

When Student Field Case Research Goes Awry: The Undiscovered “Landmark” Forum

Kudret Demirkol

Komal Thakkar

Herbert Sherman

Long Island University, Brooklyn Campus

Student field research has become an extremely popular instructional methodology employed both in undergraduate and graduate business programs and may be part of a traditional course or as a separate course of study. This paper is a working case study; a real life disguised situation which documents two MBA graduate students' attempt to perform field research (a traditional strategic analysis of a firm) in a graduate capstone course with a private, employee-owned organization. The firm they selected was the Landmark Forum, a highly publicized controversial business in the personal development industry. The case documents the problems they encountered obtaining adequate primary and secondary data and closes with the students addressing the options available to them to resolve their perceived problem of inadequate information. This case is recommended to be administered at the beginning of any undergraduate or graduate level course where students are expected to perform field research and therein might encounter similar concerns. Teaching notes are available upon request.

INTRODUCTION

Student case research, especially field research, poses both practical and ethical nuances that first and foremost are associated with the first step in any field research project, data gathering (direct observation, interviews, and subjects as active participants). There are numerous issues underlying the data gathering process (i.e. obtaining permission from the subjects/firms being analyzed, dealing with Institutional Review Boards, reporting of illegally found activities) usually surrounding the protection of the rights as well as the anonymity of subjects and the organization in question. Obtaining primary data from firms, as well as the permission to use such data, has become a delimiting factor and an issue that any professional field case researcher has had to address (Leach, 2005; Naumes & Naumes, 2013; Vega, 2013), no less inexperienced and undertrained graduate students.

That being said, student field research has become an extremely popular instructional methodology employed both in undergraduate and graduate business programs and may be part of a traditional course or as a separate course of study (Harvard School of Business, n.d.):

Students ... receive academic credit by completing projects that address an organization's real-time challenges. A faculty member advises students during their work on a project of strategic importance to the organization. Independent Project teams ideally range from 3-

5 people, although a team of 2 or 6 may be supported, or a student may work solo with a faculty supervisor. Each team or individual is expected to conduct research in the field, carry out thoughtful analysis, prepare a report, and make a final presentation-supported by concrete findings and recommendations.

The student or student team then acts as an independent learning unit whose task it is to obtain both primary and secondary data about an organization (or a unit thereof) and to act in a consulting capacity to diagnose the unit in question, discern its “problems” and select solution strategies for healing the firm’s operations. For many business faculty and students alike this instructional technique has become fairly routinized as well as has become an expected skill-set (Hart Research Associates, 2013) of employers:

Employers endorse several educational practices as potentially helpful in preparing college students for workplace success. These include practices that require students to a) conduct research and use evidence-based analysis; b) gain in-depth knowledge in the major and analytic, problem solving, and communication skills; and c) apply their learning in real-world settings.

Intended Instructional Audience & Placement in Course Instruction

The case is a real, field-based case that documents the trials and tribulations of a two-person graduate student research team (names have been changed) in a graduate capstone course trying to obtain enough detailed information about a well-known private corporation, The Landmark Forum, in order to perform a strategic analysis of the firm (at minimum industry and SWOT analyses).

This case was primarily developed for undergraduates and graduate students taking a capstone course where typically a strategic analysis of an organization is conducted through the use of “canned” cases and/or live cases requiring field work. This case may also be employed as an introductory case to any undergraduate or graduate course where a team field based company analysis is a critical component of the course.

For the undergraduate and graduate capstone courses, students should read the case after reading the course syllabus and more specifically the course’s field project. They should also read the introductory chapter of the textbook in order to obtain an overview of the topic as well as any support material on case analysis and field work that might be in the appendix of the textbook. (E.G. Part V and Chapter 12 of Wheelan, Hunger, Hoffman & Bamford, 2015.) A very helpful website is <http://www.virtualpet.com/industry/howto/search.htm> which walks students through a step-by-step guide for conducting industry and company research.

Learning Objectives

The overall purpose of this case is to introduce students to the potential difficulties associated with conducting field research on privately held firms where students do not have an internal contact within the firm to work with in order to obtain data. Students obtain a “real-world” feel of the situation and tacitly experience some of the difficulties encountered when conducting research on a firm that does not want to release financial information. Specific learning objectives are as follows:

1. For students to obtain a basic understanding of how to conduct field research.
2. For students to understand the idiosyncrasies associated with researching a privately-held firm.

3. For students to describe the current dilemma facing the students conducting the field research on the Landmark Forum.
4. For students to examine the options available to students in the case in terms of completing their research project and to offer suggestions for solving the impasse.

TEACHING STRATEGIES

Preparing the Student Prior to Case Analysis

There are several approaches, none of which are mutually exclusive, that an instructor may employ in terms of utilizing this case. It is strongly recommended that, regardless of which course this case is to be employed with, students should have some exposure to and background in field research. Besides the aforementioned web link, Naumes and Naumes (2013, pp. 49-56) have an excellent description of the field research process which could be assigned as a class reading assignment. The above information may be delivered prior to assigning the case followed by a short lecture, a student presentation and/or a discussion session on the topic.

Case Method

Although most of the students in a capstone business course may have had some exposure to the case method, students in an introductory course may not. It therefore behooves the instructor to provide the students with a review to the case method of analysis. Most strategy textbooks have an appendix dedicated to the case method and this material may prove useful for novice case analyzers.

In the traditional case method, the student assumes the role of a manager or consultant and therein takes a generalist approach to analyzing and solving the problems of an organization. This approach requires students to utilize all of their prior learning in other subject areas although the focus should be on the current course content. It is strongly suggested that students prepare for the case prior to class discussion, using the following recommendations:

- allow adequate time in preparing the case
- read the case at least twice
- focus on the key issues
- adopt the appropriate time frame
- draw on all their knowledge of business.

The instructor's role in case analysis is one of a facilitator. The instructor helps to keep the class focused on the key issues; creates a classroom environment that encourages classroom discussion and creativity; bridges "theory to practice" by referring back to key concepts learned in this or prior courses; and challenges students' analyses in order to stimulate further learning and discussion. There are several variations of the aforementioned approach including: written assignments, oral presentations, team assignments, structured case competitions, and supplemental field work.

Regardless of the variation employed, it is recommended that the students' work be evaluated and graded as partial fulfillment of the course's requirements. However, if this case is not employed as a comprehensive case, it is not recommended that this case (and its related assignments) have a large weight or impact on students' overall course standing.

Using Case Questions

Whether or not the instructor assigns questions for students to analyze with the case is usually a matter of educational philosophy and student readiness. Naumes and Naumes (2013, for example, thought that if the questions were handed out with the case “students will tend to focus only on the issues specifically raised by the questions ...” (p. 86). Lynn (1999), on the other hand, noted that the use of assignment questions provided students with more concrete guidance in case preparation and analysis; specifically directing them to consider the decision to be reached.

In deciding whether or not to assign questions, the instructor should first answer the following questions:

1. What is the level of course instruction?
2. What type of case is being taught? (Iceberg, incident, illustrative, head, dialogue, application, data, issue, or prediction.)
3. What is the instructor’s preliminary assessment of the students’ ability to be self-directed learners?
4. What are the students’ previous experiences with case instruction?
5. If the students have already been exposed to the case method, what types of cases have they been exposed to? Case incidents (1-2 page cases with questions)? Short cases (3-8 page cases with and/or without case questions)? Comprehensive cases (greater than 8-15 pages) Harvard-style cases (greater than 15 pages)?
6. What is the instructors preferred method for case instruction? (For example, “sage on the stage”, “guide on the side”, “student as teacher” (student-lead discussions), “observer and final commentator” (open class discussion with faculty summation), etc....

