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Timothy Brotherton

Editor

Journal of Critical Incidents

Dear Dr. Brotherton:

My coauthors and I would like to express our gratitude for the thoughtful feedback we received during our Critical Incident presentation at the SCR 2014 Conference in Chicago last month. Outlined below you will find our item-by-item responses to the comments we received at the Conference. We have attached the revised version of our Critical Incident entitled “Eastman Kodak: Facing Disruptive Technological Change.” Thank you again for the opportunity to continue pursuing publication in the *Journal of Critical Incidents*.

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| **FEEDBACK ON CRITICAL INCIDENT** | | | |
| **#** | **Importance:** | **Comment:** | **Response:** |
| 1 | Must | There are a lot of details that don’t relate to the decision. Take them (and their references) out, and it’s short enough to be a C.I. | We strengthened the focus to the digital camera announcement from Sony and the response from Kodak throughout the CI (see #4 below), and removed many details that either distract from that event or are unnecessary details of the factors surrounding that event. |
| 2 | Must | What is the corporate culture? Paternalistic? Arrogance? Doesn’t really come across in the C.I. | We added a discussion question to the TN to address the issue of the company’s culture and its influence on Eastman Kodak’s adaptability. In our review of the literature, we found ample evidence of paternalism (p. 96, Levering, Moskowitz, Katz, 1984) and arrogance (p. 51, “Kodak Fights Back: Everybody wants a piece of its markets,” 1982). We would be happy to furnish additional citations upon request. In the CI we do not explicitly label Eastman Kodak as paternalistic or arrogant as this can be inferred by the clues that have been incorporated about the company’s culture. In relation to Sony’s announcement, it seems there were two different responses to the situation, which hints at a complex cultural environment at the company. Some within the company saw digital technology as an interesting development with many possibilities, and there was a willingness to explore the technologies. Others were less enthusiastic about it, and some seemed strongly connected to the traditional film-based business and felt threatened by the advent of digital. These factors are described in the CI, and some direction for instructors on the new discussion question is provided in the TN. |

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| 3 | Must | Focus your decision point. | We appreciate this observation by reviewers, and as a result, we refocused the text of the CI on the announcement from Sony that they would launch a filmless, digital camera, and the response demanded by this event by Eastman Kodak. We went through the entire CI and made numerous modifications to promote this focus and remove any extraneous details that distract from this incident or provide unnecessary detail. Here are the changes we have made:   * We took the material contained in the first three paragraphs of the original text, and combined them into a more focused set of two paragraphs in a new introduction to the CI. A description of Sony’s new product and how it challenged Eastman Kodak’s existing business. We also moved our statement that Eastman Kodak actually designed the first digital camera closer to the beginning of the text so that this important point has been “unburied.” * We eliminated some of the text regarding the history of research and development on digital camera technology. While interesting and it does situate Eastman Kodak’s (and Sony’s) work within a historical context, it distracted from the central issue of the challenged posed to Eastman Kodak by Sony’s announcement. * We removed the financial data for the same reasons stated above for research and development. We replaced it with summary data on Eastman Kodak’s compound annual growth rate in sales and income as well as current ratio. |

