

## <sup>1</sup> Chartwells 1 – Teaching Note

Conor Vibert developed this teaching note to guide the use of the multimedia case entitled Chartwells 1 for instructional purposes. It is not the purpose of this material to serve as an illustration of how to effectively or ineffectively address a managerial situation.

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### SUMMARY

Ross Munro, President (ret.) of Chartwells in Canada ponders his options for creating a social media platform aimed at student attending universities, community colleges and CEGEPs. Advice is being sought as to how to proceed in resolving this real life issue. Students are offered access to a set of transcribed video clips that outline the issue and its cause along with providing context for the issue. In order to arrive at alternative solutions and justify their choice of a solution, students are expected to use sources of information not found in the case.

### KEYWORDS

- Social Media Platform
- Software Development
- Technology Adoption

### CASENET VIDEOS

Each video in this multimedia case features a segment of an interview with one of the organization's key decision makers. The videos describe:

1. the *Issue* facing the individual or organization
2. the *Cause* of the issue
3. *Background* information for the individual, organization and industry
4. *Alternatives* for addressing the issue
5. A suggested *Solution* and justification

Transcriptions for each video are also available. Students may not access the *Alternatives* and *Solution* videos or transcripts.

### OBJECTIVES FOR TEACHING

There are a number of instructional objectives for this case.

- To enhance the decision making skills of students by having them address a real life issue faced by managers of Canadian or international companies.
- To provide students with a brief introduction to the food service industry.

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<sup>1</sup> The Author wishes to thank Ross Munro for his/her support of this project. At Acadia University, thanks are in order for Dave Sheehan.

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- To offer students an opportunity to analyze a situation using concepts that illustrate technology adoption

### POSSIBLE TEACHING STRATEGY

This case is ideal for in-class case analysis or as an assignment. Assuming an 80 minute class, here is an approximate class schedule:

Time (minutes)	Task
5	Introduce case and divide students into groups.
15	Students view <i>Background</i> case videos and make notes.
5	Instructor plays the <i>Issue</i> and <i>Cause</i> clip(s).
25	Students identify alternatives, a solution and rationale.
20	Instructor guides a discussion around alternatives, solution and rationale.
10	Instructor plays the <i>Alternatives</i> and <i>Solution</i> clips.

If the case is used as an assignment, the instructor may want to focus assessment on:

- 1) **Decision-making process.** The instructor would evaluate writing style, appropriateness of information sources, alternatives, solution and rationale. This approach recognizes that the alternatives and solutions offered in the case are not necessarily optimal, and other choices may be equally effective. Students can be rewarded for their selection of decision making approaches, analytical frameworks and cited reference material.
- 2) **Outcomes.** The instructor would evaluate how closely student responses match those offered in the *Alternatives* and *Solution* video clips. Or, the instructor could use the insight of an existing research paper or analytical framework as the basis for judging outcomes.
- 3) **A combination of process and outcome.** The instructor may apportion the grade between process and outcomes.

### POSSIBLE QUESTIONS FOR ASSIGNMENTS

Students can be asked to identify a set of alternatives to address the issue outlined in the case, a solution and rationale. Other questions that will help students prepare for their case analysis include:

- What are some examples costs associated with creating a social media platform?
- What are some of the internet usage statistics that characterize Canada?
- Can you offer some financial information about the commercial catering industry in Canada?

### CASE ANALYSIS

Issue: The *Issue* and *Cause* video clips outline the problem or challenge of the case.

Hi my name is Ross Munro, I am the former President of Chartwells, a division of Compass Group Canada. An issue I had to deal with was the development of a social media platform for students in Canadian universities. The challenge is that the development of technology is very expensive. It is very difficult to determine an ROI on such an investment. I had a limited

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budget. When one division within a corporation is seeking to develop something unique, that can cause a challenge in the overall structure of the corporation.

Analysis:

To start their analysis of the case, students should view the *Background* video clips. These clips should help students grasp the following points or case facts.

- Compass Group Canada has annual revenues of over \$1 billion
- Organic growth has been the primary characteristic of its success
- Chartwells accounts for roughly 25% of the Canadian revenues
- Important trends include menu diversity, food sourcing transparency, buy local and organic
- Major issues in the industry include government regulation, food cost inflation, and availability of trained staff
- Chartwells is a division of Compass Group which has operations in over 50 countries with over 500,000 employees.