THE UNDISCOVERED “LANDMARK” FORUM CASE

What we call the beginning is often the end.

And to make an end is to make a beginning.

The end is where we start from.

T.S. Eliot’s “Little Gidding” (Four Quartets, V)

Coda – The End is the Beginning

Paul, a graduate student in his final class before graduating with a MBA, was quite flustered as he read through the e-mail exchanges again and again hoping that the next time the ending would be different, yet the ending was always the same. *Thank you for your interest in our firm but no interview.* “Well thanks for nothing” thought Paul. What had started out as an exciting project researching a well-publicized firm had come to an abrupt, crashing halt. How were he and Jessica going to proceed with less than a month left to finish their project for their capstone course without more detailed information on Landmark? Both of their graduations were in jeopardy and they needed a solution fast.

When No is No – Now What?

Paul pondered the response he received from the Landmark (see Exhibit 1 in Appendix for the e-mail exchange between Paul and the Landmark). “This was our last hope for progressing in our field case project on the Landmark” he thought to himself. “After we picked

the company and started doing preliminary research, we faced some real difficulties finding company-specific information. I feel like this research project has now hit a dead-end and I guess I should have seen it coming. For a month we searched online as well as through library sources to only end up with very limited objective, non-sensationalized information. Jessica and I followed the project outline structure from our textbook however we seem to have run out of luck! We are both now quite worried because we are stuck and the project is due in three weeks - we did not plan for such a setback!"

Jessica's feelings were quite similar. "I didn't think that trying to get information on the Landmark Forum would be such a big deal as a class project. There was so much bad press I found on the organization that I thought they'd be anxious to get their side of the story out ... but clearly I was wrong since our request for an interview was turned down. What are we to do with less than a month left in the class? Do we now contact the professor and ask for an extension or do we just write up what we have, submit it and hope for the best? He warned us up front that we'd be better off with a public for profit firm but we did not listen. What if he tells us that we should have listened to him and that we now have to deal with the consequences?"

In the Beginning – Did They Plant A Bad Seed?

Paul then called Jessica to try to get the project out of neutral. After a fruitless conversation that got nowhere in terms of a solution strategy, Paul and Jessica then reflected on how the project had gone so awry; how they had managed to get themselves into such a predicament? Why didn't they take their professor's advice during the second week of class and select a public corporation?

It seemed like only yesterday (though it was actually over ten weeks ago) that they self-selected each other as teammates during the first week of class. Paul and Jessica had worked on group project before in other classes and knew from past experience that they could count on each other to hold up their part of the project.

Paul had always been the "voice" of any group he was a part of – excellent speaking and platform skills coupled with very good active listening and interviewing skills. He was very good at obtaining and conducting interviews and always seemed to take the lead in any group project. He was never domineering though and very considerate of others' talents, time and needs. Jessica was known as the "work horse." She loved to dig into data bases and on-line searches and demonstrated a dogged determination for uncovering tidbits of critical information. Always staying in the background, Jessica could organize data, repackage it into PowerPoint and report formats, and provide succinct analysis, especially when it came to financials.

Both sat down and perused the description of the project in the course syllabus.

Field Case Report: Each team will select a firm and conduct field research on the firm, and present the team's findings in a corporate format report. The report should include appropriate indication of source materials, presented in APA referencing format. See the attached field case grading rubric and presentation format. Please submit your team case analysis through Blackboard. [See Exhibit 2 in Appendix.]

Based upon the description of the field report, Paul and Jessica wanted to research a company that was both unique and very well-known – and Landmark seemed to fit the bill quite nicely. Deciding to analyze Landmark as their firm, however, was more of a discovery than of thorough research. Jessica had stumbled across some flyers about the Landmark Forum in her book store. She showed the flyer to Paul and both were intrigued not only by the nature of the

firm (what exactly did the firm do to earn revenues? are they more than just a training institute?) but, with a quick internet search, were also titillated by the seemingly mixed reputation of the firm based upon its questionable strategies, tactics and past ties to EST.¹

They first needed to find some basic information about Landmark and strive to structure that information as per the outline in the course syllabus – this was due the second week of the 15 week course:

The introduction to a case should include several elements:

- 1) *Who the company is and what it does?*
- 2) *Who founded the company and why?*
- 3) *How the company has grown through the years?*
- 4) *What is happening as of the case preparation?*
- 5) *Why this is interesting?*

Fortunately they were able to find some basic information about the firm. (See Exhibit 3 in Appendix.)

They posted this information on the class's blackboard website on the discussion board as well as posted this same information for a grade under the assignment icon. On-line discussion of Landmark seemed quite lively relative to the other groups' posts with many of their classmates highly intrigued with the nontraditional nature of the organization. Negative words like "cult", "pyramid scheme" and "scam" were intertwined with such accolades as "life altering", "consciousness raising" and "fascinating." If peer reviews were any indication of their choice of organization, they had selected a winner.

Their professor, on the other hand, while giving them high marks for the work they had so far turned in, warned them that they may have already "drained the well" of information. He wrote that it was not too late to select a public corporation that provided educational services where access to secondary source information would be easy. Furthermore they wanted to select an organization that research organizations like Hoovers would possess a plethora of information and analysis on. "Do what you think is best" he wrote "but organizations like Landmark tend to keep things close to the vest. I am not overly optimistic. Perhaps you can interview someone in Public Relations who can get you access to the information you need?"

Advice Unheeded and the First Misstep

By the third week they had hit their first stumbling block. It was ironic but for such a highly publicized firm, secondary searches uncovered a very limited amount of objective third party information. For instance, online database sources that provide company data on publicly-traded firms, such as Hoover's Online, Small Business Collection and Mergent Online, had very limited or no available information on the company. Furthermore the articles they read in newspapers, magazines and predominately on-line blogs and websites were mostly based on ethical issues surrounding Landmark's questionable training tactics as well as due to its controversial historic roots (EST). Although they found these articles quite interesting the articles did not yield the type of information they needed to perform a strategic analysis of the firm. They unfortunately were limited to the company's own website (www.landmarkworldwide.com); a source that they knew would not be free from bias.

After a quick recap Paul decided that he and Jessica needed to revisit what they had so far found out – maybe it was not as bad as they thought? According to the information they had on Landmark, the company is a privately held international company and 100% employee owned. The firm identified itself as providing training and education services yet when looking at the company's products and services the firm seemed to provide personal development services and therefore was in the self-help industry. Identifying Landmark's industry was a very critical first step in their research since they needed to understand the impact of the industry forces on the firm and its competitors.

