



2013 NLC FBLA MANAGEMENT DECISION MAKING FINAL CASE STUDY

PARTICIPANT INSTRUCTIONS

1. You have 20 minutes to review the case.
2. Presentation time is seven minutes. At six minutes the timekeeper will stand and at seven minutes the timekeeper will stand and hold up a colored card indicating time is up.
3. The presentation is interactive with the judges who will ask questions throughout the presentations. The judges will play the roles of the CEO and the building custodian for a well-recognized national home builder (Smith and Company). Your economic specialist team has been called upon to explain the current state of the economy and a strategy for the home builder's success in this economy.
4. Each team member will be given two note cards.
5. Cover all the points described in the case and be prepared to answer questions posed by the judges.
6. All team members must participate in the presentation as well as answer the questions.

PERFORMANCE INDICATORS

- Discuss economic principles that impact management decisions
- Analyze economic trends to determine products and services to offer in the marketplace
- Describe an appropriate product/service mix for a business
- Identify trends that influence marketing opportunities
- Explain the relationship between economic scarcity and economic activity

CASE STUDY SITUATION

You are the economic specialist team for a well-recognized national home builder (Smith and Company) located in the third fastest growing community in the United States. The population in your community is growing so rapidly that your company frequently builds track homes in anticipation of individuals moving to the area who want new homes and do **not** want to wait four to seven months for their houses to be constructed. Your home sizes range from 2,500 – 7,000 square feet and sell for \$180,000 to \$1 million. Each year you are called upon as economic specialists to determine how many track homes to build in advance. You do **not** want too many new

homes on the market when unemployment rates go up and the economy slows down. Consumers are willing to spend money for big ticket items like homes when they are confident about the economy. You also must take into consideration what local competitors in the home building industry are doing in the community.

The CEO and building custodian (judges) for Smith and Company have scheduled a meeting with you to determine the state of the current economy, projection for new home sales, and determination of the number of new homes to build in advance. You will meet the CEO and building custodian to explain the current state of the economy and a strategy for the home builder's success in this economy.

Things to Consider

- Purpose of track homes
- Economic factors impacting the housing industry
- Impact of too much product inventory on sales
- Importance of monitoring the economy to make decisions



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FINAL CASE STUDY
JUDGES' NOTES**

JUDGING THE PRESENTATION

1. This is a role-playing event with judges portraying CEOs for Smith and Company.
2. Review the Judges' Instructions and the Case Study Situation.
3. You are the CEO for a well-recognized national home builder (Smith and Company) located in the third fastest growing community in the United States. You have hired an economic specialist team (student participants) to explain the state of the economy and outline appropriate business strategies for your home building company. You and your building custodian will meet with the economic specialist team to hear their plan of action.
4. This is an interactive event, so treat the presentation as a conversation. Each of the members of the team should provide some feedback and guidance. The time allowed is seven minutes for the conversation. A timekeeper will stand at six minutes and at seven minutes the timekeeper stand and hold up a colored card indicating time is up.
5. After asking the standard questions listed below, you may ask other questions specific to the current team. However, if you do this for one team, you must ask additional questions to all teams.
6. You will close the event by thanking the team members for their input.
7. Complete the rating sheet.

JUDGES' INSTRUCTIONS

You are the CEO for a well-recognized national home builder (Smith and Company) located in the third fastest growing community in the United States. The population in your community is growing so rapidly that your company frequently builds track homes in anticipation of individuals moving to the area who want new homes and do **not** want to wait four to seven months for their houses to be constructed. Your home sizes range from 2,500 – 7,000 square feet and sell for \$180,000 to \$1 million. Each year you call upon your economic specialist (participant) to determine how many track homes to build in advance. You do **not** want too many new homes on the market when unemployment rates go up and the economy slows down. Consumers are willing to spend money for big ticket items like homes when they are confident about the economy.

You and your building custodian have scheduled a meeting with the economic specialist team (student participants) to determine the state of the current economy, projection for

new home sales, and determination of the number of new homes to build in advance. The economic specialist must take into consideration what local competitors in the home building industry are doing in your community.

During the role-play performance, feel free to ask any of the following questions or additional questions:

1. Why must building companies monitor the economic environment?
2. Why do home builders construct track homes in anticipation of sales?
3. What economic conditions have a positive and negative impact on the home building industry?
4. Why should a company monitor activity of competitors?

The event planning team leader should open the presentation by introducing the team to the employees (judges).

There is no right or wrong answer to the event. However, the ability of the team members to defend their plan based on the facts provided (and those that you care to add) should be the basis for the score. The team members should present their plan with clarity and conviction. You should consider their ability to relate current economic conditions to suggested marketing strategies

Feel free to enhance the story as much as you want, but if you enhance it for one team, make sure you enhance it for all the teams.