

# Portal Systems

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Institute for Transforming  
Undergraduate Education

## PORTAL SYSTEMS: STAGE 1

*"Customer service is not an expense: it is a responsibility. It is a promise that we make each time a customer makes a purchase from Portal Systems."*

*--Emilio Chavez, founder and CEO of Portal Systems*

Dan Stevens, The Vice President of Customer Relations for Portal Systems, looked at the framed picture on his wall and read the statement carefully. Emilio had handed it to him personally when he graduated from his new employee orientation class, almost fifteen years ago.

Emilio Chavez emigrated from Mexico to the United States in 1985. He had founded the company as a way of working himself through college—by selling computers out of his college dormitory room in Phoenix, Arizona (see map on the next page). Emilio started by placing advertisements in computer magazines, and was surprised at the demand. He built the computers himself, and took great care to produce a quality product for his customers.

Now, over twenty years later, Portal was one of the top personal computer manufacturers in the United States. Portal still had no physical stores; it generated most of its sales through its website. Although Portal typically wasn't the cheapest option, customers were attracted by Portal's reputation for high quality products and excellent customer service.

Dan enjoyed working at Portal. Emilio had worked to create a family atmosphere in the company. Portal Systems' manufacturing facilities and customer call centers were still located in the greater Phoenix area. The company felt its geographic cohesiveness was an advantage. Company sports leagues, picnics, and even pep rallies resulted in the company being one of the best places to work in the U.S.

More recently, however, sales were down across the personal computer industry, and increased overseas competition had tightened profit margins. Portal Systems was losing ground against its competitors: the company had lost 3% market share over the past year. Costs were also a concern: real estate prices, taxes, and wages had ballooned in Phoenix in recent years.

Perhaps even more troubling, the company's reputation for excellent customer service had eroded in recent months. Average hold time on the company's customer service lines had grown to thirty minutes, and fifteen percent of customers waited over forty-five minutes before a technician answered. Because of high wage and health insurance expenses, Portal's cost per employee was among the highest in the industry and was increasing fifteen percent annually. Even though the company was financially sound, Dan knew that the company needed to cut costs to remain competitive.

Amy Smith, the Executive Vice-President for Products and Services, had asked Dan to assemble a list of recommendations to improve the recent decline in Portal's reputation.

## FOCUS QUESTIONS

1. **(Work Individually)**. Portal is facing increased costs, a declining reputation, heightened competition, and lowered revenue. Consider Dan's options for resolving Portal Systems' problems. Write down your ideas on a sheet of paper.
2. **(Work As a Team)**. Share your ideas with your teammates. Discuss the cultural and managerial implications as well as potential risks for each suggestion.
3. **(Work As a Team)**. Construct a list of learning issues: What do you know? What do you need to know? Where and how will you find the information you need?
4. **(Work As a Team)**. Use the Internet to research the most promising options.
5. **(Work As a Team)**. Be prepared to report back on your team's list of four steps Portal should take to improve its situation. Also be prepared to discuss the advantages and disadvantages of these steps.



## **PORTAL SYSTEMS: STAGE 2**

Dan's investigation had uncovered a number of potential causes for the company's customer service problems:

- The productivity and performance of call center employees was a concern. Even though the average number of calls handled per hour had remained consistent over the past year, the increase in overall call volume had increased the average hold time well beyond the company standard of fifteen minutes.
- Portal commonly hired older workers who had retired to the warm weather in Phoenix. Increased competition for workers—as well as spiraling healthcare costs—had raised costs considerably.
- The company's twelve call centers were at maximum capacity. Although adding more centers was an option, the high cost of construction and operations made further expansion in the Phoenix area undesirable.
- The pressure to add more call center employees had forced the company to lower its hiring standards. As a result, performance metrics—for example, whether or not the representative provided the correct information, number of transfers to other departments—were dropping. Managers were also now putting more weight on lowered average call time, which meant customer service representatives were under increased pressure to handle calls quickly.

Portal Systems' main advantage had been its website, which allowed customers to configure and order their systems. Recently, however, the Portal's two main competitors had made improvements in their online ordering capabilities to the point where they were almost as advanced as Portal.

Dan also realized that these competitors had a significant cost advantage over Portal. Both had closed their call centers in the United States and had hired call center providers in India. Their customer service cost structure was much lower than Portal's, making it difficult for Portal to match their profit margins.