Paul: *So what do we know so far?*

Jessica: *Well, we know that Landmark states on its official website that they provide personal training and development services yet Mergent Online classifies this company as part of the education services industry. This creates an interesting discrepancy since for the most part the Education services industry is strictly regulated by the U.S. government but not the personal development industry. Also, the education services industry contains organizations such as pre-school, primary and secondary education, colleges, as well as prep courses none of which provides the types of products and services Landmark seems to provide.*

Paul: *I agree... This is why I researched the personal development industry, and I found that there is only one company called Marketdata Enterprises Inc. that analyzes and reports on this specific industry. I called Marketdata Enterprises and talked to the president of the company and asked for information that would provide us some insight about macro environmental factors in the industry and on the firm. They have the "perfect" report that not only analyzes the industry but provides data on Landmark as well as their competition. Unfortunately, Mr. La Rosa turned down my request saying that they could only provide this information by selling us the entire industry report. Wow! I checked the price, and it is \$1,695.00. Talk about sticker shock! [See Exhibit 4.]*

Jessica thought they might be able to get access to this information without paying for it. She contacted their college reference librarian and explained the situation. Jessica assumed that if her college did not have this report that they either might purchase it for their own reference library or that another school within their interlibrary loan system would have it. She tried but no luck!

While Jessica and Paul were struggling to find information about Landmark's external environment they ran into another obstacle - gathering data that would enable them to examine Landmark's internal environment; more specifically looking at Landmark's financials. For the financial ratios, they needed to access to the company's income statement, balance sheet, and cash flow and finally benchmark them with the industry averages as well as specific competitors' financial strengths and weaknesses. (See Exhibit 2 for a description of required information for the internal examination section.) However Landmark was a privately held firm, and therefore did not need to file a 10-K Annual Report with the Security Exchange Commission (SEC). This information was also not accessible from their website. They had one more avenue to explore.

The Unexpected Bend in the Road – Or Worse a Dead End?

Paul: *I think there is only one thing left we can do to further this research. We need to contact Landmark and explain our situation. Then we can request an interview with a Landmark person who is from management.*

Jessica: *I definitely agree that this is our last and only chance! We need to prepare some questions for the interview that would include all of the information we have struggled to find.*

Unfortunately Landmark rejected their interview request and they were already a month into their project. Their attempt to do primary research was just as unsuccessful as was their secondary research. There seemed there was no way for them to move forward with this project. Paul and Jessica kicked around their options.

Paul: *We have limited choices. We can go with the data we have and our preliminary report (see Exhibit 3), try to fit it into the format the professor wanted, and include all of our search efforts, including the contacts with Landmark, to indicate that we gave it our best effort. Maybe he will be understanding and grade us just on the material we uncovered.*

Jessica: *Sure. He can also fail us for providing him incomplete information – we do not have any financials to speak of, how can we analyze any firm's performance without financials? He did warn us in week two that we should switch firms... and he was right!*

Paul: *Ok. We can then ask the Professor for assistance in finding information about Landmark and to perhaps see if there are any other secondary sources we've missed.*

Jessica: *True – but assuming there are additional sources we will need the time to search these databases, process the data they have, and then plug this information into the report. We have less than a month left – is that a reasonable amount of time?*

Paul: *Maybe not. We could then ask for an extension. That will mean not graduating with the rest of our class and perhaps keeping us out of the MBA job market and out of our planned career paths. Even with the granted extension, there is no guarantee we could find the information we need in order to properly complete the report.*

Jessica: *You're right. The professor could also easily impose a late penalty on our work as well as merely say no. He has a tough reputation and is not known for his leniency. And what is worse he might grant us an extension with the understanding that we will be picking a new firm and starting from scratch.*

Paul: *Well ... (Paul clear's his throat) I hate to mention this BUT we could go to one of those "research" websites like <http://www.coursepaper.com/> and download a report. I am sure we could find a report on Landmark.*

Jessica: *Funny ... I actually went to that site and found no results. There were two case studies published on Landmark (one by Harvard, one by the University of California) yet one is no longer available, and quite dated, while the other focuses on the impact of Landmark's consulting group on a particular firm. (President and Fellows of Harvard College, n.d.; University of Southern California, n.d.-no longer in print.)*

Besides the legal and moral implications of such actions, there are at least two reasons this approach is no good. First, you are assuming we will find a report that follows or even comes close to the same outline as our syllabus; very doubtful. Submitting a report that does not follow these guidelines would be a red flag to the professor. Second, every class report is run through SafeAssign™ (a Blackboard reference check software package); and trust me the software would pick this up in a minute.

They looked at each other with blank expressions on their faces and with no exit strategy.

Suggested Case Questions

1. In reviewing the case, what selection factors or criteria did Paul and Jessica use in choosing Landmark as a firm to analyze for this class project?
 - a. First, develop a list of factors employed by Paul and Jessica.
 - b. Then develop a list of five selection factors given the case assignment and rank order them in importance (1=most important).
 - c. How well did Paul and Jessica's factors fit the actual needs of this assignment as described in the case?
2. The Professor warned them in week 2 that they might have selected a firm incapable of researching properly. What might Paul and Jessica have done to verify that the professor was or was not correct? Why do you think they did not take the professor's advice?
3. Using the Exhibit 2 Final Report Format and in Exhibit 3 Students' Preliminary Research Week 2Appendix, determine what material Paul and Jessica still need to obtain in order to properly complete their report;. What material is still missing? Rate each missing item on a 1-5 scale (1= very unlikely, 5=very likely) the likelihood of them obtaining this material in a 3-4 week time period.
 - a. What information might be obtainable with a one month extension?
 - b. What information might never be obtainable?
4. Examining the missing list of information created in question 3, on a 1-5 scale (1= very important, 5=very unimportant), determine the importance of each of those items of information.
 - a. What if any vital information is missing and would make a valid analysis of this organization impossible?
 - b. What if any spurious information is missing and would make an analysis of this organization still valid?
5. In light of your analysis, make an overall determination as to Paul and Jessica's ability to complete this project – can Landmark be properly analyzed given the parameters of their assignment?
6. What are the three most viable options for Paul and Jessica at the end of the case? Why
 - a. Assuming one of their options is going to their professor with their dilemma, what are the professor's options in dealing with their dilemma?

- b. What would you then do if you were the professor?

