

# CASE TEACHING NOTES

for

## "A Lake Runs Through It . . . Or Is It a River? Or Something Else?"

by

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### INTRODUCTION / BACKGROUND

This case study uses a marketing strategy analysis framework known as SWOT (which stands for Strengths, Weaknesses, Opportunities, and Threats) to analyze a geography/urban development project—specifically a public works project intended to enhance regional economic development in Tempe, Arizona. The SWOT analysis is an environmental scanning tool used to facilitate discussion and identify key criteria in situation analysis and problem solving. It is most often used in marketing/management strategy development. However, it is a flexible tool that can be applied to situations and problems in a wide range of disciplines. This case was developed for use in a course in economic geography but it could be adapted to other courses including those in environmental science, urban planning/geography, and other science disciplines.

### Objectives

At the conclusion of this case study, students will be able to:

- define the four components of a SWOT framework.
- identify the SWOT framework components within the present case study.
- make an informed problem solving decision.
- identify other situations/cases where the SWOT framework could be utilized.

### BLOCKS OF ANALYSIS

#### Tempe Town Lake Project

In the late 1990s, the town of Tempe, Arizona, proposed developing the dry riverbed of the Salt River (Rio Salado) into a 220-acre, 2-mile-long, 800- to 1,000-foot wide lake, at a projected cost of \$445 million. The idea behind the project was to create a focal point for the city that offered public recreational amenities for the local inhabitants as well as a potential tourist destination. Economic benefits from tourism were expected as well as from the expected development of hotels, retail businesses, and multi-housing complexes surrounding the lake. The project presented a number of challenges and issues, among them finding water in a growing state with limited water resources, ownership of the land along the riverbed, and preserving wildlife and native vegetation amid substantial construction efforts.

#### The SWOT Framework

The SWOT framework is an analysis embedded in an overall marketing strategy method. An important step in the marketing management process is identifying market opportunities and threats along with organizational strengths and weaknesses. Marketing plays a key role in strategic planning by providing a guiding philosophy and inputs to strategic planners, and by designing strategies to reach objectives. In the end, the final strategic plan must support an organization's mission, vision, goals, and objectives. As mentioned above, SWOT is an acronym for strengths, weaknesses, opportunities, and threats. SWOT can be divided into controllable (internal) and non-controllable (external) variables. The controllables are elements that can be "controlled" by the organization being studied. Controlled variables are strengths or weaknesses and examples are as follows:

### Strengths and/or Weaknesses:

- Price;
- Product (may be tangible product or service);
- Promotion (includes selling and advertising);
- Place (includes distribution system/network);
- Employees (functional departments);
- Competitive advantage (patents, trademarks, supplier relations).

Non-controllable variables are opportunities or threats and are larger societal factors that affect the organization. Examples are:

### Opportunities and Threats:

- Competitive environment
  - Identify any product/service that may be a substitution.
- Demographic trends:
  - Changing population characteristics: age structure of U.S. population;
  - Changing American family: fewer children, single-parent households;
  - Geographic shifts in population;
  - Better educated population;
  - Increasing ethnic and racial diversity.
- Economic trends:
  - Changes in personal income;
  - Changing consumer spending patterns.
- Natural environment:
  - Shortages of raw materials;
  - Increased cost of energy;
  - Increased levels of pollution;
  - Government intervention in natural resource management.
- Technological trends:
  - Faster pace of technological change;
  - Presents unlimited opportunities;
  - High research and development budgets;
  - Concentration on minor improvements;
  - Increasing government regulation.
- Political trends:
  - Legislation regulating business;
  - Changing government agency enforcement;
  - Growth of public interest groups.
- Cultural trends:
  - Persistence of cultural values;
  - Existence of subcultures;
  - Shifts in secondary cultural values.
- Publics:
  - Financial publics (institutions providing capital);
  - Media publics (positive or negative publicity).

When writing down strengths, students should consider the questions: “What are the organization’s advantages?” “What does the organization do well?” It is important that strengths be considered from the view of the organization as well as from the view of the consumers/customers. A customer-focused SWOT may also uncover a firm’s potential weaknesses. “What can be improved?” “What is done poorly?” The controllable variable assessment should determine where resources are available or lacking so that strengths and weaknesses can be identified.

