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# The Process of Writing a Case Study of the Third Kind to Teach the Management of Change

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The Process of Writing a Case Study of the Third Kind  
to Teach the Management of Change

by

François Bernard Malo

An Abstract of a Project  
in  
Creative Studies

Submitted in Partial Fulfillment  
of the Requirements  
for the Degree of

Master of Science

May 2010

Buffalo State College  
State University of New York  
Creative Studies Department

## ABSTRACT OF PROJECT

### *The Process of Writing a Case Study of the Third Kind to Teach the Management of Change*

This paper is about the process of writing a case study of the third kind to teach the management of change. The theoretical model I chose to structure my case study is the one proposed by John Kotter. After the first section where I explain the background to this project, the second section contains the pertinent literature and the third one the process plan I followed. While the fourth section contains the case study I wrote, the fifth summarizes my key learnings. Finally, this project ends with a sixth section where I conclude my project and propose directions for the students who will follow our path.

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Date

Buffalo State College  
State University of New York  
Creative Studies Department

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Creative Studies

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Dates of Approval:

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Project Adviser

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Candidate

## **Acknowledgments**

This project represents, for me, the end-result of a very long process started in 1985 when I decided to drop-out of high school. After few years spent on the labour market, working as a non-qualified employee for very bad organizations and really poor managers, I realized that in our society it is very difficult to be respected if you don't have a lot of education... and/or money.

It may sounds strange but after a Bachelor's Degree in Industrial Relations, a Master's Degree in Industrial Relations and a Doctoral Degree in Management I decided to do a Master's Degree in Creative Studies not because I wanted to have more education or money. I decided to do it just because I was fascinated by this subject. I don't know if it will ever bring me money or respect but one thing is sure, I have had a lot of pleasure doing it and I learned so many things about myself.

I want to take time, here, to say thank you to the fabulous persons without which all these wonderful things would have never happened. I want to thank my wife Isabelle, my daughter Jeanne, my mother Danielle and my brother Stéphane for their infinite love and support. I want to thank my project adviser Mike Fox for his wonderful energy, his great sense of humor and joy of living. He taught me the importance of having fun in life. The first time I met him I knew I was going to have fun in Buffalo! I want to thank Mary Murdock for her infinite love and spiritual energy. She taught me the importance of being with others and sharing significant moments with them; Dr. John Cabra for his intelligence and incredible kindness. He taught me the importance of being critical but nice at the same time; Dr. Roger Firestien for his phenomenal dynamism and his mastery of the relationships with real clients. He taught me the importance of listening and satisfying the needs of my clients; Dr. Gerard Puccio for his brilliant questions and wonderful leadership skills. He taught me the importance of doing scientific research and documenting everything with empirical evidences. Finally, I want to thank Laura Barbero-Switalski and Russ Schoen for their knowledge about techniques of creativity and Debra Johnson for her support. They taught me the importance of choosing the right tools and using them at the right moment and at the right place.

This project is dedicated to the four most important persons in my life:

Isabelle, Jeanne, Danielle and Stéphanne.

Without their infinite love, my unforgettable  
journey into the realm of creativity  
would have not been possible.

‘Learning without application produces the same result as ignorance’

-Puccio, Murdock & Mance (2007, 246)

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## **Section One: Background to the Project**

In this section I will present the rationale behind this project. I will describe what I mean by a case study of the third kind and I will talk about what the project adds to the field of creativity.

### **Rationale Behind This Project**

As a professor in human resources management I constantly try to put my students in a situation where they learn factual things about how to manage employees, but also, where they are invited to develop their abilities to take appropriate decisions. For that reason, I like to use case studies in my courses. In many regards, this pedagogical choice has its roots in the Torrance Incubation Model of Teaching and Learning (Torrance & Safter, 1990).

After my Master's Degree in Creative Studies at the Buffalo State College, I plan to return to my university and create a whole new course about creativity and innovation in human resources management. In my opinion one of the important subjects will be: How might we implement a fundamental change in a small business? To be specific, how might a human resources manager make sure a fundamental change doesn't encounter too much resistance? Because the world is constantly changing, new case studies need to be developed and I really want to bring my contribution on that subject that I really like.

Since the beginning of the twentieth century it is common, in business schools, to use case studies to teach students how to manage organizations (Bédard, Dell'Aniello, Desbiens, 1991). Any teacher who gave courses to students in business administration

knows how a good case study can be effective. Not all case studies are good, but when they are, the experience is great (Bennett & Chakravarthy, 1978). Because it puts the students in a situation where they face a real challenge, they have to synthesize their theoretical learning and find a proper way to use it to resolve a specific set of interrelated problems (Morin, 1994). In a certain way, it is a condensed real experience that makes them feel more comfortable when they meet real people and work in real environments (Ewing, 1992). If the case studies are valuable from a teacher's point of view, they are also appreciated by students who want to develop their abilities as managers (Aktouf, 1986). Listening three hours in a row is frequently a boring experience for a student in business administration. He wants to see some action. He wants to take decisions. He wants to learn by doing.

Unfortunately, if there are thousands of case studies all over the world, they are not always easy to access. Sometimes, they have been written so many years ago that the context has changed and data are clearly outdated. For that reason, it will always be necessary to keep writing case studies. Before going any further, let's say immediately that there are many kinds of case studies. As we will see, each kind has its own purpose<sup>1</sup>.

### **What is a Case Study?**

Generally speaking we can say that there are three main kinds of case studies. The first kind of case study is usually written by a researcher interested by understanding intimately a specific subject. The second kind of case study is usually written by a

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<sup>1</sup> It is beyond the scope of this paper to examine that question in detail. For that reason I will only summarize the main attributes of each kind.

teacher who wants to show to his students an example of what he is talking about. Finally, the third kind of case study is usually written by a teacher who wants to give to his students the opportunity to develop their abilities to resolve a specific problem. In the following pages we will briefly explain the differences between these three kinds of case studies.

### **Case Study of the First Kind**

One way of talking about case studies is to approach the subject from a researcher's point of view. From that perspective a case study is a qualitative method of research elaborated to contribute to the growth of our knowledge about how the organizations really work (Hlady Rispal, 2002; Gagnon, 2005; Yin, 2003). This way of seeing a case study gives to the researcher a way to answer his theoretical questions. For example, how might an HR Department contribute to the implementation of a new organizational culture in a specific unit? What might be the best theory or model to explain such a phenomenon?

This kind of case study will usually be presented in opposition to quantitative methods of research. If we begin with quantitative methods of research we can say that they usually require from the researcher an extensive collection of data that he will usually analyze with programs conceived to statistically verify a limited number of interrelations between variables (i.e., Is there a relationship between creativity and intelligence among young adults? If so, what is the direction of this relationship and what is the strength of it?). In opposition, the qualitative methods of research are more concerned by broader relationships and how they change with time (Poupart et al., 1997). For example, what

are the typical relationships highly creative people build with members of their family and coworkers? Do these relationships change with time? If so, what are the factors that can explain and predict these changes?

While quantitative research will usually rely on impressive numbers of answers to closed-ended questions (i.e., a questionnaire of 120 close-ended questions answered by 2500 young adults between 18 and 25 years old), the quantitative research will usually rely on a smaller number of answers to open-ended questions (i.e., a semi-directive interview composed of 10 open-ended questions conducted with 25 highly creative individuals from various backgrounds). To make sure the researcher has enough answers to his questions, he will frequently complete his interviews by other techniques like observation sessions and the analysis of written documents about the persons he interviewed.

The ultimate product, here, is a case study that illustrates a real situation and proposes answers and explanation to a scientific question. This is what we call a case study of the first kind.

### **Case Study of the Second Kind**

A second way of talking about case studies is to approach the subject from a teacher's perspective. From this point of view the case study in business administration serves as an illustration of what to do and what to avoid in the management of an organization. The aim of such a case study is not to contribute to the growth of our theoretical knowledge regarding how organizations really work but rather, to show to students what

the ‘good’ organizations do and what the ‘bad’ organizations don’t do (Aktouf, 1986). Usually the teacher will prefer to use examples of good organizations and hence, contribute to the myth of the ‘success stories’ you may have heard about<sup>2</sup>.