REFERENCES

- Derengowski, P. (1997). *Landmark Education/The Forum*. Retrieved from skepdic.com.
- Eliot, T.S. (n.d.). *Little Gidding*, Four Quartets, (V). <http://www.columbia.edu/itc/history/winter/w3206/edit/tseliotlittlegidding.html>, 10/28/2014.
- The Est Training. (2008, December 19). *Werner Erhard and the est training*. Web. 6 Mar. 2014.
- Gaille, B. (2013, November 2). 18 self improvement industry statistics and trends. *BrandonGaille.com*. Web. 6 Mar. 2014.
- Glover, S. Retrieved from <http://www.effective-positive-thinking.com/personal-development-home-based-business.html>.
- Harris, D. (2010, February 4). "Sweat Lodge Deaths: Regulate Self-help Gurus?" *ABC News*. N.p., Web. 6 Mar. 2014.
- Hart Research Associates. (2013, April 10). "It Takes More Than a Major: Employer Priorities for College Learning and Student Success An Online Survey Among Employers Conducted On Behalf Of: The Association Of American Colleges And Universities. https://www.aacu.org/sites/default/files/files/LEAP/2013_Employer_Survey.pdf, 10/28/14.
- Harvard School of Business. (n.d.) "Field Based Learning." <http://www.hbs.edu/recruiting/mba/connect-with-students/field-based-learning.html>, 10/28/14.
- Landmark Company. (2014a). *Landmark Company History, Landmark Forum Timeline, Corporate History*. Web. 1 Mar. 2014. <<http://www.landmarkworldwide.com/who-we-are/company-overview/company-history>>.
- Landmark Company. (2014b). *Landmark Fact Sheet, Statistics and Facts and Details about Landmark*.
- Landmark Company. (2014c). *Landmark Company Overview, Landmark Corporation Profile*.
- Landmark Company. (2014d). *Landmark, Breakthrough Methodology, Syllabus*. Web. 28 Feb. 2014. <<http://www.landmarkworldwide.com/the-landmark-forum>>.
- LaRosa, J. "The U.S. Self Improvement Market - Overview & Forecasts." *The U.S. Self Improvement Market - Overview & Forecasts*. N.p., Nov. 2013. Web. 27 Feb. 2014. <<http://www.slideshare.net/jonlar/the-us-self-improvement-market>>.
- Leach, T. C. (2005). Case research and writing: Professor Moore can't get there from here. *The Case Journal*, 2 (1), pp. 10-17.
- Loh, R. (2007, December 31). Personal development is a multi-billion-dollar industry. *Ezine Articles*. Web. 6 Mar. 2014.
- Lynn, L. E. (1999). *Teaching & learning with cases: A guidebook*. New York: Seven Bridges Press.
- Marketdata Enterprises, Inc. (2013.) Retrieved from www.marketdataenterprises.com.
- McCarl, S. R., Zaffron, S., Nielson, J. M., & Kennedy, S. L. (2008, June 8). The promise of philosophy and the Landmark Forum. *Social Science Research Network*. Web. 1 Mar. 2014. <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=278955>.
- Metcalf, T. (2013, November 7). The self improvement industry. *Small Business*. Web. 06 Mar. 2014.
- Naumes, W. & Naumes, M. J. (2013). *The art & craft of case writing* (3rd ed.). Armonk, NY.: M. E. Sharpe.

- President and Fellows of Harvard College (n.d.). "A Harvard Business School Case Study: Landmark Education: Selling a Paradigm Shift." November 6, 2014, <http://www.landmarkworldwide.com/why-landmark/independent-research/harvard-business-school-case-study>. (No longer in print.)
- Sherman, H., Rowley, D. J., & Armandi, B. R. (2006). *Strategic management: An organization change approach*. University Press of America. Indiana University.
- Steller T. (2009, November 10). Is Landmark Forum an LGAT or not? And does it really matter?" *Arizona Daily Star*. N. p. Retrieved from http://azstarnet.com/news/blogs/senior-reporter/is-landmark-forum-an-lgat-or-not-and-does-it/article_5e6b6856-0474-11df-a5b4-001cc4c03286.html.
- Three questions for the doyen of self-improvement market research. *Better Self Help*, 13 Oct. 2012. Web. 27 Feb. 2014. <http://guylarge.com/three-questions-for-the-doyen-of-self-improvement-market-research/>. (No longer available for viewing.)
- University of Southern California (n.d.). Transforming the network of conversations in BHP New Zealand Steel. November 6, 2014, <http://www.landmarkworldwide.com/why-landmark/independent-research/usc-case-study>.
- Vanto Group, Landmark Corporate Consulting, Business Consultant. (2014). *Corporate consulting*. Retrieved from www.landmarkworldwide.com.
- Vega, G. (2013). Abstract for: *The Case Writing Workbook: A Self-Guided Workshop*. Armonk, NY.: M. E. Sharpe.
- Wheelan, T. J., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2015). *Strategic management and business policy: Globalization, innovation and sustainability* (15 ed.). Upper Saddle River, NJ: Pearson Education Inc.

APPENDIX

EXHIBIT 1 PAUL'S E-MAIL EXCHANGE WITH THE LANDMARK FORUM

Hello Kate,

Based upon our phone conversation a few days ago, I'm sending this email on behalf of Jessica Smith and myself, Paul Greenwich, requesting an interview with any person who has the authority to give us information about the Landmark Forum.

As we talked before, I've included the purpose of this study at the end of this e-mail and have also attached a draft research proposal about Landmark and suggested interview questions that I would like to ask about Landmark.

Please note that any assistance and feedback that would assist in this process would be appreciated. Also, please know that I would be happy to cooperate in anyway necessary to make this interview happen (in-person, phone, Skype, e-mail, etc.).

Sincerely,

Paul Greenwich

Purpose of Landmark Study

As a private corporation the Landmark is a unique organization that poses special challenges for those who want to study the firm and the industry it is in. Who is the Landmark Education International? What are the business challenges in the industry it faces? We have read numerous exposés on the firm on-line yet have found little objective data about the firm. As a research team in a College business strategy graduate course, we desire to receive and utilize accurate information about Landmark and its industry so we can understand the impact of environmental factors as well as stakeholders on this firm and on its industry. See our questions below.

POTENTIAL INTERVIEW QUESTIONS

- *According to Landmark's official website the firm is an educational enterprise. Mergent Online Database classifies Landmark as part of the Schools & Educational Services industry yet Landmark is neither a college nor an educational institute. It is perceived by many as an organization which provides personal and professional development programs similar to other self-help organizations (these firms fall into the personal development industry). Why do you think that the organization is classified as being in the same industry as colleges or exam preparation institutions? Do you agree with them? How would you classify this firm and why?*
- *The educational and training services industry is heavily regulated by the U.S. government. If Landmark falls into this industry, what is the industry, regulatory and political forces (positive and negative) that confronts Landmark?*
- *According to some experts, the Personal Development Industry has not been affected by the economic crisis of 2008, even though personal development products and services are*

considered as luxury services. How well did Landmark handle the 2008 crisis? What aspects of the firm were affected?

- *What are some social factors (demographic factors, social movements, trends, etc.) that affect (positive and negative) this industry and Landmark?*
- *Would you consider your organization as a differentiator (a firm that competes on value-added, not low cost)? If so, what is so unique about the products and services Landmark provides? What are the value-added products and services for all of Landmark's stakeholders (employees, partners, creditors, unions, suppliers, customers, government, etc.)?*
- *Who do you see as your competitors in this industry, and where does Landmark stand amongst those organizations?*
- *How would you describe the organizational culture at Landmark? Is each division independent or controlled by a central value system both within the US and internationally?*
- *How does Landmark recruit its employees? What is its hiring strategy? Does the company often hire from inside? Does it train its former participants to be leaders?*
- *I have not come across a description of any philanthropic efforts that Landmark is involved with. What is Landmark's definition of their social responsibility and how do they enact that definition?*
- *Is there any nonproprietary financial data that you could share with us?*

Landmark's Response

Hello Paul,

Thank you for your email. I apologize that I couldn't get you this update any earlier. Unfortunately, Landmark cannot participate in your research project. We get so many requests like yours and while we truly do appreciate your interest, we simply don't have the time to assist with these types of projects. Again, thank you for your interest and I wish you all the best!

Sincerely,

Ms. Kate Mosely, Public Relations

EXHIBIT 2

FINAL REPORT FORMAT

Introduction

The introduction to a case should include several elements:

1. Who the company is and what it does?
2. Who founded the company and why?
3. How the company has grown through the years?
4. What is happening as of the case preparation?
5. Why this is interesting?

