**Scenario**

This course uses the CTU Professional Learning Model™ (CTU PLM) to teach students with hands-on, industry-related, problem-solving experiences that model the professional environment and encourage achievements that lead to student and employer success. The CTU PLM is founded on the idea that students learn best by working on real-world, professional projects related to their chosen career fields. By working this way, students develop the expertise to apply conceptual knowledge to get effective results. Through professional learning, students experience the complexity of real-world problems and learn to select an appropriate approach to a problem that has more than one solution. This method of learning is called Problem-Based Learning (PBL). PBL assumes that you will master content while solving a meaningful problem in each assignment.

Throughout the course, you will work with a scenario in which some basic, background information is provided about a company. (This information could apply to any company that provides products or services of this sort in general.) You have a role in the scenario; that is, you are part of the story. The dialogue in each assignment presents the problem that must be solved. It is up to you to respond to the problem and submit a deliverable that will be graded.

Refer to the following scenario as you progress through the PBL process.

Problem-Based Learning (PBL) Scenario: Red Carpet LLC

Red Carpet LLC is a national hospitality and entertainment company with headquarters in Philadelphia, PA with national operations in the US. Historically, the company has had 3 divisions: hotels, food service, and cruise lines. However, it recently completed the acquisition of Sparkstar theaters, a movie theater company, that it is slated to become its 4th division. Red Carpet now owns 200 hotels in 48 states, 4 brands of restaurants with 1776 locations, 4 Buoy Bay branded cruise ships, and 300 Sparkstar theaters.

Its matrix organizational structure consists of a central HR, accounting, business development, sales, marketing, and research and development departments located at the headquarters in Philadelphia that serve each division. Each division is located in a different part of the US and lead by a VP that reports to the President and CEO. The company is privately owned by a consortium of investors and investor groups.

Red Carpet has 16,000 employees, 1000 of which work at its corporate headquarters. The organizational culture of the headquarters is informal and organic and there are few policies and processes that guide employee behavior. The company, as a whole, does not value HR so employees struggle with many employee relations and employment law concerns. The company outsources all of its training to one of the investor group companies, however this training is commonly not customized to the needs of Red Carpet.

As a whole, Red Carpet struggles with its business to business partners and suppliers because of its reputation for being nonnegotiable. Red Carpet would rather disrupt the quality and availability of its only products and services rather than partner for the supply chain resources that it needs. Likewise, Red Carpet does not hold many of the General Managers in its hotels, restaurants, and its cruise ships accountable for performance, opting instead for a weaker political strategy of blaming and gotcha games.

Being aware of these challenges, Red Carpet acquired Sparkstar for their strong industry reputation and financial performance in the hopes that merging the structure and culture of Sparkstar into Red Carpet would change the organization for the better. Historically, Red Carpet has been a highly successful company, however in recent years, its mismanagement has created noticeable effectives in product and service quality and its bottom line.

Divisions

Hotels: Red Carpet branded hotels are mid-price semi-luxury hotels known for high quality. Each customer is given a red velvet cupcake upon checking in. Red Carpet relies on its General Managers to micromanage the hotel. Despite its corporate parent owning a restaurant division, no Red Carpet hotels have restaurants. The Red Carpet division headquarters are in Sedona AZ. Many of the hotels are in need of refurbishment.

Food Service: Chicken Heaven is a fast-food chain with a long tradition of quality, large customer base, and 1000 locations. It is a solid overall performer for Red Carpet with high employee satisfaction. Burger Blast is another fast-food chain recently launched to cater to upscale customers who seek customized, gourmet-style burgers. It has 200 locations, however General Managers are struggling with budget and supplies causing a poor customer experience and high employee turnover. Food Park is a buffet-style restaurant with 500 locations that has been recently struggling because of high competition and poor marketing.  Delicacy is a high-end restaurant with an urban theme. It has 76 locations, is the oldest of Red Carpet's food service operations, and provides a unique dining experience for customers. However, General Managers have a high turnover at Delicacy because of the grueling schedule. The food service division is located in Burke, ID.

Cruise Ships: Buoy Bay cruise ships offer low-cost, short-term cruises from Port Canaveral, FL only to the US Virgin Islands. Buoy Bay offers customers average quality staterooms and food from Chicken Heaven, Burger Blast, and Food Park. However, it does not offer a non-buffet formal dining option such as Delicacy. Although they are known for their over-the-top entertainment, employee turnover is very high relying primary on seasonal employees who are poorly trained. Buoy Bay has had much controversy. Just 5 years ago, the Buoy Bay cruise ship, Garland of the Sails, hit a reef, partially sank, and had to be salvaged in a 1.5 billion dollar operation. This resulted in a Federal investigation that is still pending. The Buoy Bay division is located in Lapsowanne, OR.

Movie Theaters: Sparkstar theaters were recently purchased from the Vegamega group for 2.3  billion dollars. Sparkstar is the highest rated movie theater chain the US. It has high customer and employee satisfaction, an efficient organizational structure, and solid financial results. Sparkstar's culture is one of high HR involvement including a strong training and development department, Sparkstar Institute. Sparkstar has a customer rewards program that provides a free movie rental of the film that the customer saw in the theater which has been very popular and has increased its strong customer base. Sparkstar has its divisional headquarters in Pasadena, CA.

The Issues

With the purchase of Sparkstar theaters, Red Carpet is hoping to redefine its operations in the next 5 years. It sees opportunities to integrate its divisions, products, and services to better serve its customers and employees. Here is a summary of some of the issues that Red Carpet must address in its strategic plan:

* Internal politics and communication
* Improved HR and training
* Employee relations issues
* Federal investigations
* Product and service quality
* Marketing support
* Performance issues
* Redefining the organizational structure
* Improving its organizational culture
* Integrating products and services
* Resource and supply chain issues

Your Role

Leroy Banks, the Director of Change management at Red Carpet is seeking an Organization Development Consultant to address Red Carpet's need for change. You've just received a consulting contract from him to help prepare a plan to assist Red Carpet. You're excited about the opportunity and are motivated to work on this project. You know that your insight will assist Red Carpet with managing organizational change.