### **Case Study of the Third Kind**

The third kind of case study is usually written by a teacher in business administration who wants to put his students in the position of a real manager. Here, the objective is not to improve our theoretical knowledge of how organizations work, nor it is to show what good organizations do and what bad organizations don’t do. Here, the objective is to develop the abilities and the attitudes considered by the teacher as necessary to resolve a set of real-life problems that the students may eventually face on the labour market. In other words, that kind of case study is written to encourage the students to take appropriate decisions in relation with the available information (Unknown, 2004). The starting point of a case study of the third kind is usually an organization which faces serious problems. Negron, for example, says ‘A case study (of the third kind) is a puzzle that has to be solved’ (Negron, 2003, 1). In this paper, this is exactly the kind of case study we wrote as our final project in creative studies. As a professor in business administration I feel that this is what we need the most and this is what will be the most useful thing for my students.

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<sup>2</sup> You will find, in Appendix A, a case study of the second kind that I wrote about the Walt Disney Company. In the next months, I plan to use this case study as the starting point of case study of the third kind that I would like to write with the financial contribution of the *North American Case Research Association*.

### **What the Project Adds to the Field of Creativity**

I believe my project is extremely interesting for the field of creativity because it illustrates the idea that creativity is not only for artists (Parnes, 1992). Even scientists can use the different techniques of creativity in their work. In fact, in this project, I will explain how I used the techniques of creativity to write a case study of the third kind.

Finally, I believe my project is also valuable for the field of creativity because it consists of a case study I will eventually use with my own students who will have, one day, to introduce a change in their organization. The case study I wrote will place them in a situation where they have to lead the introduction of such a change. This is definitely an important subject in creative studies. For that reason, my case study could even be used by teachers and students at the International Center for Studies in Creativity, especially in the course entitled *Organizational Creativity & Innovation* (CRS594).

## **Section Two: Pertinent Literature**

In this section I will briefly review the major influences in literature for my project. I read hundreds of articles and dozens of books for this project but I will insist, here, on the ones that influenced me the most.

### **Munson (1952)**

One of the first things I read for my project has been written by Munson (1952). In this classic book about writing, the author stresses the importance of never forgetting who is your public, what is the purpose of your writing and finally, to structure your work in a coherent manner. Who will read you? Is it a teenage boy, a student doing in Bachelor's Degree in Business Administration or a retired grandmother? Without an excellent knowledge of the reader, you will never be able to reach them and influence their thinking. This is closely related to the purpose of your writing. Are you writing a paper to distract people or are you writing a paper to teach them something? Are you writing a paper to show them the principles behind a specific theory or are you writing a case study to put them in a situation where they have to make a decision? Munson's work helped me to choose the subject of my case study. It made me realize that we can't write a case study in business administration if we don't know, first, the theory or model we want to illustrate.

### **Kotter (2005)**

It is important to observe that organizations are not only the sum of the individuals who work together. To understand how creativity can be nurtured in organizations we need

other theories and models. The theoretical model I chose to guide the writing of my case study is the one proposed by John Kotter (2005).

According to Kotter it is not because an idea has intrinsic value that it will necessarily be adopted by an organization and its members. The introduction of a new idea in an organization should be seen as a process of change. The process depicted by Kotter has eight steps.

First, the individual who wants to introduce a new idea in an organization needs to build a strong sense of urgency. He needs to defreeze the actual environment by explaining to key stakeholders why it is important to change and to act immediately. Without that first step, nothing is possible.

Once the key stakeholders are convinced that things need to be changed, the leader has to pull together a powerful guiding team composed of people who have the leadership skills to guide others, the credibility and the communications abilities to convince them, the analytical skills to take the proper decisions at the proper moment and the authority to take the decisions that need to be taken.

The third step of the model is the one where the guiding team will develop the change vision and strategy to pursue. During this step the members will have to clarify how the future will be different from the past and how it will be possible to make it a reality.

The fourth step is called *Communication* because it involves all the activities the guiding team will conduct to make sure people understand the vision and accept the strategy.

Without good communication the project will certainly fail.

The fifth step is the one where the leader empowers others to act. It is not enough to tell the others what should be done! It is important to make sure the people have the authority, the resources and the ability to take the proper actions that will make the vision a reality!

The sixth step is to produce short-term wins that will render the change process visible to everybody. In his books Kotter emphasizes the importance that this step is done as soon as possible. If people don't see short-term wins rapidly enough, they may feel discouraged.

The seventh step of the process of successful change consists to keep the pressure on and to encourage people to not let up. After the first success it is important to make sure that people realize things are not finished. The members have to be relentless with initiating change after change until the goal is reached.

Finally, the eighth and final step is called *Create a New Culture*. Once the vision is a reality, it is important to formalize the new ways of doing things to make sure everybody knows the new rules and the new behaviours.

## **Ewing (1990)**

There are many texts and books about how to write a case study of the third kind. The first I will present, and which is without a doubt the richest one, is the Chapter 13 of the book written by Ewing (1990). In this text the author explains how crucial a case study is for the teaching of management at the Harvard Business School. Representing different *snapshots* of the life in real organizations, the author explains that these cases are not written with the intent to represent the reality as it is. A case study of the third kind is written in the perspective to encourage the students to think about a specific subject and to learn how to take appropriate decisions. Thanks to the case study, the student realizes that he works on something ‘real’... he is developing his abilities to act as a manager. Because a good case study is also rooted in science, it is generally accompanied by a grid of correction (Christensen & Hansen, 1987). This grid, hidden to the students, is elaborated on by the writer of the case to serve as a map or as a guideline to make sure the discussions between the students and the teacher are fruitful. Generally speaking, there are three main questions to be addressed by the students who just read a case study of the third kind. First, what are the most significant elements in this case study and what can you conclude from them? Second, why do you think these problems happened and the main character acted as he did? Third, if you were in the shoes of that particular person, what would you do, now? (Ewing, 1990).

If we make a connection with the literature about creativity, this is where the ‘convergent phase’ becomes extremely important. In other words, it is when time comes to write the grid of correction that the critical thinking becomes crucial. A good case study of the

third kind has to be accompanied by a grid of correction. In his contribution the author also expressed the idea that the grid is sometimes not enough. If the case study of the third kind is very complex, it is useful to add to the case study a guide written for the person who will have to use it with a group of students. In this guide the author of the case study will talk about the dangers of using this case study and the traps it may contain. By identifying the common mistakes the students may do while addressing the case study of the third kind, the guide helps the teacher to do a better job. Of course, to write such a guide the author of the case study needs to have used it with real students. There are no other ways to do it. For that reason, before thinking about publishing his case study of the third kind, the author should always use it few times with his own students in a non-evaluative environment. He should gather their comments about the case study and take them into account to improve it. If it is possible it is also suggested to show the case study to a colleague who knows the subject treated by the author of the case study. Finally, as Ewing explains, it is important to make sure that the case study is written around a specific theory or set of theories. These theories will serve as guidelines to orient the students in the proper direction.

In his book Ewing shows that the process of writing a case study of the third kind is extremely long and it costs a lot of money<sup>3</sup>. No wonder why case studies are not written more often!

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<sup>3</sup> Ewing says that many cases written by professors of the Harvard Business School cost more than 20, 000 USD!

The first step is to become conscious that it is not enough in a class to use case studies of the first and second kinds. Teaching business administration is not only about the transmission of theoretical knowledge. It is also about the development of abilities to resolve real-life problems. The teacher needs to place his students in a situation where they will have to take action, where they will have to take decisions.

When the teacher in business administration realized that, then he can think about the area about which he wants to write a case study. Will it be a case study about the process of building a team of creative individuals? Will it be a case study about the ways of hiring a highly creative manager?

The third step is to try to find a case study already written on the same subject... to see what could be improved and what has been done before. This is where the problems begin. Depending of the subject, case studies of the third kind are rare. In my case, because I am interested in teaching creativity and how innovations can be implemented in small organizations with the model proposed by John Kotter, I found none.

The fourth step, once the decision to write a case study is taken, is to find a real organization who can serve as an illustration of the challenges we want to present to our students. This process can be very long. To identify such an organization the teacher needs to have many connexions with real people. He needs to have a huge network of relations.

The fifth step is to contact the authorities of the organization he identified to make sure they agree to welcome the teacher and give him all the information he needs to write a detailed case study of the third kind. This is another very difficult task. Frequently the organizations will refuse to participate in such an endeavour because they fear someone might share the secret of their success with their competitors. To fight this fear the author of a case study can propose to disguise the identity of the organization directly concerned by the case study. At one point, if the organization refuses to participate in the process, the author can decide to write a fictional case study inspired by real events. Of course, in such a situation, he will create a new name for the company, he will change a lot of information to make sure nobody can make a connection with the fictional story and the real organization etc.

