# 15.394
# Designing and Leading the Entrepreneurial Organization

## MIT Sloan School of Management

# Cambridge Technology Partners

- 1998: Stock drops from $58 to $13
- January 1999: $7-9million write-off for "repositioning and retention"
- Spring 1999: Sims replaced by Messman

  "James K. Sims, who built the business to more than $ 600 million in annual sales but was ousted after failing to manage the company's explosive growth. Without strong systems in place, the company floundered. Internal spats pitted division against division, earnings suffered, and the company failed to shift its focus to the booming Web, say a dozen former and current employees." (Boston Globe, May 31, 1999)

- Summer 1999: Rumored takeover candidate
- Fall 1999: Executive turnover

# Cambridge Technology Partners

✠ December 1999: NEWCO (incubator) strategy incubator

"Cambridge also reported its first losses as a public company in last year's fourth quarter and in first-quarter 2000, reflecting mounting costs to retain employees and redirect resources to e-business."

✠ 1999-2000: turmoil and turnover

✠ July 2000: mounting financial trouble

"reported a larger-than-expected loss in the second quarter because of losses from equity investments and bad debts from ailing dot-coms."

✠ Fall 2000: downsizing, layoffs

# Cambridge Technology Partners

✠ **March 13, 2001**
NOVELL TO ACQUIRE CAMBRIDGE
TECHNOLOGY STRUGGLING CONSULTANT TO
GO TO UTAH FIRM IN DEAL WORTH $266
MILLION

"Cambridge Technology Partners Inc., a fallen
high-tech star that struggled with internal
problems and slumping revenue, said yesterday
it will be acquired by Novell Inc. in a stock deal
valued at $266 million."

# May 31, 2000
# Boston Globe

✠ *"Internet-Consulting Company Struggles to Stay on Top"*

# Four Key Design Decisions

| | | |
|---|---|---|
| **Division of Labor** | **Specialization** | |
| | *High* | *Low* |
| **Departmentalization** | **Basis** | |
| | *Homogeneous* | *Heterogeneous* |
| **Span of Control** | **Number** | |
| | *Narrow* | *Wide* |
| **Authority** | **Delegation** | |
| | *Centralized* | *Decentralized* |