

2013 JSGS Internal Case Competition

The Case of the Itinerant Institutes

Your Task

You are a team of senior officials working for the Province of Astoria.

You have been asked to develop a proposal for the location of one or more technical schools to provide the skills development needs of the province. There are no such schools currently in existence so there are no existing facilities to be included.

The premier has announced a committee of Ministers, representing the regions of the province will develop the most effective program to offer the training in the province. Your recommendation will be presented to this committee of Ministers.

Geography of the Province

The Province of Astoria consists of four regions and one major city (Capital City) as indicated in the map attached.

Astoria North has a total population of 40,000, with 20,000 living in the main centre at Andreasburg and another 2,000 in a small town of Courtney. The remaining population of 18,000 people are scattered throughout the region. The principle industry of the region is forestry; over 95 per cent of Astoria's forest products come from Astoria North and the industry accounts for 75 per cent of the regions' employment, either directly or indirectly.

Astoria East has a larger population (60,000), including a population of 30,000 living in the major centre of Dawn City and another 2,000 people in Avatown. The remaining 28,000 people are spread throughout the region and primarily engaged in agricultural production. Over 85 per cent of Astoria's agricultural output comes from Astoria East and the industry accounts for 80 per cent of the region's employment, either directly or indirectly.

Astoria South has an even larger population of 100,000, with 50,000 of those people living in the main centre of Joannesburg and 4,000 in the town of Genevieve. Astoria South is predominantly a tourist area, renowned for its beautiful beaches and plentiful sunshine year-round. Tourism and the hospitality industry account for 75 per cent of the region's employment.

Astoria West is the centre of the province, dominated by the oil and gas industry which employs, either directly or indirectly, over 80 per cent of the workers in the region. The population of Astoria West currently stands at 100,000, with 50,000 living in the main centre of Coleston and another 2,000 in Amelieville. The remaining 48,000 residents of Astoria West are evenly spread throughout the region.

The Capital of Astoria is Capital City with a population of 500,000 and a primary economic base centred on manufacturing, which accounts for over 70 per cent of the employment in Capital City, most of the remaining employment being in related service industries and the public service. Almost all the manufacturing in Astoria (96 per cent) is conducted in Capital City.

With the other major centres of Andreasburg, Dawn City, Joannesburg and Coleston, over 700,000 people (87.5 per cent of the population) live within one hour of Capital City.

Course Needs

For the first time ever, the Province has decided to operate training function aimed at providing skills development in five main areas:

- Forestry Technology;
- Agricultural Sciences;
- Hospitality (Tourism) ;
- Petroleum Technology; and,
- Manufacturing Arts.

It is anticipated that, once the program is mature, it will provide training to about 10,000 students per year, 5,000 in manufacturing arts and about 1,250 in each of the other four programs. This will involve 20,000 students, each taking a two-year program in their area.

Other Information:

Aside from the Premier, the Cabinet is composed of a Minister from each of the four regions of the province and a Minister of Administrative Affairs. There is no Minister responsible for the Capital City itself.

There has been considerable public interest in the process and each of the regional Ministers has received several presentations and from interest groups wishing to see at least some of the training facilities in their region, hoping to attract the high paid jobs as teachers and staff at the facilities. Thus, the each of your regional Ministers will be under pressure to deliver at least part of the training program within their district.

Including support staff, each of the programs would include the staff number shown below, if they were operated on a stand-alone basis.

Program	Students (2 Years)	Staff Requirement	Annual Salary Value
Forestry Technology	2,500	250	\$12.5 Million
Agricultural Sciences	2,500	250	\$12.5 Million
Hospitality	2,500	270	\$13.5 Million
Petroleum Technology	2,500	240	\$12.0 Million
Manufacturing Arts.	10,000	800	\$40.0 Million

The various industries in the province are pressing for a speedy resolution to the location issue as they are all experiencing labour shortages and would prefer to hire within the province, rather than having to recruit from

afar or hire and train unskilled workers. More specifically, each industry would prefer a campus located close to their operations for ease of recruitment.

There are no overlaps between the training programs as each one could stand alone. Students in say, Agricultural Science, would take no courses in common with students in any other program.

While there are clear centres of each industry within the province, surveys and the experience of training facilities outside the province indicate that students seeking training in any one of the areas are as likely to come from any one of the regions of the province as any other.

For example, the neighbouring province's training program in Manufacturing Arts draws 62.5 per cent of its Astorian students from Capital City; 5 per cent from Astoria North; 7.5 per cent from Astoria East and 12.5 per cent from each of Astoria South and Astoria West – perfectly in line with each region's share of the population.

