

## Preface

It is with pleasure that I serve as Editor-in-Chief for the first volume of case studies written and published under the auspices of the El-Khazindar Business Research and Case Center at School of Business of the American University in Cairo. This volume fills a need that went unfulfilled for a stretch of decades going back to the 1960s. The need for endemic, relevant, and rigorous cases was recognized in Egypt as management development and executive education emerged in the 60s and flourished in the 70s, 80s, and beyond. The Institute for Management Development (IMD) then produced a number of field research cases written in Arabic. Albeit endemic to Egypt, these cases were written in a teaching note format. Eventually the cause was abandoned as the IMD evolved into Sadat Academy for Management.

The publication of this volume is significant in more than one respect. First, it fills the need for relevant, rigorous, research-based cases. Second, it signals the recognition of case research as a scholarly contribution. Such recognition is essential for sustaining the practice of case research and writing in Egypt. Mr. El-Khazindar's insightful contribution and American University in Cairo's initiative are laudable. This volume is just the beginning of a series. It features 17 cases covering a broad range of business functions, management processes, and related tools. Topics related to each are shown in Table 1. The cases involve B2C and B2B organizations that operate in the industrial, trade, and service sectors.

## TEACHING WITH AND LEARNING FROM CASES

The cases present an opportunity to explore strategic, structural, and managerial issues that impact organizational performance. In order to reap the maximum learning benefits from teaching with cases, it is recommended that case data are sorted out in five categories:

*Table 1. Case topic classification by business functions, management processes and tools*

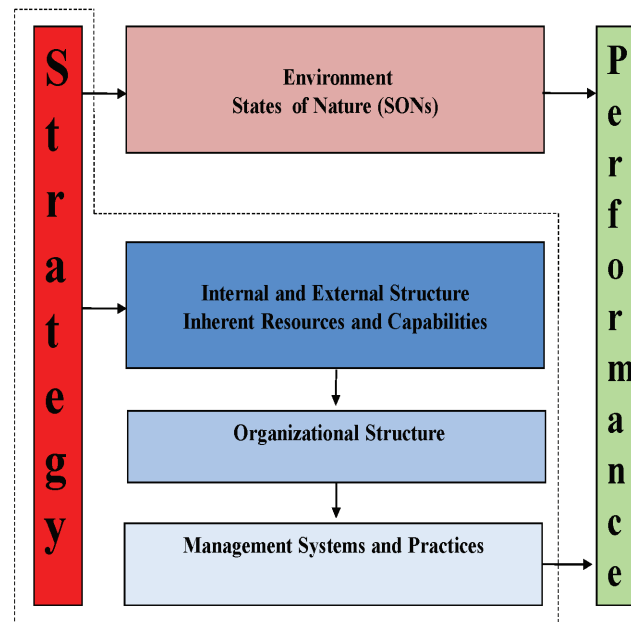
Functions	Marketing	Operations	Logistics	Finance
	Strategy Formulation & Implementation		Spinning the Supply Chain	Budgeting Value Based Management
Processes	Management			
	Innovative Approaches	Management of Change	Strategic Planning	
Tools	Accounting	Information System		Technology
	Accounting and Auditing Standards ABC Accounting		IICT Applications in Accounting Systems	E-Commerce Enterprise Resource Planning

1. **Performance:** data illustrative of the effectiveness and efficiency dimensions of organizational performance. This category reflects *symptoms* of problems endemic to the strategy, structure, and managerial practices of the subject organization. Inexperienced analysts often mistakenly diagnose these symptoms as problems.
2. **Environment:** data pertinent to situation analysis including industry and company analysis. This category reflects the *states of nature (SONs)*, i.e., the immediate, intermediate, and the macro environment in which the organization operates. Inexperienced analysts often mistakenly point to these SONs as problems or sources of problems.
3. **Strategy:** plans formulated and mechanisms designed to *relate and adapt the organization to its environment*. SWOT analysis is the most often used tool to match the strength of the organization to opportunities and ameliorate the threats facing the organization as it operates in the said environment. Effective strategies are designed to mitigate the weakness(es) of the organization in a manner conducive to minimizing their negative impact on organizational performance. Problems may emanate from errors of omission or commission in the design of the strategic plan. For example, while failure to differentiate the offer of a firm is an error of omission, selecting a Point of Parity instead of a Point of Difference constitutes an error of commission.
4. **Structure:** refers to the *internal and external organizational structures* through which the strategy is *implemented*. For example, delivering the value to the customers may require hiring and training a sales force, retaining wholesale and/or retail distributors, or both. Oftentimes, top management may concoct or redesign strategic plans without altering or redesigning the attendant structures in charge of their implementation. The untold power of organizational structures is that the *resources and capabilities* that reside in these structures are the engines that power the implementation of these plans. In essence, retaining the same organization structures to implement new or significantly modified strategic plan will render their implantation impossible, ineffective, or inefficient.
5. **Management:** refers to the *tactical decisions* that must be taken to implement the strategic plans. Problems may emanate mostly from errors of commission in tactical decision making. For example, in marketing decision making, faulty product design, mismatching message with media in advertising, selecting too high or too low pricing, and/or mismatching marketing channels with target markets all are errors of commission.

Attendant to each data category is an Axiom that may be helpful in guiding the analyst of business cases.

- **Axiom 1:** Poor financial and marketing performance results are symptoms indicative of problem(s) emanating from the strategy, structure, and/or management practices.
- **Axiom 2:** Volatile States of Nature (SONs) are neither problems nor source of problems. These are mere conditions that dominate the environment in which the organization operates. Management failure to adjust the strategy, structure, and/or management practices to address volatility is the problem.
- **Axiom 3:** Errors of omission and commission in strategy development are the root causes of problems.
- **Axiom 4:** Structure must fit the strategy, not vice versa. Failure to redesign or configure organizational structures in response to new or redesigned strategies is the leading cause of failure in or poor implementation of the strategy.

Figure 1. A framework for case analysis



- **Axiom 5:** Tactical managerial decision making to implement the strategy is the “last mile,” leading to organizational performance. Therefore, the best strategies and structures may sour as a result of poor implementation.
- **Axiom 6:** In problem solving, strategic design is the independent variable, performance is the dependent variable, and organization structure and managerial practices mediate the relationship between strategy formulation and performance results. These variables and their relationships are shown in Figure 1.

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