

100 best-selling cases

2009 edition

## How to use the case bibliography

This bibliographical supplement presents the 100 best-selling cases from the ecch catalogue during 2008. It incorporates abstracts of all the cases and full bibliographical details such as setting, topics and details of any teaching note. Visit the ecch website at [www.ecch.com/bibs](http://www.ecch.com/bibs) to view and download a pdf version of the bibliography.

Cases appear alphabetically by title, each with its own entry. Teaching notes do not have separate entries. Their reference numbers and lengths appear within the corresponding case entry.

### Case entry:

#### 404-015-1

#### KIDNAPPED IN COLOMBIA

Rarick, CA

*Barry University, Florida*

Dan and Melissa Woodruff, an American couple, moved to Medellin, Colombia when Dan is offered a position with his....

*Colombia; Textiles; 275 employees; 2001*

Kidnapped  
Colombia  
Political risk

9pp

Published sources

404-015-8 (4pp)

*Reference number*

*Title*

*Author(s)*

*Author's institution*

*Abstract*

*Setting*

*Topics*

*Length*

*Source*

*Teaching note (length)*

### Reference number

This is the number to use when ordering the item.

### Title

Cases in a series are generally denoted by the use of (A), (B), (C) etc.

### Author(s)

The individual(s) listed either wrote or supervised the writing of the case.

### Author's institution

Where there are multiple institutions, their names will appear directly under the corresponding author(s).

### Abstract

The abstract summarises the content of the case and its teaching objectives.

### Setting

This provides information on the geographical location of the subject of the case, the type of industry, the size of the organisation and the year(s) of the case event.

### Topics

These are key words, subjects and issues within the case which are supplied by the author(s).

### Length

The length is given either in pages or in minutes if a video; if the item is a CD-ROM this will be indicated here; s/w means software.

### Source

This relates to the main source of data:

Field research

Published sources

Generalised experience

### Teaching note (length)

If a teaching note is available for the case its reference number will appear here followed by its length in pages in brackets.

## Case search at www.ecch.com

Visit the case search section of the ecch website to identify relevant cases from the ecch collection and view over 34,500 full text inspection copies. To search the database of over 58,500 items, you have two options: Advanced search and Quick search. Once you have identified your case, you can order a paper inspection copy or, if authorised, preview it on-line.

**Advanced search** helps you identify a case that most closely meets your requirements. Refine your search by selecting up to four of the following and additional specific options (eg publication year). The more criteria you select, the more refined your search will be:

- reference number
- abstract
- title
- topic
- author
- industry
- author's institution
- geographic location

**Quick search** enables you to find a particular case you know of, by inputting one piece of accurate data (eg reference number or featured company). Be specific, because quick search will display all entries where an exact match is found.

On the ecch website you can find out about the many services ecch provides to support the writing and teaching of cases. You can also subscribe to:

- **Monthly e-mail updates**

A free service giving details of cases registered during the preceding month.

- **Case collections updates**

Published quarterly and e-mailed free to all subscribers, these listings give brief details of newly released cases, supplementary materials and journal article reprints.

- **ECCHO**

The ecch magazine, ECCHO includes case reviews, features and information on the case method, as well as a free case that teachers can use.



### need help to find the right case?

Are you having problems finding the right case? Would you like hints on case searching? ecch provides a free helpline.

Be ready to provide information on the:

- Type of case you are looking for
- Setting of the case
- Course the case will be used on
- Students' level of experience

ecch helpline: [help@ecch.com](mailto:help@ecch.com) or +44 (0)1234 756410.

# European Case Awards 2009

## Overall winner

**302-057-1**

**THE EVOLUTION OF THE CIRCUS INDUSTRY (A)**

W Chan Kim, Renée Mauborgne, Ben M Bensaou and Matt Williamson  
*INSEAD*

## Economics, Politics and Business Environment

**206-026-1**

**MAS HOLDINGS: STRATEGIC CORPORATE SOCIAL RESPONSIBILITY IN THE APPAREL INDUSTRY**

Jonathan Story and Noshua Watson  
*INSEAD*

## Entrepreneurship

**806-015-1**

**MARSTON VENTURE MANAGEMENT**

John Mullins and Julian Lloyd  
*London Business School*

## Ethics and Social Responsibility

**706-057-1**

**PROCTER AND GAMBLE PUR PURIFIER OF WATER™ (A): DEVELOPING THE PRODUCT AND TAKING IT TO MARKET**

Margaret Hanson and Karen Powell  
*INSEAD*

## Finance, Accounting and Control

**106-016-1**

**INFINITY BANK (A): RETAIL BRANCHES AND CUSTOMER PROFITABILITY**

Igor Vaysman, *INSEAD*  
Stephen Smyth, *Esfren Consulting*

## Human Resource Management / Organisational Behaviour

**405-027-1**

**EXPATRIATION: AN AMERICAN WORKING IN JAPAN: FROM THE PERSPECTIVE OF THE EXPATRIATE, HEADQUARTERS AND THE FOREIGN SUBSIDIARY**

Markus Pudelko  
*University of Edinburgh Business School*

## Knowledge, Information and Communication Systems Management

**905-033-1**

**INTERNET ENABLED COLLABORATIVE STORE ORDERING: VEROPOULOS SPAR RETAILER (A)**

Theodoros Evgeniou, *INSEAD*  
George Doukidis and Katerina Pramataris, *Athens University of Economics and Business*

*Continued overleaf*

**Marketing** sponsored by The Chartered Institute of Marketing

**505-098-1**

**RED BULL: THE ANTI-BRAND BRAND**

Nirmalya Kumar, Nader Tavassoli and Sophie Linguri Coughlan  
*London Business School*

**Production and Operations Management**

**602-029-1**

**LUFTHANSA CARGO AG: CAPACITY RESERVATION AND DYNAMIC PRICING**

Arnd Huchzermeier and Rolf Hellermann  
*WHU Otto Beisheim School of Management*

**Strategy and General Management**

**305-308-1**

**ZARA: RESPONSIVE, HIGH SPEED, AFFORDABLE FASHION**

Nirmalya Kumar and Sophie Linguri Coughlan  
*London Business School*

**Special award**

**THE SUMANTRA GHOSHAL AWARD FOR EXCELLENCE IN CASE WRITING**

*INSEAD*

## 100 best-selling cases

**9-201-028**

**AIRBUS A3XX: DEVELOPING THE WORLD'S LARGEST COMMERCIAL JET (A)**

Esty, B  
Kane, ML

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. In July 2000, Airbus Industrie's supervisory board is on the verge of approving a \$13 billion investment for the development of a new super jumbo jet known as the A3XX that would seat from 550 to 1,000 passengers. Having secured approximately 20 orders for the new jet, the board must decide whether there is sufficient long-term demand for the A3XX to justify the investment. At the time, Airbus was predicting that the market for very large aircraft (VLA), those seating more than 500 passengers, would exceed 1,500 aircraft over the next 20 years and would generate sales in excess of \$350 billion. According to Airbus, it needed to sell 250 aircraft to break even, and could sell as many as 750 aircraft over the next 20 years. This case explores the two sets of forecasts, and asks students whether they would proceed with the launch given the size of the investment and the uncertainty in long-term demand. Illustrates the basic economics of large projects and the complexity in estimating even top-line demand for products with useful lives of up to 50 years. Also illustrates the role of governments in large projects, both as investors and as customers. Finally it explores the competitive dynamics between a monopolistic and a potential entrant in which entry costs exceed \$10 billion.

2000

Aerospace industry  
Business-government relations  
Capital expenditures  
Corporate strategy  
Demand analysis  
Product development  
Product positioning  
Project finance  
Valuation

20 pp

Published sources

5-201-040 (31 pp)

**9-599-110**

**ANALYZING CONSUMER PERCEPTIONS Note**

Dolan, RJ

*Harvard Business Publishing*

Describes the perceptual mapping techniques in a non-technical fashion. The procedure is useful for the depiction of the structure of the market. Discusses alternative methods, presents examples of each, and shows how the maps can be used in marketing decision making.

Consumer behavior  
Consumers  
Market research  
Market structure

13 pp

Published sources

**9-706-496**

**APPLE COMPUTER, 2006**

Yoffie, DB

Slind, M

*Harvard Business Publishing*

Apple has reaped the benefits of its innovative music player, the iPod. However, its PC and server business continue to hold small market share relative to the worldwide computer over the past few years. Will the iPod lure new users to the Mac? Will Apple be able to produce another cutting-edge device quickly? May be used with: (9-702-469) 'Apple Computer - 2002'; (9-705-469) 'Apple Computer, 2005.'

*Cupertino, California (CA); Consumer electronics, music industry, on-line information services, personal computer industry; 16,820 employees, \$13.9 billion revenues; 1976-2006*

Business history  
Business models  
Corporate strategy  
Industry analysis  
Operating systems  
Strategy formulation  
Strategy implementation  
Sustainability  
Technology

32 pp

Published sources

**9-502-030**

**AQUALISA QUARTZ: SIMPLY A BETTER SHOWER**

Moon, Y

Herman, K

*Harvard Business Publishing*

Harry Rawlinson is Managing Director of Aqualisa, a major UK manufacturer of showers. He has just launched the most significant shower innovation in recent history: the Quartz shower. The shower provides significant improvements in terms of quality, cost, and ease of installation. In product testing, the Quartz shower received rave reviews from both consumers and plumbers alike. However, early sales of the Quartz have been disappointing. Rawlinson is now faced with some key decisions about whether to change his channel strategy, promotional strategy, and the overall positioning of the product in the context of his existing product line.

*United Kingdom; Manufacturing industries; £8 million revenue; 2001*

Consumer behavior  
Consumer marketing  
Distribution channels  
Market entry  
Market positioning  
Marketing strategy  
Product development  
Product introduction  
Product positioning

18 pp

Field research

5-503-058 (23 pp)

**302-170-1**

**ARM HOLDINGS PLC**

Williamson, P

O'Keeffe, E

*INSEAD*

The case traces the development of ARM and its innovative business model, based on partnering, to become the de facto standard for RISC chips used in mobile phones, storage devices, automotive, set-top boxes, etc. It explores how ARM builds and manages an alliance network for 'learning from the world', the knowledge it needs to stay ahead of competitors and through which it licenses and manufactures its designs. A detailed example of how ARM innovates

is presented. The case can be used in executive and MBA programmes to explore the issues of building and managing a global alliance network, to discuss the innovation process in a company that must mobilise knowledge from around the world, and to illustrate the nature and workings of a 'meta-national' strategy that allows companies to globalise at a much more rapid pace.

*UK, Global; Semiconductors; US\$250 million; 1991-2002*

**Innovation**  
**Alliances**  
**Globalisation**  
**Meta-national**  
**Entrepreneurship**  
**Business model**  
**Spin-off**  
**Partnering**

23 pp  
 Field research

**9-292-140**  
**ARUNDEL PARTNERS: THE SEQUEL PROJECT**

Luehrman, T  
 Teichner, WA  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. A group of investors is considering buying the sequel rights for a portfolio of feature films. They need to determine how much to offer to pay and how to structure a contract with one or more major US film studios. The case contains cash flow estimates for all major films released in the United States during 1989. These data are used to generate estimates of the value of sequel rights prior to the first film's release. Designed to introduce students to real options and techniques for valuing them. It clearly illustrates the power of option pricing techniques for certain types of capital budgeting problems. Also illustrates the practical limitations of such techniques.

*California; Movies; Large, \$2.1 billion revenues; 1992*

**Capital budgeting**  
**Decision trees**  
**Entertainment industry**  
**Option pricing**  
**Real options**  
**Securities analysis**  
**Uncertainty**

19 pp  
 Field research  
 5-295-118 (14 pp)

**2078**  
**ATLANTIC COMPUTER: A BUNDLE OF PRICING OPTIONS**

Bharadwaj, N  
 Gordon, JB  
*Harvard Business Publishing*

This is a Brief Case from HBP. Atlantic Computer, a leading player in the high-end server market, has detected a marketplace opportunity in the basic server segment. They have developed a new server, the Tronn, to meet the needs of this segment. In addition, they have created a software tool, called the 'Performance Enhancing Server Accelerator', or PESA, that allows the Tronn to perform up to four times faster than its standard speed. The central question revolves around how to price the Tronn and PESA. Although cost-plus, competition-based, and status-quo pricing are the most common means by which firms establish prices for their offerings, these approaches may prevent firms from fully realizing the benefits that are due to them. Provides an opportunity to optimize value capture for the firm by utilizing value-in-use pricing (ie, examining the value that a firm's offering creates for the customer, and using the savings generated as the basis for developing prices). Also allows for the exploration of the challenges surrounding the implementation of a value-in-use pricing strategy. These include the reactions of competitors, customers, and stakeholders within the firm. The teaching purpose is to be used during the pricing module of the core MBA marketing course or in an elective course on pricing. To allow instructors to contrast a customer-focused approach to pricing (value-in-use) with company-centric (cost-plus), competitor-based (competition-based), and status-quo approaches. To provide students an opportunity to calculate the price of a new offering utilizing the traditional approaches to pricing as well as value-in-use pricing, and then evaluate the respective approaches to see which yields optimal value capture for the firm. Also to allow students to take into consideration how other important stakeholders (competitors, customers, internal managers, and the sales force) can potentially impact the implementation of pricing strategy.