The sixth step is to collect as many information as possible about the organization. The information will concern all the aspects of the subject treated by the case study (human resources, financial information etc.). During this step the teacher will usually spend many hours in the organization. He will observe the phenomenon at the basis of the case study. He will conduct interviews with key actors. He will analyze internal documents, statistical reports etc. Depending of the depth of the case study this phase can take more or less time and cost more or less money.

The seventh step is to write the case study on the basis of all the information collected. According to Ewing (1990) there is no 'recipe' to write a good case study. It is only a

matter or trial and error and the best judges are usually the students who have to work with the case study!

Before using the case study with real students, though, the teacher is encouraged in the eighth step to show it to the authorities of the organization he used to create his document (if it is not a fictional case study of course). This way the authorities can add new pieces of valuable information or ask the teacher to correct some errors or inaccuracies.

Before giving the case study to his students, the author is encouraged to show it to his colleagues to have their point of view and opinions. At this stage, the colleagues will frequently challenge the author and make sure the case study relies on a solid understanding of a specific model or theory. These discussions will usually help the author to create a grid of correction for the case study of the third kind.

The tenth step involves the first testing of the case study with real students. After they completed it, their comments are gathered and the grid of correction is improved. It is at that moment the author writes the manual that will serve as a guide to the next teachers who will use the case study.

This contribution by Ewing (1990) made me realize also that we can't conclude a case study of the third kind the way we would conclude a case study of the first or second kind. Our main, here, is to encourage the students to do something, to take a decision. We should never forget that!

### **Bédard, Dell’Aniello & Desbiens (1991)**

In a popular book published in Québec at the beginning of the 1990’s Bédard, Dell’Aniello & Desbiens (1991) explain that there are two families of case study of the third kind: the ‘real’ cases (based entirely on official facts that have been transmitted by the authorities of a real organization) and ‘arm chair cases’ (based in part on official facts but also on fictional ones). If the teacher has enough resources he will always prefer to write a case of the first family but in reality, the lack of resources often obliges him to write the second type of case. As an authors says: ‘Often the best solution for teaching is to write fictional cases that closely parallel factual situations’ (Warner, 2010, 1). No matter what are the resources he has, a good case study of the third kind should always respect the following criteria: interesting subject (something that will attract the attention of the students); precision in the facts; objectivity in the presentation of the facts; clarity of the style; logical description of the reality, sensibility to the characters presented in the case study, excerpts from the interviews conducted with the key players (if it is possible); large choice of alternatives and finally, possibility to develop abilities in decision making.

Depending of the author and the level of difficulty of the case study, it can end in one of the three following ways. First, the easiest type of case study of the third kind, students have to analyze and critique a decision that has been taken by one of the characters depicted in the case study. Second, the students have to propose solutions to a well-defined problem presented by the author of the case study. Third, the most difficult type of case study of the third kind, students have to analyze a complex problem (identify its

causes and consequences) and propose solutions adapted to the reality of the organization depicted in the case study.

### **Bruner (2004)**

In a paper he presented in 2004 at the Financial Management Association, a Distinguished Professor of Business Administration at the Darden Graduate School of Business of the University of Virginia explains that a good case study should always start with the end in view (Bruner, 2004). It should be driven by the needs of the learner. What should he learn? What abilities should he master at the end of his course? Once these needs have been identified, the writer has to reverse engineer the analytic task to create an experience of discovery for the student. To make sure the case is appealing, the writer should 'Flesh out the case to afford drama, motivation and identification with the decision-maker' (Bruner 2004, 15). As we can see there is no easy way to create such drama. A writer needs to use his imagination and rely on his natural abilities... and some rules to be creative.

### **Miller, Vehar & Firestien (2001a)**

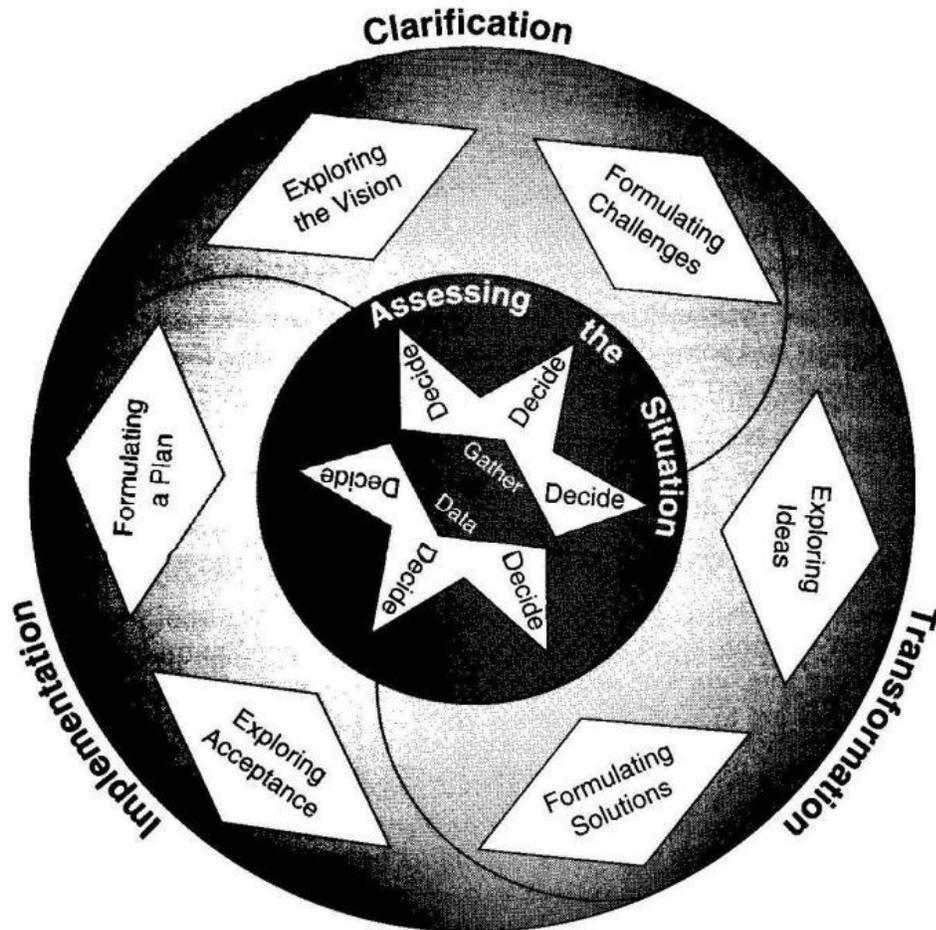
Another major influence in literature for my project is the book written by Miller, Vehar & Firestien (2001a). In this book, I especially liked the ground rules to respect if someone wants to have creative ideas and achieve great results. According to these authors the rules to respect are: Defer Judgment; Strive for Quantity; Seek Wild and Unusual Ideas and Build on Other Ideas.

When thinking about writing a good case study of the third kind, these guidelines should be remembered and constantly kept alive. Because the process of writing a good case study of the third kind can be quite long and difficult, if someone begins to judge his ideas as soon as they appear, he will rapidly feel bad. This does not imply that he should never use his critical thinking as we will see later in this paper. This only means that during the phase of writing, the author needs to defer his judgment, write as many things (and details) as possible, seek wild situations to render the case more interesting and finally, build on his own ideas. How might he combine two ideas to make a better one for example? This process of writing things without stopping and without judging is also called by some authors *Automatic Writing* and it is sometimes associated to the beginning of the twentieth century and to the surrealist artists like Salvador Dali (Breton, 2007).

### Section Three: Process Plan

In this section I will explain the plan I followed and the techniques of creativity I used to write my case study of the third kind. Finally, I will present the project timeline I respected<sup>4</sup>

**Figure 5.1** Assessing the Situation in the Creative Problem Solving Thinking Skills Model



SOURCE: © 2006 Puccio, Murdock, and Mance. Reprinted with permission.

<sup>4</sup> As you will see my plan of action was inspired by the seven steps of the CPS Process Model described by Puccio, Murdock & Mance (2007).

## **1-Assessing the Situation**

The first step of the CPS process asks us to describe and identify all relevant data about our project and to determine what is the next process step. To make sure I was going to achieve my goal I began with an extensive review of the literature. This is at that moment that I read all these documents about the process of writing a case study of the third kind and I searched for case studies already written about the introduction of fundamental changes in small organizations. I spent more than one hundred hours at the library and on the internet, searching for books and scientific articles. It is during that step that I discovered that despite all my efforts, I was not able to locate a good and short case study of the third kind about the process of implementing a fundamental change in a small organization.

