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Abandoning Ship at Scandia, Inc.: Parts B and C

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Case Study

Abandoning Ship at Scandia, Inc.: Parts B and C

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Scandia, Inc., is a commercial vessel management company located in the New York Metropolitan area and is part of a family of firms including Scandia Technical; International Tankers, Ltd.; Global Tankers, Ltd.; Sun Maritime S.A.;Adger Tankers AS; Leeward Tankers, Inc.; Manhattan Tankers, Ltd.; and Liu's Tankers, S.A.The company's current market niche is the commercial management of chemical tankers serving the transatlantic market with a focus on the east and gulf coast of the United States and Northern Europe. This three-part case describes the commercial shipping industry as well as several mishaps that the company and its President, Chris Haas, have had to deal with including withdrawal of financial support by creditors, intercorporate firm conflict, and employee retention. Part A, which was published in the Fall 2010 issue, presented an overview of the commercial vessel industry and set the stage for Parts B and C where the firm's operation is discussed.

Keywords: shipping industry, macro environmental analysis, industry analysis, market structure, competitor analysis, case study

Scandia, Inc. (SI) is a commercial vessel management company located in the New York Metropolitan area.The company's current market niche is the commercial management of chemical tankers serving the transatlantic market with a focus on the east and gulf coast of the United States and Northern Europe (see Figure 1).

Since 1983, SI has commercially managed a fleet of chemical tankers operating in shipping markets of the world. Over the years SI's fleet size, ship types, and markets served have changed as the company and the overall chemical industry has evolved. During these years SI has seen both success and failure, where significant money has been made and considerable money has been lost. As the industry evolved, so did the company, which started out as a three-person operation and peaking with a total of nine people in New York in 1999.

Part B

Chris Haas founded Scandia, Inc. in 1983. At its inception the company was run out of a small office in mid-town Manhattan and managed two time-chartered ships with a total of three employees including Chris. Utilizing contacts that he had developed during his previous years in the ship management and commodities trading industries, Chris led SI to early success. By the end of the 1980s, the company was on solid footing with six full-time employees and was commercially managing a fleet of four time-chartered ships. All of the vessels being managed during this period, were time chartered by companies in which Chris personally had a large ownership stake.

Company Mission and Management Philosophy

Mission Statement

SI's mission statement is "to serve our customers in a professional, ethical and transparent manner by incorporating and retaining value based systems in technology and human resources, with trustworthy expertise in shipping and related fields."

Management

SI's management team is comprised of qualified and experienced professionals in the fields of ship owning/management/operation/agency/charter broking, thus blending expertise from various allied/related disciplines.

The company's management philosophy "is qualitative, personalized service to their principals and their customers. This translates into transparency of information; enabling principals to make the right decisions (cost conscious yet safe measures) with honesty and integrity in safeguarding principals' interests and prompt remittance of principals' surplus funds." ("Mission Statement").[1]

A "Family" of Firms

In 1991, Chris restarted his family's shipping company under the name Scandia Technical (ST). ST's function was to provide technical management services for ships including supervision and management of repair and maintenance and the crewing of vessels. With the startup of ST, SI maintained its primary function, the commercial management of the ships. Chris and a small group of investors formed Global Tankers, Ltd., a Liberian company, which purchased the ship

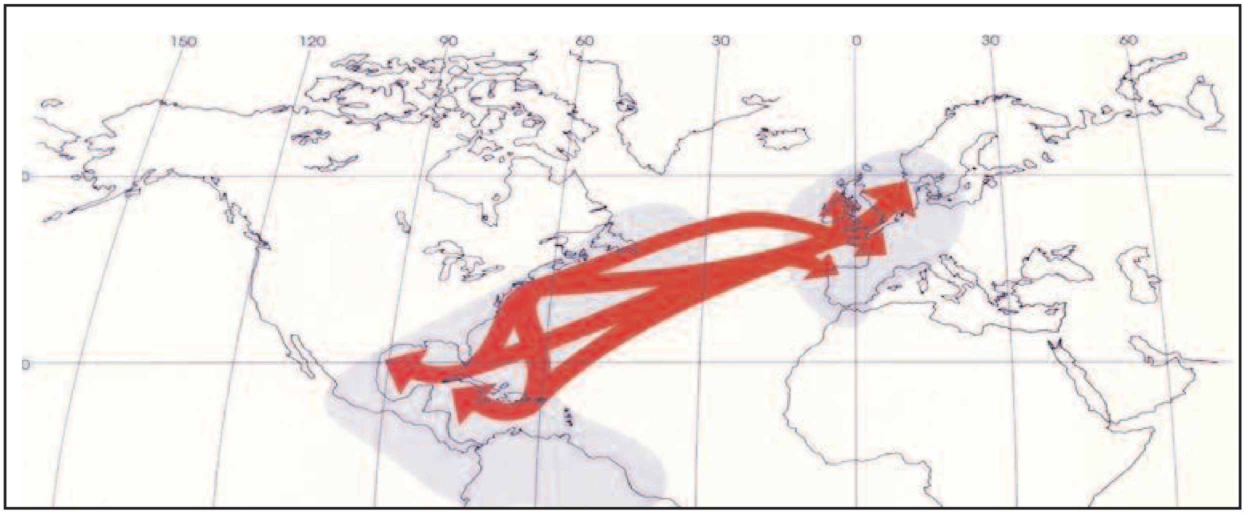


Figure 1. Trade Map of Scandia, Inc.