Researching information sources other than the content of the cases should enable students to garner the following insights: (Source IBIS World)

- Competition for the Compass Group is very high as Aramark and Sodexo are operating in Canada but Compass Group makes up for 23.1% of the Canadian Market.
- Total market revenue in Canada is \$4 billion
- The industry employs over 56,000 individuals in Canada
- There are over 800 firms operating in the industry but most are small
- In recent years the industry has grown at just under 3% annually

With this information in hand students can be challenged to identify an analytic framework that will help them organize their thoughts.

- Instructors may want to treat this case as one an outsourcing decision.

Effort focused on research coupled with analysis should enable students to present a series of options. These can be compared to the options offered by the interviewee which are also summarized below and found in the *Alternatives* video clip.

- There were several alternatives. The first alternative was to do nothing. The second alternative was to go external and hire a consultant or partner to develop the strategy and then come and do the implementation. The third alternative would be to go external and have somebody develop the strategy for you and deliver it internally. The fourth option would be to develop a strategy within the division of the organization. The fifth option would be to build a strategy that would wait for the overall corporate approach.

The *Solutions* video clip offers the interviewees' solution to the issue along with a rationale. Highlighted below, this can be compared to the student response and explanation.

- To do nothing was not an option because there was a need. The fifth option of waiting for the corporate development was not an option because I do know that the time lag would

have been too long to address the needs that we had. To develop the option through the division only would have limited the expertise that I had to develop something that is very intricate and keenly important to the end user. We did not completely outsource the entire process for two reasons. First, the expense which was a lot higher with the budget that I had to work with. Two, when you outsource completely externally there is a chance that the mechanisms and protocols that they bring will not match corporate protocols. The option that I selected was to have the strategy developed externally and delivered internally. I went outside to get the expertise to develop the strategy, the approach and the actual things that we were going to do and then brought in house so that it was implemented through corporate technology with all stakeholders on board which is a very important part of any implementation. It allowed me to leverage the expertise that came from outside that I did not have. It allowed me to ensure the integrity of corporate protocols. We were able to integrate anything that we did within the technology base of the company.

## SUGGESTED COURSES

We suggest that this case would be suitable for a number of courses. These courses include:

- Management Information Systems
- Management
- Organization Theory

## ADDITIONAL RESEARCH

The case offers students opportunities to undertake interesting additional research.

Students may want to delve deeper into how managers make decisions. Classic approaches to decision making include works by Cyert and March (1963) and Tversky and Kahnemann (1974).

Students interested in learning more about the industry in general might make use of numerous online information sources some of which are noted below.

- Australian Government Department of Communications and the Arts <https://www.communications.gov.au/what-we-do/internet/digital-business/creating-your-website/planning-your-website/website-building-costs> The cost of building a website
- Canadian Industry Statistics. (2014). Food service contractors: establishments. Retrieved from: <https://www.ic.gc.ca/app/scr/sbms/sbb/cis/establishments.html?code=72231&lang=eng>
- Executionists <http://www.executionists.com/blog/much-website-cost-2015/> How much does a website cost in 2015
- Medium Rare Interactive Inc. <http://mediumrareinc.com/articles/the-true-cost-of-a-cms/> The true cost of a content management system
- PayScale [http://www.payscale.com/research/CA/Industry=Web\\_Development/Hourly\\_Rate](http://www.payscale.com/research/CA/Industry=Web_Development/Hourly_Rate) Web development hourly rates for Canada
- The Next Web <http://thenextweb.com/dd/2013/12/02/much-cost-build-worlds-hottest-startups/> Cost of building the world's hottest start-
- The Site Wizard <http://www.thesitewizard.com/gettingstarted/cost-setting-up-website.shtml>, This web site provides a basic cost breakdown of arranged according to categories, and guides for

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more details so that people will have a clearer idea of what is involved in creating a site.

- Web hosting Search, <http://www.webhostingsearch.com/web-hosting-companies.php>> This web site has a list which has great resource of web hosting providers, prices, and recommend>.

## REFERENCES

A number of articles, referenced below, offer insight that might help instructors effectively explore this case with students.

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