The quality of the analysis will be improved greatly if studied from the perspective of multiple stakeholders such as employees, suppliers, customers, and/or strategic partners.

Because the SWOT framework may oversimplify the situation by classifying large quantities of information into four compartments, it is sometimes not clear if a variable is a strength or opportunity (a promotional activity) or if an external variable is an opportunity or threat (a technological change). The most important outcome is that all variables, internal and external, have been brought to the attention of the decision makers. It is also necessary to note that each situation will have its own unique characteristics and, while some organizations may have lengthy lists of strengths or weaknesses, other organizations may have lengthy lists of opportunities or threats. It is also important to note that all variables will not be given equal weight in a real life situation during the final decision making process.

## CLASSROOM MANAGEMENT

Students are introduced to the concept of strategic marketing and the SWOT analysis before being given the case. We presented the SWOT information using a PowerPoint presentation (see [swot\\_analysis.ppt](#), 33 KB). Students are encouraged to listen without taking notes and to ask questions about the SWOT framework and its controllable and non-controllable variables.

When the SWOT presentation is complete, students are given handouts of the PowerPoint slides. It is important to distribute these after the instructor’s presentation. This discourages students from disengaging from the presentation/question/answer portion of the class.

A brief oral introduction is given about the Tempe Town Lake case. This can be in the form of a mini-lecture and/or a handout and/or a PowerPoint presentation. We developed a PowerPoint presentation for this purpose (see [proposed\\_project.ppt](#), 520KB—save to disk to view accompanying notes).

Students are divided into five groups:

Group 1 receives Handout I, entitled “General Situation and Proposal.” Groups 2 and 3 receive Handout II, entitled “The Water Situation.” Groups 4 and 5 receive Handout III, entitled “Project Financing and Outcomes.”

(Note: When this case was first taught, which was at a summer workshop on case study teaching, all students were not given the entire case, but rather divided into groups as described above. This occurred as a result of limited time available for reading in the trial teaching session. We found, however, that it had the “built-in” benefit of allowing students to share new, relevant information with other students.)

Each group is required to record strengths, weaknesses, opportunities, and threats on the worksheet provided. The instructor may tell the students to come up with a minimum of five factors within each SWOT category while encouraging the students to find more. SWOT factors are not evenly distributed among categories, and the students should be encouraged to find as many as possible in each category.

Each group is asked to share with the class their strengths, weaknesses, opportunities, and threats. A recorder writes student input on the blackboard under the categories “Strengths,” “Weaknesses,” “Opportunities,” and “Threats.”

Student groups reconvene to determine an appropriate solution to the problem presented in this case: “Should Tempe Town Lake be built?”

Each group shares their decision with the class. Generally, each group made a unified decision, although in some groups, members were not all in agreement. Then students are asked to vote as individuals for or against the project by a show of hands. The individual votes are tallied and then put up on the blackboard “for” or “against” the project.

After the vote, to bring closure to the case, the real result of the Tempe Town Lake project is revealed—see the Detailed Analysis for the outcome.

When recording strengths, weaknesses, opportunities, and threats, do not worry if students categorize facts slightly different from the key (see Detailed Analysis, below). What is important is that students are provided a tool to ferret out decision making criteria without structured discussion questions, and all pertinent facts are observed and assessed.

While a key (see Detailed Analysis, below) is provided for this case, the students will discover more factors. Some students are very adept at looking beyond information presented in the case.

The instructor may want to emphasize that the SWOT framework is one possible tool to employ when confronted with a “real world” problem.

## DETAILED ANALYSIS

Detailed case analysis is provided in a separate file that is password-protected. To access this information, go to the [detailed case analysis](#). You will be prompted for a username and password. If you have not yet registered with us, you can see whether you are eligible for an account by reviewing our [password policy and then apply online](#) or write to [answerkey@sciencecases.org](mailto:answerkey@sciencecases.org).

The detailed analysis also provides information about the outcome of this case, including a timeline, news releases, and photographs.

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