

## **PRIVATE MOMENTS**

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### **Case Objectives and Use**

This field researched case is designed to show how strategic management is applicable to a business operating under severe legal restraints, which limits its ability to grow. It exposes students to a real world example of a business not only operating under the careful scrutiny of the local government, but with pressures from the conservative religious community. Students are encouraged to identify, evaluate, and propose methods for Private Moments to evaluate its marketing strategies. The students are then required to identify, select, and plan an appropriate future strategy.

This course is appropriate for courses in strategic management, marketing research, and entrepreneurship at both the undergraduate and graduate level.

### **Case Synopsis**

In October, 1996 Private Moments, an adult novelty store, opened for business in Huntsville, Texas. Huntsville had no ordinances in place to prevent the opening of this type of business. In fact, the local Small Business Development Center provided guidance and assistance to Edward Delagarza, the founder and owner of Private Moments. Many of the Huntsville citizens, unhappy with the opening of Private Moments, approached the City Council requesting that it be closed immediately and asked for legislation to prevent other Sexually Oriented Businesses (S.O.B.) from locating in Huntsville. After a hearing before the Planning and Zoning Commission to review alternative zoning restrictions, City Council passed an ordinance that outlined the process for obtaining a permit to operate as a S.O.B. and placed severe limitations on places a S.O.B. could locate. Private Moments, in existence when the ordinance was passed, was grandfathered. Sales at Private Moments have grown slowly, but business has been profitable. Since opening Private Moments, Mr. Delagarza has begun operating two other businesses: a tattoo parlor, which is adjacent to Private Moments, and a bar, located some distance away. He must now decide whether to remain in his current location and expand his operations by selling adult novelty items to other markets in other locations, redirect his effects toward internet sales or the wholesale distribution of S.O.B. products, or devote his time to his other two businesses.

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