Section 1: An Examination of the External Environment:

The external analysis of the case is one of the most important areas that learners will study. It should include the following:

- 1) An analysis of the remote environment looking for opportunities and threats in the six areas:
 - a) Economic
 - b) Sociological
 - c) Political and Legal
 - d) Ecological
 - e) Technological and
 - f) International
 - g) Each area should then be rates as to its importance to the company
- 2) An analysis of the industry, or task, environment looking for opportunities and threats with special attention given to Porter's 5 Forces model.
- 3) An analysis of the competitive environment looking for opportunities and threats that an examination of major competitors might suggest.
- 4) An analysis of the company's immediate, community environment, again looking for opportunities and threats.
- 5) Based on the data generated in the first 4 areas, the group should now summarize all four environmental sets, listing the most crucial strategic opportunities and threats, along with their relevant scores and create an Opportunity-Threat index score.

Section 2: An Examination of the Internal Environment:

Based on the material we presented in Chapter Three, the internal analysis is another crucial part of the examination of a case. In a way, this analysis is easier to conduct compared to the external analysis because it is often difficult to find external environmental elements that actually impact the company based on what you can see in the prepared case or derive from an investigation in the live case. The internal data is fairly well available, either in the prepared case or from the company's website or data base websites. The objective, here, is to determine the strengths and weaknesses of the company, and fortunately, much of this is readily available from financial data easily accessed. More specifically, the internal analysis should be broken down into four major data areas and then summarized as suggested below:

- 1) Analysis of the financial data to determine whether or not the firm is profitable and an examination of the financial indicators that might tell the learner why. A solid financial analysis should include the following:

a) Statement of profitability for the company and how it compares to the average of the industry.

b) Analysis of the income statement, comparing it with industry averages as well as against standard accounting standards with an explanation of what comparisons tell us.

c) Analysis of the balance sheet, comparing it with industry averages as well as against standard accounting standards with an explanation of what comparisons tell us.

d) Examination of the cash flow statement for the previous 5 years – determine how the company has generated its cash and how it has used it.

e) Look at the company's operating and balance sheet accounting ratios to determine how they stack up against industry averages as well as accounting standards.

f) Calculate the Z-Score and g^* as appropriate.

g) Draw a conclusion about the financial strengths/weaknesses of the company:

i) If profit is above the average of the industry and shows good returns, you might conclude that the company is a clear success (assuming there are no glaring problems with the other financial indices the group has examined).

ii) If profit is positive, but below the average of the industry, you might conclude that the company is marginally successful and needs to do something to improve profitability and other financial practices to at least match industry performance, and hopefully, top competitor performance after needed turnaround activities.

iii) If the company is running at a loss, you can conclude the company has a serious problem and needs to do something quickly to turn things around.

2) Analysis of marketing data to determine whether or not the firm is growing as well as an analysis of marketing activities that support or hurt company growth activities:

a) Determine sales growth both on a trend line as well as year-to-year for the past 2 years:

i) Use regression analysis to establish a trend line – it is important to use up to 10 years of data to establish a reliable trend, even though one can usually get a regression equation with as little as 3 years data (but this is much less reliable). Determine the trend growth rate by taking the 6th regression number and divide it by the 5th regression number, and then subtract 1. For example, if the sales figure for year 6 in your study from the regression trend line is \$19,472 Million and the sales figure for year 5 is \$17,269, divide the first number by the 2nd, yielding a result in the example of 1.13. Subtract 1, and the result of .13 suggests that the average growth rate for the 10 year period was 13%.

ii) Similarly, when one divides the most year's actual sales by the previous year and subtracts 1, you get an actual sales growth for one year, which is important, but not quite as important as the statistic which comes from the regression line (one year's growth can be impacted by many things that are unusual and not indicative of the longer term experience). Groups can also calculate the actual growth rate for the previous year.

iii) Draw a conclusion.

b) Determine current year market share by dividing company sales for the most recent year in your analysis by total sales in the industry. For example, if industry

sales were \$258 Billion and your company's sales were \$17 Billion, your company would have had a 6.6% market share. Determine the market share of your company's most important competitor as well. Finally, do the same things for the previous 4 years as well. The resulting data will show you how well your company is doing in gaining market share and provide a direct comparison between your company and its nearest competitor.

- c) List what marketing tactics your company is using to support sales.
 - i) How does it advertise?
 - ii) What is its use of the Internet?
 - iii) Can you determine the state of its sales organization?
 - iv) What is the company commitment to marketing research?
 - v) What audiences does it target, and how successful has it been?
- d) Draw a conclusion about the marketing strengths/weaknesses of the company.

- i) If growth is above the average of the industry and shows good returns, you might conclude that the company is a clear success.

- ii) If growth is positive, but below the average of the industry, you might conclude that the company is marginally successful and needs to do something to improve its growth rate and other marketing practices to at least match industry performance, and hopefully, top competitor performance after needed turnaround activities.

- iii) If the company is experiencing declining sales, you can conclude the company has a serious problem and needs to do something quickly to turn things around.

3) Analyze the management and the organizational structure of the business to determine the strengths and weaknesses of this essential part of the case analysis. Examine the following:

- a) Current management:
 - i) Who are the top officers, where do they come from, and how much are they paid? This last issue is important in terms of being able to conclude that managers are acting ethically relative to their ability to provide value for stockholders and other stakeholders.
 - ii) What is the structure of the company and is it appropriate to the type of business or businesses it is conducting? This is usually discernable in looking at the titles of top level managers. For example, if the company lists vice presidents that are in charge of North America, Europe, South America, Asia, and Australia, this would indicate that the company is set up as a multidivisional international company. If titles for vice president state that they are in charge of Marketing, Production, Customer Relations, Human Resources, and Legal Issues, this would indicate that the company is set up as more of a functional company or product multidivisional company. Is this appropriate?
- b) What is the stated direction of top management? This is normally found in documents such as an Annual Report, the most recent 10-K filing with the Securities and Exchange Commission (SEC) and attainable through many company websites, Yahoo and Quicken financial websites, or through the EDGAR program on the SEC

website (www.sec.gov), as well as from news releases and stories. Is the stated direction appropriate and is management doing a good job in following it?

c) Describe and analyze the stock performance of the company. This is usually very easy information to obtain. Most of the Internet data based services (such as Yahoo Finance and Quicken Finance) provide daily, monthly, quarterly, and yearly data – most with down-loadable charts with comparative studies the group can add such as competitor stock prices, S&P, NASDAQ, and Dow Jones comparisons. We suggest that you do a regression analysis on the stock prices (monthly closing prices) for a 4 to 5 year period to again establish a trend line. One can determine the yearly growth rate by dividing the most recent monthly price from the regression line with the sales number from the regression number of 12 months earlier, and then subtract 1 to get the annual growth rate. **BE CAREFUL WITH THE RESULTS** – While stockholders and many financial analysts blame management for stock pricing, events like 9-1-1 tend to impact prices as well and management has had nothing to do with the market downturn that resulted from such a catastrophic event. Take this into account as you do your analysis and decide on your conclusion regarding stock price performance.

d) Evaluate the mission (including mission statement if the company has one), vision, values, and goals of the company. Are they appropriate? How do you know? Is the company following them or using them for public consumption only? Can you follow how strategic management flows from these organizational elements and how well they help provide strategic direction? In suggesting earlier that learners obtain an e-mail connection with the company clearly comes into place in this part of the analysis. Often, the best way of obtaining the information groups will want is by interviewing an insider.

e) What is the quality of management? The group might use an instrument such as found in Table A-1 that looks at 10 different quantitative and 10 qualitative measures and established a grade, very much like standard school grading systems, and allows the group to assign and “A,” “B,” or whatever else might be appropriate. The key, however, is to look at the assigned grade and ask the question, “Does that make sense?” If not, redo the evaluation. For example, one of the authors used this tool with a class a couple of years ago with a group that examining Microsoft. The group doing the analysis gave Microsoft a “D.” The instructor questioned this (noting that Microsoft is one of the major strategic successes of the modern age, and it is unlikely that an “A” company could result from “D” management) and learned that the group had focused on some social faux pas of Bill Gates that had been widely publicized. The group had overlooked the fact that Bill Gates has had the foresight to hire excellent managers to surround him and fill in where he himself might have weaknesses.The group was asked to rethink their assessment and ended up finally grading Microsoft management with the “A” it deserves.

f) Overall, determine whether or not current management is a clear success, marginal success or problem.

