instance). Members were often able to take advantage of these additional services free of charge.

The Weight Club clientele began to change as more nonuniversity students joined (from moms in the morning hours to teenagers after school and businesspersons after work). This diversity brought with it numerous requests for additional services such as child care, personal trainers, children's classes, massages, swimming and running facilities, locker rooms and showers, food and drink, sportswear, gymnastics, hotel and corporate memberships, meetings, and sponsored events.

Currently, all members pay the same \$25 monthly usage fee with no other membership fees or assessments for additional services (like exercise classes). The staff consists predominantly of student members, many of whom have financed their way through school by working at the Weight Club. The organization is run by a founding member of the original weight club, who will finally graduate this year. Two other founding members have already graduated but work full time in the area and help