Laura from Asian interests. Global Tankers, Ltd. then hired SI to be the commercial managers of the vessel and hired ST to be the technical managers. In 1992, Chris and another small group of investors formed International Tankers, Ltd., a Liberian company, and purchased the *Mindy*, the sister ship of the *Laura*, from Asian interests. Like Global Tankers, Ltd., International Tankers, Ltd. hired both SI and ST. SI had formerly commercially managed both the *Laura* and the *Mindy* while they were under time charter. Figure 2 illustrates the basic relationship between the companies and the ships.

The Relationship between SI and ST

From the beginning, ST was never run as an independent company. It has always been treated and considered by the employees of both organizations to be a satellite office of SI. From the first days of the new structure, technical work and crewing was being performed and managed out of SI while Chris managed ST from his desk at SI in New York. Over the years, this structure lead to friction between the two companies. Often there was an obvious feeling of "us versus them" among the employees working at ST. In conversations with former employees, they often stated that it was very frustrating to feel as if they were continually being second-guessed by the New York office.

During the first two years of the total management of the *Mindy* and *Laura*, some of the technical work was subcontracted to a third party. This arrangement quickly failed due to poor service on the part of the subcontractors and late payments on behalf of the vessels' owners. By 1994, it was decided that all management work for the *Mindy* and *Laura* was to be at either SI or ST and subcontractors would no longer be used.

SI was located in a cramped office in New York City from 1983 until 1997. Those who worked in the office described it as filled with paperwork and files where people practically sat on top of one another. With the shipping industry changing, and many shipping companies fleeing Manhattan for the suburbs of New Jersey and Southwestern Connecticut, it was decided, after much debate, to move the company out to Long Island where a majority of the employees lived. Despite the office being 40 miles outside of Midtown Manhattan, the office's original feel and dress code were maintained. Even though the new office was at least three times as large as the office in New York City, the employees still sat on top of one another. Chris wanted it this way, as he stated it ensured good communication between all parties.

A History of Miscues—A Ship of Fools?

SI Goes Off Course

In 1996, SI suffered a major setback when two vessels they were managing for a French bank went bankrupt. The bank had foreclosed on the previous owners of the vessels, and then hired SI and ST to operate the vessels on the bank's behalf until the bank felt the market was right to sell the vessels and recoup some of their investment. When the bank itself had financial difficulties, it was taken over by a rival bank. After initially indicating support for SI's management of the ships, the new bank decided to withdraw its support for the project and stopped all payments. As the vessels' debts piled up around the world, the two ships were seized. The ships remained stagnant for many weeks, fuel and food ran out, and the crew went without pay. After a long legal battle the crew was paid and released and the vessels were sold as part of a court-run auction. When the situation was resolved in the courts, many suppliers received little, if any, money from the debts incurred by the vessels. Most of these suppliers looked to SI to recoup their losses. However, due to the management arrangement, SI was not liable for any of the debts incurred by the two vessels. Legally, SI was protected. Its reputation in the industry, however, was severely damaged with some vendors. The entire fiasco cost SI a large sum of money as well as its reputation, and made doing business in the years that followed (in this relatively small industry) very difficult.

SI Runs Aground—The *Kari*

In the mid 1990s SI began managing three newly constructed chemical tankers that were time chartered from Asian interests. The three vessels were time chartered by three separate Liberian companies under the control of Chris Haas. Two of the vessels, sister ships the *Sheena* and *Suzy Q* were time chartered from the same company. The third vessel, the *Kari*, was time chartered from a second organization. The time charter terms were for five years.

Almost immediately, the relationship between the owners of the *Kari* and SI fell apart. The relationship was strained by initial poor performance of the *Kari* and its crew. The hardline, uncompromising approach taken by SI on behalf of the time charterers only exacerbated the problems. The vessel quickly turned out to be ill suited to the evolving Trans-Atlantic market, making it difficult and uneconomical to operate. Almost the entire contract term was a study in mistrust and lack of cooperation, which resulted in disappointing returns for all involved. At the end of the contract in April 1999, the time charterers had accumulated significant debts from the operation of the *Kari* but had no funds to pay them and no source of additional income. Immediately upon hearing of the *Kari*'s redelivery to the Asian owners, the vendors and agents called on SI for settlement of all outstanding debts. Many of those owed money did not receive funds for many months, if at all. Those who were owed money looked to SI as the source of the problem as they saw right past the facade of the separate time charter company. This situation further eroded SI's reputation.