**Computer industry**  
**Business to business**  
**Marketing**  
**Pricing**  
**Pricing strategy**

10 pp  
 Published sources  
 2079 (10 pp)

**9-694-046**  
**BARILLA SPA (A)**

Hammond, JH  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Barilla SpA, an Italian manufacturer that sells to its retailers largely through third-party distributors, experienced widely fluctuating demand patterns from its distributors during the late 1980s. This case describes a proposal to address the problem by implementing a continuous replenishment program, under which the responsibility for determining shipment quantities to the distributors would shift from the distributors to Barilla. Describes support and resistance within Barilla's different functional areas and within the distributors Barilla approached with the proposal.

*Italy; Grocery stores; 7,000 employees, US\$2 billion revenues; 1990*

**Distribution planning**  
**Logistics**  
**Order processing**  
**Supermarkets**  
**Suppliers**

21 pp  
 Field research  
 5-695-063 (22 pp)

**597-039-1**  
**BAXTER (A): A CHANGING CUSTOMER ENVIRONMENT**

Vandermerwe, S  
 Taishoff, M  
*Imperial College London*

This is the first of a three-case series (597-039-1 to 597-041-1). The overriding aim of the series is to demonstrate how a company must change from the traditional transactional product approach to one more suited to the new world. The old model is based on selling more products at certain margins using conventional marketing tools, whereas the new approach is about the lifelong value of customers and how to achieve that so that everyone in the system gains. The cases discuss the dilemma facing Baxter Renal Division, in the UK specifically, and in Europe generally. Their main product is the bag and solution for dialysis treatment for kidney disorder. Although Baxter had 80% market share by the mid-1990s two major threats had emerged: (1) a competing treatment, cheaper on a bag-for-bag basis, was increasingly being favoured by new

economic buyers who had become the more powerful decision makers and; (2) Baxter's dominance in its product market was being challenged by low-cost competitors. When case (A) opens in January 1997, an unprecedented crisis confronted Peter Leyland, recently appointed UK Business Director: five key hospital accounts had been lost. Moreover, the key success factors in the business - the number of patients treated, the kind of treatment received, the number of bags sold, and the proportion or market share of those cared for with their treatment - were all going downhill. Leyland was convinced that the only route to long term growth and profitability was not by trying to beat the competition at the same old game, but rather by taking the lead and changing the way the industry operated. Part of his challenge was getting various customers - buyers, users and influencers - to think and behave differently. Leyland and his team embark on a customer-focused strategy starting with end users and working backwards. Two videos are available to accompany the case series '597-039-3' and '599-014-3', the latter gives an update (March 1999) on Leyland's strategy. \*\*ecch European Case Awards Category Winner 2002\*\*

*Europe; Medical; US\$100 million to Baxter Renal; 1996-1997*

**Strategic customer focus**  
**Costing and pricing - new value based marketing**  
**Relationship marketing**  
**Value based customer transformation**  
**Articulating 'market spaces'**  
**Value added services**

19 pp  
 Field research  
 597-039-8 (24 pp)

**9-673-057**  
**BENIHANA OF TOKYO**

Sasser Jr, WE  
 Klug, JR  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Discusses the development of a chain of 'theme' restaurants. The student is asked to evaluate the current operating strategy and suggest a long-term expansion strategy.

*Food industry; Mid-size; 1972*  
**Corporate strategy**  
**Expansion**  
**Multinational corporations**  
**Services**

17 pp  
 Field research  
 5-696-021 (10 pp)

**9-794-079**  
**BITTER COMPETITION: THE HOLLAND SWEETENER COMPANY vs NUTRASWEET (A)**

Brandenburger, A  
 Costello, M  
 Kou, J  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. The NutraSweet Co has very successfully marketed aspartame, a low-calorie, high-intensity sweetener, around the world. NutraSweet's position was protected by patents until 1987 in Europe, Canada, and Japan, and until the end of 1992 in the United States. The case series describes the competition that ensued between NutraSweet and the Holland Sweetener Co (HSC) following HSC's entry into the aspartame market in 1987. Subsequent move and countermove in both the marketplace and the courts are described. Ends with the final countdown to the expiration of NutraSweet's US patent. Provides an opportunity to study a game in business that takes place at two levels: there is the surface game of tactics, and there is also the underlying game of value. At the tactical level, there are various points at which NutraSweet or HSC made a move with a view to shaping the perceptions of the other player. Turning to the underlying game of value, there are the actions that NutraSweet took during the period of patent protection. These actions served to maintain NutraSweet's added value in the post-patent game, and to deny added value to challengers.

*Global; Sweeteners; Large, \$2 billion revenues; 1965-1992*

**Beverages**  
**Competition**  
**Food**  
**Patents**  
**Strategy formulation**

14 pp  
 Field research  
 5-795-164 (28 pp)

**9-794-080**  
**BITTER COMPETITION: THE HOLLAND SWEETENER COMPANY vs NUTRASWEET (B) Supplement**

Brandenburger, A  
 Costello, M  
 Kou, J  
*Harvard Business Publishing*

Supplements the (A) case.

*United States; Food industry; 1965-1992*

**Beverages**  
**Competition**  
**Food**  
**Patents**  
**Strategy formulation**

2 pp  
 Field research  
 5-795-164 (28 pp)

**IMD-5-0671**  
**BLACKBERRY (A)**

Ryans, A  
*IMD - International Institute for Management Development*

Research in Motion had successfully launched the innovative BlackBerry service in North America and was looking to accelerate the growth of the business in North America and globally. The company had been using a direct sales approach and was considering a move to using telecommunications carriers as the primary channel. A team of executives had been charged with recommending a strategy and implementation plan.

*Global; Telecommunications; Revenues US\$220 million; September 2001*

**Marketing strategy**  
**Channel management**  
**Business strategy**  
**Accelerating growth**

20 pp  
 Field research  
 IMD-5-0671-T (14 pp)

**9-392-032**  
**BODY SHOP INTERNATIONAL**

Bartlett, C  
 Elderkin, K  
 McQuade, K  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Describes the start-up and rapid growth of a company whose founder holds

strong, non-traditional beliefs about the role of the corporation and its responsibility to society. After profiling Anita Roddick as a person, the case describes the anti-mainstream approach she took to building her highly successful business (no advertising, simple packaging, non-traditional R&D). After elaborating on the strong values she has imposed on the business, concludes by highlighting questions of the business' transferability to the United States and its survivability as Anita steps back.

**United Kingdom; Retailing; Mid-size, 2,000 employees, \$100 million revenues; 1991**

**Business policy  
Consumer goods  
Corporate culture  
Corporate responsibility  
Entrepreneurial management  
International business  
Retailing**

19 pp  
Published sources  
5-395-148 (7 pp)

**UVA-F-1017  
BOEING 777**

Bruner, RF  
Gollish, D  
Clausen, H  
Koggersvol, N  
Christey, P

*Darden Business Publishing*

This case is from the Darden Best Selling Case Collection. The general objective of this case is to exercise students' skills in estimating a weighted-average cost of capital and cost of equity. The specific need to estimate a segment WACC draws out students' abilities to critique different estimates of beta and to manipulate the levered-beta formulas. Thus the case provides a complete menu of capital-cost estimation opportunities. An instructor Lotus worksheet file is available on a computer diskette for use with this case and teaching note.

**Seattle, WA; Aircraft manufacturing; Large; 1990**

**Capital asset pricing model  
Capital budgeting  
Capital investment  
Competitive analysis  
Cost of capital  
Valuation**

26 pp  
Published sources  
UVA-F-1017TN (12 pp)

**9-198-048  
CITIBANK: PERFORMANCE  
EVALUATION**

Davila, A  
Simons, RL  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Citibank has introduced a new, comprehensive performance-scorecard system. A regional president struggles with a tough decision: how to evaluate an outstanding branch manager who has scored poorly on an important customer satisfaction measure. This case provides a scoring sheet to be completed by the reader and an explanation of the ramifications of the decision for the business strategy.

**United States; Banking; 1996**

**Banking  
Control systems  
Incentives  
Performance appraisal  
Performance measurement  
Strategy implementation**

9 pp  
Field research  
5-199-047 (13 pp)

**9-706-447  
COLA WARS CONTINUE: COKE AND  
PEPSI IN 2006**

Yoffie, DB  
Wang, Y  
*Harvard Business Publishing*

Examines the industry structure and competitive strategy of Coca-Cola and Pepsi over 100 years of rivalry. New challenges in 2006 include boosting flagging carbonated soft drink (CSD) sales and finding new revenue streams. Both firms also began to modify their bottling, pricing, and brand strategies. They looked to emerging international markets to fuel growth and broaden their portfolios of alternate beverages like tea, juice, sports drinks, energy drinks, and bottled water. Coca-Cola and Pepsi-Cola had vied for the 'throat share' of the world's beverage market. The most intense battles of the cola wars were fought over the US\$66 billion CSD industry in the United States, where the average American consumes 52 gallons of CSD per year. In a 'carefully waged competitive struggle', from 1975 to 1995, both Coke and Pepsi had achieved average annual growth of around 10%, as both US and worldwide CSD

consumption consistently rose. This cozy situation was threatened in the late 1990s, however, when US CSD consumption declined slightly before reaching what appeared to be a plateau. Considers whether Coke's and Pepsi's era of sustained growth and profitability was coming to a close or whether this apparent slowdown was just another blip in the course of a century of enviable performance.

**Global, United States; Beverage industry; US\$66 billion revenues; 1886-2006**

**Business history  
Competition  
Competitive strategy  
Corporate strategy  
Distribution channels  
Industry analysis  
Industry structure  
International business  
Market structure  
Suppliers**

28 pp  
Published sources

**9-580-104  
CUMBERLAND METAL INDUSTRIES:  
ENGINEERED PRODUCTS DIVISION -  
1980**

Shapiro, BP  
Sherman, JJ  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Cumberland Metal Industries has developed a new product to help contractors drive piles faster. They are trying to decide how to price it. Provides substantial information on the industry, competition, etc. Students must decide what factors are relevant in making an industrial pricing decision. Decisions must also be made about promotion and distribution channels.

**United States; Construction equipment; Small, \$18 million sales; 1980**

**Competition  
Construction  
Distribution channels  
Industrial goods  
Industrial markets  
Market entry  
New product marketing  
Pricing strategy**

16 pp  
Field research  
5-585-115 (12 pp)

**9-503-019**  
**CUSTOMER PROFITABILITY AND LIFETIME VALUE Note**

Ofek, E

*Harvard Business Publishing*

Introduces the central concepts involved in determining customer lifetime value, with detailed analysis and examples from the realm of direct marketing. Implications for marketing strategy and customer relationship management are briefly discussed. Provides students with a basic understanding of the analytic tools necessary for calculating customer acquisition costs and customer lifetime value.

Customer relations  
Customer retention  
Direct marketing  
Market analysis  
Marketing planning  
Marketing strategy

9 pp

**9-200-069**  
**DEBT POLICY AT UST, INC**

Mitchell, M

*Harvard Business Publishing*

UST, Inc is a very profitable smokeless tobacco firm with low debt vis-a-vis other firms in the tobacco industry. The setting for the case is UST's recent decision to substantially alter its debt policy by borrowing \$1 billion to finance its stock repurchase program. The teaching purpose is to provide an introduction to optimal capital structure with emphasis on calculation of interest tax shields.

