Syllabus V.1

MANAGING THE GROWING COMPANY

Course Number: B8530

SPRING TERM 2015

PROFESSOR NAME: Michael Preston

Professor Office Location: Uris 218F

Office Phone: (Cell) 631 903-9318

E-mail: mp449@columbia.edu

Office Hours: Tuesdays 2:00 to 4:00pm

Classroom: Uris 141

TA Name:

TA E-mail:

REQUIRED COURSE MATERIAL

The course is structured around a series of case studies involving real companies and some of the cases have several segments that follow the company through multiple stages of growth and changing circumstances. Most of the cases will be in the course packet with some related sections handed out in class. The materials distributed in class are noted in the syllabus below with an asterisk. Additionally, there will be readings in three texts as follows:


Kwestel, Mendy; Preston, Michael; Plaster, Gary; The Road to Success: How to Manage Growth, John Wiley & Sons, Inc., New York, NY 1998. (Referred to as The Road to Success). Copies of The Road to Success will be distributed in class along with the casebook

There will be readings assigned from an additional text which will be made available on Canvas and will be on reserve in the library as follows:

REQUIRED PREREQUISITES AND CONNECTION TO THE CORE

The learning in this course will utilize, build on and extend concepts covered in the following core courses:

<table>
<thead>
<tr>
<th>Core Course</th>
<th>Connection with Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership Development</td>
<td>1. Application of leadership concepts to the small &amp; medium size business</td>
</tr>
<tr>
<td></td>
<td>2. Examination of the need to evolve as a leader and to develop and apply new leadership styles as a company grows</td>
</tr>
<tr>
<td>Operations Management</td>
<td>1. Application of Operations concepts to the small &amp; medium size business</td>
</tr>
<tr>
<td></td>
<td>2. Examination of production decisions as a company transitions through different growth stages</td>
</tr>
<tr>
<td>Strategy Formulation</td>
<td>1. Recognition of the need to evolve from an entrepreneurial approach to a more professional evidence based methodology as a company expands</td>
</tr>
<tr>
<td></td>
<td>2. Examination of strategy formulation approaches including off-site retreats as the company grows</td>
</tr>
</tbody>
</table>

Students will be expected to have mastered these concepts and be able to apply them in the course

COURSE DESCRIPTION

Growing a business beyond the start-up stage can be equally as daunting and challenging a task as the creation of a business. However, to transition to this stage of growth as a small and medium size business requires the entrepreneur, owner/manager to adopt a very different, almost opposing, set of management skills to be successful.

The course is focused on the challenges and opportunities of managing a growing company and emphasizes practical management methods and techniques. Students learn about the key aspects of growth management including: leadership, planning, organization structure, operations, financial management and accounting, information systems and human resources. Case studies and guest lecturers have been selected to represent a wide variety of industries and not-for-profit organizations in growth situations. Also, we will consider the impact of family relationships on the entrepreneur in managing the business in transition. In addition, course topics include the exceptional challenges faced by companies that go through rapid expansion and the many innovations managers are developing to respond to rapid growth. The course does not address the start-up phases of a business that include identifying the opportunity, developing the initial concept, preparing the business plan and obtaining the start-up resources.

The course is aimed at four types of students: (1) those interested in growing their own or family companies beyond the start-up stage, (2) those who will be investing in or providing financing to small and midsize companies, (3) those who want to manage growth in established companies, and (4) those who want to consult to or advise companies that are attempting to grow.
COURSE OBJECTIVES

The course is focused on developing a clear idea of the evolving patterns of behavior and changing circumstances that affect organizations as they grow. The student will develop insights into the transitions and learn concepts and terminology that can be used to understand impact of growth on the key elements of management.

ASSIGNMENTS

There are three deliverables required for the course;

The Term Project

Managing the Growing Company is a course devoted to the issues facing managers in companies that are in transition, that is, companies that are trying to grow from an early stage to become more professionally managed enterprises. As a result, the term project should answer the following question: What differentiates a company making a successful transition from one that is unsuccessful? You will need to identify a specific company (i.e.: a company that has made or is attempting to make the transition) and develop the concepts discussed in class. Growing not for profit organizations are also acceptable. You should focus on the management processes and key strategic choices that have been made with two goals in mind:

1. Evaluating the company’s effectiveness in managing growth and
2. Developing recommendations to improve growth management in the future.

This should be done as an A type group project. Early in the term the students should form their own groups and it is expected that every student will be on a team. You will want to select a company from the business press or one that you may know of. Other sources are Private Equity and Venture Capital firms which are interested in having MBAs review companies they own or are considering as an investment. You will want to interview the company’s owners and management as well as do library research to support your hypotheses and conclusions. A one-page summary of the project must be approved by me and is due by class 7. The completed project is due at the beginning of the last class session of the term. In addition, during the final class a representative of each group will present a summarized version of their report.

Written Case Analyses

A two page written case analysis will be required for one of the eight assigned cases. The course Teaching Assistant will distribute a list indicating the date when your case is due. If you wish, you may hand in an additional case for extra credit. Detailed guidelines on these written analyses will be provided to you at the first class meeting. The case is due at the beginning of the class at which the case is discussed.
Research Paper

In addition to the case analyses, each student is required to do a two-page research paper on one of the management topics we discuss in class. The question to be researched is what new and innovative techniques and approaches have been developed to help manage growing companies. Research sources to be used include recently published management literature and books, Internet sources, interviews with executives, and personal experience. The research paper should be done individually. As with the assigned cases, I will assign each student a due date for the paper and also will provide guidelines for preparation. Each student will be expected to submit the paper to me and I will post approved papers on Canvas so that all students can benefit from this research.