Another Disaster—The *Sheena* and the *Suzy Q*

The *Sheena* and *Suzy Q* were brought into the SI-managed fleet in 1994 and 1995, respectfully. At this time the market was at peak and the cost per day for the time charter reflected the market's position as they were fairly high. The ships were well designed and the Korean crews who worked on the vessels were quite competent. This combination resulted in a fairly good and consistent level of performance. As the market dropped toward the end of 1995, it became very difficult to meet the financial demands of the time charter contract. By end of 1997, both ships owed back hire to the owners. The ships were being well operated but the freight levels in the market could not meet the daily costs of the contract. Chris Haas met with the owners several times to discuss lowering the contract rate. From these meetings small deductions were accomplish but more importantly Chris had con-

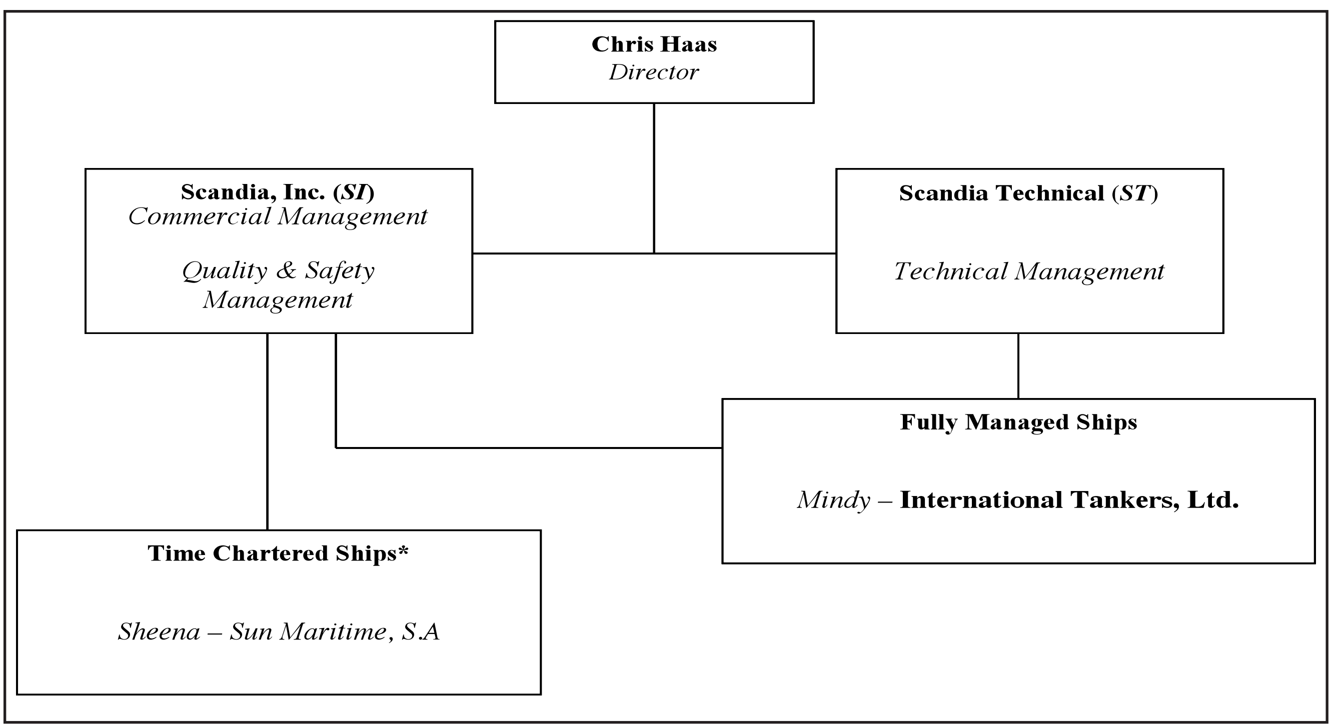


Figure 2. Basic Relationship between Companies and Ships.

** The companies listed adjacent to the time-chartered ships are not the actual owners of the ships. Sun Maritime and Liu Tankers are the owners of the time charters only. As these vessels are time chartered the technical management is controlled by the owners of the actual vessel.*

vinced the owners that the market would be improving and they would receive the money owed to them. It is not clear whether the owners left the vessels under SI's management because they believed the market would get better and they would eventually see their money or because they had no better options for the vessels. The financial situation never really got better and the ships were returned to the owner's control in the spring of 2001. At the time of redelivery more than $1 million was outstanding to the owners and a significant amount of money was owed to vendors throughout Europe, the United States, and Central America on the vessels' accounts. Again the vendors turned to SI for answers and more importantly money.