Capital structure  
Debt management  
Long term financing  
Taxation  
Tobacco industry

14 pp

Published sources  
5-201-002 (11 pp)

**504-007-1**  
**DIESEL FOR SUCCESSFUL LIVING: BRANDING STRATEGIES FOR AN UP-MARKET LINE EXTENSION IN THE FASHION INDUSTRY**

Chandon, P

Grigorian, V

*INSEAD*

Renzo Rosso, the President and Founder of Diesel SpA, the innovative Italian casual wear company famous for its controversial 'For Successful Living' advertising campaign, is pondering how to brand its new upscale line of clothing: StyleLab. The objectives set for StyleLab are: (1) to enter the new and attractive high casual wear market; (2) to create an aura of prestige for the core D-Diesel line; and (3) to provide Diesel's designers with the opportunity to experiment with new cuts and fabrics, which may eventually trickle down to the main D-Diesel brand. The case focuses on the selection of the branding strategy for StyleLab: should it be an independent brand with no link to Diesel, a sub-brand of Diesel, or an independent brand endorsed by Diesel? It can also be used to discuss critical issues in the marketing of fashion and luxury brands. In particular, it illustrates how Diesel has managed to grow without losing its core identity. The main objectives of the case are to develop an understanding of the key issues involved in managing a portfolio of brands and to evaluate alternative branding strategies for launching a new brand using a structured approach and tools. The case also illustrates critical issues in the marketing of fashion and luxury brands, most notably brand extensions. This case has been successfully taught in an MBA course on brand management. It can also be used in a session on branding in a marketing management course. The large corpus of Diesel's controversial print and television advertisements also make the case suitable for an advertising course or the advertising module of a marketing management course. Finally, the case can also be used in a market research course to illustrate the value of experimental methods for studying the effects of branding. A CD-ROM (504-007-9) is available to accompany the teaching note. The CD-ROM contains 23 of Diesel's best television commercials (called 'videotronic guides to successful living'), a PowerPoint presentation containing all the case exhibits, a PowerPoint presentation of Diesel and StyleLab print

advertising campaigns, before and after the time of the case, and a PowerPoint presentation with information on what happened to Diesel and StyleLab after the case. Two separate PowerPoint presentations (in PDF format) '504-007-9A' and '504-007-9B' are available to accompany the teaching note. \*\*ecch European Case Awards Category Winner 2006 and ecch European Case Awards Overall Winner 2007\*\*

*Western Europe; Fashion; 1,000 employees, 260 million euros turnover; 1999*

Branding  
Marketing  
Brand management  
Brand extension  
Fashion  
Luxury goods  
Advertising  
Logos

24 pp

Field research

504-007-8 (22 pp)

504-007-9 (s/w)

**600-003-1**  
**DRAGONFLY: DEVELOPING A PROPOSAL FOR AN UNINHABITED AERIAL VEHICLE (UAV)**

Loch, CH

De Meyer, A

Kavadias, S

*INSEAD*

IACo is an aerospace company, developing UAVs (uninhabited aerial vehicles). The case describes the project of developing a bid for a large contract under severe time pressure. The case discusses project planning for rapid time-to-market. The case discusses project management problems occurring during the development of a new product. The main objectives are to illustrate: (1) the different ways of representing project activities; (2) the traditional project management techniques (CPM, Gantt Chart); (3) extensions of the critical path approach (to account for time uncertainty, loops and rework); and (4) how to focus improvement efforts. \*\*ecch European Case Awards Category Winner 2004\*\*

*UK; Aerospace; 1999*

9 pp

Published sources

600-003-8 (23 pp)

**301-228-1  
EASYEVERYTHING'S PRICING  
POLICIES**

Pagliari, M  
Courty, P  
*London Business School*

Founded in 1999 by Stelios Haji-loannou, easyEverything quickly became the largest chain of Internet cafes in the world. Stelios used his experience in the airline industry to introduce dynamic pricing in Internet Cafe. The price in the cafes is automatically updated every 5 minutes according to capacity utilisation and, far from discouraging potential customers, the new system has been widely accepted. Although this pricing scheme successfully manages to smooth demand, preventing queues from forming or having empty stores, Stelios believes that it can be improved. The challenge ahead is to find new ways to increase store occupancy without having to decrease prices below reasonable levels. The focus of the case is on pricing and it illustrates how the concepts of demand and price discrimination are used in practice. The aim of the case is to stimulate students to discuss how easyEverything manages its pricing policies to sort consumers in different segments and to make the best use of store capacity. Overall, the case introduces the reader to the fundamental issue of how different pricing instruments can be used to maximise revenues.

*Europe; Internet cafes; 1999-2001*

- Pricing policies
- Demand curve
- Price discrimination
- Peak load pricing
- Revenue management
- Dynamic pricing

25 pp  
Field research  
301-228-8 (8 pp)

**IMD-3-0873  
EASYJET: THE WEB'S FAVOURITE  
AIRLINE**

Kumar, N  
Rogers, B  
*IMD - International Institute for  
Management Development*

Stelios Haji-loannou, the 32-year-old Chief Executive Officer and founder of easyJet airlines, achieved profitability for

the first time in 1999, almost 4 years after launching his London-based low-cost carrier. The concept behind easyJet was 'to offer low-cost airline service to the masses', and the airline accomplished this by adopting an efficiency-driven operating model, creating brand awareness, and maintaining high levels of customer satisfaction. A key issue in the case is whether the airline will continue to grow and survive in the highly competitive low-cost segment of the market. In 2000, Stelios was anxious to try his hand at launching other businesses, so he started a chain of Internet cafes. Some questioned whether Stelios would be able to successfully transfer his low cost business model to Internet cafes. Undeterred, Stelios moved ahead with his plan to create easyEverything, with the belief that he could make a profit by encouraging customers to surf the Internet, send e-mail and shop on-line. This case contains colour exhibits. Instructors should note that 'easyJet' is the first case in a series that includes 'easyEverything: The Internet Shop' (IMD-3-0874) and 'www.easyrentacar.com' (IMD-3-0875). \*\*ecch European Case Awards Category Winner 2001 and ecch European Case Awards Overall Winner 2002\*\*.

*Europe; Airline; 1,000 employees, US\$125 million turnover; 1999*

- Marketing strategy
- Industry analysis
- Service management

22 pp  
Field research  
IMD-3-0873-T (19 pp)

**9A97G029  
ELLEN MOORE (A): LIVING AND  
WORKING IN KOREA**

Lane, H  
Nicholls, C  
Ellement, G  
*Richard Ivey School of Business*

This case is from the Ivey Best Selling Case Collection. Ellen Moore, a Systems Consultant, was sent to Korea to manage a project involving a team of North American and Korean consultants representing a joint venture between a major Korean conglomerate and a significant North American information technology company. The Americans were to be involved for the first seven months in order to transfer expertise and

knowledge to the South Koreans who had little experience in this area. Ellen's superior had played an integral part in securing the contract in Korea due to his depth of knowledge on the subject. He chose Ellen to be the key North American project manager because she had significant project management skills and impressive international experience. Upon Ellen's arrival, she discovered that the Korean consultants were far less skilled than she had expected. In addition, Ellen had understood that she and the Korean manager were to be co-managers but immediately tensions arose regarding who was giving direction to the team and the scope of the project. Tensions escalated until it was clear that the project was behind schedule and the Koreans were not taking direction from Ellen. The Koreans insisted that Ellen was the problem. Ellen's superior disagreed; he and Ellen must decide how to proceed. The challenge is to balance strategic goals with individual action.

*Korea; Business services; Large; 1995*

- Intercultural relations
- Women in management
- Team building
- Group behaviour

20 pp  
Field research  
8A97G29 (5 pp)

**302-058-1  
EVEN A CLOWN CAN DO IT: CIRQUE  
DU SOLEIL RECREATES LIVE  
ENTERTAINMENT CASE B**

Kim, WC  
Mauborgne, R  
Bensaou, BM  
Williamson, M  
*INSEAD*

This is the second of a two-case series (302-057-1 and 302-058-1). Cirque du Soleil very successfully entered a structurally unattractive circus industry. It was able to reinvent the industry and created a new market space by challenging the conventional assumptions about how to compete. It value innovated by shifting the buyer group from children (end-users of the traditional circus) to adults (purchasers of the traditional circus), drawing upon the distinctive strengths of other alternative industries, such as the theatre, Broadway shows and the opera, to offer a totally new set of utilities to more mature and

higher spending customers. The case series is designed to serve a variety of purposes in the value innovation and creating new market space teaching module of an MBA strategy course or executive education programme. The case series can be equally used individually in a standalone module on value innovation or as part of a sequence of three to four sessions. In both instances, the instructor can best use it to cover the following topics: (1) the value innovation logic (as compared to industry and competitive analysis); (2) the concept of value curve; and (3) the six paths analysis for creating new market space. \*\*ecch European Case Awards Category Winner 2008\*\*

**Canada, USA, Europe; Circus; 2001**  
**Circus and live entertainment industry**  
**Value innovation**  
**Strategy**  
**Creating new market space**  
**Redefining industry boundaries**  
**Moving across industries**  
**Thinking out of the box**  
**Competition**

9 pp  
 Field research  
 302-057-8 (24 pp)

**302-016-1**  
**FLYING INTO A STORM: BRITISH AIRWAYS (1996-2000)**

Manzoni, JF  
 Barsoux, JL  
 INSEAD

This case considers the transition at the head of British Airways (BA) from Lord Marshall, key architect of BA's spectacular restructuring and revitalisation in the 1980s, to his chosen successor Robert Ayling. In an increasingly deregulated market, Ayling's challenge is to sustain BA's position of leadership in the airline industry. He pursues an ambitious strategic alliance, a massive cost cutting drive and initiates a controversial change of corporate identity. Although the stock market initially approves of most of his strategy, he runs into trouble on the industrial relations front. A cabin crew strike in the summer of 1997 hits employee morale and triggers a sustained dive in the airline's share price. For all Ayling's efforts over the following three years, he does not manage to

redress the slump and his eventual removal does not come as much of a surprise. What is surprising is the insistence by BA's chairman that Ayling had set the right strategy, but was the wrong person to implement it. The case explores what went wrong. This is a very rich case that can be tackled from several angles. On the leadership succession side it illustrates the difficulties of making one's mark when taking over a highly successful company, especially coming after a very respected leader. On the leadership style angle, the case highlights the various roles of the leader - as strategist, architect and mobiliser - and the difficulties of building or rebuilding credibility and trust. It also raises questions on why leaders often become more abrasive as time passes and how much their style is shaped by their initial background and leadership experiences. The case can be used to examine how to bring about radical change, particularly when the company is doing well at the outset and staff's sense of urgency is correspondingly low. It also illustrates the importance of fair process in radical change efforts. Last but not least the case raises questions on the causes and consequences of company culture. As CEO Marshall had created a culture of employee and customer care that was widely admired even beyond the airline sector, that culture seemed to go away fairly quickly as service levels dropped and employees felt no longer cared for. What happened? The case can be used as a stand alone case, or following a discussion of the case 'Becoming the World's Favourite Airline: British Airways 1980-93' (398-080-1) (which covers the King-Marshall years). Note: the first 18 months of Ayling's tenure (and hence of the period covered in this case) were discussed in the case 'Remaining the World's Favourite Airline: British Airways 1993-97' (398-081-1). That case was focused mainly on leadership succession and fair process. This new case builds on this initial period and covers the next three years, culminating in the removal of Robert Ayling. These additional three years were very eventful and result in a much richer set of teaching issues. If you want to centre the discussion on fair process, we recommend using the case 'Remaining the World's Favourite Airline': British Airways 1993-97 (398-081-1). This present case will support a broader discussion.

**United Kingdom; Airline; Over 60,000 employees; 1996-2000**

**Leadership**  
**Succession**  
**Radical change**  
**Corporate renewal**  
**Implementing a new strategy**  
**Fair process**  
**Corporate culture**  
**Customer service**  
**Industrial relations**  
**Cost cutting**  
**Service sector**

27 pp  
 Published sources  
 302-016-8 (37 pp)

**599-038-1**  
**FORD KA (A): BREAKING NEW GROUND IN THE SMALL CAR MARKET**

Christen, M  
 Soberman, D  
 Cothier, G  
 INSEAD

This is the first of a two-case series (599-038-1 and 599-039-1). In response to the changes in the European small car market, Ford decided to launch a second small car, the Ford Ka. The Ford Ka has already been developed, the production capacity determined, and the launch set for October 1996 in France. Before Gilles Moynier can get to the specifics of the marketing strategy, he must decide who the target customer for the Ford Ka should be. The (B) case reveals that Ford chose an attitudinal segmentation and presents initial sales results. The change in the segmentation approach made it difficult to assess the success of the launch and to determine what needed to be done next to continue to build the brand. The Ford Ka case introduces students to the fundamental marketing problem of market segmentation and target selection. Ford's situation does not fit the 'textbook' model exactly and thus, the case is an opportunity for students to see how theory is applied in the real world. Ford's problem is not unique. Often firms want to introduce an existing product to a new market. At a more detailed level, the case can be used to highlight the difference between segment formation and segment identification and the importance of considering implementation issues of a marketing strategy. The case also exposes students to typical market research tools used for market segmentation.

**France; Automobile; Sales FF18 billion (1995); 1996-1997**

Segmentation  
Segment identification  
Target selection  
Product introduction in new markets  
Internal marketing

33 pp  
Field research  
599-038-8 (17 pp)

**9-699-198**  
**FORD MOTOR CO: SUPPLY CHAIN STRATEGY**

Austin, RD  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Describes Ford's examination of its supply chain to evaluate whether the company should 'virtually integrate' on the Dell Computers model. The teaching purpose is to examine the challenges of virtually integrating supply chains in established industries.

*Dearborn, MI; Automobiles; Fortune 500, employees 370,000, \$144 billion revenues; 1998*

Automobile industry  
Electronic commerce  
Information technology  
Logistics  
Suppliers  
Supply chain

9 pp  
Field research  
5-601-172 (18 pp)

**9-803-069**  
**FOUR SEASONS GOES TO PARIS: '53 PROPERTIES, 24 COUNTRIES, 1 PHILOSOPHY'**

Hallowell, R  
Bowen, D  
Knoop, CI  
*Harvard Business Publishing*

Illustrates how Four Seasons manages hotels in countries with strong and distinct national cultures. Focuses on how the chain meets its exacting service standards in a variety of settings worldwide, with special attention on

France. The teaching purpose is to explore the role of organizational values and culture in a global strategy, leading to the development of a framework illustrating what differs and what remains constant in a service organization across multiple national settings.

France  
Globalization  
Hotels & motels  
Human resources management  
Organizational behavior  
Service management  
Values

24 pp  
Field research  
5-803-173 (9 pp)

**9-306-087**  
**GE'S GROWTH STRATEGY: THE IMMELT INITIATIVE**

Bartlett, CA  
*Harvard Business Publishing*

Follows the actions of General Electric (GE) Chief Executive Officer (CEO), Jeff Immelt, as he implements a growth strategy for the US\$150 billion company in a tough business environment. In four years, he reinvigorates GE's technology, expands its services, develops a commercial focus, pushes developing countries, and backs 'unstoppable trends' to realign GE's business portfolio around growth platforms. At the same time, he reorganizes the company, promotes 'growth leaders' into top roles, and reorients the culture around innovation and risk taking. Finally, in 2006, he sees signs of growth, but wonders whether it is sustainable.

