

Comtec Case Study - Teaching Notes

This case study sets out the story of a women-owned service company. It describes the history of the company and the key milestones in the company's development. From the body of information about the company students will learn about the key challenges of running a small business. The case is intended to encourage students to consider options for growth for the Company. The case provides insights into the roles and tensions between family members working in the business. Additionally the case provides the opportunity to explore other issues such as risk management and performance monitoring in a small company. The case study has also relevance to several theoretical models, particularly in relation to the Knowledge-based theory of the firm, Resource-Based View of the Firm (RBV), Work Systems theory and Effectuation theories.

The case will support a wide range of learning objectives, focusing on gaining an understanding of the following:

1. Growth options for a small business (organic vs. acquisition)
2. Family business dynamics and succession planning
3. Female owned business dynamics and issues
4. Performance Management in SME's
5. Business culture and the link to performance

The case will be aimed at MBA students, who will be required to show that they can balance large quantities of information about various aspects of the business. A teaching group of 15-20 could be split into 3 to 4 groups. Each group could then be asked to answer the questions proposed at the end of the case and to prepare a presentation or report on their conclusions. It will provide students with the opportunity to structure their own thoughts on what they have learned in relation to the above learning objectives.

As mentioned, this case can be used for testing and questioning theoretical models. The organisational culture, policies and systems in operation at COMTEC can be tested against the **Knowledge-Based Theory of the Firm**, which builds on and extends the **Resource-Based View of the Firm (RBV)**. COMTEC resources can be examined in relation to long-term performance prospects and creating competitive advantage. The **Work Systems Theory** can be tested against utilisation at COMTEC of new technologies to create work systems in which staff and the COMTEC supply chain produce language services to customers. The **Effectuation Theory** can be tested in relation to the owners' propensity for opportunity identification and new venture creation. The case can also be used to discuss how the guiding paradigm of a business can influence business performance. Finally, there is scope, using the case, to contextualise two ontological positions: **objectivism** and **constructivism**.

The Form of the Case Study and Case Materials

The case includes a hyperlink to a short video of an interview with Sophie, now Managing Director of COMTEC. She shares her thoughts on work-life balance, on working with family members in the business and on the Company's differentiation strategy. The additional documents provided at the end of the case study will provide students with initially unfamiliar material, from which they will be tasked to derive meaning. The key task for the students is to address the questions set out at the end of the case, **particularly the key question regarding future growth options for the Company.**

The following additional information is provided:

1. Management accounts 2008-09 and 2013-14 (Appendix 1);
2. Press articles about the Company (Appendix 2);
3. Proposal template (Appendix 3);
4. Organisation structure (Appendix 4)
5. Performance Appraisal and Discretionary Bonus Policy (Appendix 5);
6. Summary of quality management framework (Appendix 6);
7. Project management methodology (Appendix 7);
8. Key Performance Indicators (Appendix 8);
9. Risk Management Plan (Appendix 9);
10. Examples of monthly reports (Appendix 10).

Suggested questions for students:

1. Was the decision to sell the company in 2002 the correct one? What other options might there have been?
2. What might have been the key factors in failing to grow the business beyond £1m before 2002?
3. If you were a business advisor, what might you recommend as possible growth options for the business?
4. How do you interpret family tensions within the business?
5. Make an assessment of the effectiveness and usefulness of the analysis tools developed for supporting strategic management decision making.
6. What do the management accounts tell about the business?
7. Make an assessment of the effectiveness of the control systems used in the business.
8. Consider alternative marketing strategies for COMTEC.
9. Make an assessment of the critical success factors for COMTEC taking into account factors such as profit margins, revenue growth, customer satisfaction, quality, service development, brand image, managerial ability and organisational effectiveness.

References

Farrell, Andrew M. Dr, (2013) Useful Theories in Research, Aston Business School

http://www.pangeanic.com/knowledge_center/size-translation-industry/