4) Analyze the technology usage of your company and draw a conclusion, particularly in light of how the company’s major competition is using technology to gain a competitive advantage. This analysis should include the following:

- a) Currency of the company’s MIS systems.
- b) How the company uses technology to maintain control.
- c) How the company uses technology to improve operations.

- d) How the company uses technology to increase sales.
- e) Overall, determine how the company is using technology to improve its competitive advantage.

5) Summarize the strengths and weaknesses that the group has identified for the company from the financial, marketing, management, and technological analyses it has conducted, determine the most important, and then establish a Strengths-Weaknesses Index Score.

Section 3: Establish the Company's Current Strategic Activities

With the external and internal analyses now complete, it is important to examine the firm's current strategic practices. Whether intended or unintended, every company engages in managerial activity that determines its general pattern of activities. The next part of the case analysis looks at whether or not these practices are 1) successful, and 2) strategic in nature.

- 1) Identify the firm's currently successful core competencies.
 - a) What does the company do better than any of its competitors?
 - b) Do these competencies lead to a competitive advantage?
- 2) Identify specifically what competitive advantages the company has and how it uses them. If the company has now particular core competencies and, therefore, no competitive advantages, what are the demonstrable consequences?
- 3) Identify the current long-term or grand strategies that the patterns of organizational activities suggest the company is following. Are they working as intended?
- 4) Identify the current short-term strategies (strategic corrective actions) the company may be engaged in and how well they are working.
- 5) Identify the current major business level strategies the company's major strategic business units are engaged in, and draw a conclusions as to how well these SBU level strategies are working out for the SBUs and the company overall.
- 6) Identify 5 or more major key performance indicators (KPIs), or key success factors (KSFs) that help demonstrate important company performance outcomes. As we stated in the text, KPIs or KSFs can normally be found in reports such as the company's 10-K report, where management typically discusses the important performance outcomes that are essential to it to attain superior performance standards.

Section 4: Describe the Company's Overall Condition

At this point, the group should restate the most important opportunities and threats of the company's external environment as well as the most important strengths and weaknesses of the company's internal environment. List their O-T Index Score and S-W Index Score and then place the results in the appropriate sector found in Figure 6.3.

Finally, based on the analyses up to this point, draw an overall Problem/Success statement.

- a) If overall conditions are above the what you can determine is the average of the industry, you might conclude that the company is a clear success.
- b) If overall conditions are positive, but below standards one can see in the industry, your group might conclude that the company is marginally successful and needs to do something to improve its profitability, growth rate, management practices, or use of technology to better match industry performance, after needed turnaround activities.

- c) If the company is experiencing serious problems in one or more areas (particularly in profitability and growth), you can conclude the company has a serious problem and needs to do something quickly to turn things around.

Section 5: Conclusions, Identification of Relevant Options, and Discussion

The most important part of case analysis is to take all of the data and conclusions that have flowed from the first several parts of the analysis and draw conclusions as to the best course of action for the company in the future. Based on all that has come from the analysis, and the strategic management tenets described in the textbook, learners must now draw conclusions and identify options that can help the company be successful in the future. This is the central point of the study of strategic management. We recommend that groups organize their final discussion of their case analyses based on the following areas:

- 1) Identify the most relevant long-term prospects and options for the company.
 - a) What long-term strategies make sense and fit the company profile you have already determined?
 - b) Which of these options are most likely to work, and why?
- 2) If necessary, what short-term strategic strategies should the company consider and why?
 - a) If the company is overall a clear success, then there is no need for any short-term strategies because you can generally conclude that the current strategies of the company are working according to plan. It's important here to separate strategic issues from operational issues. Every company has day-to-day problems and must deal with them. However, these are most likely not strategic in nature – they are operational – so it is not appropriate to class these problems in with strategic issues.
 - b) If the company is experiencing problems related to poor profitability, poor growth, or poor management, a strategic short-term strategy may well be appropriate, and your group should identify relevant options at this point and discuss which are most likely to achieve the correction that will allow the company to get on with its long-term strategic direction.
- 3) In summary, embark on a free-wheeling discussion as to how you feel your identified long-term and short-term options will best aid the company in achieving a successful long-term future. This should be a fairly detailed discussion that answers the questions: “How will these strategies support improved profitability?” “How will these strategies support growth?” “How will these strategies assure top-quality strategic management practices?”
- 4) Again in summary, discuss how your strategic long-term and short-term options will help the company better match the conditions of the external environment. Using your summary list of overall opportunities and threats, identify how your strategic options will help the company take advantage of its most important opportunities and mitigate its most crucial strategic threats.
- 5) Both these discussions should be open and comprehensive. In both discussions, your group has the opportunity to demonstrate its mastery of the tenets of strategic management. You shouldn't sacrifice levity for demonstrating your understanding. Each discussion should last at least 5 minutes in an oral presentation or 2 to 3 pages in a written presentation. Remember, here you get the chance to demonstrate your mastery of the material.

6) Finally, it is important to give credit where credit is due, and this means that you need to reference the sources of the information you present in your analyses and presentation. Your course instructor may well have a preference for what form she/he prefers, so be sure to ask what that preference might be. In terms of what you should reference, it is a good rule of thumb to reference anything you have required from another source. Many colleges and universities are purchasing services that allow an instructor to submit an entire paper to a centralized data base, and that data base will compare paragraphs, sentences, and phrases to a huge data bank of previously submitted term papers, journal articles, and news articles. If the computer finds a match between your paper and another source, as long as you have properly referenced that source, your group is in the clear. In an age where plagiarism and other methods of cheating are, unfortunately, becoming more common, it is always a good idea to play the game straight – be sure to properly reference your work.

EXHIBIT 3

STUDENTS' PRELIMINARY RESEARCH WEEK 2

Landmark Worldwide

Werner Erhard found Erhard Seminars Training (EST) program in 1971 realizing that somehow he had a transformative experience. When he came to a decision that this transformation was working for him and wanted to share it with others, he started conducting EST seminars (Werner Erhard, 2008). In late 1980s, this program received negative publicity and became controversial because of its “notoriety for physical and psychological abuse, coupled with mounting allegations of wrongdoing against former employees” (Derengowski, 1997). Therefore, he sold his intellectual property to a group of his former employees and this is how Landmark Education Corporation (LEC) was established in January 1991 (Derengowski, 1997).

Landmark Worldwide is a global educational enterprise that provides individuals and businesses with personal and professional training and development programs. Some critics say that Landmark is a large group awareness-training program (LGAT) (Steller, 2009). However, Landmark representatives are reluctant to be categorized within this segment. For this reason, the company places itself within the training and development industry with a hint of self-help (Steller, 2009).