Riding Out the Storm

Over the years of operations, the cash flow of the fleet was used as a common pool of funds such that funds earned by the *Sheena* were sometimes used to pay a current bill for the *Mindy*. After the *Kari*, *Sheena*, and *Suzy Q* were returned to their owners, the burden of paying off the outstanding bills fell on the *Mindy* and *Laura*. These ships were also struggling in the down market. However, without settling the bills it would continue to become more and more difficult to operate the ships as vendors denied service or took legal action to try to recoup their money.

The poor financial performance of the vessels during the mid to late nineties took its toll on the companies' performance and morale. From the companies' founding Chris Haas had maintained a tight control on cash flow. The basic payment philosophy of the company has been to pay the bills only when they absolutely must be paid which is when one of three things might happen: (1) legal action was threatened, (2) legal action was taken, or (3) when something was needed from the vendor. The limited cash flow made every process difficult. Many vendors had placed all vessels associated with SI on a cash-in-advance basis, making prompt or emergency purchases nearly impossible. In many instances, the operational efficiency was negatively affected due to the restraints of cash flow and outstanding balances with vendors.

Trying to Find Calm Waters

By the end of 2000, the market showed signs of improvement with the vessels' voyage revenues improving. However, a great deal of damage was done to the firms' reputations with vendors and rebuilding was required. All the available cash flow for the significant future was to be applied to outstanding debts until they were completely settled. Until the time the debts were settled and the companies' reputations were restored, the vessels would never operate to their full potential and efficiency.

Financial Structure, Operation, and Performance: 1997–2001

SI, Inc. and its associated companies including ST, Global Tankers, Ltd., International Tankers, Ltd., Shin Maritime, S.A., Shin Tankers, S.A., Adger Tankers AS, Leeward Tankers, Inc., and Manhattan Tankers, Ltd. are all privately held organizations. Little information concerning any of the companies' finances was made available to employees or anyone outside the organization. Often, the decision was made to do business on a "cash in advance" basis rather than divulge any financial information about the various companies in order to make purchases on credit. This policy was based on the direction of Chris Haas.

For tax reasons, SI, Inc. and its sister company, ST, were structured to make little or no profit. As SI, Inc. was a U.S. company and ST was incorporated in Norway, corporate taxes were significant when compared to those imposed on the ship-owning companies that were typically incorporated in Liberia or Panama. Therefore, the goal of both SI and ST was to make the ships they manage run as profitable as possible while making no profits themselves.

SI, Inc. made money via a combination of yearly management fees paid by the ship-owning companies and commissions on various monetary transactions carried out on behalf of the managed vessels including freight payments received and cash sent to the ships that the captain then used to pay crew members. The management fee was the key to controlling SI revenues. The size of the management fee was not definitively spelled out in the management agreement between the ship-owning companies and SI, Inc. The agreement gave a range for the fees that was dependent on "market conditions." These terms allowed the fees to be sized in

Table 1. Profit/Loss 1997–2000 with 2001 Projections

Vessel	*2001 Projections based on 1st 6 months*	*2000*	*1999*	*1998*	*1997*
Mindy	$711,124	$705,297	($753,871)	($53,426)	($381,029)
Laura	$53,641	$66,195	($398,958)	($50,476)	$1,091,161
Sheena	N/A	N/A	$319,432	($785,337)	($52,782)
Suzy Q	N/A	N/A	($457,708)	($851,105)	($230,093)
Total	$764,765	$771,492	($1,291,105)	($1,740,344)	$452,257

such a way that SI lost money or basically broke even every year.

ST made money solely on management fees paid by the ship-owning companies through a third party, Manhattan Tankers, Ltd. The purpose of this structure was to further insulate ST, SI, and the ship-owning companies from one another for liability reasons. The structure may have also provided some economic benefits but this is not clear. The fees were fixed on a yearly basis and were dependent on the expected costs associated with running the ST office and paying its employees.

The true measure of the company's financial success was the combined financial performance of all the vessels under SI commercial management (see Table 1). Therefore, a year when the market was up and the ships were well managed and performed well, was considered a good year for SI; a year when the market was down and/or the ships were not operated to the fullest potential due to technical or operational problems was considered a bad year for SI. In both cases the revenue that SI generated remained right around the company's breakeven point. This does not mean that SI's revenues were basically constant. It means that in the good years the company bought new equipment and spent more on travel, personnel, etc. While in the bad years, the company cut back on all expenses including hiring, computer purchases, travel, etc.

The results of the last four and a half years can be traced to a number of factors.

- The chemical tanker market was falling substantially since the *Sheena* and *Suzy Q* were time chartered into the fleet in 1994 and 1995, respectfully. It was very difficult to support the high monthly charter hire payments based on the prevailing market conditions.
- The *Mindy* and *Laura* were 15 and 16 years old, respectively, in 2001. At this age, the vessels required more maintenance and spare parts, more extensive dry dockings, and equipment failures became more common. These factors drove up the operating cost while reducing efficiency and increasing downtime.
- New regulations affected chemical tanker operation and management and have greatly impacted the bottom line by increasing overall operating costs at all levels. The increased costs were not rolled into the market prices for transporting chemicals in the current market.
- The cumulative effect of successive poor financial performance put a squeeze on the companies' cash flows, which interrupted the proper management and operation of the vessels resulting in further poor performance that negatively affected the bottom line.