*Global, United States; Energy resources, engine industry; US\$150 billion revenues; 2001-2006*

Business policy  
Conglomerates  
Growth strategy  
International management  
Leadership  
Strategy implementation  
Vision

21 pp  
Published sources  
5-906-419 (12 pp)

**9-304-049**  
**GE'S TALENT MACHINE: THE MAKING OF A CEO**

Bartlett, CA  
McLean, AN  
*Harvard Business Publishing*

GE believes its ability to develop management talent is a core competency that represents a source of sustainable competitive advantage. This case traces the development of GE's rich system of human resource policies and practices under five CEOs (chief executive officer) in the post-war era, showing how the development of talent is embedded into the company's ongoing management responsibilities. It describes the development of a 25-year-old MBA named Jeff Immelt, who 18 years later is named as CEO of GE, arguably the biggest and most complex corporate leadership job in the world and how he frames his priorities for GE and implements them, pulling hard on the sophisticated human resource levers his predecessors left him. Immelt questions whether he should adjust or even overhaul three elements of GE's finely tuned talent machine. May be used with: (9-302-001) 'GE's Digital Revolution: Redefining the E in GE'; (9-399-150) 'GE's Two-Decade Transformation: Jack Welch's Leadership'; (9-304-804) 'GE's Talent Machine: The Making of a CEO', Video.

*Global; Fortune 500, 300,000 employees, \$132 billion revenues; 1960-2003*

Business policy  
Competitive advantage  
Core competency  
Corporate strategy  
Diversified companies  
Human resources management  
Leadership  
Management development  
Organizational behavior  
Strategy implementation

28 pp  
Field research  
5-304-110 (12 pp)

**9-399-150**  
**GE'S TWO-DECADE TRANSFORMATION: JACK WELCH'S LEADERSHIP**

Bartlett, CA  
Wozny, M  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. GE is

faced with Jack Welch's impending retirement and whether anyone can sustain the blistering pace of change and growth characteristic of the Welch era. After briefly describing GE's heritage and Welch's transformation of the company's business portfolio of the 1980s, the case chronicles Welch's revitalization initiatives through the late 1980s and 1990s. It focuses on six of Welch's major change programs: The Software Initiatives, Globalization, Redefining Leadership, Stretch Objectives, Service Business Development, and Six Sigma Quality. May be used with: (9-304-049) 'GE's Talent Machine: The Making of a CEO.'

*United States; global; Industrial conglomerate; 293,000 employees, \$100 billion revenues; 1981-1998*

Business policy  
Conglomerates  
Corporate culture  
Corporate strategy  
Executives  
Leadership  
Management of change  
Organizational change  
Organizational development  
Strategy implementation

24 pp  
Published sources  
5-300-019 (16 pp)

**9-599-078**  
**GOING TO MARKET Note**

Dolan, RJ  
*Harvard Business Publishing*

Describes the major issues in deciding how to reach the market. Covers issues of channel design and channel management.

Distribution channels  
Marketing management

10 pp

**9-806-105**  
**GOOGLE, INC**

Eisenmann, TR  
Herman, K  
*Harvard Business Publishing*

Describes Google's history, business model, governance structure, corporate culture, and processes for managing innovation. Reviews Google's recent strategic initiatives and the threats they pose to Yahoo, Microsoft, and eBay. Asks

what Google should do next. One option is to stay focused on the company's core competence, ie, developing superior search solutions and monetizing them through targeted advertising. Another option is to branch into new arenas, for example, build Google into a portal like Yahoo or Microsoft Network (MSN); extend Google's role in e-commerce beyond search, to encompass a more active role as an intermediary (like eBay) facilitating transactions; or challenge Microsoft's hegemony over the personal computer (PC) desktop by developing software to compete with Office and Windows.

*Mountain View, California (CA), United States; Advertising industry, internet and online services industries, software industry; 5,000 employees, US\$6.1 billion revenues; 2005*

Business history  
Business models  
Competition  
Corporate culture  
Corporate governance  
Corporate strategy  
Corporate structure  
Entrepreneurship  
Governance  
Innovation  
Network effects  
Search engines  
Social networks  
Values

33 pp  
Published sources  
5-806-199 (32 pp)  
5-807-067 (8 pp)

**IMD-3-0861**  
**GPS & VISION EXPRESS (A)**

Killing, P  
Horovitz, J  
*IMD - International Institute for Management Development*

This is the first of a two-case series (IMD-3-0861 and IMD-3-0862). In the summer of 1997 the executive team of GPS, a very successful French retailer in the one hour photo finishing and one hour eyewear business, is trying to decide whether or not to purchase Vision Express of the UK. Both companies are very entrepreneurial, fast growing, and have pioneered the one hour service concept in their respective countries. The founder of Vision Express was Dean Butler, the American who previously founded Lens Crafters in the USA. In spite of their

similarities, the formula for success of the two companies is rather different, with Vision Express relying on a heavy use of advertising featuring 'two for one' sales, and GPS competing on high service levels and repeat business. The acquisition, if made, would be GPS' first major expansion outside France.

*England, France; Retail; Medium; 1997*  
**Cross border acquisition**

15 pp  
Field research

**IMD-3-0862**  
**GPS & VISION EXPRESS (B)**

Killing, P  
Horovitz, J  
*IMD - International Institute for Management Development*

This is the second of a two-case series (IMD-3-0861 and IMD-3-0862). The acquisition referred to in the (A) case was made, but it is not going well. Two executives at GPS are proposing a revolution at Vision Express which would change the company's business model to be more like the French model. Dean Butler strongly opposes the change, arguing that it would ruin Vision Express. The business model may or may not be the problem. What should GPS management do?

*England, France; Retail; Medium; 1997*  
**Post merger integration**

5 pp  
Field research

**IMD-3-1353**  
**GREG DYKE: TAKING THE HELM AT THE BBC (A)**

Killing, P  
Keys, T  
*IMD - International Institute for Management Development*

This is the first of a three-case series (IMD-3-1353, IMD-3-1354 and IMD-3-1441). This is a teaching case designed to illustrate the challenges facing a senior executive, in this case a CEO (director-general), as he or she takes over a new role in a new organisation. The BBC has major internal challenges around organisation and culture, in addition to significant external market challenges as the media industry moves from analogue to digital technologies. The case is set on the day of Greg Dyke's first speech to staff

when he needs to set the agenda for his time as Director-General. Key discussion points are expected to be around: the priorities he sets for tackling the issues that face him, how he communicates his leadership style and the approaches for tackling an unhappy organisation. A video 'IMD-3-1353-V' is available to accompany the (A) and (B) cases. \*\*EFMD Case Writing Competition Category Winner 2005\*\*

*United Kingdom; Media; £3 billion revenue; 2000*

Media  
Leadership  
Organisational change  
Culture  
Strategy

12 pp  
Field research  
IMD-3-1353-T (12 pp)

**404-083-1  
HELEN RAMSAY: A MEDIATION ATTEMPT**

Manzoni, JF  
Barsoux, JL  
*INSEAD*

Two reasonable people, a boss and a subordinate, find each other 'impossible to handle'. Through their descriptions of each other's behaviour we realise that they are in a self-perpetuating dynamic. An attempted intervention by the human resource manager not only fails to resolve the situation; it actually makes it worse. The teaching objectives are as follows: (1) to illustrate how cognitive biases can trigger very different takes on the same 'reality'; (2) to discuss the management of 'lower performers'; (3) to increase awareness of the vicious circles in which bosses and 'lower performers' get caught; and (4) to discuss the role of human resources in intervention and prevention. This case replaces 'Helen Ramsay (A) & (B)' (403-038-1 and 403-039-1). \*\*EFMD Case Writing Competition Category Winner 2004\*\*

*No specific location (English-speaking country); Division of a multinational company*

Human resources manager  
Boss behaviour  
Subordinate performance  
Management and leadership  
Motivation and expectations

Self-fulfilling prophecy  
Pygmalion effect  
Communication  
Conflict and mediation  
Cognitive biases  
Labelling  
Selective attention  
Attributions  
HR (human resources) systems, fair process and feedback  
Vicious circles

8 pp  
Generalised experience  
404-083-8 (24 pp)

**9-384-049  
HONDA (A)**

Pascale, R  
Christiansen, E  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Describes the history of Honda Motor Company from its beginning through its entry into and subsequent dominance of the US market. The history is explained primarily in terms of strategic factors and quoted from two sources: an earlier case and Boston Consulting Group report on the motorcycle industry. Should be used with Honda (B).

*Japan, United States; Motorcycles; Large; 1948-1974*

Business policy  
Competition  
Corporate strategy  
Japan  
Learning curves  
Motorcycles

9 pp  
Published sources  
5-386-034 (7 pp)  
5-704-022 (27 pp)

**9-384-050  
HONDA (B)**

Pascale, R  
Christiansen, E  
*Harvard Business Publishing*

Describes the history of Honda Motor Company from its beginning through its entry into and subsequent dominance of the US market as seen through the eyes of Honda executives. The history of

Honda's successful entry into the US market is viewed as highly adaptive and fraught with error and serendipity. Honda (A) and (B) are designed to be used together to contrast two differing views of major events in a company's history, both of which are important for a general manager to understand.

*Japan, United States; Motorcycles; Large; 1948-1974*

Business policy  
Corporate strategy  
Japan  
Management of change  
Management styles  
Motorcycles

9 pp  
Field research

**606-012-1  
IDEO: SERVICE DESIGN (A)**

Sosa, ME  
Bhavnani, R  
*INSEAD*

This is the first of a two-case series (606-012-1 and 606-013-1). This case describes how IDEO adapts its famed innovation process (developed to design new products) to the particularities of services and their design. The case series describes four service design projects to show how IDEO has developed and codified a series of design methods, which constitute a toolbox from which teams can pick and choose depending on the innovation project. The case study aims to: (1) reinforce the notion of the five-step innovation process that can be used for any design project, whether it is a service or a product. (The five steps of the IDEO process are: (i) observe; (ii) synthesise; (iii) generate ideas; (iv) refine; and (v) implement); (2) highlight the differences between product and service design, and the subtle differences in the respective processes; (3) introduce the notion of IDEO methods as a set of interchangeable tools to be used according to the type of project being worked on, and identify when it is best to use them; and (4) introduce the concept of knowledge brokering and examine the ways in which the transfer of knowledge is carried out across a distributed organisation. This case was previously numbered 605-031-1. \*\*ecch European Case Awards Category Winner 2008\*\*

*USA, UK; Consulting (transportation, banking, telecommunications, health care); 300+ employees; 1999-2005*

**Innovation management**  
**New product and service development**  
**Brainstorming**  
**Prototyping**  
**Knowledge brokering**

23 pp  
 Field research  
 606-012-8 (15 pp)

**SM151**  
**INFOSYS CONSULTING IN 2006: LEADING THE NEXT GENERATION OF BUSINESS AND INFORMATION TECHNOLOGY CONSULTING**

Capur, A  
 Burgelman, RA  
*Stanford University*

Describes Infosys Technologies' approach to growing the company by expanding its service offerings; moving up the value chain to offer higher-end consulting services; improving its brand equity and recognition as a global company; increasing revenue through repeat business from the company's client base; and entering client relationships earlier in the lifecycle by defining problems and identifying solutions before implementation. Considers whether Infosys Technologies - through the creation of a wholly owned US-based subsidiary, Infosys Consulting - has created disruptive change in the IT consulting industry by leveraging its competency in global delivery to create a new model that shortens the lifecycle from business consulting to implementation, reduces the costs of a typical client engagement, and delivers measurable benefits to clients. The case is set in early 2006. An overview of the Information Technology (IT) services landscape is provided for this period. The case profiles leading onshore (US) and offshore (Indian) competitors and describes their different approaches to global delivery in the IT consulting industry. The teaching purpose is to evaluate Infosys Technologies' strategy with regard to the creation of Infosys Consulting, students are asked to consider the following themes: (1)

globalization from the perspective of a company that has its roots in India; (2) company strategy to move up the value chain in a specific industry; (3) changing the 'rules of the game' in an industry; (4) anticipating competitive responses to 'rule-changing' strategic actions; (5) interface challenges between the parent company, headquartered in India, and the subsidiary, headquartered in the United States; and (6) managing growth.

*Global; Consulting, information systems, IT industry*

**Business models**  
**Consulting**  
**Corporate strategy**  
**Globalization**  
**Information technology**  
**Market positioning**

29 pp  
 Published sources

**307-053-1**  
**ING DIRECT: REBEL IN THE BANKING INDUSTRY**

Verweire, K  
 Van den Berghe, LA  
*Vlerick Leuven Gent Management School*

ING DIRECT is one of the six business lines of integrated financial services provider ING Group and active in 9 different countries. The case describes how ING DIRECT USA has become the largest Internet-based bank in the United States, and one of the thirty largest banks of any sort in the country. In particular, attention is paid to the strategic positioning of ING DIRECT in the US retail banking industry, and what strategic actions the bank has undertaken to achieve and maintain the unique position the bank has achieved so far. The case depicts how it all started, but also sheds light on the future challenges of the company.

