**Case Application 1-C: TEAM FUN!**

Kenny and Norton Bell founded TEAM FUN!, a sporting goods and equipment store and manufacturer, 10 years ago. Kenny and Norton had always been sports enthusiasts. As stellar athletes through high school and college, these twin brothers knew they wanted to open a business that catered to the leisure sporting industry.

Shortly after graduating from college, they presented to a bank the business plan they had developed as part of their small-business entrepreneurial course. They were given a loan, and with $15,000 they had saved between them, they started the company. Initially, they were the only two employees.

Within the first six months of business, Kenny and Norton added three employees to help deal with a new contract they had just won. By the end of their first year, the company had more than $300,000 in revenues and six employees.

Kenny and Norton were pleased with their initial success, but they anticipated more competitors and knew they had to diversify their product lines. As they did, it became apparent that they needed to add a couple of locations to better serve their growing customer base, as well as hire more people to meet customer demand.

They now have 125 employees, 3 suburban branches, and annual revenues approaching $10 million. Overlooking their LAGOON, where employees try out new water gear (kayaks, swim fins, wet suits, racing suits, goggles), Norton asked Kenny "The new kayak prototypes look great, but the design is really different...and the labeling is in...it isn't Spanish, French maybe?"

Kenny took a look and admitted that he didn't know either. "I guess it isn't much tougher to use a design studio halfway around the world than one across town anymore." Kenny went on to say "Lots of things going on around here that I don’t understand. Carlos said he has a proposal to add a daycare center on the west side of the employee cafeteria. He said it would help with recruiting if we were more family-friendly. Aren't we already family-friendly? And what's the problem with recruiting?"

They head outside to the GREEN, their golf supply area, and pass a few people who smile and nod. Kenny comments, “I don’t even know everyone who works here anymore. Edna in HR asked me if I was interested in joining a charity walk to raise money for Annabelle's daughter's kidney transplant. I don’t even know who Annabelle is, much less that she had a sick daughter. Come to think about it, why doesn't our health insurance cover kidney transplants? It sure costs enough."

"What about the Affordable Care Act?" asked Norton. "Didn't that tell employers what kind of insurance we have to have and what it covers? Sort of like minimum wage?"

"Maybe," replied Kenny. "Wouldn't that interfere with our rights to run our business the way we want?"

Norton considered Kenny's question as he twirled a prototype of a high-tech putter and tapped a golf ball across the green, missing the hole by inches. "I'm not sure we know enough of what's going on here anymore to know who is interfering with what" he said thoughtfully. "Maybe we need to find out what people are doing and what they are thinking, like we did when there were just five of us."

**Questions:**

1. Explain how TEAM FUN! is currently affected by globalization and globalization issues they may face in the future. (LO 1)
2. How does government regulation affect Team Fun? (LO 3, 4, 9)
3. What other external factors and challenges in chapter 1 seem most relevant to Team Fun? (LO 1, 2, 3, 4, 5, 6, 9)
4. How would employee involvement and continuous improvement programs benefit Team Fun! and help Kenny and Norton get in touch with what's going on? (LO 7)