

## **Students Evaluate and Make Recommendations to La-Z- Boy® Corporation**

by Dr. Eric B. Terry, Adjunct Faculty, Bachelor of Applied Science program  
at Palm Beach State

Students in my Operational Decision-Making class had the opportunity to have their work evaluated by outside experts. One of my customary course requirements is to have students work on a realistic case study to give them opportunities to practice critical thinking and operational decision-making skills. In October 2012, the class performed a case study of a local La-Z- Boy® Corporation. The principal objective of the project was to develop an appropriate strategy for La-Z-Boy® to address the organization's weaknesses and debilitating operational practices and to identify any opportunities that would improve the organization's competitive advantage. A successful project could potentially assist La-Z-Boy® to reform their overall operational functions and increase their market share in both national and international arenas. To assist in evaluating the class's research project, I invited José Santana, the Director of La-Z-Boy's® International Latin America Sales and Business Development division, and Karen Parker, General Manager of a local La-Z-Boy® retail store, to collaborate with me on this project.

After extensive research of actual contemporary La-Z-Boy operations at a national level, the students presented their findings in a formal presentation at Palm Beach State, with Director Santana and General Manager Parker in attendance. Student findings and conclusions revealed that "while La-Z-Boy® currently remains the second largest manufacturer and distributor of residential furniture in the United States," the company's leadership status in both national and international markets conspicuously suffers from (a) poor customer service, (b) persistent problems with suppliers, (c) ineffective computer systems, (d) lack of a clear organizational mission statement, and (e) too-high levels of inventory. As a means to correct this, the students recommended that La-Z-Boy® implement several steps to improve the organization's functions. One of the recommendations was to initiate a "Service Recovery System" within La-Z-Boy®, specifically targeted toward the retention of current customers and resolution of many of their complaints. The students observed, point by point, that each customer interaction presents opportunities for La-Z-Boy® to meet or exceed client expectations, and furthermore that customers' concerns should be resolved at the lowest organizational level in order to expeditiously resolve them. For example, the "L- E-A-R-N" routine they had learned in my class (Listen, Empathize, Apologize, React, and Notify) could be applied immediately to La-Z-Boy's® operations, and could assist in successfully addressing many of the chief concerns in maintaining their existent customer base. Moreover, in addition to student's own urging for a "Service Recovery System," the class made other viable proposals during their presentation, including (a) the development of better working relationships with suppliers, (b) the consideration of back sourcing some of La-Z-Boy's® outsourced functions, and (c) the reduction of the organization's overabundance of inventory.

At the conclusion of the presentation, La-Z-Boy's® Director Santana and General Manager Parker observed that it had been thorough and insightful, and had astutely uncovered “quite a bit of information that, although freely available to the public, generally goes unnoticed.” Director Santana remarked that he had enjoyed taking notes on students’ recommendations, and would “actively seek opportunities to implement them into La-Z-Boy's® business model.” He noted that while operational efficiencies can improve the bottom line of profit margins, companies today can only squeeze so much out of their working processes, and therefore the presentation had been usefully focused upon the need for process improvement within La-Z-Boy®. Director Santana finished by observing that “it was a pleasure to interact with Palm Beach State students, who are clearly being prepared for a successful business career.”

In closing the presentation, I reiterated that the course’s objectives were centered upon operational decision-making in realistic managerial roles within the local retail community, and that the feedback from La-Z-Boy® managerial personnel was authentic and welcome data for students at Palm Beach State. Due to the success of this visit from actual La-Z-Boy® senior operational staff, I intend to pursue this and similar avenues that will augment and advance the educational experience of the Supervision and Management students in the Bachelor of Applied Science program at Palm Beach State. The project is one way I can help my students develop and apply critical thinking skills.



## Meet Eric Terry

Dr. Eric B. Terry has been with Palm Beach State since 2011. He currently teaches classes at the Lake Worth campus on operations management and international business and serves on the College's BSN curriculum committee and adjunct faculty advisory committee.

Dr. Terry was originally trained as a respiratory therapist but continued his education in business management. He holds a B.B.A. from Northwood University and a M.B.A. from Regis University, and he earned his Doctor of Business Administration degree with a specialization in management from Northcentral University. His doctoral research focused on the "Effects of Outsourcing on Talent Pipelines".

Among the many awards and honors earned by Dr. Terry was his induction into Delta Mu Delta, an international business honor society that recognizes academic excellence in business and induction into Golden Key International Honor Society. He is a member of the American Association of University Professors, Academy of Management, and the American Association for Respiratory Care. His present research interests include international business management, operations management, and human resources management.

Dr. Terry served as director of operations at Respiratory/Nursing Management Inc. and instructor at Saint Barnabas Medical Center, one of New Jersey's largest community teaching hospitals prior to coming to Palm Beach State College. He also worked as a program director at South Mountain YMCA in New Jersey and the American Red Cross of Northern New Jersey, and he taught classes at Touro University International.