Landmark is a privately held for-profit organization. It is 100% employee owned by more than 525 employees worldwide “through Employee Stock Option Plan (ESOP) and similar international plans” (Landmark Overview, 2014a). It appeared that Landmark reached revenue of \$84 million in 2013 (Landmark Fact Sheet, 2014b). The company’s faculty has more than 750 trained leaders and as of today, the number of the participants, who have attended Landmark programs is more than 2.2 million worldwide. The company, whose headquarters is based in San Francisco, has a presence in 115 cities in more than 20 countries including the United States, Australia, India, Israel, Japan, South Africa, and the United Kingdom (Landmark Fact Sheet, 2014b).

Landmark offers more than 50 programs to its clientele, which are comprised of the Landmark Forum, Landmark seminars, and Landmark courses. These programs include evening seminars, personal coaching, advanced programs and programs for corporate groups (Landmark Overview, 2014a). The Forum is the company’s flagship program, and its tagline is “Live a life you love” (The Landmark Forum, 2014). This introductory program is an initial step to enable participants to gain an awareness of basic structures of thinking and acting beyond existing limits and views (The Landmark Forum, 2014).

Vanto Group is Landmark’s wholly owned subsidiary. It provides consultancy services in order to elevate performance of companies by improving communication skills with an organization cultural shift and by implementing crucial strategic initiatives in major organizations, such as “Apple, GlaxoSmithKline, Johnson & Johnson, Heinz Northern Europe, Reebok, Northrop Grumman, BHP-Billiton, Petrobras, Telemar Brazil, Mekong Capital, and Polus Group Japan” (Landmark Corporate Consulting, 2014). Landmark and Vanto Group hold a membership in major and prestigious organizations and associations such as “the Academy of Management, American Management Association, American Society for Training and Development, International Society for Performance Improvement, and International Association for Continuing Education and Training” (Landmark Corporate Consulting, 2014).

Landmark Mission, Values, and Competitive Advantage

Landmark's mission is "making a profound and lasting difference for people and the quality of their lives" (Landmark Company History, 2014). What differentiates Landmark from other personal development or self-help organizations is "the ideas, insights and distinctions on which Landmark's technology is based" (Landmark, 2014a) and the outcomes of all these distinctive competencies make Landmark the innovative industry leader in the field. Landmark programs promise participants success, fulfillment and greatness in their career and/or social lives. Landmark claims that it accomplishes all its promises by implementing its proprietary technology, which is its breakthrough methodology.

The Forum, for instance, promises a permanent and positive shift in people's personal and/or professional lives (The Landmark Forum, 2014a). Landmark's breakthrough technology is established based on transformative learning unlike informative learning. Landmark attributes this transformative learning to Socratic self-knowledge, which is beyond contents of thought (McCarl, Zaffron, Nielsen, & Kennedy, 2008, p.51). Self-knowledge enables us to transform how we think and act and leads to wisdom by examining both what we know and we do not know. According to Socrates, this self-knowledge requires specific guidance. "Such inquiry requires dialogue, because alone we cannot see what we cannot see. It takes another person—as coach, teacher, mentor, therapist, or philosopher—to guide us to recognize and acknowledge the limitations of our own multi-layered ignorance" (McCarl, Zaffron, Nielsen, & Kennedy, 2008, p. 51). This is why landmark works! "Examining what we do not know entails not only discovering what we know we do not know—e.g. How to caramelize onions or steer a submarine—it also, and more enticingly, entails discovering what we do not know that we do not know" (McCarl, Zaffron, Nielsen, & Kennedy, 2008, p. 51). Exploring and confronting this doubled unknown are basic to the original promise and practice of philosophy.

The Landmark Forum brings this Socratic philosophy into a person's life in three-full day training. In this introductory program, Landmark leaders trained with Socratic tradition challenge conventional thinking and enable participants to explore their natural potential and abilities to achieve success in their personal and professional lives, relationships, and wider communities of interest (Landmark, 2014d). The outcome of this transformative learning is permanent and ongoing process. Once participants gain a skill, the ownership of it is for a lifetime. By applying this learning methodology, participants are able to think and act beyond the existing limits and views, in any aspect of their lives.

With a combination of psychotherapy, Socratic philosophy, spirituality and business, the company claims, "Landmark continues to innovate and develop new content and create even more powerful programs" and provides its clientele with an extraordinary experience. It is Landmark's commitment to empower its customers and enable them to fulfill what matters most to them and what they care about (Landmark, 2014d).

Marketing Strategy of Landmark

Landmark's marketing strategy heavily relies on word-of-mouth advertising and having participants as volunteer recruiters to convince potential attendees to register for Landmark's initial program, The Forum. Volunteers are encouraged to bring their friends and families to the introductory meeting. The source of the information about Landmark comes from these potential participants' well-trusted relatives or close friends. Therefore, Landmark considers these candidates likely to register.

Personal Development Industry

The self-improvement products and services industry performs in a niche market. The industry is comprised of sub-segments and markets that complete each other, which include “Infomercials, Holistic Institutes, Self-Help Books & Audiobooks, Motivational Speakers, Websites, Seminars, Personal Coaching, Online education, Weight Loss and Stress Management Programs” (Marketdata Enterprises, 2013).

The most well-known and the largest personal development firms are Gaiam, Nightingale-Conant, Hay House, Peak Potentials, Landmark Education, Skillpath, National Seminars group, Fred Pryor/Career-Track, Get Motivated seminars, Selfgrowth.com, Success Magazine, Beliefnet.com, Toastmasters, Dale Carnegie Associates, Franklin-Covey”, Weight Watchers, and Herbal Life (Marketdata Enterprises, 2013) Some of the top motivational speakers in the industry are Tony Robbins, Deepak Chopra, Phil McGraw, Dr. Laura, Brian Tracy, Franklin-Covey, Suze Orman, Tom Hopkins, Robert Kiyosaki, and Zig Ziglar (Marketdata Enterprises, 2013)

The market is driven by self-help gurus, who produce innovative concepts that help improve people mentally, physically, spiritually, and financially (Marketdata Enterprises, 2013). Many small and a few large companies populate this fragmented market. Naturally, the industry confronts high competition by all these firms (Sherman, Rowley, & Armandi, 2006, pp. 152 - 153). The majority of these organizations are privately owned and do not want to publicly reveal their secrets or finances (Better Self Help, 2012). Ironically, even though the industry is very large and growing day after day, there is no sufficient data or research on self-improvement products and services market.

Environmental Factors

Legal Factors

Self-Improvement products and services industry does not have NAICS code. Also, The companies in this industry have no affiliation with any kind of trade associations, magazines, or national conferences. The market is not regulated and it is not scientific (Marketdata Enterprises, 2013). Some regulations and legislations need to be brought into this industry, especially after the negative events have occurred such as sweat lodge incident where three participants died while the ceremony was in process.

Critics believe that this market needs to be regulated because there are numerous “self-help gurus” who operate as unlicensed therapists. This situation might drag people who are physiologically vulnerable into the danger zone like the people who died in the sweat lodge ceremony (Harris, 2010).