Part C

Abandoning the Ship: The "Rats" Exit, Stage Right

"Chris do you have a minute? I would like to speak with you in private please."

It was summer 2001 and Chris Haas looked up at the clock on the wall across the room, and thought to himself that things should be pretty quiet for the rest of the day. He spotted Mike Walles, Head of Operations, and replied, "Sure, Mike, just let me finish up this Email." Mike switched off his monitor, got up from his desk, and walked past Chris into the small conference room and took a seat across from the door. He felt himself start to get nervous as his stomach began to churn as it always does when his anxiety level is high. Three months of holding it in did not make the task any easier.

"So, Mike, what is on your mind?" asked Chris as he closed the door behind him.

"Well, Chris, I've decided to leave the company." Chris's face went blank as the smile dissolved from his face. He thought that the rats had finally abandoned the sinking ship.

Leif Sets Sail

It was back in November 2000 when Mike Walles walked into the office and realized that something was wrong. Dan Chance, Director of Marine Operations, looked too tired and too flustered for this early in the morning. When Mike reached his desk, he dropped his brief case next to his desk and started his computer. Dan didn't even look up.

"Morning, Dan."

Dan replied with an unintelligible mumble, never looking up from his computer and the list of emails and faxes that had come in overnight.

The phone barely rang once before Dan snatched the receiver from the cradle. It was a call from Chris and the mood was tense, but other than that Mike could not discern what was going on.

Dan hung up the phone and muttered, "Damn," as he got up out of his chair and headed for the men's room.

"Is there a problem?" asked Mike as Dan walked by.

"Yeah, Leif just quit. I don't know what the hell happened, but he is gone."

Mike thought that it should not have come as a surprise that Leif Borg, Superintendent (ST) quit but it could not have come at a worse time. In less than a week the *Laura* was going into dry dock in Spain and Leif was running the whole project.

As of late, there had been a lot of quarreling about the dry docking between New York and Norway, especially between Chris and Leif, but to quit was just unprofessional. To leave at such a crucial time for a company when you were running the program is just not right. Things must have been worse than anyone imagined. This situation had been building for months. Leif was continually complaining that he felt New York tied his hands. He felt it took forever to get things accomplished. If it wasn't a problem with the cash flow, it was being second-guessed by Chris, sitting 3000+ miles away. The blizzard of paperwork and numerous spreadsheets and reports consumed way too much time. Leif truly resented being told how to do his job day in and day out when he had been doing this type of work for the last thirty years.

Chris was always uncomfortable with what Leif was doing. He knew that Leif was uncomfortable writing in English but he wanted and needed reports so that he knew what Leif was up to. To try to lower the level of tension, Chris would often have Mike or Dan Chance send his messages and request information. Chris felt he just could not get through to the guy. He concluded, Leif was just not listening.

As Mike thought about how this docking could be salvaged, he could not keep from smiling when he thought of the irony of the situation. It was just under a year ago when Leif started his first day on the job aboard the *Mindy* in the shipyard in Fredrecia, Denmark, after the previous superintendent left ST.

Dan's Departure

It was July 9, 2001 and another "ship" was about to disembark.

"Hi Chris. What can I do for you?"

"I just wanted to call and let you know that Dan will be leaving the company. I think it's best for the organization. We all know he hasn't been happy here and that's just not a healthy situation. Now I have been making some calls and working out how we can handle this change and I think that this should work out ok. I really think this is good for the organization. We will be better off in the long run. You know he was just too rigid and really holding back our progress. "

"Well, Mike, just think about this. What do you feel we may need to do? We will discuss it when I return to New York. Ok?"

Mike could not quite believe what he was hearing. Chris was known for always trying to put a positive spin on bad things but he was really going too far now. "Just one thing, Chris. When will he be leaving?"

"July 27."

"Should I reschedule my trip to China? Otherwise, there will only be one more day when the three of us are in the office together and that's the day he's leaving. I'm leaving on Sunday, you're back on Monday, and then I return that Thursday. That leaves us with Friday. There's a lot to go over in one day."

"Don't worry about it. You still go to China as planned. There won't be that much to go over. Ok? Well, unless there is anything else I have to go. Ok"

"Ok, bye." Mike couldn't believe what he just heard. Not that much to go over? The guy's been working at the company for more than ten years, making over $120,000 a year, and it's no big deal that he is leaving and there is nothing to pass over. It's not like there is anything written down in the office with the exception of the ships' manuals. No one knows what the 401K plan is much less what Dan does all day. He is in the office 11+ hours a day; he must be doing something. Every attempt to begin to write procedures manuals had died as soon as the meeting was over. It never was a priority.