*USA; Financial services; Approximately 3,000 employees; 2001-2006*

**Competitive strategy**  
**Strategy implementation**  
**Disruptive innovation**  
**Blue ocean strategy**  
**Marketing strategy**  
**Marketing**

25 pp  
 Field research  
 307-053-8 (22 pp)

**IMD-5-0543**  
**INNOVATION AND RENOVATION: THE NESPRESSO STORY**

Kashani, K  
 Miller, J  
*IMD - International Institute for Management Development*

The case traces the development of the Nespresso System in a 100%-owned affiliate deliberately placed outside of Nestlé's main organisational structure. It highlights the team's successes and challenges in creating a new, small, niche segment in the mature coffee market and its prospects for growing the business from SFR150 million to SFR1 billion within the next decade. A radical departure from most Nestlé lines of businesses targeted to the mass market, the Nespresso story offers provocative lessons about innovation in large, highly structured organisations. \*\*EFMD Case Writing Competition Category Winner 2003\*\*

*Switzerland, Global; Coffee; CHF150 million annual revenue in 1999; Autumn 1999*

**Innovation**  
**New product development**  
**Marketing a new concept**  
**Direct marketing**

24 pp  
 Field research  
 IMD-5-0543-T (22 pp)

**9-599-087**  
**INTEGRATED MARKETING COMMUNICATIONS Note**

Dolan, RJ  
*Harvard Business Publishing*

Describes the major communication vehicles and the process via which they can be brought together in an integrated marketing communications plan.

**Advertising**  
**Communication**  
**Marketing management**  
**Sales promotions**

14 pp

**9-190-002  
KANTHAL (A)**

Kaplan, RS

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Multinational company needs an improved cost system to determine the profitability of individual customer orders. Its strategy is to have significant sales and profitability growth without adding additional administrative and support people. The new cost system assesses a charge to each customer order received and an additional surcharge if the item ordered is not normally stocked. The goal is to direct sales resources to the most profitable customers: those who buy standard products in large predictable quantities with minimal demands on technical resources.

*Sweden; Wire; Mid-size, \$160 million sales; 1987*

Cost accounting  
Cost allocation  
Cost systems  
Customer relations  
Management accounting  
Sales strategy  
Scandinavia

13 pp

Field research

5-190-115 (14 pp)

**9-506-020  
KINGSFORD CHARCOAL**

Narayandas, D

Wagonfeld, AB

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Since the 1980s, Kingsford had continued to enjoy steady, moderate growth of 1% to 3% in revenues each year. During most of this time, the charcoal category as a whole grew as well. However, the summer of 2000 represented the first softening in the category in several years. Forces students to step into the brand manager's shoes, analyze the reasons for the current situation, and come up with recommendations related to pricing, branding and advertising, and merchandising and promotion of the Kingsford brand.

*North America; Consumer products; \$4 billion revenues; 2001*

Advertising  
Brand management  
Marketing planning

Marketing strategy  
Merchandising  
Pricing

19 pp

Field research

5-507-013 (12 pp)

**9-798-063  
LEADERSHIP ONLINE (A): BARNES & NOBLE vs AMAZON.COM**

Ghemawat, P

Baird, B

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Describes the attempt of a traditional retailer, Barnes & Noble, to counter the challenges posed by an Internet-based start-up, Amazon.com.

*20,000 employees, \$2 billion revenues; 1996-1997*

Competition  
Electronic Commerce  
Internet  
Publishing industry  
Retailing

19 pp

Published sources

5-798-119 (15 pp)

**499-021-1  
LINCOLN ELECTRIC IN CHINA**

Galunic, C

Bjorkman, I

*INSEAD*

This case looks at how Lincoln Electric, the US-based company renowned for its compensation scheme, tried to implement its human resource policies globally, and particularly in China. The objective is to expose readers to some of the difficulties and myths of pushing well-worn ideas overseas. The case ends off with an important question regarding the company's future, one that depends on its overseas strategy, of which HR is key. \*\*ecch European Case Awards Category Winner 2007\*\*

*China, USA, Europe; Manufacturing; 1998-1999*

Compensation  
Cross-culture  
International expansion  
China  
Incentives

20 pp

Field research

499-021-8 (11 pp)

**IMD-5-0679  
LOGITECH: LEARNING FROM CUSTOMERS TO DESIGN A NEW PRODUCT**

Deschamps, JP

Berg, M

*IMD - International Institute for Management Development*

In 2005 Logitech launched a new and improved cordless presenter which was the next generation product of its presentation device line. The entire process to launch was unusual for Logitech as the following factors took place: a director of engineering played a key marketing role, a new method of customer feedback and research was used to decide on product features and the entire project was outsourced to a firm in Taiwan - which was a first for this product unit. The case goes over the issues and challenges that were faced along the way and how marketing and engineering had to work together in an unusual pairing in order to get to a successful product launch.

*Switzerland, Taiwan, California; Technology products; 6,000 employees, US\$1.35 billion in annual revenues; January 2004 to January 2005*

Product development  
Customer feedback  
Customer research  
Project development  
Product launch  
Technology  
Innovation  
Marketing  
Engineering

28 pp

Field research

IMD-5-0679-T (18 pp)

**9-692-015  
MANZANA INSURANCE: FRUITVALE BRANCH (Abridged)**

Wheelwright, SC

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Deals with performance assessment and improvement of a service operation in the insurance industry, a market that is highly sensitive to response time. Two branch offices in direct competition are described, and the impact of response time on performance is suggested. Management choices that impact response time are explored and the

poorer performer of the two branches must decide how to respond.

*California; Insurance industry; 1989-1991*

Competition  
Insurance  
Operations management  
Performance measurement  
Scheduling  
Service management

14 pp

Field research

5-696-043 (12 pp)

**503-121-1  
MARKETING RESEARCH AT P&G**

Gupta, V  
Prashanth, K

*ICMR Center for Management Research*

US-based fast moving consumer goods (FMCG) major, Procter and Gamble (P&G) is believed to have pioneered the marketing research concept way back in 1924. The case gives a brief account of the evolution and growth of P&G's marketing research efforts. The various marketing research tools used by the company are discussed in detail and several real life instances are narrated. The case also highlights the recent marketing research initiatives of P&G, including the thrust on on-line market research. The benefits to the company from its off-line and on-line market research initiatives are also discussed. The case is structured to enable the students to: (1) understand the importance of marketing research for a large, global FMCG company; (2) learn about various marketing research tools employed by P&G and the benefits reaped; (3) understand how the Internet could be effectively used to conduct market research and the benefits of doing so; and (4) examine the possible limitations of on-line market research. The case is aimed at MBA/PGDBA students and is intended to be part of the marketing curriculum. The teaching note does not contain an analysis of the case.

*US, Europe; Fast moving consumer goods; Large; 1837-2003*

Procter and Gamble  
P&G  
Marketing research  
Consumer research  
Market testing  
Product development  
Quantitative research  
Qualitative research  
Consumer behaviour  
Advertising research  
On-line market research

Concept testing  
Feedback adviser programme  
Intelligence gathering

12 pp

Published sources

503-121-8 (3 pp)

**602-010-1  
MARKS AND SPENCER AND ZARA:  
PROCESS COMPETITION IN THE  
TEXTILE APPAREL INDUSTRY**

Pich, M  
Van der Heyden, L  
Harle, N  
*INSEAD*

This case was written to illustrate the importance of business process design as a basis for competition in the textile industry. The case illustrates the impressive performance of Zara, the new fashion player from Spain, which has innovated in process design so as to deliver new collections in its stores with a lead-time of 5 to 7 days. The more traditional approach in textile retailing is illustrated here by Marks and Spencer (M&S), the well-known UK retailer. Notwithstanding M&S's current problems, the case does not fall into an overly simple comparison between a young, innovative competitor and an ageing glory. The authors have taught this case both in executive education and in the MBA core class on process and operations management. There are four important concepts that we typically stress, more or less, depending on pedagogical objectives: (1) newsvendor losses in the textile industry; (2) the role of postponement in final design; (3) the 'lean enterprise' aspect of Zara; and (4) process competition and innovation, embedded in technology evolution. \*\*ecch European Case Awards Category Winner 2003 and ecch European Case Awards Overall Winner 2005\*\*

*UK; international, Retail, textile apparel; Large; 1998-2001*

Process competition  
Operations management  
Supply chain  
Retail apparel  
Delayed customisation  
Time-based competition  
Newsboy model  
Innovation

17 pp

Published sources

602-010-8 (37 pp)

602-010-9 (s/w)

**9-298-101  
MARRIOTT CORP: THE COST OF CAPITAL**

Ruback, R

*Harvard Business Publishing*

Presents recommendations for hurdle rates of Marriott's divisions to select by discounting appropriate cash flows by the appropriate hurdle rate for each division.

*Unspecified; Hotels and restaurants; Large, employees 647,000, \$164 billion revenues; 1988*

Capital costs  
Capital structure  
Cash flow  
Hotels and motels  
Restaurants  
Valuation

11 pp

Field research

5-289-048 (20 pp)

**9-799-158  
MATCHING DELL**

Rivkin, J  
Porter, ME

*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. After years of success with its vaunted 'Direct Model' for computer manufacturing, marketing, and distribution, Dell Computer Corp faces efforts by competitors to match its strategy. This case describes the evolution of the personal computer industry, Dell's strategy, and efforts by Compaq, IBM, Hewlett-Packard, and Gateway 2000 to capture the benefits of Dell's approach. Students are called on to formulate strategic plans of action for Dell and its various rivals. Designed to be taught in any of several places in an MBA course on competitive strategy. Permits an especially detailed examination of imitation; illustrates how fit among activities and incompatibilities between competitive positions can pose particularly high barriers to imitation. Can also be employed to illustrate competitor analysis, the evolution of industry structure, and relative cost analysis.

*Global; Personal computers; Fortune 500, \$19 billion revenues; 1998*

Competition  
Computer industry  
Cost analysis  
Industry structure  
Personal computers  
Strategic planning

31 pp

Published sources

5-700-084 (24 pp)

**9-396-357**  
**MCKINSEY & CO: MANAGING**  
**KNOWLEDGE AND LEARNING**

Bartlett, C  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Describes the development of McKinsey & Co as a worldwide management consulting firm from 1926 to 1996. In particular, it focuses on the way in which McKinsey has developed structures, systems, processes, and practices to help it develop, transfer, and supply knowledge among its 3,800 consultants in 69 offices worldwide. Concludes by focusing on three young consultants operating in each dimension of the firm's organization - the local office, the industry practice, and the firm's competence center. MD Rajat Gupta wonders if the changes he has made are sufficient to maintain the firm's vital knowledge development process. Can be used in general management, service management, or international management courses to focus on the GM's role in making knowledge and expertise a source of competitive advantage.

**6,000 employees, \$1.8 billion revenues; 1996**

- Business policy
- Consulting
- Innovation
- Knowledge transfer
- Management of professionals
- Multinational corporations
- Organization

20 pp  
 Field research  
 5-398-065 (16 pp)

**IMD-5-0537**  
**MEDI-CULT: PRICING A RADICAL**  
**INNOVATION**

Kumar, N  
 Rogers, B  
*IMD - International Institute for Management Development*

This is a case that highlights the issues involved in the launch of an infertility product and procedure, which allows women to become pregnant without having to undergo unpleasant hormone stimulation or experience dangerous side-effects. In bringing its product to market, Medi-Cult, a small biotechnology company, must deal with regulatory constraints, larger competitors, and the

challenges of introducing a new product into the local and global marketplace. Questions raised are: Should the product be priced according to its perceived value? Should Medi-Cult pursue a penetration or market skimming strategy in pricing the new product? How will the contribution margin be affected if a global, regional, or multinational pricing strategy is chosen? What are the ethical issues in pricing pharmaceuticals?  
**\*\*ecch European Case Awards Category Winner 2005\*\***

**Worldwide; Biotechnology; 1997 turnover US\$3 million; 1998**

- Pricing
- New products
- International marketing

13 pp  
 Field research  
 IMD-5-0537-T (14 pp)

**IMD-5-0395**  
**MEDIQUIP SA®**

Kashani, K  
*IMD - International Institute for Management Development*

This case is a revised and updated edition of case '582-011-1' of the same title. The case describes the selling activities of a sales engineer with respect to a key account. The loss of the order for a CT scanner provides the background for analysing the dynamics of the buying situation and the salesman's handling of it. The issues raised are: (1) who are the cast of characters influencing the buying decision? (2) what seems to motivate them? and (3) what sales strategy would be appropriate?