Economic Factors

Self-Improvement is an \$11 billion industry in the U.S. alone, and it grows year after year. “This growing market is expected to continue to see an average of 5.5% gains each year” Albeit when the economy was hit by the recession between 2008 and 2009, surprisingly the market continued to grow (Gaille, 2013). Instead of seeing personal development products and services as luxury, people see it as a need to overcome tough times.

Social Factors

In today's society, people seek outlets that will help improve their lives. The majority of clientele - approximately 70% - is affluent women who live on east and west coasts of the U.S. (Marketdata Enterprises, 2013). Although people of all ages show interest in personal development products and services, the customer base is dominated by the Baby-Boomers who are the strongest purchasers in buying power (Glover, 2010). Yet the industry needs to keep an eye on the gap between Gen X and Y. Especially, men, who are under the age of 30, have a lack of interest in personal development products and services. In fact, there is a great opportunity for the industry to tap into the younger generation since they have self-help needs to fulfill (Better Self Help, 2012).

Technological Factors

With an ongoing improvement in technology, Internet based personal development industry also known as "e-learning" has become increasingly popular (Loh, 2007). "Technology has made webinars and streaming video affordable and accessible to people, opening the industry to more speakers" (Metcalf, 2013). With online opportunities, writing and publishing books has become less tedious and low cost work for authors and publishers. These technological advancements have encouraged more and more entrepreneurs to start their online personal development businesses, and this contributed to the growth of the industry. Unless these entrepreneurs do not have a unique notion about the market products and services, with all these technological changes, it is very simple to start a new business in the field (Metcalf, 2013). These technological improvements enable the market to perform efficiently favoring both business owners and clientele. Therefore, economies of scale improve. It is time and cost saving for both owners and customers. Also, customers have a variety of options and access to those.

Analysis of Porter's Five Forces

Rivalry

Competition in self-help industry is high. There are a multitude of small and privately owned firms that are conservative about sharing their business secrets and financial data with each other (Marketdata Enterprises, 2013)

Substitutes

The substitute in this industry is physiological therapy or medical treatment depending on what kind of improvement a person needs. Instead of spirituality, Law of Attraction, or New Age movement (a Western spiritual movement), proved scientific methodology is used in the traditional market. Therefore, the substitutes are low in the industry.

Suppliers

Self-help gurus are the suppliers in the industry. They bring new ideas and methodology into the market and provide them to customers. Self-help gurus have started aging or retiring, and there are only few younger gurus exist in the field. Thereby the power of suppliers is weak.

Buyers

Power of buyers is high in the products segment since the switching cost is low when people choose over another self-help book, DVD, CD, or video. Also online webinars and seminars eliminate traveling costs, brick-mortar costs and other advertisement materials.

Everything is available online; therefore, these online training are more affordable than traditional live seminars (Marketdata Enterprise, 2013).

Market Entry

Barriers to entry for self-help industry is low. There are no strict regulations or legislations in this market. Start-up costs are low since there is no need to have employees and rent a conference room, and there is an opportunity to remove costs for publication. Entrepreneurs basically can start an online personal development company and work from home (Marketdata Enterprise, 2013).

Personal Development Industry Forecast

Marketdata Enterprises, market research and consulting company, forecasted that in five years from 2013, the personal development products and services industry will also cater to customer base who are under age 30. According to Marketdata Enterprises report, there is a potential growth opportunity in Hispanic community as their income becomes increasing. This industry catches attention of many countries since it is a growing and million-dollars industry. In addition, internet-based programs, such as webinars, webcasts will lower costs even more (Marketdata Enterprises, 2013).

Value of U.S. Self-Improvement Market, Market Segments: 2009-2016

	2009	2011 (\$ millions)	Forecast 2016 Growth Rate (%)
Infomercials	\$1,041	\$898	10.0
Top 10 Motivational Speakers	296	350	6.8
Personal Coaching (No. America only)	650	707	4.5
Holistic Institutes & Training Companies *	541	556	4.2
Books	727	549	4.8
Audiobooks	406	445	6.0
Public seminars	285	308	6.0
Weight Loss Programs **	5,910	5,818	6.2
Stress Management Programs	315	208	0.0
Total:	\$10,171	\$9,839	6.1

* Includes revenues of Gaiam, Dale Carnegie Training, Toastmasters, Hay House

** Includes commercial programs (\$3.40 bill.) & medical programs (\$2.42 bill.)

Source: Marketdata Enterprises estimates and forecasts

EXHIBIT 4
THE MARKET FOR SELF-IMPROVEMENT PRODUCTS & SERVICES (9TH EDITION) MARKETDATA ENTERPRISES REPORT # FS15

The Only Analysis of This Market Available! *New Edition!*

\$1,695, December 2012, 382 pages – 50 Tables & Charts, 56 Competitor Profiles

This is simply the most comprehensive business analysis that exists of the self-improvement market. This Marketdata study examines the \$10.4 billion market for motivational “self-improvement” programs, products or services that seek to improve us physically, mentally, financially or spiritual. Discusses the market for: books, CDs, audiobooks, infomercials, motivational speakers, multi-media packages, public seminars, workshops, retreats, SI websites/webinars, 16 holistic institutes, personal coaching, online education, training organizations and more. Nature of and outlooks for each market segment. Major topic categories covered: weight loss/exercise, business/sales skills, business opportunities/investing, improving relationships, general motivational, and stress management.

NEW For This Edition:

- First ever data on \$ value and revenues/profits of public seminars companies, from IRS 990 Forms: 2010-2011
- Interviews, trends, outlooks from the market’s movers & shakers
- Traffic rankings of top self-improvement websites

The study analyzes **market segments and structure, customer demographics**, the New Age movement, \$ size/growth (2003-2016 forecast), effects of the recession, how the Internet is shifting content creation/delivery, major market developments since 2010, recent guru scandals and bankruptcies, **in-depth profiles of 40 top motivational speakers/gurus** (Tony Robbins, Deepak Chopra, Phil McGraw, Dr. Laura, Brian Tracy, Franklin-Covey, Suze Orman, John Gray, Tom Hopkins, Robert Kiyosaki, Zig Ziglar, many others), **demographic profile/buying habits of TV infomercial buyers, top 100 infomercials lists** for 2007-2011, 2012 status reports of the U.S. weight loss market and the stress management market, and more.

Contains a 110-page chapter profiling the activities/specialties/speaking fees/ 2011 revenues of 40 top speakers/gurus influencing the market, with a ranking of the top 101. Contains 56 in-depth competitor profiles, including: Gaiam, Nightingale-Conant, Hay House, Peak Potentials, **Landmark Education**, Get Motivated, SkillPath, National Seminars Group, Audible.com. Selfgrowth.com, Success Magazine, Beliefnet.com, Fred Pryor/CareerTrack, Peter Lowe, Toastmasters, Dale Carnegie Associates, Franklin-Covey, others. Results of latest surveys from: The Audio Publishers Assn., Publishers Weekly, Intl. Coach Federation, Electronic Retailing Assn., Response Magazine, more. (<http://www.marketdataenterprises.com/studies/#SELFIMPROVEMENT>, 10/30/14)

Notes

1. Erhard Seminars Training (est) offered a two-weekend (60-hour) course known officially as "The *est* Standard Training". The purpose of *est* was "to transform one's ability to experience living so that the

situations one had been trying to change or had been putting up with, clear up just in the process of life itself." Bartley, William Warren, Werner Erhard. (1978. P. 164). The Transformation of a Man: the Founding of est. New York: Clarkson N. Potter, Inc.