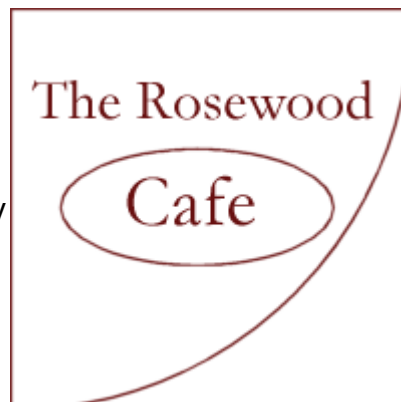


The Rosewood Cafe

Jan and Pat have their business plan done and their financing in place. Their excitement is infectious: After years of dreaming of being independent, Jan and Pat are ready to start their own business: The Rosewood Cafe.

Jan is a baker and cook and plans to bake and produce a variety of pastries, sandwiches, and soups for the sale to cafe customers. Pat is a relationship oriented person and is looking forward to serving customers their coffee and food at the counter, managing the cash register and taking care of the seating area.



The two business partners have a challenge: They need a location for their cafe. After 2 months of looking, they are sitting at Pat's kitchen table in her home looking at the following three places:

Location #1:

A small space in a strip mall, this shop has good walk-by traffic. Mostly seniors visit the area during the day and they generally order only an inexpensive drink and possibly a snack rather than a more expensive drink and sandwich, for example. Previously a small restaurant, this location is inexpensive to renovate because it has all the restaurant equipment built in and the layout is similar to that of a cafe. Washrooms are OK in size, timeless in design, and easy to maintain. The strip mall has a small amount of parking as the area is a mix of commercial and residential buildings, where land is quite expensive. This small space is about in the middle of the price range Jan and Pat are looking at. Jan likes the space because it has lots of baking and cooking space. Pat, after seeing the space twice, does not have a strong positive feeling about it. Finally, both Jan and Pat have to travel 20 minutes from their homes to get to the strip mall location.



Location #2:

A medium sized location near a university, this space is very expensive to rent, but has a lot of university student and staff walk-by traffic. These customer groups tend to order expensive drinks such as lattes and may enjoy a soup, sandwich and a pastry as part of their order. Parking is abundant for this location as it is in a newer commercial area fashioned after an Italian plaza (very large courtyard surrounded by businesses with 2 or 3-story condominiums

above). Washrooms are spacious, newer, ceramic tiled, and attractive. The location is quite expensive and it is open space, so making into a cafe would require some significant renovations. However, the open nature makes it ideal for Jan and Pat to create the perfect mix of food preparation, counter, and patron seating space. Pat likes the space a lot as she can clearly vision how customers would enjoy being there and the vibrant energy it could have. She really gets excited about the space and her intuition says "YES!" Pat and Jan live near this location, which is only a 10 minute drive from their homes.

Location #3:



Get the rest of this case with your license purchase!

Licensed cases are in Microsoft Word format so you can easily edit them if you wish. You also get the teaching note with solution suggestions in the package!

Instructor licenses are for *your individual lifetime use* of the case.

(Institution licenses are also available)

Great cases that are classroom proven for great learning!

The Challenge:

Help Jan and Pat make their decision on which location to take:

1. List all the variables they are dealing with in a column on the left hand side of a large sheet of paper. Example of a variable: "Near their homes?"
2. Across the top row of the sheet, list the 3 locations.
3. On a scale of 1 (poor) to 3 (good), rank how good each variable is for each location.
4. Create a weighing value for each feature, from 1 (low importance) to 5 (high importance) and put them beside the scale numbers you created in 3.
5. Multiply the scale number (3.) by the weighting number (4.) for each variable and location option.
6. Add the columns of results to see which option is the "best". Post your sheet on the wall in the classroom.
7. How do Jan and Pat's personal mix of Success Orientations play a role in their decision making as to location?
8. What explicit biases may be built into your weighting number decisions?
9. What explicit assumptions and choices did you make in your weightings that skewed your results? What is the impact of these in terms of how managers make decisions?

Advanced Questions:

10. There are less than 10 variables noted in the descriptions of the locations given by Jan and Pat. This was intentional. What are another 10 variables that could logically be considered for any type of coffee shop or cafe location? Brainstorm this total list of 20 considerations.

What happens when the list gets to 20 and Jan and Pat would try to add weightings to all 20?

11. Cut the list of 20 considerations down to the most important 5 variables. Do a weighted decision matrix for only these 5 variables, making up your own ranking of "goodness" of a variable and importance judgment. What happens to your conclusion in comparison to what you found in question 6, above? Why are they the same/different?
12. A story from a student who did this exercise:

"We did this kind of decision matrix when hiring a new employee. When the grid of variables was

completed and all the candidates listed and ranked, we found one to be clearly the numerical winner. However, we didn't hire her. She had the highest score by far, but we all agreed that she wasn't the right candidate as none of us thought that she would get along well in the workplace. So we hired someone else."

What happened here? Did the decision matrix method fail? Why or why not? What happened in this scenario that highlights the intrinsic value of the method? Are Success Orientations part of this situation?

Note: The name "The Rosewood Cafe" is used in this case as a generic name and all the characters, locations, and descriptions are fictional. The name is not meant to describe any of the excellent Rosewood Cafes that actually exist around the world.