To gain insight into offshoring, Dan met with a representative from Extend, a call center provider headquartered in Bangalore, India. Extend had been founded only two years ago, but the company had rapidly grown to three call centers that housed thousands of employees. Dan's inquiries convinced him that Extend had an excellent reputation and was well-managed. Extend was confident that it could dramatically improve Portal's service levels. There would be a considerable initial expense to cover the hiring, conversion, and shutdown of Portal's domestic centers. After that, however, the annual cost would decline by at least thirty percent.

Given its potential advantages, Dan knew he must consider offshoring in his recommendations to the Executive Vice President.

## FOCUS QUESTIONS

Your team will be assigned to one of the following stakeholder groups:

- Portal Customer Service Representative
- Portal Executive Management
- Phoenix community leader
- Representative from Extend
- Representative from the Indian government

Discuss the following focus questions with the other members of the same stakeholder group. In your new role, *you are acting as an advocate for the assigned stakeholder group*. Be sure to consider the following focus questions:

1. Why is Portal's decision to offshore its call centers important to your stakeholder group?
2. How does Portal's level of customer service affect your stakeholder group?
3. What information do you need to find in order to be an effective advocate for your stakeholder group? Where do you think you can find the information?

Use a flip chart to record your ideas. Summarize your concerns on a separate sheet for presentation to the rest of the class.

## **PORTAL SYSTEMS: STAGE 3**

Return to your original group. Your group will assist Dan by formulating the final recommendations for Amy Smith. Your recommendations should be in the form of a 5 minute PowerPoint Presentation and should answer the following focus questions:

- Should Portal Systems offshore its customer service function?
- If so, how much? How can it complete the transition as painlessly as possible? What are the future implications of offshoring its call centers?
- If not, what are Portal Systems alternatives to offshoring? What are the advantages and disadvantages?
- How can Portal Systems balance the concerns of its stakeholders?

## Group Dynamics and Conflict Management



*Institute for Transforming  
Undergraduate Education*



*Yuan Ze University, Taiwan*

*January 14-15, 2008*

Dr. Deborah Allen's contribution to this presentation is acknowledged and appreciated.

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### Why Use Groups?

- Simulates the “real world” use of teams
- High motivation when actively involved
- Learn more fully and with less effort
- Learn in context
- Allows exploration of more complex problems
- Can allow students to self-select their major areas of interest.

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### Trust and Teams

- Trust is “a willingness to put oneself at risk within a specific context.”
  - Trusting behavior: delegation of tasks to a team member
  - Distrusting behavior: Completing all tasks on your own.
- To be “trustworthy,” indicates one has characteristics that merit another’s trust:
  - Competence—one has the capacity to complete the desired task.
  - Benevolence—one cares about my needs and will act in my best interests.
  - Integrity—the person is honest and keeps his or her commitments.

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## Nurturing and Eroding Team Trust

List five actions that inhibit the formation of team trust. Use competence, benevolence, and integrity as a guide.

*Report out in 5 minutes*




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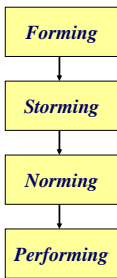
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## Phases of Group Development



**Group Task**  
 Define purpose  
 Determine objectives  
 "Best Behavior" / Inwardly focused

Competition for ideas  
 "What are we supposed to do?"  
 Determine & accept roles

Ease into roles and ground rules  
 Development of trust & consequences  
 Agenda setting

Comfort in assigned roles  
 Autonomous  
 Dissent expected and encouraged

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## Phases of Group Development

	<u>Group Task</u>	<u>Evidence of Failure</u>
<b>Forming</b>	Define purpose Determine objectives "Best Behavior"	Group lacks focus Attends to wrong things Conflict over objectives
<b>Storming</b>	Competition for ideas "What are we supposed to do?" Determine & accept roles	Not completing tasks Conflict within group Confusion over roles
<b>Norming</b>	Ease into roles and ground rules Development of trust Agenda setting	Poor standards Conflict within group & w/instructor Late assignments
<b>Performing</b>	Comfort in assigned roles Autonomous Dissent expected and encouraged	Poor performance continues Conflicts go unresolved Sense that grades unfair

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## The Team Grid and Code of Conduct Exercise

Name, Phone, and Email Address	Things I Love to Talk About	Why I Am Taking This Class	Personal or Professional Achievement for 2007	On Teams, I tend to be a...