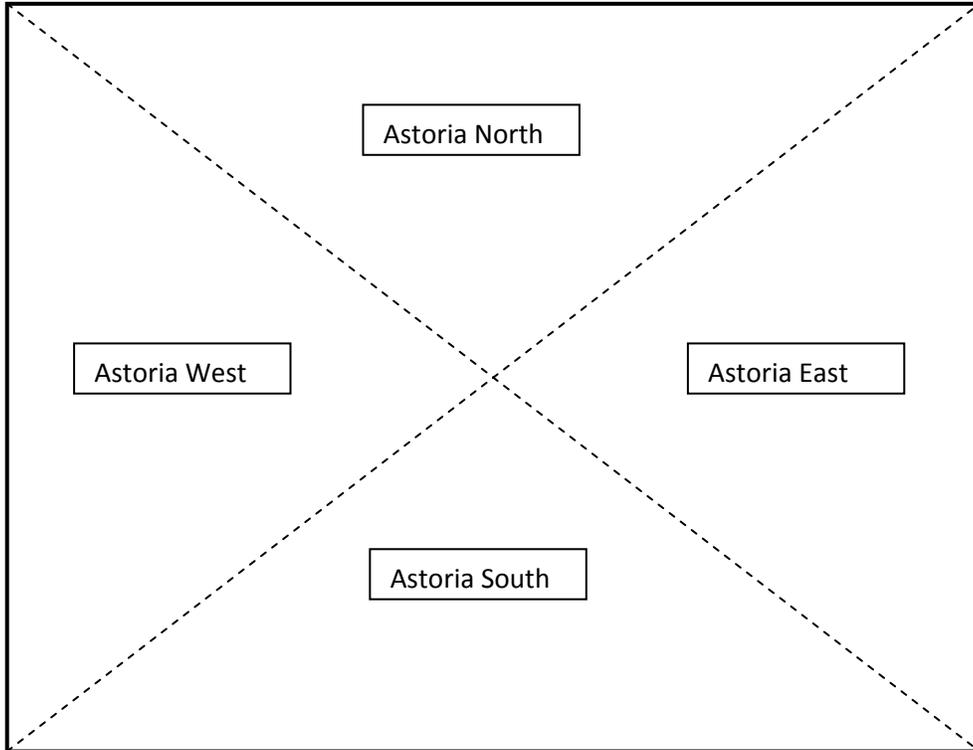
Studies in other jurisdictions suggest there are generally economies of scale to be found in the operation of training facilities as the larger they are, the more efficiently they can operate the attached facilities of food services and accommodations. It is estimated a single institution of 20,000 students could operate for at least 15 per cent less cost than 5 institutions of 4,000 students each.

Other exercises indicate that the lack of student housing in centres with less than 100,000 in population adds a special consideration and cost to such locations.

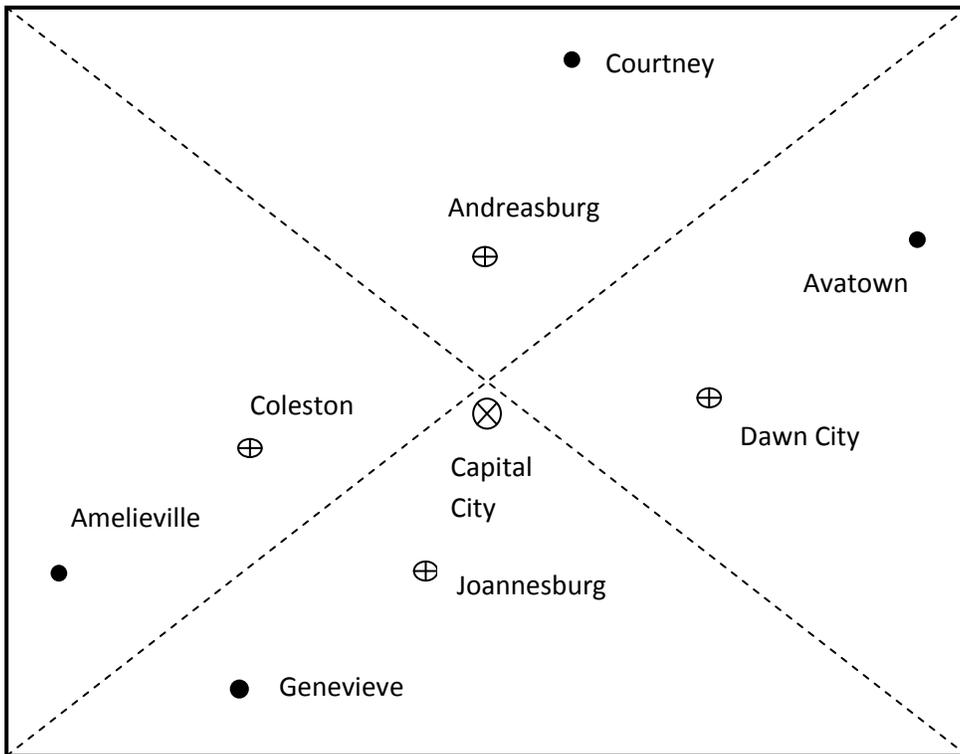
Assignment:

