

Ensuring Interest *and*Preparation for Case Report

Jie Wang University of Illinois at Chicago

Assumed Causes and Solutions

- Assumed cause: McDonald's sales drop due to lack of geographical footprint
 - KFC: 26% of stores in China: ~4,900 locations
 - McDonald's: 6% of stores in China: ~2,100 locations
- Proposed solutions
 - Increase the store count
 - 10% increase per year
 - In five years: 3,382 stores
 - Reduce expenses
 - Hire fewer workers
 - Expand in lower-cost locations
 - Purchase from more-competitive suppliers
- Assumed outcome: improved profit

What's Missing

- In-depth research
 - Competitive landscape
 - Labor cost assumptions
 - Perceptions of fast food
 - Food safety concerns
 - Local regulations
 - Consumer preferences
 - Disposable income

Knowledgeable about topic? NO

Interested in topic? NO

Harvard Inspiration



- Harvard case teaching seminars
 - Ernest Budding, first-year assistant professor
 - College grade distribution expectations: 15-20% A's, 10-15% D's
 - First semester: Enthusiastic
 - Second semester: students gaming system
 - Perspectives: instructor's, students'
 - Recommendation: how to rectify the situation
- Great participation from all attendees
 - All participants were college faculty
 - Everyone could relate to the case

Relatable Topic

- Background: undergraduates at a state university
- Concerns:
 - Make ends meet work part-time or more
 - Depend on financial aid
 - Avoid high debt levels
- Relatable topic: Merit- vs. need-based scholarships
- Why care about topic?
 - Illinois scholarships primarily based on need
 - New direction: Merit-based awards emerging
 - Business Scholars Program: \$5,000, based on ACT, GPA
 - Keller Success Scholarships: \$4,000, based on GPA

Scholarship Distribution

- Traditionally: Need-based aid
- Combat "brain drain"
- Georgia in 1993: Gov. Zell Miller introduced HOPE (Helping Outstanding Pupils Educationally)
- 27 states followed suit
- ■13 states: >50% of financial aid based on merit
- In Arkansas, Louisiana, Mississippi, South Dakota, and Georgia, >85% based on merit
- Nationally, ~30% merit-based

Opposing Arguments

- ➤ Ohio University economics professor Richard Vedder: "Our society is built on meritocracy. What is true in real life in the job market should be true in education."
- Charles Clotfelter, a Duke University economics professor who has written a book on state lotteries, calls HOPE a "stunning example of redistribution."

High Achiever from Affluent Family

- Amy Thornburg, Georgia Institute of Technology
 - Father an airline executive
 - Parents already set aside money for college
 - 3.7 GPA, high ACT score
 - Resides in Atlanta suburb where students receive HOPE at ~5X the state's average rate
- Qualified for full HOPE scholarship

Struggling Student from Poor Background

- Sarah Nesbit, Armstrong Atlantic State University
 - Grew up in a single-parent family
 - Saw mother crying over bills
 - Took out student loans and sold her car to pay for tuition and R&B
 - Resides in Walker County, HOPE award rate 1/3 below the state's average
 - **GPA:** 3.69
- Partial HOPE scholarship

HOPE Threshold

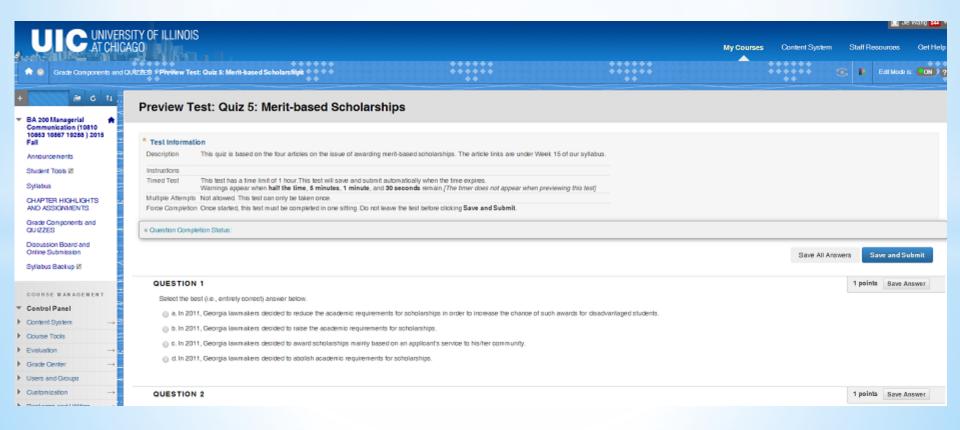
- HOPE full-tuition scholarships requirements starting fall 2012:
 - **3.7 GPA**
 - 1,200 SAT math and reading
 - 26 on the ACT
 - Alternative: Valedictorian
- Partial HOPE scholarships:
 - GPA 3.0-3.69
 - Subpar SAT/ACT scores

Additional Reading - Required

- Zell Miller (article from Atlanta Journal Constitution)
 - 16 years as lieutenant governor, 8 year as governor (1991-1999), and 6 years as U.S. senator
 - Conservative Democrat → Republican
- Seton Hall University (article from Chronicle of Higher Education)
 - 2011: merit-based tuition cut
 - Match Rutgers' tuition: Pay \$10,000 instead \$31,400
 - 2011 criteria: 3.0 GPA, top 10% of H.S., and 1,200 SAT/27 ACT
- Seton Hall's financial aid URL
 http://www7.shu.edu/admissions/public-tuition-rate-program.cfm (currently: \$22,500 tuition reduction)
 - 2015 criteria: top 10% H.S. and 1,250 SAT/28 ACT

"Trust but Verify"

- Speak the students' language
 - Quiz on case



Outcome

- Clear understanding of issue
- Different perspectives
 - Students
 - Parents
 - State legislature
 - University
- Thoughtful analysis
- Heart-felt recommendation