**Germany; Medical equipment; 1980-1981**

- Buyer behaviour
- Sales organisation
- Salesmen
- Selling
- Strategy

9 pp  
 Field research  
 IMD-5-0395-T (13 pp)

**IMD-3-0423**  
**NESTLÉ-ROWNTREE (A)**

Ellert, JC  
 Killing, P  
 Hyde, D  
*IMD - International Institute for Management Development*

This is the first in a three part case series (IMD-3-0423 to IMD-3-0425). Nestlé SA is the world's largest food company; its acquisition of Rowntree plc in 1988 was, at 2.5 billion GB Sterling, the largest-ever foreign takeover of a British company. This case series is positioned before, during, and after the acquisition of Rowntree by Nestlé, and gives an 'inside look' at a major acquisition. This case (A) includes a note on the world chocolate industry, and ends at the point when Nestlé must decide whether to launch a hostile bid for Rowntree. The case is written from Nestlé's point of view, and provides the opportunity to consider the benefit of various acquisition possibilities in the industry. The case also raises questions as to why Rowntree became a takeover target, and on Nestlé's historical policy of not making hostile takeovers.  
**\*\*ecch European Case Awards Category Runner Up 1992 and ecch European Case Awards Category Winner 1997\*\***

**Europe, Global; Chocolate confectionery; SFr 35 billion sales; 1988**

- Mergers and acquisitions (strategy, pricing, tactics)
- Industry analysis
- Company analysis

32 pp  
 Field research  
 IMD-3-0423-T (18 pp)

**IMD-3-0424**  
**NESTLÉ-ROWNTREE (B)**

Ellert, JC  
 Killing, P  
 Hyde, D  
*IMD - International Institute for Management Development*

This is the second of a three-case series (IMD-3-0423 to IMD-3-0425) on the 2.5 billion GB Sterling takeover of Rowntree by Nestlé in 1988. Nestlé has launched a hostile bid for Rowntree; this case ends at a 'breaking point' in the process, and places us in the middle of a critical negotiation session of the most senior executives of the two companies. The case is written from Nestlé's point of view, and raise questions regarding the takeover price and the potential post-acquisition integration and organization structure. **\*\*EFMD European Case Writing Competition Category Winner 1990\*\***

**Europe, Global; Chocolate confectionery; SFr 35 billion sales; 1988**

- Mergers and acquisitions
- Take-over bid price-post merger integration

Organisation structure  
Negotiations

18 pp  
Field research  
IMD-3-0423-T (18 pp)

**IMD-3-1334  
NESTLÉ'S GLOBE PROGRAM (A): THE  
EARLY MONTHS**

Killing, P  
*IMD - International Institute for  
Management Development*

This is the first of a three-case series (IMD-3-1334 to IMD-3-1336). All three cases can be taught in a half-day session. Chris Johnson has been given the task of initiating and managing the world's largest SAP roll out. The scope is global, the time frame for completion is five years. The cost is estimated at SFr 3 billion. Chris has to move to Switzerland and start building an organisation and getting Nestlé ready for a new way of managing the business. This case documents his first months in his new job and lays out the early challenges.

*Global; Food and beverage; Large; 2000*  
**Change management**  
SAP  
Project management

7 pp  
Field research  
IMD-3-1334-T (13 pp)

**IMD-3-1335  
NESTLÉ'S GLOBE PROGRAM (B): JULY  
EXECUTIVE BOARD MEETING**

Killing, P  
*IMD - International Institute for  
Management Development*

This is the second of a three-case series (IMD-3-1334 to IMD-3-1336). This short case continues the GLOBE story and is intended as an in-class handout to be used during the discussion of the (A) case. It documents some of the GLOBE-related discussion at Nestlé's July 2000 Executive Board meeting, which raises fresh issues for Chris.

*Global; Food and beverage; Large; 2000*  
**Change management**

2 pp  
Field research  
IMD-3-1334-T (13 pp)

**IMD-3-1336  
NESTLÉ'S GLOBE PROGRAM (C):  
'GLOBE DAY'**

Killing, P  
*IMD - International Institute for  
Management Development*

This is the third of a three-case series (IMD-3-1334 to IMD-3-1336). This final case in the GLOBE series is set approximately 18 months after the B-case. The setting is a meeting of Nestlé's market heads who are participating in a daylong event to bring them up to date on the progress of GLOBE. The morning has been difficult for Chris Johnson - full of criticism - and the question is how he should handle the afternoon.

*Global; Food and beverage; Large; 2001*  
**Change management**

4 pp  
Field research

**UVA-F-1353  
NIKE, INC: COST OF CAPITAL**

Bruner, RF  
Chan, J  
*Darden Business Publishing*

This case is from the Darden Best Selling Case Collection. This case is intended to serve as an introduction to the weighted average cost of capital (WACC). Although the case already provides a WACC calculation, it has been intentionally designed to mislead students. As such, their task is to identify and explain the 'mistakes' in the analysis, which are designed to highlight conceptual issues regarding WACC and its components that are often misunderstood by students.

*US; Investment management; 2001*  
**Cost of capital**  
Investment analysis  
Valuation

8 pp  
Published sources  
UVA-F-1353TN (5 pp)

**303-046-1  
NISSAN'S U-TURN: 1999-2001  
CONDENSED VERSION OF  
REDESIGNING NISSAN (A) & (B)**

Manzoni, JF  
Hughes, K  
Barsoux, JL  
*INSEAD*

This case is a condensed version of the case series 'Redesigning Nissan (A) & (B)' (303-044-1 and 303-045-1). When Renault sent Carlos Ghosn to turnaround its alliance partner Nissan, observers were sceptical of his chances. After soliciting recommendations from the employees, he unveiled a three-year plan involving plant closures, job cuts, and a refocus on design. Within two years, the company had achieved a dramatic recovery, posting record profits and proposing a dazzling array of new models. Case (A) covers the dynamics of taking charge and case (B) the process of leading change. The combined and condensed version is for instructors wishing to cover the material in a single session. The cases raise a number of themes to do with how an incoming leader establishes credibility, builds a case for painful change, gathers support, provides constant and consistent communication, sells growth as well as cuts, enforces accountability, measures progress, and sustains momentum for change. \*\*ecch European Case Awards Category Winner 2007\*\*

*Japan (and France); Automobile sector,  
Nissan and Renault; Over 130,000  
employees; 1999-2001*

Automobile, cars  
Alliance  
Transformation and turnaround  
Restructuring, change and revival  
Fair process and credibility  
Cultural differences  
Strategy  
Vision and leadership  
Cost cutting and plant closures  
Empowerment  
Product development and productivity  
Cross-functional teams  
Design and purchasing  
Trust  
Growth

24 pp  
Published sources  
303-046-8 (15 pp)

**IMD-5-0358  
PHILIP MORRIS KK**

Turpin, D  
*IMD - International Institute for  
Management Development*

The marketing manager of Philip Morris KK (PMKK) must decide how his company should react after learning that competitor RJ Reynolds plans to introduce a Yen 200 cigarette in Japan, attacking PMKK's position in the lower end of the Japanese market. \*\*ecch European Case Awards Category Winner 2008\*\*

*Japan; Food and tobacco; 1987*

**Pricing  
Competition  
Market positioning**

27 pp  
Field research  
IMD-5-0358-T (7 pp)

**9-302-049  
PHILIPS VERSUS MATSUSHITA: A NEW  
CENTURY, A NEW ROUND**

Bartlett, CA  
*Harvard Business Publishing*

Describes the development of the international strategies and organizations of two major competitors in the global consumer electronics industry. The history of both companies is traced and their changing strategic postures and organizational capabilities are documented. Particular attention is given to the major restructuring each company is forced to undertake as its competitive position is eroded. A rewritten version of an earlier case.

*Global, Europe, Japan; Electronics industry; Large, 270,000 employees, \$40 billion-\$60 billion revenues; 1970-2001*

**Competition  
Electronics  
International operations  
Multinational corporations  
Organizational change  
Organizational structure  
Strategy implementation**

20 pp  
Published sources  
5-302-063 (14 pp)

**9-505-038  
PRODUCT TEAM CIALIS: GETTING  
READY TO MARKET**

Ofek, E  
*Harvard Business Publishing*

Lilly and ICOS are preparing for the launch of a new drug, Cialis, to compete against Viagra. To position against the incumbent firm Pfizer, which developed and markets Viagra, and other newcomers into the erectile dysfunction market, they must determine how best to segment the market and which target market to focus on. The marketing plan should take advantage of Cialis' medical profile. In particular, they must pay special attention to the communication strategy to patients, physicians, and partners. The analysis, plan, and action should take into account extensive market research and recent competitive developments. The teaching purpose is to determine the marketing strategy and plan for an entrant into a market dominated by an incumbent firm with an existing reputation and customer base. The product profile of the entrant has notable attribute differences from existing alternatives. The goal is to understand how to translate superiority in product performance into superior commercial success. Includes color exhibits.

**Communication strategy  
Competition  
Market research  
Market segmentation  
Marketing planning  
Pharmaceuticals  
Product positioning  
Target markets**

27 pp  
Field research  
5-505-060 (15 pp)

**9-386-019  
R&R**

Stevenson, H  
Mossi, J  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Outlines alternative mechanisms for getting into business. Shows the means by which an experienced entrepreneur can gain control over the necessary resources in order to lower the fixed costs of business entry. Provides a mechanism for discussing the role of experience,

credibility, and contacts in the development of a non-business venture.

*New York; Games; Large, \$3 billion sales; 1984*

**Capital costs  
Development stage enterprises  
Entrepreneurship  
Toy industry**

18 pp  
Field research  
5-386-160 (4 pp)

**505-098-1  
RED BULL: THE ANTI-BRAND BRAND**

Kumar, N  
Tavassoli, N  
Linguri Coughlan, S  
*London Business School*

Founded in Austria in 1984, Red Bull was credited with creating the energy drinks category. In 2004, the worldwide energy drinks category was worth 2.5 billion euros and Red Bull commanded a 70% market share. Sold in over 100 markets, Red Bull was the market leader in the USA as well as in 12 of the 13 West European markets where it was present. Central to Red Bull's success was the use of word-of-mouth or 'buzz' marketing. Through its sponsorship of youth culture and extreme sports events, it developed a cult following among marketing-wary Generation Y-ers, (18- to 29-year olds) who perceived it as an anti-brand. While it purported to be a sports drink, Red Bull was mostly sold in clubs and bars as an alcohol mixer, where its caffeine doses helped revive clubbers into the early morning hours. By playing on associations with energy, danger and youth culture, Red Bull carefully cultivated its mystique, which earned it nicknames like 'liquid cocaine'. The company used additional non-traditional marketing techniques, such as consumer education teams who drove around handing out free cans of Red Bull to those in need of energy, and student brand managers who promoted the product on university campuses. In 2004, Red Bull found itself at a crossroads, challenged with defending its market share. It faced a maturing market and an onslaught of competitive brands, some of them promoted by beverage industry giants such as Coca-Cola and Pepsi, others as private labels by mass retailers such as Asda (part of Wal-Mart). Red Bull needed to determine whether it was outgrowing its anti-establishment status. As a mature brand, it needed to assess

whether the time had come to transition to a more traditional marketing approach. But this raised a critical question: would this move toward a more mainstream approach fundamentally destroy Red Bull's anti-brand mystique? This case has been featured on the ecch website.

*Europe, USA; Energy drinks; 1.26 billion euros sales; 1982-2004*

Buzz marketing  
Distribution  
Growth  
Brand building  
Guerrilla marketing  
Energy drinks  
Integrated marketing communications  
Advertising  
Product-life cycle  
Non-traditional marketing

14 pp  
Published sources  
505-098-8 (10 pp)

**9-498-054**  
**ROB PARSON AT MORGAN STANLEY (A)**

Burton, MD  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Rob Parson was a star producer in Morgan Stanley's Capital Markets division. He had been recruited from a competitor the prior year and had generated substantial revenues since joining the firm. Unfortunately, Parson's reviews from the 360-degree performance evaluation process revealed that he was having difficulty adapting to the firm's culture. His manager, Paul Nasr, faces the difficult decision of whether to promote Parson to managing director. Nasr must also complete Parson's performance evaluation summary and conduct Parson's performance review. The teaching purpose is to explore managerial problems associated with performance appraisal and performance management.

Corporate culture  
Human resources management  
Interpersonal behavior  
Investment banking  
Management of professionals  
Organizational behavior  
Performance appraisal

16 pp  
Field research  
5-400-101 (18 pp)

**9-587-055**  
**ROHM AND HAAS (A): NEW PRODUCT MARKETING STRATEGY**

Rangan, VK  
Lasley, S  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Joan Macey, Rohm and Haas' market manager for Metalworking Fluid Biocides, found that sales of a new biocide, Kathon MWX, was utterly disappointing. This was all the more puzzling since sales of her other product - Kathon 886 MW, a liquid biocide used only in large-capacity tanks - was well on target and held a steady 30% market share. In May 1984, about five months after the new product was launched, Joan Macey was reviewing her entire marketing strategy with a view to bringing Kathon MWX sales closer to target. Of particular concern to her were the distribution and communication strategies used for the new product.

*Philadelphia, PA; Chemical industry; Fortune 500, \$2 billion revenues; 1984*  
Distribution channels  
Marketing strategy  
New product marketing

15 pp  
Field research  
5-587-129 (12 pp)

**9A94M005**  
**SABENA BELGIAN WORLD AIRLINES STRIKE**

Crossan, M  
Pierce, B  
*Richard Ivey School of Business*

On 25 October, 1992, Sabena announced its first firings and lay-offs in its history. On the evening of the downsizing announcement, Weytjens is alerted that a crowd of militant workers from another part of the company had entered the catering building to encourage the workers to join a strike action which had started earlier in the day. Weytjens had to quickly judge whether there was any better way of dealing with the situation than the accepted reaction of calling in volunteers from other parts of the company where timeliness was not as essential. Background information is provided in case 9A94M003 and 9A94M004; subsequent related cases are 9A94M006, 9A94M007, and 9A94M008.

