

Case Study 1.1: *The Battle of the Gurus*

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The voices from the conference room were loud and animated. Everyone on the first floor could tell that a heated debate was underway. Knowing that Bill Reyes and George Hales were in there, no one was surprised. They were like oil and water. If one claimed the sky is blue, the other would hotly debate the claim.

The debate concerned the direction that the company's quality system would take. Bill, the operations manager, had just read *The Deming Management Method* and was convinced that Deming's way was the only way. George had recently read *Quality is Free* and felt equally strongly that Crosby's was the right path.

Finally, the division VP had heard enough. She turns to you and says, "Obviously we need a neutral party to sort this out. You learn all you can about the Deming and Crosby systems and tell me which is best. I want your report next week. Next agenda item!"

1. Prepare a report summarizing the two quality systems and showing where they are similar and where they differ.
2. Is there a "best" system for all organizations? Discuss.
3. What types of organizational cultures would favor each of the two approaches?

CASE STUDY 2.1: *Second National Bank*

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The management staff of Second National Bank is holding their third annual strategic planning retreat at the Water's Edge Country Club. Because of your low handicap, you have been invited to fill out the second foursome for the afternoon golf match. As a recent graduate, you look forward to the opportunity to listen to the discussions in the morning planning meeting.

"I'm disappointed that more progress has not been made," begins President and CEO Richard Miller. "At last year's strategic planning retreat we developed an extensive strategic plan. But today, I don't see that we are much different than we were before we developed the plan."

"What were some of the things we included in the plan?" asks VP Sharon Rock. "I remember our meeting and I'm sure that I got a copy of the plan, but I don't remember any of the specifics. Let me call my secretary and have her bring my copy here. I think it is on my bookcase. This won't take more than 15 minutes. Can we defer our discussion of the strategic plan until then?"

"Let's take our mid-morning break now to give your secretary time to get here with the plan. Does anyone else need her to bring your copies?" Several hands go up, a list is made, and everyone moves to the break area for coffee and donuts.

After the break, when everyone has their copies of last year's strategic plan, Miller begins a point-by-point review of the plan. "We agreed last year that we were going to be known as the friendliest bank in our area. What have we done about that?" After an embarrassing pause, Bob Wilson, the VP of operations begins, "Well, right after that meeting, I met with our tellers and clerks and reminded them to smile more when dealing with our customers." "Remember, we added the slogan 'Exxor County's Friendliest Bank' to our weekly advertisement in the county newspaper," adds Stone. "Yes, but how effective have these actions been? Are we friendlier now than last year?" Miller was frustrated that no one could provide any definitive evidence one way or the other.

The review continued item by item in much the same way. Then the meeting turned to creating the strategic plan for this year. After much discussion, it is agreed that, with a few minor modifications, last year's plan will work well for this year. With that business out of the way, it is time for lunch and golf.

1. What do you think of the idea of having an annual off-site retreat for top management to develop the strategic plan for the organization?
2. Critique the planning process for the Second National Bank.
3. CEO Miller is obviously disappointed in the progress that the bank has made during the past year. If you were invited to play golf in his foursome and he asked your opinion, what would you say to him?