

# Contents

## MARKETING & ENTREPRENEURSHIP

- *Marketing Metrics*
  - *Lean Startup*
  - *Customer Lifetime Value*
  - *Business Model Canvas*
  - *Retail Management*
- Business Model Innovation at Wildfang** 1
- Charla Mathwick, \* Portland State University [631 SW Harrison Street, Portland, OR 97201-075, mathwickc@pdx.edu]
- Wildfang, a women’s retail startup based on “tomboy style and culture,” was launched online in 2013 using public relations and social media content to attract more than 120,000 community members. Growing at a rate of 250% year-over-year, the team tested proof of concept for a localized tomboy experience to support national expansion. By the summer of 2016, expansion planning was in full swing as the executive team dug into the customer lifetime value analysis (CLV) used to assess two business model designs. CLV results for a private label bricks-and-clicks retail model were being weighed against a pivot to a multisided platform. Risks inherent to each business model had to be assessed to support the recommended expansion strategy.

## SOCIAL ENTREPRENEURSHIP

- *Social Innovation*
  - *Business Models*
  - *Strategy*
  - *Non-Profit*
  - *Scaling*
  - *Sustainability*
  - *Entrepreneurship*
- Skateistan** 13
- Doreen E. Shanahan & Margaret E. Phillips, Pepperdine University, Gerard L. Rossy, California State University, Northridge, Nancy Ellen Dodd\*, Pepperdine University, and Andrea Scott, California Baptist University [6100 Center Drive, 4th Floor, Los Angeles, CA 90045, nancy.dodd@pepperdine.edu]
- The Founder of Skateistan discovered that skateboarding was an unexpected “hook” to advance change in the closed society of war-torn Kabul, Afghanistan. Skateistan opened a door for children—especially girls previously denied participation in sports and to uneducated children earning family incomes selling trinkets on the streets. While learning skateboarding, children attended educational and art classes as well as learning life skills and leadership development, and formed relationships across economic and social boundaries. As the success of Skateistan grew, other communities requested programs. Expansion was predicated on the organization’s ability to scale effectively and create sustainability in revenue sources and in meeting staffing needs. In order to develop additional Skateistan programs, the question developed as to whether their approach to scaling was the best model and if not, what approach to scaling should Skateistan take to meet their goals? Which business model would enable success for existing and future programs?

## HUMAN RESOURCE MANAGEMENT

- *Socioemotional Wealth*
  - *Newcomer Socialization*
  - *Career Motivation*
  - *Family Business*
  - *Human Resource Management*
- Is This For Me? Career Decision Making In A Family Business** 33

Holly Slay Ferraro\* and Jennifer A. Marrone, Seattle University [901 12th Ave, Seattle, WA 98122-1090, ferraroh@seattleu.edu]

The members of the second generation of the Nguyen family have begun to enter the business. Each has joined at different times and for varied reasons. “Is this for me?” centers on John Nguyen who has entered the family business but isn’t sure he has made the right choice. He has worked outside of the family business for some years and has also considered other career fields such as the priesthood. However, at this juncture, he is working in the family business and has received an attractive offer from a major IT firm. The audience for “Is this for me?” are students in family business or human resource management courses, either at the undergraduate or graduate levels.

## FINANCE

- *Corporate Finance*
  - *Divesting process*
  - *Cross Border Valuation*
  - *Oil & Gas Industry*
- Divesting Vetra, S.L.** 43

Francisco J. López Lubián,\* IE Business School. [C/Maria de Molina, 12, 4th floor, 28006 Madrid, Spain, fco.lubian@ie.edu]

In late October 2012 the board of directors of Spanish industrial conglomerate Inveravante (IV) were set to have a meeting to examine the situation regarding an investment IV had made in Venezuelan oil company Vetra, and to consider possible ways to divest said company. As managing director of Avantgenera, one of the business units of IV, Luis García was appointed to present realistic options for divesting Vetra to the board of directors of IV, offering a valuation of Vetra and recommendations for the future. He knew that the members of the board believed that it was time for a change and to finally make some profit from the investment in Vetra. Since the proposal to invest in Vetra had been made to the board by Mr. García some years earlier, he was very keen to bring the venture to a successful completion.