*Belgium; Air transportation; Large; 1992*  
Policy formulation/implementation  
Management of change

International business  
Business policy

3 pp  
Field research  
8A94M03 (20 pp)

**9A94M006**  
**SABENA BELGIAN WORLD AIRLINES: A DELEGATION OF CHEFS**

Crossan, M  
Pierce, B  
*Richard Ivey School of Business*

On the day that Weytjens demoted a sous-chef for having ignored several warnings not to eat in the kitchen, which was a requirement of ISO 9002 standards, he returned from lunch to find three other sous-chefs waiting in his office. They were there to complain about what they felt was unnecessarily harsh action and to ask Weytjens to reconsider his decision. Background information is provided in cases 9A94M003 and 9A94M004; subsequent related cases are 9A94M005, 9A94M007, and 9A94M008.

*Belgium; Air transportation; Large*  
Business policy  
Management of change  
International business  
Policy formulation, implementation

2 pp  
Field research  
8A94M03 (20 pp)

**9A94M004**  
**SABENA BELGIAN WORLD AIRLINES: WEYTJENS' FIRST ASSIGNMENT**

Crossan, M  
Pierce, B  
*Richard Ivey School of Business*

This case is from the Ivey Best Selling Case Collection. The case provides an update on the events subsequent to the (A) case, 9A94M003. It outlines the strategic changes implemented by Pierre Godfroid, Sabena's CEO, and introduces Erik Weytjens, a recent graduate of an MBA program. This case outlines Weytjens first assignment to solve a major logistics problem in the dishwashing department. The case, along with the follow-on series of cases provides the opportunity to: (1) make decisions and take action under realistic constraints of limited information, time and credibility; and (2) reflect on how the pattern of actions supports or undermines strategy.

*Belgium; Air transportation; Large Business policy  
Management of change  
International business  
Policy formulation and implementation*

8 pp  
Field research  
8A94M03 (20 pp)

**9-683-068  
SHOULDICE HOSPITAL LIMITED**

Heskett, JL  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Various proposals are set forth for expanding the capacity of the hospital. In assessing them, serious consideration has to be given to the culture of the organization and the importance of preserving it in a service delivery system. In addition to issues of capacity and organizational analysis, describes a well-focused, well-managed medical service facility that may well point the way to future economies in the field.

1982  
Canada  
Capacity planning  
Expansion  
Hospital administration  
Organizational behavior  
Services  
Social enterprise

18 pp  
Field research  
5-686-120 (16 pp)

**9-803-133  
SOUTHWEST AIRLINES - 2002: AN INDUSTRY UNDER SIEGE**

Heskett, JL  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. The company's management is faced with long-term questions regarding the rate and manner of growth in the wake of the 9/11 attacks and general industry malaise. The teaching purpose is to understand ways of achieving and maintaining both a differentiated and a low-cost service offering.

Airlines  
Competition

Corporate culture  
Service management

24 pp  
Field research  
5-803-138 (11 pp)

**HR1A  
SOUTHWEST AIRLINES (A)**

O'Reilly III, CA  
Pfeffer, J  
*Stanford University*

In 1994 both United Airlines and Continental Airlines launched low cost airlines within an airline, to compete with Southwest Airlines. From 1991 until 1993 Southwest had increased its market share of the critical West Coast market from 26% to 45%. This case considers how Southwest had developed a sustainable competitive advantage and emphasizes the role of human resources as a lever for the successful implementation of strategy. Asks whether competitors can successfully imitate the Southwest approach. May be used with: (99307) 'Firing Up the Front Line'.

*United States; Airlines; 12,000 employees, \$2.2 billion revenues; 1994*  
Corporate strategy  
Human resources management  
Organizational behavior  
Strategy implementation

27 pp  
Field research  
HR1T (3 pp)

**9-399-094  
SPECIALTY MEDICAL CHEMICALS**

Doran, L  
Hamermesh, RG  
*Harvard Business Publishing*

A new general manager is supposed to rekindle growth. Seven months later, he questions the abilities of his direct reports. An organizational psychologist is brought in to assess his people. The general manager now has to decide who to keep and how to structure his direct report team.

*United States; Medical; 1,600 employees, \$425 million revenues; 1998*  
Employee development  
Executive selection  
Human resources management  
Management of change  
Management teams  
Performance appraisal

Pharmaceuticals  
Psychology

23 pp  
Generalised experience

**9-504-016  
STARBUCKS: DELIVERING CUSTOMER SERVICE**

Moon, Y  
Quelch, JA  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. This case is part of the Harvard Business School Premier Case Collection. Starbucks, the dominant specialty-coffee brand in North America, must respond to recent market research indicating that the company is not meeting customer expectations in terms of service. To increase customer satisfaction, the company is debating a plan that would increase the amount of labor in the stores and theoretically increase speed-of-service. However, the impact of the plan (which would cost \$40 million annually) on the company's bottom line is unclear.

*United States; Coffee; 60,000 employees, \$3.3 billion revenues; 2002*  
Beverages  
Customer retention  
Customer service  
Market research  
Profitability

20 pp  
Field research  
5-504-089 (19 pp)

**9-602-096  
STORE24 (A): MANAGING EMPLOYEE RETENTION**

Frei, FX  
Campbell, D  
*Harvard Business Publishing*

Provides a retailing context in which employee retention strategies are explored through analyzing detailed store-level data.

*New England; Retail industry; 800 employees, \$84,767,816 revenues; 2000 to 2001*  
Employee retention  
Service management

5 pp  
Field research  
5-606-036 (11 pp)  
5-606-107 (35 pp)

**IMD-5-0604  
TETRA PAK (A): THE CHALLENGE OF  
INTIMACY WITH A KEY CUSTOMER**

Kashani, K  
Shaner, J  
*IMD - International Institute for  
Management Development*

This is the first of a four-case series (IMD-5-0604 to IMD-5-0607). The (A) case of this series describes a failed attempt to sell new packaging machinery to a key Italian customer facing declining sales and profits in its milk business. Tetra Pak's analysis leads them to propose a new product strategy that is summarily rejected by the customer. The case raises the issue of Tetra Pak's strategy in the Italian milk market and the wisdom of its proposed customer strategy. The broader question is whether the company is serving the best interest of its key accounts. \*\*EFMD Case Writing Competition Category Winner 2005\*\*

*Italy and international markets;  
Packaging systems; 7 billion Euros, 22,000  
employees; 2000-2002*  
Industrial marketing  
Key account marketing  
Customer orientation  
Value chain marketing  
Customer satisfaction surveys  
Marketing implementation  
Management of change

14 pp  
Field research  
IMD-5-0604-T (44 pp)

**IMD-5-0605  
TETRA PAK (B): HEAR ME, KNOW ME,  
GROW ME: THE CUSTOMER  
SATISFACTION INITIATIVE**

Kashani, K  
Shaner, J  
*IMD - International Institute for  
Management Development*

This is the second of a four-case series (IMD-5-0604 to IMD-5-0607). The (B) case describes Tetra Pak's second proposal to its key Italian customer, a strategy that is finally accepted. At the same time an international customer satisfaction survey shows that Tetra Pak's key accounts, including the Italian customer, are far from happy with their supplier. The case provides detailed data on the results

of the customer satisfaction initiative and asks the student to assess the importance of survey results and what might be done in response to them. \*\*EFMD Case Writing Competition Category Winner 2005\*\*

*Italy and international markets;  
Packaging systems; Euro 7 billion, 22,000  
employees; 2000-2002*  
Customer satisfaction surveys  
Marketing implementation  
Management of change  
Industrial marketing  
Key account marketing  
Customer orientation  
Value chain marketing

9 pp  
Field research  
IMD-5-0604-T (44 pp)

**9-799-129  
THE ALUMINUM INDUSTRY IN 1994  
Note**

Corts, KS  
*Harvard Business Publishing*

After reaching all-time highs in excess of \$2,500 per ton in 1988 and 1989, aluminum prices fall dramatically in the early 1990s as the former Soviet Union begins exporting far larger quantities of metal. By the beginning of 1994, the price has hit all-time lows (in real terms) and stands at \$1,110. The case contains data on world consumption by sector; an accompanying spreadsheet contains detailed cost data for the world's 157 smelters. Together, these allow a thorough supply and demand analysis that illuminates price fluctuations in this industry. A rewritten version of an earlier note. May be used with: (9-799-130) 'Aluminum Smelting in South Africa: Alusaf's Hillside Project'.

*Global; Aluminum; \$50 billion revenues;  
1994*

Aluminum  
Aluminum industry  
Economic analysis  
Industry structure  
Prices  
Supply and demand  
Vertical integration

21 pp  
5-700-014 (8 pp)

**9-595-057  
THE BLACK & DECKER CORP (A):  
POWER TOOLS DIVISION**

Dolan, RJ  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. Presents Black & Decker's performance against a Japanese competitor and others in the power tools market. Black & Decker is anxious to regain its market share leadership in particular segments of the market. Allows exploration of issues of brand equity, product positioning, and competitive strategy in the context of international competition.

*United States; Power tools; Fortune 500,  
\$4 billion revenues; 1990*

Brands  
Competition  
International marketing  
Marketing strategy  
Product introduction  
Tools

13 pp  
Field research  
5-598-106 (22 pp)

**9-198-117  
THE CLASSIC PEN CO: DEVELOPING  
AN ABC MODEL**

Kaplan, RS  
*Harvard Business Publishing*

A simple numerical exercise, based on the Cooper/Kaplan pen factory example, to illustrate the rationale for activity-based costing (ABC). Classic Pen has diversified from its core blue and black pen business by introducing new specialized colors. But costs have risen and margins on blue and black pens are decreasing. The controller turns to ABC for an explanation. Illustrates application of ABC.

Activity based costing  
Cost accounting  
Cost analysis  
Management accounting  
Overhead costs

4 pp  
Generalised experience  
5-199-029 (5 pp)

**302-057-1  
THE EVOLUTION OF THE CIRCUS  
INDUSTRY (A)**

Kim, WC  
Mauborgne, R  
Bensaou, BM  
Williamson, M  
*INSEAD*

This is the first of a two-case series (302-057-1 and 302-058-1). Cirque du Soleil very successfully entered a structurally unattractive circus industry. It was able to reinvent the industry and created a new market space by challenging the conventional assumptions about how to compete. It value innovated by shifting the buyer group from children (end-users of the traditional circus) to adults (purchasers of the traditional circus), drawing upon the distinctive strengths of other alternative industries, such as the theatre, Broadway shows and the opera, to offer a totally new set of utilities to more mature and higher spending customers. The case series is designed to serve a variety of purposes in the value innovation and creating new market space teaching module of an MBA strategy course or executive education programme. The case series can be equally used individually in a standalone module on value innovation or as part of a sequence of three to four sessions. In both instances, the instructor can best use it to cover the following topics: (1) the value innovation logic (as compared to industry and competitive analysis); (2) the concept of value curve; and (3) the six paths analysis for creating new market space. \*\*ecch European Case Awards Category Winner 2006\*\*

*Canada, USA, Europe; Circus; 2001*  
Circus and live entertainment industry  
Value innovation  
Strategy  
Creating new market space  
Redefining industry boundaries  
Moving across industries  
Thinking out of the box  
Competition

7 pp  
Field research  
302-057-8 (24 pp)

**400-002-1  
THE HOUSE THAT BRANSON BUILT:  
FROM COUNTER-CULTURE TO  
CORPORATE CULTURE**

Kets de Vries, MF  
Dick, R  
*INSEAD*

This case provides an opportunity to explore the person-organisation interface. From a developmental point of view, it examines the making of an entrepreneur. The case also allows for an exploration of the vicissitudes of leadership in the context of a high performance organisation, and finally, incites discussion about planning for the future of an entrepreneurial organisation, in particular the use of brand to enter new, unrelated markets. The case focuses on leadership in a creative, entrepreneurial organisation. Virgin has made many brilliant moves and weathered spectacular setbacks. The case offers insight into these and other management issues that have come to the fore in Virgin's history. Among them are: (1) the transition from entrepreneurial to more conventional, 'systematic' management; (2) the formulation of strategy for, and the management of, rapid growth around stretching of a brand, particularly expansion into unrelated areas and expansion overseas; (3) the management of strategic alliances; (4) the development of a corporate culture centered around youth and informality; (5) a preference for promotion of insiders who 'fit' rather than outside candidates; (6) the management of creativity; and (7) the transition from a private enterprise to a public company and back again to private. \*\*ecch European Case Awards Category Winner 2002\*\*

*Great Britain; Entertainment, airline; Large; 1968-2000*  
Richard Branson  
Virgin  
Entrepreneurs  
Leadership  
Brand management  
Venture capital firm

28 pp  
Field research  
400-002-8 (22 pp)

**IMD-6-0249  
THE 'MI ADIDAS' MASS  
CUSTOMIZATION INITIATIVE**

Seifert, RW  
*IMD - International Institute for  
Management Development*

Many companies are exploring mass customisation as a way to demonstrate market leadership and capture price premiums. This case examines adidas' recent 'mi adidas' initiative, aimed at delivering customised athletic footwear to retail customers. It discusses the practical implications associated with expanding the initiative from a small pilot to a wider operation with retail presence. Along the way, the case enables the reader to evaluate an interlinked set of issues, from marketing, retailer selection and information management, through production and distribution, to project management and strategic fit. The case offers three alternative routes for moving forward as of October 2001, and challenges participants to decide 'mi adidas' future direction! \*\*POMS International Case Writing Award Winner 2004 and ecch European Case Awards Category Winner 2006\*\*

*Europe, Germany; Apparel, athletic footwear; 2001 Net sales: euros 6.1 billion, 14,000 employees; October 2001*  
Mass customisation

24 pp  
Field research  
IMD-6-0249-T (19 pp)

**9-693-019  
TOYOTA MOTOR MANUFACTURING,  
USA, INC**

Mishina, K  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. On 1 May, 1992, Doug Friesen, Manager of assembly for Toyota's Georgetown, Kentucky, plant, faces a problem with the seats installed in the plant's sole product - Camrys. A growing number of cars are sitting off-line with defective seats or are missing them entirely. This situation is one of several causes of recent overtime,

yet neither the reason for the problem nor a solution to it is readily apparent. As the plant is an exemplar of Toyota's famed production system (TPS), Friesen is determined that, if possible, the situation will be resolved using TPS principles and tools. Students are asked to suggest what action(s) Friesen should take and to analyze whether Georgetown's current handling of the seat problem fits within the TPS philosophy. The teaching purpose is to: (1) provide comprehensive knowledge on Toyota Production System; (2) exercise advanced root cause analysis; and (3) demonstrate the totality of manufacturing, especially the link between production control and quality control.

