Answers to Case Application 1 Questions

Building a Future

**1.What role do you think goals would play in planning for the wise use of this gift? List some goals you think might be important. (Make sure these goals have the characteristics of well-written goals.)**  
Goals play a substantial role in an organization’s planning for situations requiring coordination of resources. Habitat for Humanity’s goal to effectively use the $100 million gift should follow the SMART format introduced by Drucker.  In addition to being written, have students suggest ways that the goal can meet the qualities of S (specific), M (measurable), A (attainable), R (relevant), and T (time bound).

**2. What types of plans would be needed in wisely using this gift? (For instance, long-term or short-term, or both?) Explain why you think these plans would be important.**  
Planning involves defining the organization’s goals, establishing an overall strategy for achieving those goals, and developing a comprehensive set of plans to integrate and coordinate organizational work. Determining how and where the $100 million gift should be allocated requires careful planning – in both the long-term and short-term.  Have students think of short term plans involved for the initial allocation of some of the gift and then long-term plans to not only evaluate what has been allocated, but how the remaining funds should be used.  In addressing the importance of these plans, have students think of the possible outcomes for the plan if they decided to invest a percentage of the gift (and the investment results in a significant return; or the investment results in a substantial loss).

**3. What contingency factors might affect the planning Habitat executives have to do for the wise use of this gift?  How might those contingency factors affect the planning?**    
A gift of this size will ultimately be managed by the top executives at Habitat for Humanity.  Therefore, at the top organizational level, the planning will be strategic in nature.  As smaller pieces of the gift are passed down through the organization for allocation, lower-level managers will be engaged in operational planning.  Second, environmental uncertainty will affect the planning process in that natural disasters, greater need for housing, or a myriad of other unexpected occurrences could cause the executives to rethink how the gift is used.  And third, the time frame for the use of this gift is important.  Students might think in terms of a five-year plan, but shorter and longer plans are also possible if properly supported by the students.

**4. What planning challenges do you think Habitat executives face with getting the most use out of this gift?  How should they cope with those challenges?**A plan involving such a large amount of money would be quite challenging.  Very likely, not all the executives will agree on specifically how the money should be utilized.  Reaching consensus on the actual use of the gift could be a difficult process.  In addition, once agreed, others (the media, Habitat employees, volunteers, and even needy families benefitting from Habitat homes) may view the use of the gift in a negative fashion – in other words, executives might face some scrutiny.  Students should be able to identify the importance of effective communication throughout the organization once the plans and goals are set.  Getting buy-in from others will facilitate the plan’s acceptance by constituents.

www.eauc.hk