

BA 506 Business Projects

The following are brief descriptions of the seven available projects for the BA 506 and BA 506 T class for the winter term. Unlike in prior terms, projects cannot be officially chosen until the first class session. However, students enrolled in the class are encouraged to identify projects that interest them and begin the process of assembling 3- to 4- person groups. These efforts should facilitate the process of choosing projects.

Please do not try to contact any of these organizations in advance of the first class. When official group assignments are completed during the first class session, the name and phone number of the appropriate contact person will be provided.

The course has only one formal class meeting. It is held the first class session of the Winter Term. All students are encouraged to attend the morning class session, which should last 1 ½ to 2 hours, as all projects will be offered at that time. If you are registered for the evening class and can not come to the morning class session please contact Professor Resnik.

All projects listed with an asterisk * are suitable for BA 506T.

1) THE COLLINS COMPANY

The Collins Company is a diversified forest products company with holdings in Oregon, California and Pennsylvania. It is a privately held firm with annual sales of \$250 million. Collins was the first forestry company to practice sustainable forestry, beginning in 1940. In the 1990's, it had its forests "certified" as sustainable by a third party, Scientific Certification Systems (SCS). Collins also operates sawmills in Kane, PA, Chester, CA and Lakeview, OR. It is known in the industry as "CollinsWood" a branded "certified sustainable" wood in the production of high-end furniture that can be found in the Portland area at The Joinery. It also supplies CollinsWood to stores like The Gap and Banana Republic for their appearance wood in their retail stores.

In 1996, Collins purchased Weyerhaeuser's Klamath Falls Facility. On site, the plant includes a hardwood siding Mill, A particle board mill and a plywood plant. The facility uses the "Natural Step" production principles in its operation. Collins was the first company to bring this to Oregon and its industry. The Natural Step is an environmentally responsible principled way to manufacture goods and services. It originated in Sweden and is used by a variety of companies in various industries, i.e. Electrolux, McDonalds of Sweden, Interface (carpets), IKEA, Nike, etc.

The project would focus on Collins hardboard siding business. Collins produces a branded harboard siding product called "TruWood". Annual Sales are approximately \$50 million. The line consists of lapsiding, panel siding, trim and design products. TruWood enjoys a 55% share of the hardboard siding market in the 11 western states to which it sells. Until October 1999, TruWood was branded as "Weyerhaeuser Hardboard siding". It was re-branded as TruWood in accordance with the purchase contract. Weyerhaeuser continues to distribute TruWood in the west to Builder Dealers, Home Centers and the manufactured housing industry.

The project would deal with three key areas:

1. ABC- Activity based costing of the 65+ SKU's
2. An overall profitability analysis

3. Development of a linear scheduling program.

These three areas fit into an intermediate need to better understand lowest common denominator costs and align with a long term strategy to shift the product mix to higher profit return items and geographies. Depending on the time frame it may also include involvement with new product development and new market development. This would entail some travel to Klamath Falls on the company plane.

2) CROSSCUT FOODS

Crosscut Foods is a company supplying branded, extended life, single-serve refrigerated meals to various segments of the food industry. To-date, retailers have struggled to offer refrigerated prepared meals to consumers because of waste and shelf life concerns. Using processing technology that allows for extended shelf life without preservatives, the Company addresses these real problems with a product line that delivers great-tasting consumer food products that exceed shelf life demands of the retail community.

In addition to the refrigerated platform, the Company has USDA approval for its products to be merchandised out of retail hot cases. This creates an opportunity for the Company to offer a hot meal alternative to harried consumers searching for a quick meal solution.

The Company's brands include CHAINSAW Chili, BUZZSAW Beef Stew, LogJam brand Cocktail Smokies and BBQ Sauce, PIONEER Pot Roast and MINER'S Meat Loaf with Mashed Potatoes. The brands have been met with widespread enthusiasm from consumers and the trade for their uniqueness and appropriateness to product offerings.

Crosscut Foods wishes to evaluate the potential of various market segments and merchandising strategies. The following areas need to be explored to better understand the potential of the Company's products. The Company's goal is to become a leading supplier of refrigerated foodservice for the supermarket, convenience and vending industries.

Refrigerated Meals

Estimate total US demand for supermarket delicatessen, club, convenience and vending channels for refrigerated prepared foods. Report on ceiling consumer-pricing levels for products. Are there any competitors emerging in this category? Describe similar products proving to be successful. What makes them successful?

Report on the relative success of prepared foods in the meat department. What has made the products successful?