## **2-Exploring the Vision**

The second step of the CPS process model proposed by Puccio, Murdock & Mance (2007) asks us to develop a detailed and vivid vision of the desired outcome. When I realized that there was really a need for that kind of case study, I began to think about the kind of organization I wanted to illustrate. Would it be an American organization or a Canadian organization? In which sector of the economy that organization would be active? What kind of products would it produce? At that particular moment I remembered one of the rules proposed by Miller, Vehar & Firestien (2001a): Seek Wild Ideas! With that rule in mind I decided to write a case study on the basis of an organization situated in South Africa who would be specialized in native arts crafted for tourists! I thought that kind of organization would be interesting for my students because

we rarely talk about businesses situated in that part of the World. Unconsciously, maybe, we assume their reality is too different from the one we experience in America.

In his contribution Ewing (1990) suggests that we identify a real organization who could serve as the foundation of our case study. Because I had not enough time and money, I instantly decided to write a fictional case study based on a real organization I visited many years ago while I was giving a course of creativity in Morocco. Since I had spent many hours in that organization, I knew I remembered many facts.

### **3-Formulating Challenges**

During the third step of the CPS process we are invited to identify the gaps that must be closed to achieve the desired outcome. It is during that step that I began to put on the paper all the information I had about that organization and all the information I hadn't. Because I knew I was going to write a fictional case study, I didn't panic because I knew I would have the opportunity to fill the blanks by myself... by using my own imagination. As an illustration, I didn't remember who were the main competitors of that manufacture, but I knew that some of them were already buying products from companies situated in China. I then decided that there was going to be only one big competitor. A distributor who was buying his products from a Chinese company. It took me approximately 20 hours to gather all that information and identify these gaps.

### **4-Exploring Ideas**

This is where I began to write my case study of the third kind. On the basis of my souvenirs and what I knew about that organization I began to write my paper by talking

about the organizational structure, the market for its products, its employees, its human resources policies etc. During this step I constantly kept in mind the different principles presented earlier by Miller, Vehar & Firestien (2001a) and I used the technique called automatic writing to write my case study. I pushed very hard to finish it as soon as possible and I spent as little time as possible judging my own ideas. To inspire me even more, I took a look at the photos I had taken in Morocco, especially in that company. Even if these images were not used as the ones we sometimes use with the tool called 'Forced Connections' I realized they were very powerful and had the capacity to keep me focused. To make sure people could not find the real identity of the organization I used to write my case study, I decided to invent a new name and to locate it in another country of the same continent.

### **5-Formulating Solutions**

Because I had no course to give during this semester I was not able to test my case study with my own students. This is why I decided, with Dr. Puccio's approval, to use it in it's class (CRS594 - *Organizational Creativity & Innovation*) with my fellow students. Since I had to prepare a presentation about a change model, I decided to conclude with the case study I had written. The theoretical model I chose to illustrate is the one proposed by John Kotter in his numerous publications.

### **6-Exploring Acceptance**

When my presentation in Dr. Puccio's class was over I gathered the comments of the students about the case study I had written. Unanimously they said that they really liked

it! It gave them the opportunity to test their understanding of the change model proposed by John Kotter. Few weeks later I received Dr. Puccio's comments about my case study. He was very pleased by my work and he told me that it was a very good case study. I was very happy!

This being said, I am not entirely done with this step because I want to test my case study again with another group of students. When this second test will be completed, I will be able to write a grid of correction plus the manual for the teachers who will use my case study in the future. If everything goes as I expect, this should be done during June 2010. Exactly like I did for my first test, I will gather their comments and I will improve my documents.

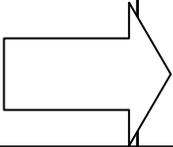
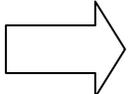
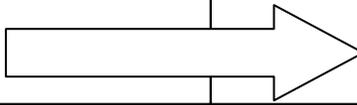
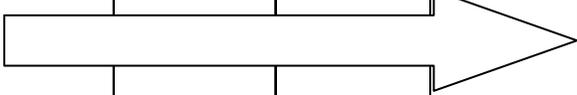
### **7-Formulating a Plan**

Ultimately, if all goes as I plan, I will publish my case study in an international review at the end of June 2010. To do so, I will have to find an editor who might be interested in my work. I will also make sure that I create a *Performance Dashboard* to follow the evolution of the number of readers of my case study and collect their comments about my work.

### **Project Timeline**

You will find, below, the Gantt Diagram I prepared regarding this project and the time it took me to complete it.

### Gantt Diagram and Timeline

	JANUARY 2010	FEBRUARY 2010	MARCH 2010	APRIL 2010	MAY 2010	JUNE 2010
Assessing the Situation (120 hours)						
Exploring the Vision (10 hours)						
Formulating Challenges (20 hours)						
Exploring Ideas (100 hours)						
Formulating Solutions (20 hours)						
Exploring Acceptance (30 hours)						
Formulating a Plan (10 hours)						

## **Section Four: My Case Study of the Third Kind**

In this section I will present the case study of the third kind I wrote as my final project.

### *African Beauties*



### **A Case Study of the Third Type**

written

by

**François Bernard Malo**

*African Beauties* was created forty years ago by the founder and current owner Gerard Scott. The company is located in a small village of South Africa employing 210 persons and specializes in the manufacture of products for tourists visiting Johannesburg. The catalogue of products contains more than 300 items grouped within five categories: Pottery (coasters, pots for flowers, ashtrays etc.); Textile (djellabas, traditional blouses, scarfs etc.); Leather (handbags, wallets, traditional shoes etc.); Graphic Arts (drawings, paintings etc.) and finally, metal (teapots; service dishes, jewelry etc.).

The plant where the products are manufactured is organized according to the five categories of products. Each line is managed by a Chief Production Officer under which there are two foremen (one for the day shift and one for the evening shift). Each foreman manages twenty employees and the remaining employees work in the office as secretaries and receptionists. With the exception of an accountant, there is no professional to help Mr. Scott with HRM or marketing. The products manufactured by *African Beauties* are relatively non expensive because they are produced in very large quantities by experimented craftsmen using old traditional tools. Each product was created from one design created by one traditional artist many years ago and the workers are asked to replicate that design day after day. The designs have not been modified in decades and there have been no complaints about the products by the customers or the retailers. In fact, during all these years there was no other company like *African Beauties* manufacturing that kind of product.

Distributed in the local stores directly by Mr. Scott, the products were known by the salespersons for their fairly low price and average quality. For many years *African Beauties* has been a profitable organization, but all that began to change five years ago when a Chinese company was invited by a South African Distributor to produce similar products at a lower price. According to

some experts consulted by the owner of *African Beauties*, the lower prices of the Chinese products are essentially attributed to two things: the use of automated machines (in replacement of experienced craftsmen) and lower wages paid to the workers. If at the beginning the products made by the Chinese company were poor quality, today we cannot distinguish one from the other! They appear to be exactly the same... and they cost half the price!

The company created by Mr. Scott always hired its employees in the village where the plant was built. Despite the fact that over 60% of his employees are illiterate, the owner of *African Beauties* always treated them with respect and the productivity of the organization has always been good enough to stay in business. With the arrival of the products manufactured in China, though, all that began to change. During the last five years *African Beauties* lost a lot of money and has been unprofitable. If the owner did not simply close the company, it is because he feels a lot of social pressure. He knows his employees count on him to feed their own family. Jobs are rare in that part of the World! To make the situation even more complicated for the workers, a new technical school began operating, a decade ago, a few miles east of Johannesburg. In that school a specific program was created to teach the students the art of doing Artistic products inspired by the South African traditions. Because of that, many of the actual employees of *African Beauties* are afraid of losing their job and eventually be replaced by these younger persons.

Regarding the human resources dimension, the employees of *African Beauties* count, on average, 30 years of experience in the company. Most of them are males in their fifties and they have many children. All are married and none of them has a wife who works outside of the house. The last time an employee has been hired was ten years ago and as usual, it was done personally by Mr. Scott. Interested in helping people from his own village, he uses no Curriculum Vitae or

special technique to attract and retain his employees. He only uses common sense and his good judgment. If he needs someone in the plant, he simply asks to his employees for recommendations and he takes the person who needs to work the most... no matter what his qualifications and abilities. The way the pay is organized follows the same kind of logic. The more children has a man, the more money the owner of *African Beauties* will give him... no matter on which line of product he is working, what is his individual performance and the number of years he spent with the company. For the foremen, as long as an employee does his best, there is no problem and Mr. Scott will always do all he can to keep them on the payroll. Regarding the communication system in the company, it has always been downward and very simple. Mr. Scott takes all the decisions himself and he informs his supervisor who inform the foremen who finally inform the employees. Because of that system of communication, none of the actual employees of *African Beauties* knows what is going on with the decreasing profitability of the organization.

