

**Uncovering Trade Secrets:      4**  
**The Legal and Ethical**  
**Conundrum of Creative**  
**Competitive Intelligence**

*To keep tabs on competitors, businesses often engage in competitive intelligence (CI). One method of CI is to study information that is in the public domain, such as government filings, published databases, and so on. This is the "basic/archival" approach. The "creative" approach relies on more innovative means, such as dumpster diving, interview with current or past employees, tours of plants and facilities, and so on. While various codes of conduct for creative CI have been promulgated, and two federal acts (Economic Espionage Act of 1996 and Uniform Trade Secrets Act of 1985) offer guidance, numerous legal and ethical angles remain to consider. Studying relevant court cases and the recommendations included here can help managers design a productive but also legal and ethical CI strategy — as well as defenses against CI.*

**William M. Fitzpatrick**

**Customer Influence on      14**  
**Service Productivity**

*The concept of productivity — output per unit of input — was developed before the U.S. and other developed countries became service economies. Services are quirky, because the customer — the purchaser of the service — can also be considered an input. Many services are consumed instantly, so customer needs and preference as well as knowledge and experience actually shape the quantity and quality of the service output. This role also introduces much uncertainty into the production of services. A literature search illuminates this phenomenon, and a framework suggests a way for service providers to get a handle on it.*

**Katri Ojasalo**

**Creating Fraud Awareness      20**

*Recent scandals in accounting and corporate governance have put the problem of business fraud on the front burner. Various counter-measures have been taken by the U.S. government and regulatory bodies, but it behooves each business — large or small — to be alert to fraud possibilities. Management fraud, the most costly type, usually involves deliberate financial misstatements. Occupational or transactional fraud, typically by employees, often involves asset misappropriation (billing schemes, skimming, expense reimbursements, etc.) Vigilance, maintaining an ethical work environment, and most important, segregation of duties, are among the deterrents available.*

**Patrice L. Viton**

**Managing Confidentiality in      30**  
**an Academic Presidential Search**

*Having taken part in a presidential search with little prior preparation, the author realizes how useful the experience and lessons learned can be for others in the same situation. One issue in particular can be difficult to handle — the need for confidentiality. Moreover, candidates have varying needs in this regard. When establishing a confidentiality policy, the search committee must be aware of state sunshine laws, if any. Recommendations arising from the author's experience include setting up training programs for search committees, the need to consider dissident opinions during the search, and the necessity of an executive order directing college administrators to honor confidentiality.*

**Fred A. Ware**

## **Strategic Management Case Writing: Suggestions After 20 Years of Experience** 36

*Case analysis is typically the backbone of the learning process in strategic management courses. To educate and also engage the students, a continuous supply of fresh cases is needed. Such cases usually earn "faculty research" credit for the writers. To be most effective, cases should involve real companies and situations, preferably companies recently in the news or undergoing substantial challenges and changes, or both. Global organizations have the advantage of providing exposure to international business and trends, and publicly owned companies are preferable to private ones because cases must include financial statements and other data. Writing should be lively and concise, published length should seldom exceed 20 pages, but content should be comprehensive.*

**Fred R. David**

## **Capitalism and Accounting Reform** 44

*The "bubble" economy of the late 1990s will be remembered in part for the high-profile accounting abuses and "earnings management" of certain large companies. These scandals shed light on the problem of asymmetric information, in which not all stakeholders have access to necessary information. The moral hazard problem arising from this may take the form of principal/agent conflict (e.g., owner versus management) or capture theory, in which supposedly independent watchdogs are captured or neutralized by the client. Calls for accounting and audit reforms have produced the Sarbanes-Oxley Act in the U.S. and various other proposals, many of which focus on the capture problem.*

**Valrie Chambers and Patrick Crowley**