Code of Conduct: How should we handle poor performance on this team?

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## Purposes of “Completing the Grid”?

- Forming:
  - What does everyone expect to get out of this class?
  - Do we have 5 leaders? Entertainers?
  - How do I contact you?
- Storming
  - What role do I want to play? (Leader vs. Entertainer)
- Norming
  - How do we handle poor performance?
- Encourages the movement through the phases and the formation of trust

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## My Group from Hell

Take 5 minutes to trade stories with your neighbor about your “group from hell.”

*How was the conflict resolved?*



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## Resolving Conflicts

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### *Level 1 - Preventing escalation*

- Monitor groups for early signs of conflict
- Intervene on the spot
- Group evaluations
- Encourage spontaneous verbal feedback



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## Resolving Conflicts

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### *Level 2 - Empowering students*

- Listen to student concerns (all viewpoints)
- Encourage students to resolve the conflict
- Coach students on possible resolution strategies



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## Resolving Conflicts

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### *Level 3 - Serve as mediator*

- Establish ground rules/review code of conduct
- Ask each student to present point of view while others listen
- Ask each student to define ideal outcome
- Review group ground rules
- Facilitate discussion of possible outcomes



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## Resolving Conflicts

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### *Level 4 - Instructor intervention*

– “I reserve the right to....” statements in the syllabus

**Levels 1-3 are loosely based on:**

Weider-Hatfield (1981) A unit in conflict management skills. *Communication*

*Education* 30: 265-273.

Adler, Rosenfeld, and Towne (1983) *Interplay: The Process of Interpersonal Communication*. New York: Rinehart & Winston.

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## Final Suggestions for Using Groups

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- Set expectations early
- Form heterogeneous groups
- Use permanent groups
- Rotate roles of responsibility
- Rely on group-selected ground rules
- Conduct peer evaluations

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# Writing Effective PBL Problems

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## Important Considerations in Writing Problems

- Role of problem in accomplishing course objectives
- Level of course and maturity of students
- Time frame
- Staging
- Availability and access to learning resources
- Use of prompting questions



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## Types of Learning Objectives

**Content-oriented:** subject specific

- Basic knowledge and understanding of specific concepts, techniques, etc. in the discipline

**Process-oriented:** global skills

- Effective communication: oral and written
- Acquiring and evaluating information
- Working effectively with others
- Higher order, critical thinking

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## What Factors Influence Decisions about Problems?

### Your background

- discipline
- control issues
- level of investment

### What is the course?

- students (number and level)
- sequencing of course/problems
- time/structure of class




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## Step One: Identify Learning Objectives

### Think of a learning objective in your course:

- CONTENT: "My students will understand the management issues that occur when you monitor your employees."
- PROCESS: "My students will improve their understanding of the process of management decision-making."
- PROCESS: "My students will improve their memo-writing abilities."

### How do you usually address this learning objective? What kind of problem or activity do you usually assign?

- Typical end-of-chapter problem?
- A reading?
- Other?

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## Step Two: Identify Real-World Context

- Newspaper articles, news events
- Real event that you experienced
- Popular press in the discipline
- Make up a story – based on content objectives
- Adapt a textbook problem
- Research papers
- Other?

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Take 15 minutes to read through  
Stage 1 of the Ever-Ready Security Case

You and your team should briefly discuss  
the focus questions

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### Textbook Problem/Concept



"The secretarial pool is part of the group assigned to Doug. The pool has produced very low quality work for the past several months. Doug has access to the passwords for each of the pool members' computer accounts. He instructs the supervisor to go into each hard drive after hours and obtain a sample document to check for quality control."

If you were the supervisor, what would you do? Is this ethical?"

Pearlson and Saunders (2006), *Managing and Using Information Systems*, John Wiley & Sons, p. 211.

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### A Real Life Scenario: Ever-Ready

- Based on my wife's experiences
- "You can't make this stuff up"
- Information given gradually throughout problem

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### Step Three: Draft the problem

- Add context by creating a realistic application of the concept.
- Be a storyteller: Add motivation, realistic characters
- Require students to go beyond memorization by researching ambiguous situations
- Require them to make a decision and defend it: what would YOU do as a manager?
- Reinforce that decision-making is not easy by making the situation ambiguous

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### Drafting the Problem (cont.)

