**Project Case Study: A New Direction for Delta Pacific**

Introduction

In a global business environment where organizations can no longer rely on traditional factors that historically lead to a competitive advantage such as access to proprietary technology, exclusive rights to raw materials, or proximity to customers and markets, many organizations have re-structured to capitalize on new success factors. In the United States that has resulted in a shift in many cases from product or service-based businesses to knowledge-based businesses (OECD, 1996; Powell & Snellman, 2004). Powell & Snellman (2004) define the key components of a knowledge economy as. .a greater reliance on intellectual capabilities than on physical inputs or natural resources." (p. 201). This case presents the challenges facing an organization as it transitions from its traditional business model to one that incorporates greater reliance on the knowledge of its workforce. The focus of this case is on the role of the organizational behavioral system in facilitating a successful transition to the new corporate strategy.

The Case Scenario

The Delta Pacific Company (DPC) has a long history of success. The company has been at the fore front in the development of information technology since the 1970s and led the market in technology development, manufacturing and sales throughout the 1980s to the mid-1990s. DPC was a success story. They consistently met or exceeded their profit targets, successfully integrated new technology into their products, and they were considered one of the best employers in the country. With generous benefit packages, a high quality of work life, industry leading salaries, and a corporate culture that considered its employees to be part of a family, potential employees were lined up for opportunities to join DPC.

However, with the advent of globalization, freer trade, and low cost overseas labor, DPC found itself slowly losing market share for its primary product: computer hardware. DPC had prided itself on producing and selling the best products and training its sales force to develop long term relationships with clients that brought them back year in and year out for DPC's technology. Along with hardware, DPC also sold service contracts and training classes for the end users of their products. By the late 1990s it became clear to the leadership at DPC that they could no longer compete with less expensive products being produced overseas. At one time they could sell their higher priced goods on the premise that they were of higher quality, but that was no longer the case. Foreign-made products were now being produced to match or even surpass the quality standards set by DPC. However, conversations between sales representatives and their clients did indicate one thing: the clients valued the personal interaction they had with the sales reps and the personalized advice that they could provide to their clients to help them to reach their goals. DPC recognized that they needed to make a change and they believed they had a new vision for their company.

As they entered the 21st century DPC moved away from hardware solutions to business challenges and shifted instead towards knowledge-based solutions. Rather than selling equipment, DPC began to market the extensive knowledge of their workforce. DPC would no longer sell the equipment; they would instead provide integrated knowledge-based solutions to information management problems. Essentially they would become a consulting firm that would assist their clients to set up systems that would facilitate information management. But now their solutions would go beyond hardware and encompass software, organizational design, data collection management, work flow and overall information management re-engineering. Sales reps underwent significant training to prepare them for their new roles. However, the redesigned jobs were not a good fit for all of the sales reps. some moved on to other types of positions within the company, but others left to pursue opportunities elsewhere.

As expected, profitability declined during the initial introduction of this new organization mission as employees became accustomed to their new roles. Due to the time taken to train employees, they were spending less time in the field with their clients generating revenue and more time in the classroom being oriented to their new roles. However, the decline persisted much longer than anticipated and the company's leadership team, board of directors and the shareholders were growing impatient with the slow returns. It became increasingly apparent that while the training, resources, and equipment were in place, significant changes in the organizational behavior system at DPC were necessary to ensure long term success.