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| 4 | Recommend | Students have a hard time relating to the past; update to today. Example - look at it today, but refer to past decisions that led to today. | We definitely understand the reviewers’ point here, and we have seen this phenomenon in our own classes. However, we differ from the reviewers on this issue in that we see value in examining events in the past that illustrate key concepts even if they did occur in the past. The past is often is important in explaining why current events/activities were undertaken.  How Eastman Kodak responded to the challenge of digital photography is a great example of disruptive technologies but also a very misunderstood situation. For instance, while many students will know about Eastman Kodak’s faltering situation in the recent past, they may not be aware of the fact that the company created the first digital camera. They also may not be aware that there were good reasons at the time to not market a digital camera to consumers, and that the company was actively engaged in research and product development in a wide range of technologies related to electronics and imaging.  We mention these facts in the CI and hope that students come away from an analysis of this situation with a greater appreciation of the difficulty of managing across technological transitions. We do not believe that we can replicate the learning opportunities in this area by updating the CI to a more recent decision point, so we have refocused our attention with the CI to emphasize this incident. |
| 5 | Recommend | Create a new decision point; analyze the 1981 decision point as a reference. |
| 6 | Recommend | Trying to do too much in a critical incident. | We appreciate this observation by the reviewers. We see this incident as an illustration of the impact of disruptive technologies and difficulties associated with managing a business subject to those technologies. As we mentioned in the response to #1 above we refocused the direction of the CI so that the announcement by Sony of such a disruptive technology, a filmless camera, along with details from Eastman Kodak’s situation that might be influenced by it is emphasized. Other factors have been removed from the CI that might distract from this situation. |
| 7 | Recommend | Refer readers to a website for historical info about Kodak. | We believe that this is no longer an issue given our response to comments #3, 4, and 5 above. Please refer back to our comments for more info. |

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| **FEEDBACK ON TEACHING NOTE** | | | |
| **#** | **Importance:** | **Comment:** | **Response:** |
| 1 | Must | A lot of info in C.I. Overview was not in case. | We revised the overview to include a very brief description of the CI. By significantly reducing the summary of the CI, we had more space to add additional information that instructors might apply when using the CI in their own classes. This specifically identifies disruptive technologies as a concept of interest to potential users of the CI. |
| 2 | Recommend | Better targeting of classes to use this in. | We have revised the last paragraph of the *Critical Incident Overview* section to provide more precise recommendations in terms of classroom application. We sharpened focus from general marking courses to “strategic market planning.” Furthermore, in order to help instructors position this critical incident within their courses, we have suggested a list of specific chapter topics related to the content under consideration. |
| 3 | Recommend | L.O.s need better verbs - check Bloom’s Taxonomy | We revised the learning objectives to better focus on the critical incident described above, and we used verbs (associated with the level of application, analysis, and synthesis) from the often cited handout on Bloom’s Taxonomy that was distributed at SCR meetings in the past (we can provide this document on request). The Learning Objectives have also been modified to better align with the questions presented in the teaching note. |

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| 4 | Recommend | Collin’s 5 Stages of Decline need to be defined. Flesh out model first. | After careful consideration, the decision was made to remove Q4 on Collin’s 5 Stages of Decline form the teaching note. This decisions was made because we believe that for a more robust application of Collin’s 5 Stages of Decline, the student would have to look beyond the decision point in 1981; however, our intention is to focus the student specifically on Kodak’s reaction to Sony’s announcement of a disruptive technology (digital photography). Accordingly, we replaced the theoretical application of Collin’s 5 Stages of Decline with a question regarding Miles, Snow, Meyer, and Coleman’s (1978) typology. This new questions asks students to use evidence from the critical incident to classify Eastman Kodak’s position in 1981 according to the Miles et al. (1978) typology. From a conceptual standpoint, the Miles et al. (1978) typology primarily focuses on identifying the interrelationships between a firm’s strategy, structure, and process in terms of its approach to innovation. This is a more appropriate theoretical application given that managing innovation and disruptive technological change is the central theme of this critical incident. |
| 5 | Recommend | In Q4, reference to turnaround strategy... But there was no need in 1981 if that’s the decision point. | This comment is no longer relevant as Q4 about Collin’s 5 Stages of Decline has been removed from the Teaching Note (see our response to Teaching Note Comment 4). |

Again, thank you for your consideration of this manuscript.

**References**

Kodak Fights Back: Everybody wants a piece of its markets. (1982, February 1). *BusinessWeek*, p. 51.

Levering, R., Moskowitz, M., & Katz, M. (1984). The 100 Best Companies to Work For in America. Reading, MA: Addison-Wesley.