Mike shook his head. His job was never really defined and now he would be doing the majority of Leif's job, as there still wasn't a real replacement for him, and now Dan's job. And Chris thinks this is a good thing for the company, probably because payroll will be more $200,000 lower than this time last year. Mike reflected on the stories he heard from Gina. With Dan leaving, he would be at least the tenth operations person to leave the company since it was founded 18 years ago. That only rivals the five superintendents in seven years.

It was no surprise to Mike that Dan was leaving. For the three plus years that Mike had been with the company, he had seen Dan get more and more unhappy with each day. He definitely was not enjoying his job. He hated dealing with the whole money thing. He never understood why Chris refused to pay people until it was an emergency. The only thing he hated more than the constant calls from vendors and agents looking for money, was lying to people for the company. To Chris everything was a shade of gray and this just did not fit Dan's personality. He prided himself on being a straight shooter and that was one thing you could not be if you stayed at SI for too long. Mike thought to himself, "It's amazing he lasted nearly 11 years here."

Mina's Swan Song

September 19, 2001

"Hey Mike, you got a minute?"

"Sure Mina, what's up?"

"I just wanted to let you know I'm leaving ST. I'm sure you already knew but I figured I should tell you myself."

"I did not know. I had some suspicions based on some of the emails that I have seen. When did you let Chris know and when is your last day?"

"I can't believe you did not know. I told Chris on September 3rd and my last day will be Friday the 28th."

"Well, congratulations Mina. I'm definitely going to miss you. You were the only person in this company with some organization and who was not always passing work over this way. Do you know what the plan is for your work?"

"Well the way I understand it, you're taking the requisitions, and Nina and Margaret will be taking over the crewing."

"Great, more work. I was getting kind of bored lately. Nina and Margaret crewing, that should be interesting. What are they doing with the office in Arendal?"

"I guess they will just shut it down."

"Well listen, Mina, I have another call on the line that I have to take. I will give you a call back later to talk about this some more. Take care. Bye."

"This just keeps getting better," Mike thought to himself. This was the third crewing person in three and a half years. Definitely understandable in this case. How can you leave one person in an office all by herself all day? Then to have to deal with all the vendors all day demanding money. "Good for her. Me next," he thought.

On December 2, 2001, Mike told Chris he was leaving the company.

Appendix 1. Backgrounds of Individuals

Chris Haas – President, SI, Inc.
Chris was born in Norway in 1943 and was raised in the small shipping town of Arendal. His family's shipping business was successful and offered him a comfortable life. After completing high school, he joined a ship management company in Oslo, Norway. He worked in Oslo for a year before being rotated to the company's offices in London and New York. By age 25 he was the Chartering Manager for chemical marketing for that same company in its New York office. Five years later he moved to a trading company in New York and became the Vice President of Transportation and Shipping. In 1983 he opened his own ship management company, SI, Inc. and began taking part in the time chartering of vessels, which SI, Inc. was to run. In 1991, he reopened his family's shipping company in Norway technically to support his purchase of two chemical tankers.

Margaret Haas, Comptroller
Margaret is Chris's American wife and is about the same age as Chris. She was originally a schoolteacher who over time has become more and more involved in the running of the organization. She started out coming in one day a week and has been working full time SI since 1995. She acts as the comptroller and office manager. She is well educated with a degree in economics and psychology.

Gina House, Director of Chartering
Gina is a native of New York who has worked in the marine and chemical industries her entire career. She started working for a shipowner in Manhattan after she graduated college with a degree in English and Sociology in 1973. By 1982 she advanced to Assistant to the Operations Manager. In 1984, she joined a chemical trading company where she worked for five years and advanced to Transportation Manager. In 1989 she joined the Chartering Department of SI.

Dan Chance, Director of Marine Operations
Dan joined SI in 1990, after sailing on U.S.-flagged ships for 12 years. For five of those years he sailed as Captain. Dan grew up in New Jersey and now lives on Long Island. He graduated from the United States Merchant Marine Academy in 1978 with a degree in Marine Transportation.

Nina Dorata, Administrative Assistant
Nina is a recent college graduate from Long Island, who was hired to help with administrative tasks after Dan left SI. She has a degree in computer systems and no real work experience.

Mike Walles, Operations
Mike joined the operations department of SI in the spring of 1998. Since 1995 he had been working as a Naval Architect for a private shipyard in Connecticut building nuclear submarines for the U.S. Navy. Mike was born and raised on Long Island where his family still lives. Mike has an undergraduate degree in naval architecture and marine engineering and a graduate degree in ocean technology and commerce.