The oldest son of Mr. Scott (Alexander) began a Master's Degree in Business Administration two years ago. Last year, for one of his courses, he had to conduct a strategic analysis of an organization of his choice and he naturally decided to do his homework on *African Beauties*. The final paper he presented to his teacher was so good that it received the highest score ever attributed to such an assignment. In his paper Alexander explained that the company created by his dad had to implement a huge change if it wanted to stay in business. Unable to compete against the low costs associated to the Chinese company, Alexander recommended to his dad to reorient his production to compete on higher quality and more innovative products. To do so, instead of asking to his experienced craftsmen using traditional and old tools to constantly do the same kind of things day after day, the son suggested to his dad to build on their knowledge and experience to create new lines of products that the Chinese company could not easily copy. In each case where it could be done, he also suggested firing the oldest employees and replacing

them by the young ones trained at the new technical school. Because the new products would have a higher quality and would appear more innovative to the tourists, they could be sold at a higher price without any problem. To make sure the quality will be very high, Alexander also suggested to buy new and more efficient tools and to train the employees to make sure they can use all their imagination and abilities to create great products. To make sure the Chinese company could not simply copy the new products, Alexander recommended to his dad to hire a bunch of traditional artists to invent new designs inspired by the South African traditions and to deposit the appropriate patents at the Government's office. Unable to take charge of the restructuring of the company himself, he gave his report to his dad and invited him to apply it personally as soon as possible.

When Alexander finished his Master's Degree, three months ago, he returned home and talked to his dad about *African Beauties*. He was so excited to see the new products created by the company! Poor Alexander... he was terribly disappointed when he learned that nothing had changed! 'What have you done daddy with my advices?' Do you think my ideas were stupid? Why you didn't do anything?' In fact, as his dad explained, he simply didn't know how to handle such a huge change! He didn't know where to begin! For that reason, the company is still producing the same things, with the same people using the same old tools and once again, his dad has huge money problems. In fact, he lost thousands of dollars during the last years. His inventory is so full of unsold products that many of his good friends stopped doing business with him. Alexander and his dad know that something needs to be done rapidly! Can you help them to put *African Beauties* back on track?

### **Questions**

- 1-What are the problems with *African Beauties*? *What are their causes and their consequences?*
- 2-Why the recommendations made by Alexander have not been implemented by his dad?
- 3-What would you suggest to overcome the concerns identified earlier?

As you may have seen, the case study I wrote respect all the guidelines proposed by Ewing (1990), Bédard, Dell’Aniello & Desbiens (1991) and Bruner (2004). Because this case study will eventually be used with real students, the grid of correction and the manual for the teachers are not included in this project. This being said, as it is suggested by the authors we read, both are strongly inspired by the theoretical model of change proposed by John Kotter (2005). For that reason, our case study could be used by teachers giving courses in organizational creativity, change management and human resources management... even at the ICSC. Why not?

## **Section Five: My Key Learnings**

In this section I present my key learnings. This section is divided accordingly to the following subjects: learnings about the process; learnings about the content; and finally, learnings about my own creative skills and domain skills used. I conclude this section with some thoughts about what worked and what could have been done differently.

### **Learnings About the Process**

The process of writing a case study in creativity has been extremely interesting to me. It helped me to put in application all the knowledge I accumulated during my Master's Degree at Buffalo State. Now, for example, I know how valuable the CPS process can be. It gives a wonderful structure to help you reach your goal and it can serve as a lighthouse and buoys when you get lost in your mind and all the data you have accumulated.

The process of doing this project also taught me how important it is to constantly use the principles to diverge and then, the principles to converge. Creativity is not only about divergence. Without converge you can't go anywhere. Both are extremely important. During the process of writing my case study I can say that the rules presented by Miller, Vehar & Firestien (2001a) have been extremely useful. Frequently I had the habit to stop writing and to judge my own work too soon. Each time I did that the process of writing slowed considerably and I had problems restarting again. When I finally decided to clearly separate the divergence and then the convergence phases, it began to go a lot more smoothly.

A third learning I made about the process is how it stimulates different parts of our brain and abilities we have. If it has always been pretty easy for me to have original ideas, this project made me realize that we also need to take action and to make it become a reality! There are many actions involved in any kind of project and all of them are important! By doing this project, I realized that I had more energies during the first five steps in the *Thinking Skills Model* than during the last ones. In the future I will have to make sure that I keep enough energy for the end. Otherwise, I may have some trouble with the ending.

### **Learnings About the Content**

Before I began my final project I already knew some things about case studies but honestly, I didn't realize there were so many kinds. As a qualitative researcher I had the habit to write what I now call a case study of the first kind but I had only limited experience with case studies of the second and third types. This project helped me to improve my knowledge of these other kinds of case studies because I wrote one of each. It has been a wonderful learning experience.

Also, I can say that this project helped me to make very important connexions between creativity (in general) and the process of writing, especially a case study of the third kind. Now I know that there are different steps to follow to write a good case study and during some of them it is important to have a good imagination. No matter if the facts you use are authentic or fictional, you will always need the ability to write 'interesting' lines.

One final learning I made about the content is related to the Torrance Incubation Model for Teaching and Learning. I never heard about that model before I began my research on the use of case studies of the third kind in business administration. Once again it has been a marvellous discovery. It will forever stay in my mind. This is such a new way of approaching the roles of the teacher and the roles of the student. I completely felt in love with that model!

### **Learnings About my Own Creative Skills and Domain Skills**

Today, thanks to my final project, I see many relations between the three kinds of case study and I am sure that in the near future I will be able to construct great economies of scale between them. I am already pretty good with the process of writing a case study of the first kind but this project make me realize that I am also pretty good with the two other kinds of case study. In the future, when I will do a qualitative research about a specific organization, I will make sure that I gather enough information to write an interesting case study of the second and the third kind. I will use my time as a researcher to obtain the consent of the authorities of the organizations and make sure I can use my time wisely. In other words, I will keep my mind open and I will try to stretch as much as I can. With the same set of data I will be able to write at least two if not three papers.

This final project also taught me some things about my own creative skills. To be sincere I knew I was pretty creative and I could write interesting things but I didn't know I was able to do such a good product. My fellow students and Dr. Puccio told me that they

have been very impressed by my case study of the third kind. It helped them to better understand the model of change proposed by John Kotter.

Finally, I would say that the use of the Thinking Skills Model elaborated by Puccio, Murdock & Mance (2007) helped me to clarify where are my strengths but also my blindspots in the CPS process. Now I know that I am pretty good with these abilities: Diagnostic Thinking; Visionary Thinking; Strategic Thinking; Ideational Thinking but I have more problems with these ones: Evaluative Thinking; Contextual Thinking and Tactical Thinking. It is exactly the same thing with the affective skills. If I am very open to novelty, very tolerant to ambiguity and complexity, if I do have a great curiosity, a good capacity to dream, to sense gap and play, I have more problems with the avoiding of premature closure, I am not very sensitive to my environment and I still have a low tolerance for risks. Of course nobody is perfect but in the future I definitely want to improve these abilities. At least, now, I know where I am good and where I need to improve!

When I think about my whole project I would say that three things really worked very well. First, the whole process by which I decided to do a case study of the third kind went good. If it started slowly I had no problems to make it work. My motivation was constantly very high.

Second, I really appreciated the meetings we have had with our teacher and the fellow students in the class. The discussions we have had at the beginning of the semester helped me to clarify my ideas.

Third, the huge amount of time I spent at the library paid off. I spend more than one hundred hours at the library, searching for books and scientific articles but at the end, it really helped me to understand what was the process of writing a good case study of the third kind. Thanks to the authors I read I had a very good idea of what to do and in which order to do it.

If I talk about the things that I could have done differently I would say that there are two. First, I think it would have been interesting to talk with a group of teachers who already wrote many case studies of the third kind. Maybe it would have been easier for me to begin my own case study.

Second, it would have been interesting if I had more time and money to visit a real organization and to conduct interview with real people who knew I was going to write a case study of the third kind about their organization. Because I decided to write a fictional case study, I felt sometimes lonely because I had nobody to talk and at the end, I had nobody to verify if my data really made sense. Before my fellow students and Dr. Puccio examined my case study I was really nervous. Luckily for me it went very well.