Develop options on where to locate the five new training programs, conduct an analysis of the implications of each option and make a recommendation to the committee of Ministers.

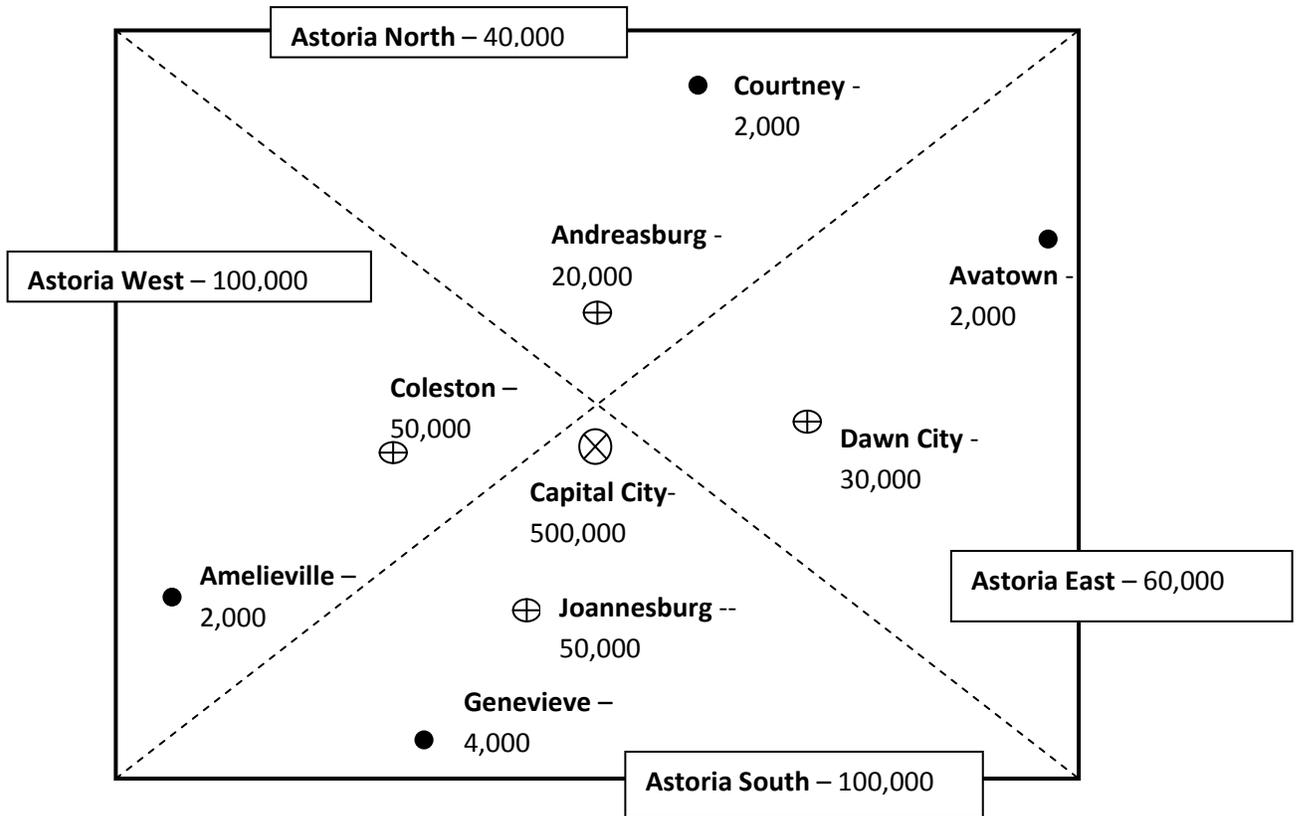
Appendix A: Map of Province of Astoria



Appendix B: Province of Astoria – Cities/Towns



Appendix C: Province of Astoria – Total Population - 800,000



Appendix D: Province of Astoria -- Economic Activities