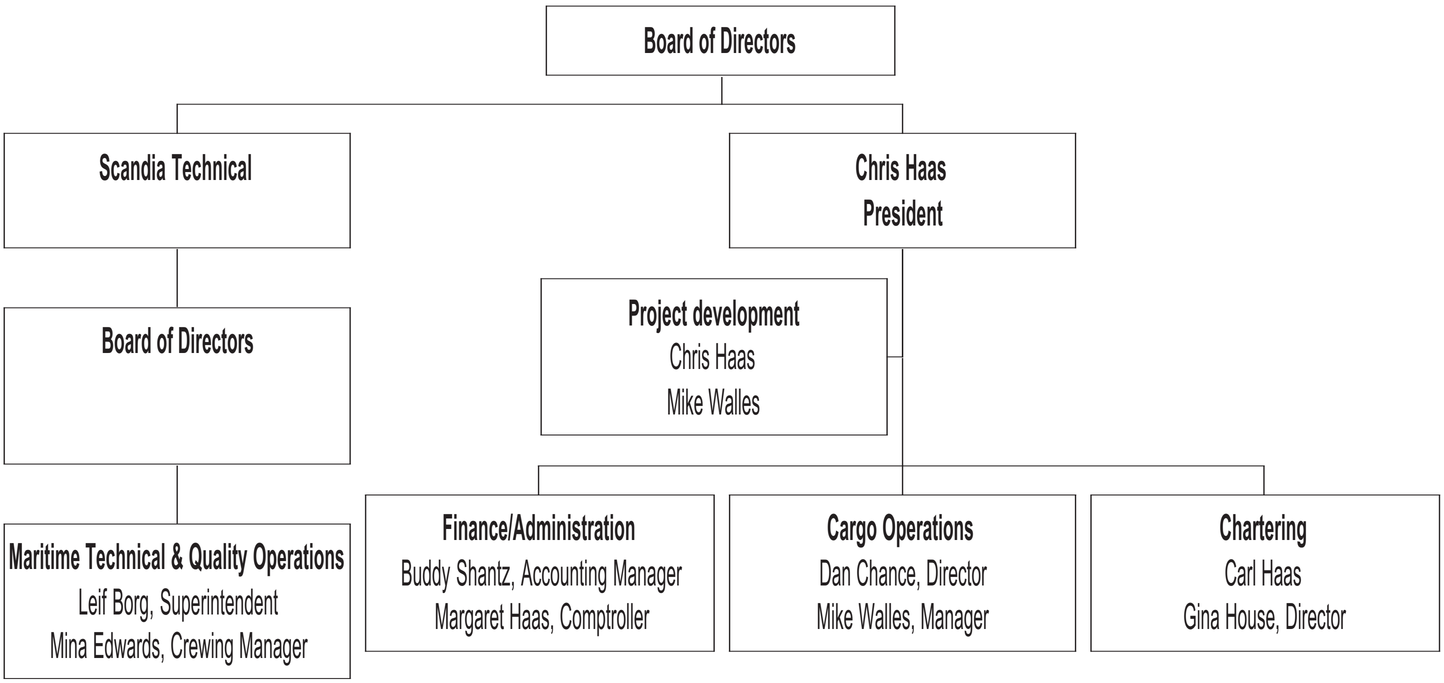
Mina Edwards, Crewing Manager (ST)
Mina joined ST in 1999 and had no previous experience in the shipping industry. Mina was born in Norway where she lived until nine years of age. Her family then moved to the United States where she grew up and was educated. Mina received an Associate's degree in accounting and held several accounting-related jobs in the United States. In 1998, she moved back to Norway, to live permanently.

Leif Borg, Superintendent (ST)
Leif, a native of Norway, joined ST in November of 1999. He has more than 30 years of experience in the marine industry. He sailed on ships as an engineer and has worked as an owner's representative for new shipbuilding and ship repair projects in the Far East and Europe. Leif has also work for a large Norwegian marine equipment manufacturer.