*Georgetown, KY; Autos; Large, 4,000 employees, \$1-5 billion revenues; 1992*

Automobiles  
International operations  
Process analysis  
Production controls  
Quality control  
Suppliers

22 pp  
Field research  
5-693-046 (25 pp)

**504-009-1**

**UNILEVER IN BRAZIL (1997-2007):  
MARKETING STRATEGIES FOR LOW-  
INCOME CONSUMERS**

Chandon, P  
Pacheco Guimaraes, P  
*INSEAD*

Unilever is a solid leader in the Brazilian detergent powder market with an 81% market share. Laercio Cardoso must decide: (1) whether Unilever should divert money from its premium brands to target the lower-margin segment of low-income consumers; (2) whether Unilever can reposition or extend one of its existing brands to avoid launching a new brand; and (3) what price, product, promotion, and distribution strategy would allow Unilever to deliver value to low-income consumers without cannibalising its own premium brands too heavily. This case deals with the question of whether marketing and branding create value for really poor consumers. It can therefore be used in an MBA, executive education or undergraduate core course on marketing management to illustrate the value of

marketing and the marketing approach, or in a brand management course to explore the frontiers of branding. This case can also be used in a consumer behaviour course to examine the motivations and decision-making process of low-income consumers. Alternatively, it can be used in a global marketing or global strategy and management course to study the way multinational companies adapt their strategy to compete in emerging countries. \*\*EFMD Case Writing Competition Category Winner 2004, ecch European Case Awards Category Winner 2007 and ecch European Case Awards Overall Winner 2008\*\*

*Brazil; Home and personal care; US\$56 billion; 1996-2004*

Marketing  
Branding  
Low-income consumers  
Poverty  
New product introduction  
Break-even analysis  
Advertising  
Pricing

23 pp  
Field research  
504-009-8 (34 pp)  
504-009-9 (s/w)

**9-504-028**

**VIRGIN MOBILE USA: PRICING FOR  
THE VERY FIRST TIME**

McGovern, GJ  
*Harvard Business Publishing*

Dan Schulman, the CEO of Virgin Mobile USA, must develop a pricing strategy for a new wireless phone service targeted toward consumers in their teens and twenties, many of whom are believed to have poor credit quality and uneven usage patterns. Contrary to conventional industry wisdom, Schulman is convinced that he can build a profitable business based on this underrepresented target segment. The key is pricing. Schulman is currently debating three pricing options: (1) adopting a pricing structure that is roughly equivalent to the major carriers; (2) adopting a similar pricing structure, but with actual prices below the major carriers; or (3) coming up with a radically different pricing structure. With respect to the third option, Schulman is considering various alternatives,

including a reliance on prepaid (as opposed to post-paid) plans and the total elimination of contracts. Includes color exhibits.

*United States; Telephone industry; 200 employees, \$5.2 billion revenues; 2002*

Market segmentation  
Pricing  
Pricing strategy  
Target markets  
Telecommunications

19 pp  
Field research  
5-504-108 (20 pp)

**9-498-045**

**WOLFGANG KELLER AT  
KONIGSBRAU-TAK (A)**

Gabarro, JJ  
*Harvard Business Publishing*

Raises issues concerning: (1) performance evaluation; (2) performance appraisal; (3) managing ineffective performance; and (4) conflicts in management style. A rewritten version of an earlier case. May be used with: (R0401H) 'What Makes a Leader?' (HBR Classic).

*Europe; Beer; Mid-size, US\$100 million sales*

Beverages  
Human resources management  
Leadership  
Management styles  
Performance appraisal  
Superior and subordinate

18 pp  
Field research  
5-400-069 (20 pp)

**IMD-5-0702**

**XIAMETER: THE PAST AND FUTURE  
OF A 'DISRUPTIVE INNOVATION'**

Kashani, K  
Francis, I  
*IMD - International Institute for  
Management Development*

The case study is about a successful strategy formulated at Dow Corning for marketing commodity silicones, a chemical used in diverse applications. It deals with important issues in B2B marketing: refocusing on user needs and developing a 'needs-based'

segmentation of industrial customers; bundling and de-bundling of technical services; branding of commodity chemicals; web-based low price/no-frills value proposition; making money with commodities. The case also describes a 'tipping point' in Dow Corning's history and strategy where their leadership in the silicone business was at stake; management had to chart radically new ways to compete in commoditized markets - what they call their 'disruptive innovation'. At the end the students are asked to look at the success of Xiameter (the company's web-based brand) and decide its future. The choices are: maintain status quo; incrementally fine tune the strategy; go for a major overhaul. Xiameter case can be used to: (1) show an example of turning customer insights into successfully re-defining business and marketing strategies; (2) address issues of segmentation, value proposition and branding in industrial marketing; (3) demonstrate how two contrasting value propositions could be offered to industrial customers under different brands; (4) discuss value innovation in B2B markets; (5) examine and analyze elements of a successful web-based business model; (6) learn how adversity can challenge an organisation to re-define its business and marketing strategies for future success.

**International, global; Silicones; US\$4 billion; 2001-2006**  
**Marketing industrial commodities**  
**Strategic innovation**  
**e-Commerce**  
**Industrial segmentation**  
**Dual branding**

21 pp  
 Field research

**603-002-1**  
**ZARA**

Ferdows, K  
*Georgetown University*  
 Domiguez Machuca, JA  
*University of Sevilla*  
 Lewis, M  
*Warwick Business School*

The case offers an illustration of a fast-response global supply, production, and retail network. In 2002 Zara, operating out of La Coruna in north-west Spain, was the only retailer that could deliver

garments to its 507 stores in 33 countries in just fifteen days after they were designed. Its unique systems for product design, order administration, production, distribution and retailing were behind this astonishing capability. Its unconventional approach provides interesting opportunities for discussion and learning. The case is quite popular with executives, MBA's and undergraduate business students. It can be used in a remarkably wide range of courses - from a core operations management course to electives focused on international operations, operations strategy, global logistics, distribution, retailing, as well as in specialised and general executive programmes. The teaching note includes several photographs from Zara's operations in La Coruna, and the appendices are available as PowerPoint files as the teaching note supplement '603-002-9'. This case was the winner of the 2003 Indiana University Center for International Business Education and Research (CIBER)-sponsored Production and Operations Management Society (POMS) International Case Competition.

**Spain and global; Fashion apparel; Large multinational; 2002**  
**Global supply chain**  
**Design-product-distribution-retail integration**  
**Fast-response networks**  
**Fashion retailing**  
**Queuing and inventory models**  
**Manufacturing-marketing interface**  
**Time-based competition**  
**Mechanising**

15 pp  
 Field research  
 603-002-8 (21 pp)  
 603-002-9 (s/w)

**9-703-497**  
**ZARA: FAST FASHION**

Ghemawat, P  
 Nueno, JL  
*Harvard Business Publishing*

Focuses on Inditex, an apparel retailer from Spain, which has set up an extremely quick response system for its ZARA chain. Instead of predicting months before a season starts what women will want to wear, ZARA observes what's selling and what's not and

continuously adjusts what it produces and merchandises on that basis. Powered by ZARA's success, Inditex has expanded into 39 countries, making it one of the most global retailers in the world. But in 2002, it faces important questions concerning its future growth.

**Spain, Global; Fashion industry; 26,724 employees, 3,250 million eurodollars revenues; 2002**

**Competitive advantage**  
**Globalization**  
**Market selection**  
**Supply chain**  
**Time based competition**  
**Vertical integration**

35 pp  
 Field research  
 5-703-496 (21 pp)

**9-604-081**  
**ZARA: IT FOR FAST FASHION**

McAfee, AP  
 Sjomann, A  
 Dessain, V  
*Harvard Business Publishing*

This case is part of the Harvard Business School Premier Case Collection. In 2003, Zara's CIO (chief information officer) must decide whether to upgrade the retailer's IT infrastructure and capabilities. At the time of the case, the company relies on an out of date operating system for its stores terminals and has no full-time network in place across stores. Despite these limitations, however, Zara's parent company: Inditex, has built an extraordinarily well performing value chain that is by far the most responsive in the industry. The case describes this value chain, concentrating on its operations and IT infrastructure.

**Spain; Apparel, retail industry; 32,000 employees, US\$4 billion revenues; 2003**

**Computer networks**  
**Information systems**  
**Information technology**  
**Operations management**  
**Production**  
**Supply chain**  
**Vertical integration**

23 pp  
 Field research  
 5-604-104 (20 pp)

**305-308-1**

**ZARA: RESPONSIVE, HIGH SPEED, AFFORDABLE FASHION**

Kumar, N  
Linguri Coughlan, S  
*London Business School*

In 1975, the first Zara store was opened in La Coruna, in Northwest Spain. By 2005, Zara's 723 stores had a selling area of 811,100 m2 and occupied privileged locations of major cities in 56 countries. With sales of 3.8 billion euros in financial year 2004, Zara had become Spain's best-known fashion brand and the flagship brand of 5.7 billion euros holding group Inditex. Inditex's stock market listing in 2001 had turned Amancio Ortega, its founder and a self-made man, into the world's 23rd richest man, with a personal fortune that Forbes magazine estimated at US\$12.6 billion. Zara strived to deliver fashion apparel, often knock-offs of famous designers, at reasonable costs to young, fashion-conscious city-dwellers. Zara used in-house designers to present new items of clothing to customers twice a week, in response to sales and fashion trends. Thus the merchandise of any particular store was fresh and limited. To produce at such short notice required that Zara maintain a vertically integrated supply chain that distributed the clothes through a single state-of-the-art distribution centre. Unlike its competitors, 70-80% of Zara garments were manufactured in Europe. In 2005, Pablo Isla was appointed the new Inditex Chief Executive. With plans to double the number of its stores by 2009, the rapid pace of growth was necessitating changes. First, Zara had opened a second distribution centre to increase capacity. Second, expanding into more distant markets meant that the number of items carried had increased to 12,000. Would Zara's business model be able to scale up? Or would the resulting complexity compromise its speed advantage? Would Pablo Isla be able to maintain the focus that Zara had established? This case has been featured on the ecch website,

*Global; Retail; 3.8 billion euros; 1975-2005*

- Brand management
- New product development
- Supply chain
- International business
- Retailing
- Vertical integration
- Scalability
- Business models
- Value chain analysis

- Outsourcing
- Segmentation
- Staples vs fashion
- Private label
- Gross margin return on investment (GMROI)
- Atmospherics

20 pp  
Published sources  
305-308-8 (21 pp)

**ESMT-306-0065-1  
ZOPA.COM**

Kupp, M  
Anderson, J  
*ESMT European School of Management & Technology GmbH*

Launched in early 2005, Zopa is a peer-to-peer on-line brokerage that couples British residents who want to lend with those who want to borrow. The company represents a new business model in the retail financial services industry, and since Zopa is not technically a bank and does not lend money itself, the capital requirements to run the business are relatively small. Compared to a traditional full service bank Zopa concentrates on only a few steps of the value chain. This case study provides an overview of the financial service industry, especially banks, in the UK in 2006 and how Zopa, a value innovator, has developed a unique position in the market through an innovative business model. Rich data especially on banking trends is given. Additional data on key players in the industry is supplied. This data will enable students to develop a good understanding of the elements of a value innovation and how technologies have the potential to shake up an established industry structure and its key players. Focus is on the concept of value innovation and sustainable competitive advantage. The case can also be used to address the topic of how incumbent firms should respond to innovative new business models. This case was previously numbered '306-610-1'. This case has been featured on the ecch website.

*UK; Financial services; End 2006*

- Zopa
- Value innovation
- On-line banking
- Peer-to-peer
- Differentiation
- Competitive advantage
- New market space

- Firm resources
- First-mover advantage
- UK banking industry
- On-line brokerage

22 pp  
Published sources  
ESMT-306-0065-8 (22 pp)



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