METHOD OF EVALUATION

The grading structure is weighted as follows:

- Class Participation: 35%
- Case Analysis and Research Project: 35%
- Term Project: 30%

CLASSROOM NORMS AND EXPECTATIONS

As the course is based primarily on case studies, it is expected that you will prepare the cases and readings and be ready to participate in the class discussions. This participation will aid your learning and the learning of your classmates. The cases are based on real companies and these course materials have been chosen to provide you insights, not absolute answers. Thus, the greater your preparation and participation the more you will learn.

AN OVERVIEW OF THE COURSE

The course outline is provided below. It may be necessary during the term to adjust the sequence of sessions or modify teaching materials to accommodate guest speakers or to reschedule for other reasons. If this should occur, a revised, dated syllabus will be issued. Cases noted with an asterisk below will be distributed in class.
Introduction to the Course and Overview

READING:

- Evolution and Revolution as Organizations Grow (HBR)
- Hitting the Wall (Inc Magazine)
- Five Stages of Small Business Growth (HBR)
- Managing the Growing Venture (HBR)

GUEST SPEAKER:

Class Session 2 - Tuesday, February 3, 2015

Leadership

READING:

- Why Entrepreneurs Don’t Scale (HBR)
- Managing Transitions in the Growing Enterprise (HBR)
- Growing Pains, Chapter 11 “Effective Leadership” pp 272 to 297

CASE: Room & Board

Questions for the Room & Board case

- What style of leadership do you think John Gabbert used in growing Room & Board? Explain.
- Considering the “stage” of the company and John’s age, should he make changes in the leadership structure to continue the company’s positive track record? If no, why not and if yes, what changes would you make?
- What considerations should John think about as he tries to continue the company’s unusual business model, culture and employee environment? Do a brief SWOT analysis.
- What would you do if you were in his “shoes”?

GUEST SPEAKER:
Class Session 3 - Tuesday, February 10, 2015

Strategic Planning

READING:  
Managing the Small to Mid-Sized Company, Chapter 4
“Organizational Vision for the Small to Mid-Sized Company pp 23-42
The Road to Success, Chapter 2 “Developing a Strategic Plan,” pp 17 to 38

CASE:  
Kronos Incorporated (A) and (B)*

GUEST SPEAKER:

Class Session 4 - Tuesday, February 17, 2015

Organization Structure

READING:  
The Road to Success, Chapter 3, “Building Your Team,”
pp. 39 to 58, Chapter 8, “Forming a Board of Directors”
Growing Pains, Chapter 8, “Organizational Structure,” pp
188 to 213;

CASE:  
QMI (A)

GUEST SPEAKER:

Class Session 5 - Tuesday, February 24, 2015

Operations

READING:  
Growing Pains, Chapter 10 “Organizational Control and Performance Management
Systems,” pp 243 to 271

CASE:  
QMI (B)

GUEST SPEAKER:
Class Session 6 - Tuesday, March 3, 2015

Human Resources


CASE:  Johnsonville Sausage Co. (A) and (B)*

VIDEO:  Ralph Stayer of Johnsonville Sausage...Lecture at Harvard

GUEST SPEAKER:

Class Session 7 - Tuesday, March 24, 2015

Financial Management

READING:  The Road to Success, Chapter 4, “Developing a Management Information Reporting System,” pp 59 to 82

CASE:  The National Studios Case*

GUEST SPEAKER:

Class Session 8 - Tuesday, March 31, 2015

Information Systems

READING:  The Road to Success, Chapter 5, “Implementing Information Technology and Controls,” pp 83 to 120 Growing Pains, Chapter 5 “The Professionalizing Stage: Developing Management Systems,” pp. 93 to 118  

Six IT Decisions Your IT People Shouldn’t Make (HBR)

CASE:  LICC*
Managing Post Start-up

READING: Growing Pains, Chapter 2 “Identifying and Surviving the First Four Stages of Organizational Growth,” pp 26 to 47 and Chapter 3 “Recognizing Growing Pains and Assessing the Need for Change,” pp 48 to 70

CASE: Neverfail Computing (B), (C)* and (D)*

Managing Rapid Growth

READING: Stumblers and Stars in Management of Rapid Growth (Journal of Business Venturing), Managing Rapid Growth (HBR)

CASE: The Knot (A), (B)

Managing Growth in a Family Business

READING: Managing the Small to Mid-Sized Company, Chapter 11, “The Family Business”, pp 134-149
The Road to Success, Chapter 6, “Planning for Succession”, pp 121-135
CASE:  Mitchells/Richards

1. From the class topics reviewed this term, in your opinion, how effectively have they managed growth?

2. Considering they are a family business, what kinds of stresses might they face as Jack and his brother retire? What steps should they take in advance to facilitate the transition?

3. Considering the difficulties that happen to many family business as they transition from generation to generation, what have the Mitchells done right to facilitate the process?

4. Should they expand? What type of location, market or business would enable them to manage effectively and at the same time keep the family together?

GUEST SPEAKER:

Class Session 12- Tuesday, April 28, 2015

Course Wrap-up & Term Project Reports