

LEADERSHIP CRISIS: HOW CAN CIRCLE 6 SURVIVE?

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SYNOPSIS

Laird Jennings, a long time senior software engineer at Circle 6 Corporation became increasingly concerned about his future employment due to a series of events that threatened the survival of the company. Circle 6 was a pioneer in the computer telephony integration area that did not adjust to disruptive technological changes. Meanwhile, factors internal to the company led to a crisis fueled by a series of strategic management failures that resulted in a struggling company dependent on old technology, a seriously eroded customer base, a small group of unmotivated employees that had survived numerous layoffs, and a disillusioned management team. The crisis escalated when the entire board of directors and management team suddenly announced they were resigning, and Jennings gradually emerged as the de-facto leader because no one else remaining at Circle 6 wanted to assume a leadership role. The case closes five months later when Jennings, an inexperienced manager, is elected chairman of the new board with the responsibility to lead Circle 6 from crisis to prosperity.

LEARNING OBJECTIVES

The objectives of this case are:

1. Prioritize the multifaceted issues and opportunities that “C Level” entrepreneurs need to address in leading a small business by developing a path for sustainability
2. Identify the differences between external and internal analysis and be able to apply appropriate theories and models to existing and future events of a small business
3. Recognize indicators that can develop into a crisis in a small business and identify and compare critical management areas that are components of the crisis
4. Apply life cycle model(s) and analyze their applicability to the case

APPLICATION

This is a decision case that was designed for upper division undergraduate and MBA level courses in Small Business, Entrepreneurship and Strategy.

KEY WORDS Small business, leadership, crisis, entrepreneurship, change management, strategy.

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