- Good PBL problem has multi-page, multi-stage construction - leave students guessing!
- Not all information should be given in chapter or text—have students do outside research.
- Challenge students to come to consensus, reach conclusions, and make judgments, deal with ambiguity

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### Staging of the Ever-Ready Case

**Stage 1:** Judging if a problem exists. What information does Harry need before he can take action?

**Stage 2:** More information given. "Surprise" (and open-ended) conclusion. Students need to make further judgment calls

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## Activities Related to Ever-Ready

- Groups summarize each stage before moving to next.
- Final stage written up by group with complete analysis.




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## Mixing in Process Objectives with Content Objectives

Public-speaking: Groups present their approach before moving to the next stage.

Memo-writing: Final deliverable is the writing of a memo that presents their decision and logic behind it.

Research: Teams are required to find evidence to support their conclusions.



Teamwork: Students must learn to work together to solve the problem.

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## Get Started Writing Your Own Problem

- During lunch, think about a problem that you often use in a class
- Using the suggestions in this presentation, think about how that problem could be adopted as a PBL problem
- Bounce ideas off of colleagues!
- Be prepared to write your first PBL problem after lunch
- Feel free to reorganize into teams that reflect your general academic disciplines.

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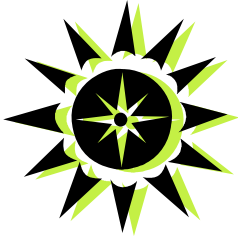
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## Ever-Ready Security Stage 1: An Awakening Problem?



"Harry, we've got a problem here."

The phone call had come from Dennis, the Operations Director at Harley-Davidson's parts storage facility. Dennis continued, "this is the *second* time I've found spray paint on the back of the building—and not just one bad word, Harry. I'm talking about a really detailed, multicolored little portrait by some kid who thinks he's an artist. Your man Steve must have been sleeping on the job."

Harry took a deep breath. He was the Director of On-Site Services for Ever-Ready, the company that handled security at Harley-Davidson's manufacturing plant. Harley-Davidson manufactured motorcycles: Ever-Ready's guards were supposed to patrol the site, verify that the entrances were secured, and report any unusual activity to management and the local police or fire station, if necessary. Steve was supposed to make one loop around the site each hour, from dusk until the first shift reported in the morning.

Harry asked, "You're sure the spray paint wasn't there before Steve's shift started that night?"

"I'm positive. A couple of nights ago, when I entered the building unannounced, I'm positive that Steve had just woken up from a little nap in his chair. Listen, I'm going to give you a few days to figure this out. But for your sake and mine, I'd better not see any more sleepy-eyed security guards."

"Dennis, thank you for alerting me. I'm sorry to hear you've had a problem with security, and I promise to do whatever is necessary to ensure that it doesn't happen again." He hung up, feeling a little nervous: Harley-Davidson was Ever-Ready's biggest client, and he could afford to lose its contract.

Harry called Steve at work that Thursday night. Steve acknowledged not seeing the spray paint, and apologized for not reporting the incident. But he said, "That location is in a really dark area in the back of the building, by the loading dock. There is no lighting. So I doubt I would have seen it even if I were looking for it. Not to mention the garbage cans and pallets back there... whoever did it could have hidden right behind them while I walked around. I told Dennis that I'm going to check out those areas from now on when I walk around. Really—I've got a handle on it, Harry. It's definitely not going to happen again."

### Focus Questions

1. (Work individually). Assume you are Harry and you just talked to Steve. What information do you know? What information do you need to know? How can you get this information?

2. (Work as a team). How would you handle Dennis' concerns? What actions—if any—would you take with Steve?

**Ever-Ready Security:  
Stage 2: An Increasingly Candid Situation**



The next Monday evening, Harry drove out to the Harley-Davidson plant thirty minutes before Steve's shift. Harry told Dennis, "I'm here to determine whether or not Steve is doing his job. I'll be back tomorrow to follow up. Can you let me into the guard's office?"

Dennis admitted Harry to the office and left for the day. Harry took out a small video camera from his purse and turned it on. He then hid the camera in the bookshelf next to Steve's chair and left the building.

**Discussion Questions**

1. (Work as a team). Discuss the issues around Harry's decision to hide the camera. Using the attached theories of ethics, decide whether or not Harry's actions are ethical.
2. (Work individually). Imagine you are Harry's supervisor. Write a memo to Harry, evaluating her handling of the situation at Harley-Davidson.