Investigate the substantial volume decrease in 8 of the top 10 frozen entree manufacturers over the last year. What is the core reasons for the decrease? Where have these consumers gone - and is there an opportunity to capture this consumption for the Company? What positioning dimensions should the company use to target to this audience? How can the Company reach them efficiently?

Hot-to-Go Meals

The Company's products have USDA approval to be merchandised out of the retail hot case. Recommend a hot-to-go merchandising strategy with product(s), price point(s) and efficient promotion (radio, in-store, etc.). How can the company create an in-store "foodservice atmosphere" that will

compel new traffic and incremental sales for its retail partners at the noon hour? What are the possibilities of a bundling program with national manufacturers of foods/drinks?

Estimate the demand for a service delicatessen hot-to-go merchandising platform. What type of seasonality is to be expected? Is this a program that would work year round in some markets? What areas of the country are best for "comfort food" consumption? How is this best merchandised with the refrigerated program?

3) ECD *

WEB CENTRIC PROFILE BUSINESS CURRENT BUSINESS MODEL

ECD primarily sells to the Electronic Equipment Manufacturers. We provide hardware for collecting product and process temperatures in hostile environments and software for subsequent visualization and analysis of the collected data.

The customer uses the visualized temperature data to adjust his process. For optimum product and process temperatures and minimize scrap. Each new assembly or product, requires development of an optimum temperature profile. Each piece of equipment requires verification of day-to-day repeatability.

Currently all of the collection analysis and process adjustment is done by the customer at the customer's site using our hardware and PC's.

PROPOSED WEB-CENTRIC MODEL

We would continue to provide the industry with the specialized data collection hardware and software. We would move offer a more Web-Centric paradigm, where the customer would collect data and post it to a web server. We would provide process validation and "Expertise" to the customer, reducing the need for onsite skill. Analysis would be automated where possible and the customer would be supplied and technical knowledge in narrow specialty.

Customers would be supplied with daily trend information and consultation on process improvement. We would be a central depository of data and data could be shared between plants or customers and manufacturers. We would provide customers with the tools and methods that would lead to optimum throughput and minimum scrap.

THE PROJECT WOULD BE TO:

Determine if there are any similar business model operating on the web. Determine market size and interest in this product concept. Determine how best to gain revenue from this service. Determine any adjustment to the proposed business model that customers may want. Create a marketing plan for ECD's web-centric approach.

4) ESCO PRODUCTS GROUP *

One of the critical elements of the ESCO Business Planning process is the identification and use of global economic and market indicators. These indicators cover a variety of markets and are correlated back to business plans for multiple Business Unites that manage a group of market focused Product Lines. Examples of indicators include Hosing Starts, Commodity Price Levels and GDP.

Project Description

To develop an Intranet based process for the delivery of economic and market indicators to ESCO management. This would include:

- Determination of appropriate indicators for use by ESCO.
- Identification of sources and methods of access for selected indicators.
- Evaluation of the indicators to develop correlation (such as lead, lag and magnitude) to ESCO's business results.
- Integration of the selected indicators into an existing Intranet site. (site address listed below)
- Training for users of the indicators and Intranet Site.

Reference

www.escocorp.com/ for general information about ESCO Corporation

<http://gladstone.uoregon.edu/~rhughes/esco/index.html>

5) LAUGHLIN-WILT GROUP *

Laughlin-Wilt Group is a 12-year old rapidly growing capital intense service business, providing electronic manufacturing services to West Coast customers. Revenues in 1999 are expected to exceed \$50 million and double within two years. In addition to its traditional operational base in the Pacific Northwest, the company anticipates expansion into multiple high tech markets and recently began operations in Southern California. The company is currently evaluating alternative paths for funding its continuing growth and geographic expansion. Growth has been historically funded internally through a combination of earnings and debt. A strong management team with an equity incentive program has been implemented to carry the company forward. This project would identify and evaluate the various financing alternatives available to the company. Working with the current shareholders, the student will help clarify their needs and interests as well as those of the management team and other stakeholders as part of the process of evaluating the merits of the various alternatives.

6) THE MARINE BIOPRODUCTS ENGINEERING CENTER *

The Marine Bioproducts Engineering Center (MarBEC) is a National Science Foundation Engineering Research Center (ERC). The program is designed to address cross-discipline engineering problems in an effort to keep the United States at the forefront of engineering and science. There are about 25-30 ERCs across the country, each focused on a specific engineering problem. Research aside, the main goals of the ERC are to train the next generation engineer and provide technical leadership to industry. It is the industry component that MarBEC needs the assistance of a strong MBA research team.