## **Section Six: Conclusion**

Now that my final project is over, I plan in the coming weeks to use the case study of the second kind I wrote about the Walt Disney Company to request a meeting with the authorities of that famous organization recognized as one the most creative enterprises in the world. With the collaboration of some of my colleagues I plan to apply for a grant from the North American Association for Case Study and use that money to write a case study of the third kind based on the story of the Walt Disney Company. Because my final project helped me to understand in detail the whole process of writing a case study of the third kind, I now feel totally comfortable and ready to do something even more realistic and engaging.

Finally, what do I now see myself doing next? The conditions associated to the preparation of this final project asked me to write a fictional case study of the third kind (instead of a real case study based on a true organization and approved by its authorities). For the sake of time (and because of a lack of resources) it was impossible to do otherwise. In the future it would be great if others could follow the path we initiated with this final project. Ultimately, in ten or twenty years, the International Center for Studies in Creativity at the Buffalo State College could have a whole library full of case studies of the first, second and third kinds addressing important subjects in creativity. As we have seen in our introduction these case studies could serve multiple purposes. Besides helping students to better understand theories and models, these case studies could also be used to improve our understanding of creativity and innovation in organizations and help us develop our abilities in the management of change.

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<http://cases.ivey.uwo.ca/cases/pages/home.aspx>

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[http://www.darden.virginia.edu/varoom/archive/business\\_cases.htm/](http://www.darden.virginia.edu/varoom/archive/business_cases.htm/)

<http://www.ecch.com/>

<http://hbr.org/search/case%2520studies/>

<http://www2.hec.ca/centredecas/>

[http://www.insead.edu/facultyresearch/research/order\\_cases.cfm](http://www.insead.edu/facultyresearch/research/order_cases.cfm)

<http://nacra.net/nacra/>

<http://www.stlhe.ca/en/stlhe/>

<http://www.wacra.org/>

## APPENDIX A



A Case Study of the Second type

written

by

François Bernard Malo

## Introduction

In this paper we will present a case study of an organization where creativity and innovation have always been central. We will describe this organization and we will explain what it did through the years to become such a huge and powerful company that no one, on the face of earth, can say that he doesn't a thing about.

## Development

The Walt Disney Company has been founded in 1923, by a very famous American cartoonist named Walter Elias Disney<sup>5</sup>. Gifted with an exceptional talent for creativity and storytelling, Walt Disney had, without a doubt, one of the most prolific imaginations the world has ever known. The fabulous characters he created touched the hearts, minds and emotions of millions of children and family members all around the world. Among these characters we find Mickey Mouse, Snow White and the Seven Dwarfs and many others.

In their 2008 Corporate Responsibility Report we find that the official mission of the Walt Disney Company is to provide quality entertainment for people around the world (WaltDisneyCompany.(2010o. p.1). Frequently assimilated to the American culture, the work of Disney is actually distributed in almost every country on earth and it gives jobs, directly or indirectly, to millions of people all over the world. In 2009, according to its website, the Walt Disney Company was name No.1 Most Admired Entertainment Company in the world and the No.13 overall list of the World's Most Admired Companies (WaltDisneyCompany.(2010j. p.1).

A quick look at the Fiscal Year 2009 Annual Financial Report and Shareholder Letter shows that 'The Walt Disney Company, together with its subsidiaries, is a diversified worldwide entertainment company with operations in five business segments: Media Networks, Parks and Resorts, Studio Entertainment, Consumer Products and Interactive Media' (Walt Disney Company. 2010a. p.1). As of October 3, 2009, it employed directly approximately 144 000 people and it generated 36 149 millions of dollars as a total consolidated revenues.

The most well known business segments of the Walt Disney Company are the Studio Entertainment, the Parks and Resorts and finally the Consumer Products. The Studio Entertainment is the division who produces and acquires live-action and animated motion pictures, direct-to-video content, musical recordings and live stage plays. With the help of Pixar, among others, this division gave birth to thousands of famous movies and animations (*The Beauty and the Beast; The Lion King; Toy Story* etc.).

Under the division called *Parks and Resorts* we find in Florida the fabulous Walt Disney World Resort... the place 'Where dreams come true' (Walt Disney Company. 2010b). We sometimes forget to mention that the Walt Disney Company also has similar installations in California (USA), Paris (France), Hong Kong (China) and

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<sup>5</sup> It is in 1986 that the Walt Disney Productions officially changed its name for Walt Disney Company (Walt Disney 2010r, p.25).

Tokyo (Japan) and it also holds a cruise line composed of two 85,000-ton ships operated out of Port Canaveral (Florida, USA).

Finally, to say only few words about the Consumer Products the Walt Disney Company ‘(...) engages with licensees, manufacturers, publishers and retailers throughout the world to design, develop, publish, promote and sell a wide variety of products based on existing and new Disney characters and other Company intellectual property through its Merchandising Licensing, Publishing and Retail businesses.’ (Walt Disney Company. 2010a. p.16) Among these products we find things related to *Mickey Mouse*, *Winnie the Pooh*, *Disney Princess*, *Disney Fairies* and *High School Musical*.

When we take a closer look at the Walt Disney Company we realize that creativity and innovation are everywhere: in accounting, in finance, in HR, in services etc. We will talk more about it in the next pages but for now, let’s say that there are six values at the core of the company and many of them are closely related to the usual definitions and conceptualizations of creativity: Innovation; Quality; Community; Storytelling; Optimism; Decency.<sup>6</sup>

Through the years the Walt Disney Company passed through fabulous but also some difficult moments but each time, it is the creativity and the innovation of its leaders and employees that made the biggest difference. Before examining some of these crucial moments, let’s say immediately that, to our knowledge, no other company has been the subject of so many research and analysis. In 1996 an encyclopedia has even been published about Disney! (Smith, 1996).

If we begin with some of its difficult times we cannot ignore that the Walt Disney Company has been regularly accused of treating its employees and the society as a whole in ‘infantilization’ and paternalistic ways and to have a strong tendency to contribute to the ‘americanization’ of the world and to the sustainability of prejudices towards other cultures (Faherty, 2001; Giroux, 1995; Giroux, 1999). While the first accusation relates more or less to the fact that it encourages a place where no one is responsible of its acts (in part because of its lack of maturity and autonomy), the second relates to the fact that the organization tries to impose its views everywhere without concern for other people’s values and interests. Recently ,for example, Roedl wrote: ‘Disney’s actions in Mexico support Schiller’s notion of cultural imperialism (...)’ (Roedl, 2006, 11) In complement to these accusations, other researchers also found that in many Disney’s movies the viewers are shown references to mental illness in ways that set apart and denigrate the characters concerned by these troubles (Lawson & Fouts, 2004). According to these authors, that situation contributes to the growth of prejudicial attitudes and distancing behaviours toward individuals perceived as being mentally ill.

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<sup>6</sup> The Appendix A describes each of them.

### **Recognition of employees**

To answer to these critics the company did many things throughout the years. Among them, in 1987, the Disney Legends program has been created ‘(...) to acknowledge and honor the many individuals whose imagination, talents and dreams have created the Disney magic. Since its inception, the program has honored many gifted animators, imagineers, song writers, actors and business leaders as having made a significant impact on the Disney Legacy.’ (Walt Disney Company. 2010c. p.1). In that sense, we can really say that the company truly believes in the capacity of its employees and it gives them the respect and the recognition they deserve.

### **Social Responsibilities**

The Corporate Responsibility Report of the Walt Disney Company mentions many programs the organization created to become a good corporate citizen. In 2010, for example, the organization celebrated the 25<sup>th</sup> anniversary of the *VoluntEARS Program* through which the employees of the Walt Disney Company have donated more than 5 million hours to the betterment of their communities. In the 1990’s the organization also created the *Disney Worldwide Conservation Fund* to support the habitat preservation and effort to save hundreds of endangered species.

Another thing the company did to change the perceptions of the public has been the creation, in 1995, of the Walt Disney Family Foundation. As a nonprofit organization this foundation promotes education, writing and scholarship about Disney.

More recently, in 2010, the Walt Disney Company announced a large collaborative program with First Lady Michelle Obama to create a healthier generation. Even more recently, in January 2010, it commits \$100.000 in humanitarian aid to the victims of the earthquake in Haiti (Walt Disney Company. 2010f. p.1)

Over the past decades a lot of things have been written about the negative effects of tobacco on our health. Concerned by its social responsibilities the Walt Disney Company decided to take action on that matter. Since 2004 it strongly encourages his creators to do not show people smoking in its movies<sup>7</sup>.

