

Case Study: Stephen L. Cohen '67 Leadership Case Competition
Centennial Center Fall 2021
Student Authors: Jessie Bartels '21 & July Winters '24

Description:

Geneva, New York is a city located in the Finger Lakes Region of Upstate New York. Geneva is specifically located on the Northwest tip of Seneca Lake which is the deepest of the eleven Finger Lakes.¹ Seneca Lake is part of the Seneca Wine Trail and is called the Lake Trout Capital of the World, which both bring in a lot of tourism to Geneva. Seneca Lake is a vibrant place and a lot of people rely on it as a natural resource.

Since 1964, Seneca Lake has been home to the National Lake Trout Derby where fisherman from all over North America come.² Geneva also gets a significant amount of tourism from around the country because it is part of the Finger Lakes Wine Region (the 4th largest wine region in the U.S.) and specifically the wineries surrounding Seneca Lake. Geneva is home to eight local wineries, which is part of a collection of fifty-five wineries in total immediately surrounding Seneca Lake.³ Seneca Lake also provides drinkable water to over 100,000 people who live around the lake.⁴

Additionally, nearly 98 percent of businesses in New York State are small businesses.⁵ Geneva is no different. As a small town, many of the businesses in Geneva are locally owned. Most of the spending done within Geneva then goes to residents in the area. Access to economic capital for small businesses directly impacts the town's employment and poverty rates.

Finally, another huge industry around Seneca Lake is agriculture. The Finger Lakes region is one of the most varied agricultural regions in New York.⁶ With lots of agriculture, comes the need for lots of machinery, especially tractors. Your organization is one of the only manufacturers of tractor machine parts in Upstate New York.

¹ "The Finger Lakes," Finger Lakes of New York, accessed May 7, 2021, <https://www.fingerlakestravelny.com/about/the-finger-lakes/>.

² Greg Cotterill, "Is Geneva the 'Lake Trout Capital of the World?'" Finger Lakes Daily News, accessed August 7, 2020, <https://www.fingerlakesdailynews.com/2020/08/07/575315/>.

³ "Seneca Lake Wineries," Wineries on Seneca Lake, Finger Lakes.com website, accessed August 2, 2021, <https://www.fingerlakes.com/seneca/seneca-lake-wineries>

⁴ "About," Seneca Lake Guardian, accessed May 7, 2021, <https://www.senecalakeguardian.org/About>.

⁵ "Small Business: The Heartbeat of New York's Economy" accessed June 14, 2021 <https://assembly.state.ny.us/Minority/20090424/>

⁶ "Farms & Farmers Markets," Finger Lakes Farms & Farmers Markets | Finger Lakes Region Official Guide, accessed May 7, 2021, <https://www.fingerlakes.org/things-to-do/farms>.

Organization:

You are in a leadership role at a mid-size company located in Geneva, New York that manufactures tractor engines. Your company consists of about two hundred employees and you have been working there for ten years. During the manufacturing process of these engines, pollutants such as undiluted corrosives, poisons, and other noxious byproducts are filtered out and placed in containers for safe keeping in a warehouse that is located on the shore of the freshwater Seneca Lake.

On a recent holiday weekend, there was a high wind and rain storm that caused an electricity outage in the warehouse and the manufacturing plant. The backup generator at the warehouse failed causing several of the containers which held these pollutants to overheat and burst. Due to the holiday weekend, you were the only emergency contact on duty and you alone were alerted that the power was out in your plant and warehouse, but was unaware of the burst containers. You decided to go assess the situation when the winds died down as a precautionary measure and you visited the warehouse site alone in the middle of the night. When you make your way down to the warehouse you notice that the leaked pollutants have created a significant runoff aimed right towards Seneca Lake. You are not sure if all of the runoff is just pollutants, pollutants mixed with rain, or just rain because it is pitch black out. You are also unsure how long the runoff has been occurring or where the exact source is coming from.

Dilemma:

In your leadership role, the decision making is up to you on what next steps to take. You were the only one on the scene and currently the only one that knows about this runoff. You need to act fast if it is in fact pollutants from your warehouse getting into Seneca Lake as there may have been devastating and long-term environmental, social and economic impact on the surrounding area. The pollutants have the potential to hurt the trout and other wildlife in Seneca Lake due to the toxins being released into the water. The drinking water that Seneca Lake provides to surrounding residents will also be tainted as well as the water that is used at the farms surrounding the lake.

Further, if pollutants get into Seneca Lake, the water that is used to water the grapes at these wineries will be tainted, which will have a negative impact on the grape growing season and wine output in the region. If the wineries are no longer able to produce a quality product, Geneva will lose one of its largest tourist attractions, which will have both negative economic and job impact this Upstate New York area. Without tourism to increase consumer access for many small businesses and restaurants, there will be a decrease in spending. A lack of support for small businesses in Geneva could lead to a lack of integral financing to keep the towns local economy sustained.

Public knowledge that the local water supply was at risk of being contaminated by a private company would deeply upset local environmental activists. This could cause major backlash for companies like yours and the state government. Given the lack of enforced testing on local water supplies, a posed risk like this could be ammunition for retaliation against organizations like the Natural Resources Defense Council (NRDC) by local people. Not only is this a PR nightmare for your company but it could also have longstanding harm on the trust the community has built in manufacturing plants.

If word gets out about toxins were in fact emitted into Seneca Lake, your company will suffer financially, your reputation will be severely damaged, and it's likely no one will trust you to be an honest manufacturer. You are also at high risk for losing your job if word gets out about this situation and you fail to handle it properly. Yet this isn't just about you. The 200 employees you have underneath you will suffer as well. If you cannot maintain the image of a trustworthy leader, the company will lose the customers it's been working with the past 10 years. With customers now flooding to work with your competition, you won't have the money to support all your employees and would have to let some people go. Given how few specialty tractor companies there are, it will be incredibly hard for them to find work without your company.

Question:

What should you do? Who is to say that the runoff is simply water and no toxins are in it at all? Should you handle this matter internally or share widely with constituents? What should you do as the leader of the organization and also the only employee who saw the runoff? What next steps do you make after knowing about the possible pollution to Seneca Lake but not knowing exactly how much, if any, real harm it did?