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## PANEL 15 TEACHING BY THE CASE METHOD: SECRETS OF THE TRADE

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## PANEL 15

### TEACHING BY THE CASE METHOD: SECRETS OF THE TRADE

**Panel Chair:** Brandt Allen, University of Virginia, USA

**Panelists:** James Cash, Harvard University, USA  
Michael Oliff, IMD School of Business, Switzerland

#### OBJECTIVES

The objective of this session is to discuss how students learn about Information Technology (IT) and Information Systems (IS) through the case method of instruction and to illustrate how an instructor might teach a case. An actual case study will be used as a basis for this discussion. *Attendees are requested to read the case study and to think about the associated discussion questions before the session.*

#### OUTLINE

The panel session has three parts:

1. Presentation of how an instructor might prepare to teach this case, the teaching outline or "game plan," what actually happens in the classroom and, finally, what and how the students learn.

This presentation is to be given by Professor Brandt Allen.

2. Critique of this presentation by the other members of the panel:

Professor James Cash  
Professor Michael Oliff

3. Comments and discussion from the audience.

#### RATIONALE

Cases and case discussions have been used in business schools for many years with considerable success. IS and IT are also taught in this manner, but only at a few universities. Instructors who do not teach with cases often ask why cases are used, how you teach with cases, what happens, how students learn and what do they learn from the use of cases. In this panel, we will try to answer these questions. We will do it by working with a particular case example, one concerned with EDI. The presentation will depict what happens in the classroom and, just as importantly, what takes place beforehand. The panel will also describe and discuss how an entire course is put together using cases as well as what can and cannot be done with cases today. We will also describe some of the "best cases" for teaching IS and IT.

## RASCO: THE EDI INITIATIVE<sup>1</sup>

In 1988, the Reynolds Aluminum Supply Company (RASCO) initiated development of Electronic Data Interchange (EDI) technology – the electronic exchange of transaction-processing information between two firms. RASCO believed that EDI could benefit the company in two ways. First, EDI would make internal systems more economical and efficient than previously by eliminating the clerical requirements of paper-based systems. Second, EDI capability would improve RASCO customer service (see Appendix for a discussion about EDI). It could also serve as an additional marketing tool for improving sales. For these reasons, former RASCO General Manager Richard N. Peters believed that EDI technology had to be developed. He was concerned, however, about resolving important issues surrounding the technical aspects and the marketing efforts of RASCO's EDI initiative.

### Reynolds Aluminum Supply Company

RASCO was one of 12 divisions within Reynolds Metals Company of Richmond, Virginia, the second largest aluminum producer in the United States. RASCO began in 1950 when Reynolds acquired the building products supplier, Southern States Roofing Company of Savannah, Georgia. In 1951, Reynolds purchased Clingan & Fortier, a Los Angeles, California, metals distributor. Southern States and Clingan & Fortier were then consolidated in 1963 to form a new Reynolds division called RASCO. Six years later, RASCO gained its Midwest foothold through the acquisition of Industrial Metals of Kansas City, Missouri. In 1988, RASCO operated 24 branches serving approximately 40 states. These branches were located throughout the country except in the highly industrial and unionized areas of the upper Midwest.

RASCO was the nation's largest distributor of aluminum mill products and the second largest for stainless-steel mill products. The products were used in the manufacture of such items as highway signs, automobile hoods, commercial kitchen equipment, hospital equipment, aircraft skins, aluminum siding, and wine tanks. RASCO was part of the highly fragmented metal service-center industry, which was composed of about 450 companies operating 1,300 facilities nationwide.

RASCO's strategic objective was to establish the largest service-center network in the United States for aluminum, stainless steel, and nickel-alloy products. Management had set specific market-share objectives for each strategic business unit (SBU), and RASCO's 1988 strategy had five areas of emphasis:

1. a marketing orientation centered around customer, quality, and service
2. geographical expansion
3. complementary product-line extension
4. extension of capability to offer higher value-added processing services
5. offering technology-based services such as customer computer order entry and inventory control.

Since 1981, when its first business plan was developed, RASCO had become, in its own words, "a lean, but potent" organization. Shipments per employee in 1988 were 80 percent higher than in 1978. Total shipments were up 60 percent, while head count was down 12 percent. Ten years previously, a turnover problem existed to such an extent that the average employee had only five years of service. In 1988, the average RASCO employee had been with the company twelve years. Top management had been in place since 1980. Incentive programs existed for corporate staff, field managers, and the sales force, and promotion almost always occurred from within, supported by an in-house training program.

RASCO placed heavy emphasis on inventory turnover. The company's goal was to achieve 5 turns a year by 1993. Currently, inventory turned 4.2 times annually, which was better than the industry average. Various buying and selling mechanisms were in place to help achieve this objective.

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<sup>1</sup>This case was written by Assistant Professor Andy Boynton with assistance from research assistant G. Thomas Crowell III. Copyright (c) 1990 by the Darden Graduate Business School Foundation, Charlottesville, Virginia.