### **Management of change and growth**

One of the biggest problems facing any company is its growth and we can say that this is exactly where many of the most significant problems for the Walt Disney Company come from. If today the Walt Disney Company is recognized as one of the biggest and most vertically integrated companies in the filmed entertainment business (Johnson & Ollivier, 2007), it has not always been the case.

Among the first big problems the company experienced there was one who happened just few years after the death of its founder, in December 1966. With the death of his founder the company slowly began to search a new direction but it has not been an easy process because at the same time the globalization was starting and the competition was rising seriously as many players were appearing to offer their

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<sup>7</sup> The Appendix B presents briefly the statement of the company about that subject.

services to young audiences and families (Pine II & Gilmore, 2008). According to Connell (2007) it was not until the mid 1980's that the company regained its past success.

In 1984 Disney entered a new era with the nomination of Michael D. Eisner as Chairman and CEO of the company. During his reign many things have been done to assure the growth of the organization but it ended few decades later in sad ways. During the mid 1990's the company began to experiment serious troubles with its most recent decisions to acquire businesses in different unrelated fields. Many analysts, for example, began to criticize the decisions of the high managers to acquire companies not related directly to the work of Disney (Pine II & Gilmore, 2008). The acquisition of domestic television stations and cable networks specialized in sports and history, for example, has been seen by many as very bad decisions. In 2003 a huge litigation began when Roy E. Disney (nephew of founder Walt Disney who died in December 2009 (Walt Disney Company. 2010r. p.19)) and an investment manager resigned their seats on the Board of Directors after accusing the CEO of a lack of leadership which was responsible, in their opinion, for the plummeting value of Disney stock (Stensland, 2005). Considerably criticized the CEO also flew away a bit later. A study published recently show that the Revenues Growth, the Net Income Growth and the Retained Earnings Growth have been largely positive between 1996 and 2004 (with an exception for 2001 and 2002 mainly attributed to 9\11)<sup>8</sup>.

Today, in 2010, the Board of Directors regroups 12 people from diverse experiences and skills and the actual chairman, since 2007, is John E. Pepper (Walt Disney Company. 2010d. p.1). The Management Team of the Walt Disney Company is, in 2010, composed of seventeen people and the President and CEO is Robert A. Iger (Walt Disney Company. 2010e. p.1).

The growth of the Walt Disney Company is still an extremely important concern. In March 2006 Disney completed the acquisition of the renowned computer animation leader named Pixar and few months ago, in December 2009, Disney acquired Marvel Entertainment, one of the world's most prominent character-based entertainment companies.

In a study published just few months ago (Vukanovic, 2009, 81) we learn that if the Walt Disney Company is definitely one of the five most-successful international media conglomerates it is in large part because it grew profitably on the basis of '(...) cross-media content distribution leveraging and repurposing, innovation management, vertical integration, vertical expansion, media diversification, and large number of shareholder'. To complement this last research, Ford, Heisler & McCreary (2008) explain that an important factor of success in leading change at Walt Disney World has been the ability of its managers to correctly manage the '5-P': purpose, priorities, people, process and proof.

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<sup>8</sup> The Appendix C presents a table with all these numbers.

### **Innovations in communication**

The website of the Walt Disney Company is incredibly rich of information. There are literally thousands of pages of data! By a simple clic we can find almost anything that we are looking for. Easily accessible, it is also very well organized. Without a doubt, information is one of the key factors that explains the success of this organization. Not only is the data important in number. It is also very valuable! Anyone who is searching for information about the Walt Disney Company can go to their website to see how generous the company is. The organization also uses the most modern communication tools. On their website they says that in March 2010 the company executives discussed the financial results via webcast instead of doing it in person (Walt Disney Company. 2010f. p.1).

In their 2008 Corporate Responsibility Report the Walt Disney Company emphasizes the extreme importance of an open communication between employees and their leaders. To these ends, the organization created many platforms and policies like an *Open Door Policy*, an *Open e-mail Policy*, a *Studio Executive Coffee Series*, weekly newsletters, internal podcasts, videos placed on the intranet and brainstorming sessions where employees are invited to propose original ways to enhance the guest experience in the Walt Disney Parks and Resorts.

Finally, it is interesting to note that the Walt Disney Company encourages its managers to personally publish their reports on the intranet of the organization. This way, the information moves faster and everybody is informed as soon as something important happens (Anonymous, 2008).

### **Innovations in accounting and finance**

The Walt Disney Company believes so much in sharing relevant pieces of information with everyone that on their website we can find, in real time, the Disney Stock Price. Updated every 20 minutes, this information is accessible to anyone, no matter if this person is a stakeholder or not<sup>9</sup>.

Plus, unlike other companies who do not put a lot of energies to assume their social responsibilities, the Walt Disney Company invests a lot of time to be recognized as a socially responsible organization. On their website they show the different recognitions they received in recent years about this subject<sup>10</sup>.

### **Innovations in customer services**

Unlike other organizations where unsatisfied customers will imperatively have to speak to a manager to resolve a problem they face, at the Walt Disney Company each employee has the right and the authority to satisfy the customer. That right goes up to the point where it can refund, on the spot, an unsatisfied person. This is something rare in organizations but once again, it contributes to the general idea that creativity and innovation rely on the work done by all the employees.

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<sup>9</sup> The Appendix D presents an example of such an advertisement.

<sup>10</sup> The Appendix E presents some of these recognitions.

Beside these initiatives the Walt Disney Company even invented what one of its executives call a new science... the guestology. According to Ford & Dickson (2008, 80) 'Guestology is literally the study of guests and represents the science and methodology that has helped Disney gain a worldwide reputation for service excellence'. The following excerpt is extremely interesting because it explains how it works and how it is linked to the organizational culture of the Walt Disney Company.

'Guestology leads to innovation by doing the research to constantly seek out new knowledge. It's the knowledge obtained and insights gained from the research and data analysis that leads to innovation. No matter what the operation is, there are always areas that need to be improved. No matter how successful you are, you always need to improve. What Guestology does is provide the science and discipline that allows you to identify those solutions, test those solutions and implement them' (Ford & Dickson (2008, 96).

### **Human resources practices that support innovations**

Every organization who wants to be creative has to rely on its employees. For that reason, it is not surprising to read that 'At The Walt Disney Company, our employees and cast members make the magic happen. We strive to create an optimal employee experience while meeting our business needs'(Walt Disney Company. 2010h. p.1). At the Walt Disney Company each employee who works directly with the public is called a 'cast member' and has to act that way. In other words, he is an integral part of the dream experienced by the clients of the Walt Disney Company and it has to act accordingly.

### **Recruitment and Selection**

The hiring practices of the organization are well-know and totally transparent: 'It is the policy of the Walt Disney Company to provide equal opportunity to all employees and applicants for employment without regard to race, religion, color, sex, sexual orientation, national origin, age, marital status, covered veteran status, mental or physical disability, pregnancy, or any other basis prohibited by state or federal law.' (Walt Disney Company. 2010g. p.1). The diversity of the workforce contributes to an organizational climate where originality is valued and nurtured: 'We believe that a diversity of opinions, ideas and perspectives enhances our internal creativity and the company's vitality.' (Walt Disney Company. 2010p. p.1).

In recognition for its efforts to promote diversity Disney was named to *Diversity Inc's Top 50 Companies for Diversity*, named by Business Week in the top 50 companies for MBA students to begin their careers and '(...) the Company has scored 100 percent for three consecutive years on the Human Rights Campaign Foundation's Corporate Equality Index.' (Walt Disney Company. 2010p. p.1)

Respecting the law is one thing but at the Walt Disney Company, the hiring practices do more than that. The organization is constantly looking for creative employees... for talented people who have a fertile imagination and can continue to dream<sup>11</sup>.

### **Training**

To train its thousands of employees all over the world the Walt Disney Company created a huge web based system called *My Disney TEAM Internal Portal*. On that system the employees learn more about the business standards and ethics of the organization and they can participate in tens of different programs of learning. While some of these programs are designed for all the employees and managers of the Walt Disney Company (for example the *New Hire Orientation Program*), others are restricted to higher managers (for example the *Disney Dimensions, an Executive Development Program*) or to other specific employees.