This case describes in detail the investment process, initiated in 2007, of a Spanish group (IV) in a small Venezuelan Oil & Gas company, and the eventual divestment of the company in 2012. The case focuses on the analysis of different alternatives, and their evaluation using qualitative and quantitative criteria.

## INFORMATION SYSTEMS

- *Information Systems*
  - *Cloud Services*
  - *Strategic IT Management*
- Fintech: Choosing a Cloud Services Provider** 61
- Clinton Daniel\*, University of South Florida and Janis Gogan, Bentley University [4202 E. Fowler Avenue, BSN 3403, Tampa, FL 33620, cedanie2@usf.edu]

In this case Joe Kwo, EVP and CIO of Fintech – a company that provides a billing-and-payment processing service for alcohol wholesalers and retailers -- is introducing a new cloud-based service to its clients and is faced with the decision to choose a cloud services provider. The new service would make transaction data selectively available to alcohol distributors and retailers with security controls to ensure that each client can only access data describing their own transactions. Clients want access to the data to inform their business analytics initiatives. Kwo and his team had narrowed the feasible options to three providers: Amazon Web Services (AWS), Google Cloud Platform, and Microsoft Azure. Once a provider was chosen, Kwo would also need to consider how to launch, run and manage the new service in a way that would strengthen Fintech's relationships with its customers and minimize cloud computing risks.

## STRATEGY & LEADERSHIP

- *Strategic Management*
  - *Responsible Leadership*
  - *Compensation Systems*
  - *Organizational Culture*
  - *Business Ethics*
  - *Corporate Governance*
- Wells Fargo: Setting the Stagecoach Thundering Again** 81
- Mahendra R. Gujarathi\*, Bentley University and Samir Kumar Barua, Former Director, IIMA [175 Forest Street, Waltham, MA 02452-4705, mgujarathi@bentley.edu]
- The strategy of increasing cross-sell ratio that has yielded excellent financial performance for Wells Fargo, and made it the world's most valuable bank by market capitalization in 2015, has come unstuck due to unethical behavior of employees who opened over two million accounts unauthorized by customers. The organization culture has been compromised by faulty incentive system and aggressive cross-sell targets. The leadership under John Stumpf, Chairman of the Board and CEO of Wells Fargo, failed to stem the deterioration in the situation and re-establish ethical behavior and sound corporate governance at Wells Fargo. The imposition of record fines by regulatory agencies followed by scathing remarks in the Senate Banking Committee and House Financial Services Committee of Wells Fargo's leadership, business ethics, top management compensation, organization culture and governance finally leads to inglorious exit of John Stumpf. The new CEO, Tim Sloan is faced with the task of picking up the pieces to respond to a pertinent challenge: What changes are needed to the strategy, structure and systems at Wells Fargo to restore its reputation and regain the trust of its customers?

## INNOVATION MANAGEMENT

- *Diffusion of Innovation*
  - *Non-adoption of innovation*
  - *Strategy Implementation*
  - *Complementary Products*
- Delta Plastics of the South: Product Innovation in a Resistant Market** 107
- David G. Hyatt\*, University of Arkansas [354 Business Building, 1 University of Arkansas, Fayetteville, AR 72701, dhyatt@uark.edu]

The owner and the CEO of Delta Plastics of the South evaluate the future of a new product, Pipe Planner. Pipe Planner helped farmers who used plastic tubing, or poly-pipe, to irrigate crops in the delta region of Missouri, Arkansas, Mississippi and Louisiana, the core market for Delta Plastics' main product, Polytube. Pipe Planner helped farmers by calculating, for any particular field, the size of pipe needed, how to punch holes in the pipe and how long to irrigate, lowering the farmer's cost of irrigating by up to 25 percent. Despite these benefits, the uptake by farmers was low with less than 3% market penetration. Thompson and Whiteley must decide if Delta Plastics should continue to invest resources in Pipe Planner, and if so, how to market and encourage use of the Pipe Planner program software by farmers. Students are faced with issues surrounding new product development and the diffusion of innovation.

## PEDAGOGICAL PRELECTIONS

125

### Membership Application Form