Companies are attracted to ERCs because of the leading edge research they conduct. Typically a company will pay an annual membership fee to become part of a consortia. That consortia provides an industry perspective to the strategic research plan, is given preferential access to intellectual property, and interacts with the center's students through internships, workshops, and more importantly, sponsored research programs. The ERC program is unique in that the National Science Foundation will only fund the program for a maximum of 10 years. At that time the ERC should have generated sufficient interest from industry to fund itself. Therefore, the goals of the MarBEC industry marketing effort are to recruit

and maintain a consortia of industrial sponsors across a wide-range of industry sectors and to establish an effective partnership with firms located in Hawaii, U.S. mainland, and the Pacific Rim.

The focus of our industrial interactions is our Industry Partners Program (IPP). This program has been designed to maximize intellectual dialogue and technology transfer between the MarBEC team and industry, as well as provide financial support for new avenues of research, educational programs, and public outreach through membership fees and sponsored research projects. The success of the MarBEC program is highly dependent on building a group of industry participants that will guide and support the center's research in the years after NSF support. Analysis of the growth and anticipated size of the MarBEC program suggest that a consortia of 25-30 companies is optimal for sustained operations during the next several years. Further growth of the industrial program will be dependent on the scope of MarBEC research and, more importantly, the value provided to member companies through participation in the MarBEC IPP.

MarBEC currently has seven industry members. The majority of these companies have been involved with the program prior to the Engineering Research Center award by NSF. During the first year of the program MarBEC has concentrated on developing its research and education programs. During year two MarBEC has identified a need to market the program to specific companies in order to establish the foundations of a long-term industry participation.

Effective marketing of the program will jump-start MarBEC as a magnet for new marine biotech industry in Hawaii. For example, by raising the number of industry participants in MarBEC, membership revenues will rise from the current \$140,000 per year (7 companies) to \$500,000 per year (25 companies). With more companies involved in the program we will initiate company specific sponsored research projects within MarBEC. Conservatively, we expect 20 percent of our industry base to participate in sponsored research at any given time. These projects carry full university overhead with typical budgets ranging from \$200,000 to \$500,000 per year. Furthermore, we expect to provide linkages between other areas of research at the University of Hawaii and our member companies. This is the kind of participation we need to survive year 10 withdrawal of NSF funding.

Project Description

Below is a snapshot of our marketing plan. The MBA team effort I am soliciting will be involved primarily in the first two sections (recruitment of new companies and identifying sponsored research). We need assistance in identifying potential partners in various industry sectors. We want very targeted information with respect to what companies produce, what markets they are in, technical barriers they are facing in their research, and most importantly, how membership in MarBEC will benefit their business. We can then approach them with a win-win membership proposal.

We will use the information collected by the MBA team to construct linkages between MarBEC research and the challenges facing the member company and develop sponsored research projects that, if funded, directly benefit that firm.

Marketing Plan

The industrial marketing of the center will focus on three activities:

1. Recruitment of new member companies in the pharmaceutical, chemical, food and feed, and consumer products industries.
2. Establishment of a mechanism to identify needs within member companies that can be addressed

through sponsored research within MarBEC.

3. Position MarBEC as a global player in the exploration, development, and production of marine natural products.

Company Recruitment

Of the more than 100 marine bioproducts research groups in the world, MarBEC is unique in that it covers the continuum from discovery through production. As such, MarBEC has the opportunity to address the research and product development needs of many industrial sectors including the pharmaceutical, nutraceutical, chemical, food and feed, and consumer products industries. Each member company in the MarBEC industrial partner program receives a seat on the industrial advisory board. This board provides industrial perspective and guidance to MarBEC and assists the MarBEC administration

in developing its research and education strategies. Because MarBEC research touches so many industries, it is imperative that the industry consortia represent a diverse group of industry sectors. Recruitment efforts will focus on identifying specific companies in the industry sectors noted above who will immediately benefit from the research on enzymes, polyunsaturated fatty acids (PUFAs) and carotenoids currently being conducted by MarBEC. We will identify several companies in each industry sector and based on their size and research programs, will personally invite them to participate in our program. With company background data in hand, we will be able to provide specific information on how active participation in MarBEC programs will benefit their company.

We believe that by taking the initiative to educate ourselves about these companies, they will recognize the opportunity for win-win collaboration through membership.