### **Pay**

At the Walt Disney Company the employees receive a good salary plus a wide range of Benefits (Health, Dental and Life Insurance; Complimentary Theme Park Passports; Educational Reimbursement; Scholarship Programs; Employee Stock Purchase Program; Disney Discounts Programs etc.). Everything is done to make sure the employees feel they are fully recognized for their work and hence, will not leave for another employer. If an employee has what it takes to work for the Walt Disney Company, the organization will make sure he will stay on board.

### **Organizational performance management systems**

The Walt Disney Company won many awards for its organizational performance but in the future the executives plan to introduce a complete dashboard to monitor the evolution of the different indicators of performance: 'We intend to introduce clearly defined measurements across our five focus areas broadly and within specific issue areas' (Walt Disney Company. 2010q. p.1)

### **Conclusion**

As it has been shown in the previous pages, the Walt Disney Company is definitely a very creative organization that relies considerably on the creativity of its employees. Everywhere in the organization we can identify creative ideas and employees are empowered to make sure the client is always satisfied. In sum, everything is done to be one of the best organizations in the world! To attract and keep its employees the Walt Disney Company makes sure it seduces investors and continues to bring fun and pleasure to children and families all over the world. No matter if it is a movie, a cruise or a television program, magic is everywhere! Because this organization is all about dreams, all the practices and policies emphasize the importance of treating the clients, the employees and the investors in very kindly ways. The information flows freely and considerable amounts of money are invested to buy technologies that will ensure that the experience lived by everyone is something they will never forget! Of course there will always be some people to criticize but at the end, what is the most

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<sup>11</sup> The Appendix F presents some very interesting pieces of information extracted from the website of the company.

important thing? Isn't it to contribute, to the best of our capacities, to the happiness of Mankind?

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## Appendix A

### Values Make Our Brands Stand Out

- **Innovation**
  - We follow a strong tradition of innovation.
- **Quality**
  - We strive to follow a high standard of excellence.
  - We maintain high-quality standards across all product categories.
- **Community**
  - We create positive and inclusive ideas about families.
  - We provide entertainment experiences for all generations to share.
- **Storytelling**
  - Every product tells a story.
  - Timeless and engaging stories delight and inspire.
- **Optimism**
  - At The Walt Disney Company, entertainment is about hope, aspiration and positive resolutions.
- **Decency**
  - We honor and respect the trust people place in us.
  - Our fun is about laughing at our experiences and ourselves.

(Walt Disney Company. 2010i. p.1)

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**Statement by the Walt Disney Company Regarding the Depiction of Smoking in Movies**

The Walt Disney Company is aware of recent studies suggesting a relationship between the depiction of smoking in movies and increases in adolescent smoking. While these studies do not demonstrate that all depictions of smoking in movies have an effect on adolescent smoking, they do raise important concerns about the depiction of smoking in movies. The Walt Disney Company shares these concerns and actively looks for ways to limit the depiction of smoking in movies marketed to youth. Our practices currently include the following:

- Disney has determined not to depict smoking in movies produced by the Company that carry the Disney brand, except in limited circumstances.
- For movies produced by Disney in the United States for the Touchstone label, Disney strongly discourages the depiction of smoking in movies primarily marketed to youth and seeks to limit the depiction of smoking in movies marketed to mixed audiences.
- For movies produced outside the United States or where Disney's influence over the content of films is limited (such as movies co-produced by Disney and movies produced by others that are distributed by Disney), Disney seeks to discourage depiction of smoking where we believe it is appropriate and practical to do so.

In seeking to limit the depiction of smoking, Disney must also consider the creative vision of directors, actors and others involved in the creative process. We regularly and clearly convey our concerns regarding the depiction of smoking to the creative community, but we also seek to respect their views when they honestly believe that the depiction of smoking is important to a movie. We expect our practices to evolve as we gain more experience in resolving the tensions between the concerns over the depiction of smoking and the needs of the creative process.

Effective October 26, 2004

(Walt Disney Company. 2010l. p.1)

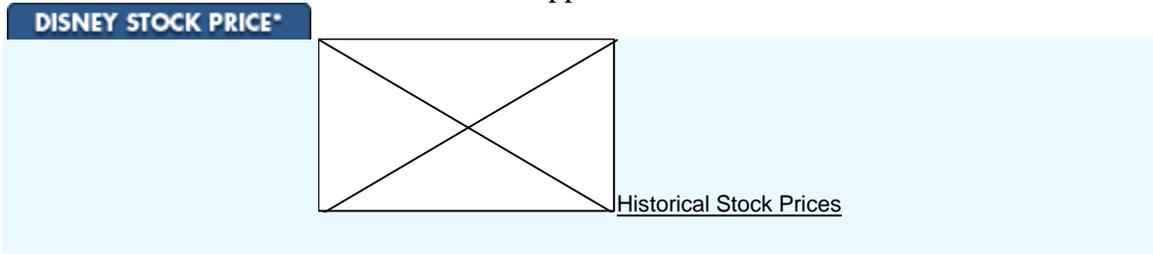
Appendix C

V

Table V The Walt Disney Company, 1996-2004									
Disney	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues	18,739,000	22,473,000	22,976,000	23,402,000	25,402,000	25,289,000	25,329,000	27,061,000	30,752,000
Growth (percent)		19.9	2.2	1.9	8.5	-0.5	0.2	6.8	13.6
Expenses	15,406,000	18,161,000	18,496,000	19,715,000	21,321,000	21,670,000	22,924,000	24,330,000	26,704,000
Growth (percent)		17.0	3.0	4.6	10.8	3.9	-5.2	7.1	10.1
Net income	1,214,000	1,966,000	1,860,000	1,300,000	920,000	-158,000	1,236,000	1,267,000	2,345,000
Growth (percent)		61.9	-5.9	-29.7	-29.2	-117.2	-882.3	2.5	85.1
Retained earnings	7,333,000	9,557,000	10,981,000	12,281,000	12,787,000	12,171,000	12,979,000	13,817,000	15,732,000
Growth (percent)		20.5	14.9	11.8	4.1	-4.8	6.6	6.5	13.9

Source: Author's analysis based on Merger data

Appendix D



(Walt Disney Company. 2010m. p.1)

**SOCIALLY RESPONSIBLE INDICES**



The Walt Disney Company has been selected as a member of the Dow Jones Sustainability Indexes. Dow Jones Sustainability Indexes are a cooperation of Dow Jones Indexes, STOXX Limited and SAM Group. By bringing together the expertise of two leading index providers and the pioneer in sustainability investing, the DJSI family rests on a solid foundation to meet the growing market demand for professional, objective and reliable sustainability benchmarks. **The Dow Jones Sustainability Indexes recognize the top companies in terms of economic, environmental and social criteria and provide solid benchmarks for sustainability-driven portfolios. The Walt Disney Company is very proud to be a member of both the Dow Jones Sustainability North America Index and the Dow Jones Sustainability World Index.**



**FTSE4Good**

The Walt Disney Company has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the independent financial index company FTSE Group, **FTSE4Good is a financial index series that is designed to identify and facilitate investment in companies that meet globally recognized corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent social, ethical and environmental criteria, and are positioned to capitalize on the**

benefits of responsible business practice.



The Walt Disney Company is a proud member of a number of KLD Indexes. Disney has been a member of the Domini 400 Social Index (DS400) since its inception on May 1, 1990, and is a current member of KLD's Broad Market Social Index (BMSI), Large Cap Social Index (LCSI), Large-Mid Cap Social Index (LMSI) and the Catholic Values 400 (CV400). **KLD Indexes are accepted as the standard for defining strategies and benchmarking investments that integrate environmental, social and governance factors. KLD Indexes define and communicate the standards of social investors to corporations, investment managers and the general public.**



(Walt Disney Company. 2010n. p.1)

## Appendix F

Welcome to The Walt Disney Company!

Yes, there really are dream jobs.

Here, the bottom line is imagination, our culture is magic and wonder, and required previous work experience: childhood dreams.

Think of all the laughter, astonishment, joy and thrills that have come from this one place. Movies, Animation, News and Sports, Music, Television, Books, Theme Parks and Resorts.

After all, a company built on imagination and wonder means the work will be interesting. And always will be. There's room for talented people. It's a dream job.

(Walt Disney Company. 2010j. p.1)

*"Foremost, this is a great Company to work for because of the people. Everyone here is smart, creative, insightful and interesting. For the most part, these people push me to be better, more focused and to want to be better at what I do."*

- Steve Wadsworth  
President, Walt Disney Internet Group

(Walt Disney Company. 2010k. p.1)