

¹Ducks Unlimited (Atlantic Canada) – Teaching Note

Conor Vibert developed this teaching note to guide the use of the multimedia case entitled Ducks Unlimited (Atlantic Canada) 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

Tom Duffy is the manager of Atlantic Canada operations for Ducks Unlimited Canada (Ducks). As with many non-profit executives, he is being increasingly challenged to find alternative revenue stream to fund wetlands conservation involving wetland restoration, management and environmental education programs. Traditional sources of funding, especially revenue originating with Ducks U.S. operations is decreasing annually. 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. Instructors might also take the case in a different direction. Instructor can guide student efforts towards suggesting alternative business models that might take advantage of many of Ducks traditional competencies such as project and program management, watershed analysis, government relationship management, site identification and GIS systems usage

KEYWORDS: Atlantic Canada, Wetlands Restoration, Environmental Conservation, Nova Scotia, Not-For-Profit, Charitable Giving, Fundraising

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 uses for this case.

¹ The Author wishes to thank Tom Duffy of Ducks Unlimited for his support of this project.

1. It may be used to improve student knowledge of business models for non-profits
2. It can serve as an excellent teaching vehicle to help students understand the decisions faced by managers seeking to grow their organizations
3. It can be used to stimulate discussion about challenges faced by managers seeking to sell environmental services.
4. It can be used to improve student understanding of the need to track and calculate the cost to raise a dollar in the non-profit sector.

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

For the issue outlined in the case, students can be asked to identify a set of alternatives available to organization or interviewee, suggest a solution and then explain why they chose that solution and not others. Other questions that will help students prepare for their case analysis include:

Ducks Unlimited (Atlantic Canada)

- What are some of the key pieces of information in this case
- Who might make use of the existing competencies and skills of Ducks?
- What is a Business Model?
- What are some of the other Business Models that might consider using?

CASE ANALYSIS

The *Issue* video clip outlines the problem or challenge of the case. Tom Duffy's comments are as follows:

- “Well right now we really have to diversify our revenue lines and our revenue streams. We have learned from experience that relying on 1 or 2 revenue lines can really put you in jeopardy. A non-profit is really no different than a for-profit business. If you are going to be successful over the long period you have to have multiple and strong revenue lines coming into your business to fund it and that is really the challenge that lays before us, we need to diversify and we need to be successful in that diversification.”

The *Cause* clip outlines that traditional sources of funds that Ducks has relied on to date.

- “The funding for Ducks Unlimited can be a complicated and interesting piece of business. Traditionally much of our funding for the organization came through our sister organization in the U.S. and that was a pretty straightforward scenario in which the U.S., water fowl hunters in particular viewed Canada as the production area for water fowl so if they were to enjoy their heritage then invest it in Ducks Unlimited Canada to put habitat in the ground to increase the number of waterfowl in which they were able to take benefit from. That has changed significantly over the years now, where at one time 100% of our funding came from the U.S. that has now dropped to about 25%. We get funding from a variety of different sources here, working with the federal and provincial governments we get support and we get support from private individuals, corporations and through our own fundraising mechanisms.”

What are some of the key pieces of information in this case

- Ducks employs individuals with specialized skills
- Ducks has strong competencies in watershed management, GIS Analysis, project and program management, and government relations
- Ducks traditional sources of revenues are decreasing

Who might use of the existing skills and competencies of Ducks?

- Government
- Private land owners
- Government contractors

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.

- “I guess like any good business you stick with what you are good at. There certainly is the lure of the internet and social media and trying to figure out how that may work to support our business. It is also an area that we do not know a lot about. We have very good biologists and we have very good and businessmen who support the organization. What we really want to do is to continue to do wetlands restoration and have other support to pay for that.”

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.

- The path that we have chosen to focus on is wetland restoration but on a fee for service basis. Individuals, companies and organizations that alter wetlands are compelled by legislation to restore wetlands. We feel we can carve out a niche by providing that wetland service.

As from the alternatives and solutions presented by Tom Duffy, instructors might want to take the case in a different direction and focus on business models. The following questions and responses offers one path that might be followed.

- What is a Business Model?

A business model describes the rationale of how an organization creates, delivers, and captures value - economic, social, or other forms of value.

- What are some of the other Business Models that Ducks might consider using?

Ducks might want to consider shifting some of its revenue approaches to web based business models or simply other business models that fit non-profits.

A number of alternatives are available when considering web based models. A common business model is fee for service where services are unbundled and paid for separately. Subscription models involve users being charged a daily, monthly or annual fee to subscribe to a service with free content coexisting aside subscriber only content. Under the heading of community models fit social networking sites. These involve extensive commitments of time and emotion from members as well as loyalty. Money is made through the sale of ancillary products or services, advertising, subscriptions or voluntary contributions. An affiliate model seeks to drive a high volume of traffic to one site. A pay for performance model, affiliates provide purchase-point click-through. However, if an affiliate does not generate sales, it represents no cost to the merchant. Another approach is a fairly traditional one. Termed the merchant model, Sales are made based on prices or through auction of goods and services from wholesalers and retailers. Use of an advertiser model implies revenues solely from online ads in return for free user content

and services such as blogs, e-mail and instant messaging. High viewer traffic is needed with this approach. Websites that bring buyers and sellers together for the purpose of transacting are labeled broker model. E-bay is perhaps the most famous of these sites. Finally infomediary models offer organized data about consumers or producers and their consumption habits or their products. Source: Business Models on the web <http://digitalenterprise.org/models/models.html>

Landes, Kim and Christinson (2009) outline a number of models that fit a non-profit environment. Many individual donations are the revenue sources for three models that they label as Heartfelt Connector, Beneficiary Builder, and Member Motivators. Big Bettor is term they use to label a model funded largely by a single person or by a few individuals or foundations. Public Provider, Policy Innovator, and Beneficiary Broker represent non-profits that receive funding from government for the most part. Organizations using the Resource Recycler model are supported primarily by corporate funding. Funding sources are mixed for Market Makers and Local Nationalizer.

SUGGESTED COURSES

This case was created for high school, community college and first year university students. We suggest that it would be suitable for a number of courses. These courses include:

- Introduction to Management
- Small Business Management
- Entrepreneurship
- Business Strategy

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 industries in general might make use of numerous online information sources some of which are noted below.

High Beam Business, <http://business.highbeam.com/industry-reports>, Industry Overviews
Plunkett Research, <http://www.plunkettresearch.com/>, Industry Overview
Value Line, <http://www.valueline.com/Stocks/Industries.aspx>, Industry Overviews

Other important sources include:

Students interested in learning more about the industry in general might make use of sources such as:

- Corporate websites
 - Ducks Unlimited Canada (<http://www.ducks.ca>)

- Government websites
 - Natural Resources Canada (<http://www.nrcan.gc.ca>)
 - Statistics Canada (<http://www.statcan.gc.ca>)
 - Environment Canada (<http://www.ec.gc.ca>)
 - NS Department of Natural Resources (<http://novascotia.ca/natr/>)

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