Goals:

20 industry partners by December 2000

30 industry partners by December 2001

Addressing Company Needs:

Funding of the MarBEC program after NSF support is withdrawn in year ten must be planned for today. It is clear that industry membership fees and returns from intellectual property ("home run" discovery not withstanding) will not be able to fund all of the research, education, and administrative aspects of the program. It is through industry sponsored research that MarBEC will continue to provide new opportunities to researchers, students, and companies involved in the marine bioproducts field.

Building on the company data used to recruit new members MarBEC will approach participating companies to sponsor research aimed at both addressing technical and competitive barriers within their organizations and further the strategic research and education programs of MarBEC. To execute this aspect of the marketing plan, MarBEC faculty will travel to member companies to meet with key research and management personnel to identify specific research projects that can be carried out by faculty

and students at both the University of Hawaii and our core partner, University of California, Berkeley. Travel to member companies is critical in establishing the personal relationships needed to drive industry/ academia collaborative research and win champions in member companies who will continue to support long-term MarBEC membership. In addition, we will be able to assist our member companies

in their recruitment and training efforts by providing students with exemplary problem solving, critical thinking, and team building skills, and a cross discipline knowledge base.

By establishing direct linkages between the needs of individual companies and the expertise of MarBEC researchers, the program can provide lasting value to the member company. We believe that this type of customer service will retain member companies and provide valuable word-of-mouth promotion of the program and the university to other companies within a particular industry segment. The strategy of providing customer service and value to our member companies will supersede future recruitment efforts and provide long-term active participation in the program.

Goals:

- 3 sponsored research projects by June 2000
- 5 sponsored research projects by December 2000

Program Positioning:

The State of Hawaii has a substantial investment in the MarBEC program and we acknowledge that the success of program will not be measured by the number of participating companies or the amount of sponsored research conducted at the University. The long-term success of MarBEC will be measured by its contribution to economic development and the promotion of environmentally friendly biotech industries in the state.

Towards these ends, MarBEC is working to establish itself as the global center of expertise in marine bioproduct discovery, education, research, and engineering. We are active participants in the University Hawaii's biotechnology working group and we are co-sponsors of the State of Hawaii High Technology Assessment. Through these activities we have been able to establish close ties with both industry and academic organizations on the mainland and around the Pacific. MarBEC will be sending representatives to the BIO Annual Conference in Boston MA from March 26-30, 2000 to promote both the program and economic development opportunities in Hawaii. In addition to networking with potential industry partners, MarBEC will be assisting DBEDT at their booth at this prominent meeting. In addition, the Asia-Pacific Marine Biotechnology Conference would like to hold their annual meeting in Honolulu in 2001 and BIO, the world's largest biotechnology trade organization, would like to conduct a Pacific Rim Intern Meeting in Honolulu as well. BIO is also looking at Hawaii as the site for their national meeting in 2006 with an estimated attendance of 10,000 people.

Through participation in these organizations and others, MarBEC will not only establish itself as a global center of expertise in marine bioproducts, but it will promote Hawaii, and the university in particular, as a place where biotech research and industry work hand-in-hand.

Goals:

- Bring the Asia-Pacific Marine Biotechnology Conference to Hawaii in 2001
- Bring the BIO Pacific Rim International Partnering Meeting to Hawaii in 2001
- Bring the BIO National Meeting to Hawaii in 2006 (~10,000 attendees)

7) 2ESTREET.COM *

The following is a brief description of an Internet business in its early stages. A business plan is needed for raising capital.

2Estreet.com

You have two days in London or five days in Paris. You're on business with breaks or pleasure with a plan. What should you do and see? Where do you stay, eat, shop and play? You could buy a travel book and hope it is current with your special interests in mind or you could search through countless Internet sites for hours gathering bits of information for a good start. Or you could visit to 2Estreet.com.

This web site looks like the most modern magazine and is built like the most addictive interactive video game. You will spend hours on it just for fun. Besides all the necessary information refined and organized just for you. You will find special bits, those "what did ya knows" and those "need to knows" that only the best of the locals really know. And that is Phase One.

Phase Two is for members only with your very own concierge. Pick your spots and some play and by the end of the day you will have a confirmed itinerary, maps, directions and suggestions. Oh, but wait. Phase Three, a.k.a. VIP includes back stage passes, special keys, this is where you really want to be. So at 2Estreet.com the idea is little effort, lots of fun. Visit today or on the run. We are where you are current, connected and confirmed.