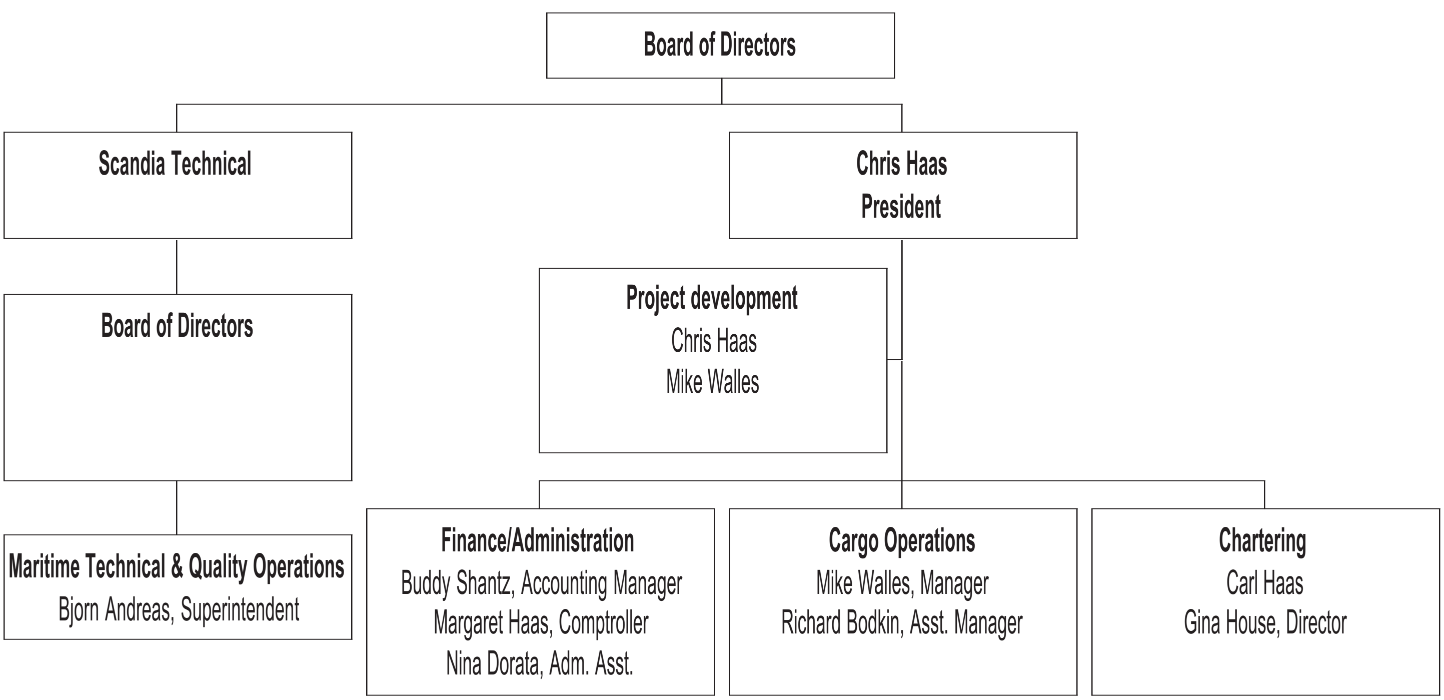
Appendix 2. Organizational Structure

This appendix presents the organization charts for Scandia for November 2000 and October 2001

November, 2000



October, 2001



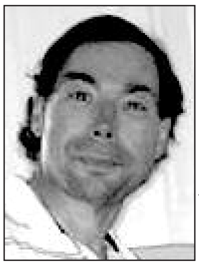
Note

1. In order to maintain the firm's anonymity, this mission statement is a facsimile of a statement from a comparable firm.

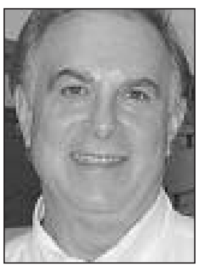
Reference

"Mission Statement." Retrieved from http://www. merchantshpg. com/our-mission.html#management, 2/1/08).

About the Authors



Herbert Sherman (Herbert.Sherman@liu.edu) is a professor of Management and acting chair of the Management Science Department at LIU-Brooklyn, New York. He received his Ph.D. in Strategic Management from the Union Institute and University in Cincinnati, Ohio (1988). He is widely published in many journals including *Journal of Management Science and Policy Analysis, Entrepreneurship and Regional Development, Management Development Forum, Business Case Journal, Management Development Journal, The CASE Journal, Management Decisions,* and *Journal of Behavioral and Applied Management.* Dr. Sherman is a Fellow of CASE and has served the association as program chair and in several other capacities. He is the founding editor of *The CASE Journal*, a peer-reviewed online journal with an acceptance rate rivaling top-tier journals.



Barry Armandi (deceased) was a Distinguished Teaching Professor in the School of Business at the State University of New York—Old Westbury. He is the author/coauthor of five books and numerous articles and cases published in *Academy of Management Review, Case Research Journal, Journal of Behavioral and Applied Management, Management Decision, Journal of the International Academy for Case Studies, Personnel, Exchange: The Organizational Behavior Teaching Journal, American Journal of Economics and Sociology, Business and Economic Perspectives, The CASE Journal,* and *Journal of Management Case Studies*. Dr. Armandi was a Fellow of CASE, Associate Editor of *The Case Journal,* and past President.

Adva Dinur (adva.dinur@liu.edu) has been an Assistant Professor at LIU since 2004. Her main research interest is capturing the illusive nature of tacit organizational knowledge and how it transfers within organizations. Prof. Dinur also enjoys combining her research and her teaching. For instance, she received a best-paper award for her work within the classroom, where she measures her own effectiveness as a teacher in achieving learning goals. Prof. Dinur often uses cases in her classes, and besides publishing cases herself, she also does research on finding tools that improve the use of cases in the classroom. Prof. Dinur holds a Ph.D. from Temple University (Philadelphia) and a B.A. from Hebrew University (Jerusalem).