

best-selling cases

2010 edition

How to use the case bibliography

This bibliographical supplement presents the best-selling cases from the ecch catalogue during 2009. It incorporates abstracts and full bibliographical details such as setting, topics and details of any teaching note. Visit the ecch website at www.ecch.com/bibs to view and download a pdf version of the bibliography.

Cases are listed under ten major subject categories, each with its own entry. Within each subject category, cases appear alphabetically by title. 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.

Visit our website at www.ecch.com

Finding products

Visit the ecch website to search for relevant cases, journal article reprints and book chapters from the ecch collection of over 64,000 items. Once you have identified the item you are interested in, you can preview it on-line, if authorised, or order a paper inspection copy.

Advanced search helps you identify an item that most closely meets your requirements. Refine your search by selecting up to four of the following options:

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

Additional specific options (eg publication year and teaching note availability) may also be selected. The more criteria you select, the more refined your search will be.

Receiving the latest information

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, journal article reprints and book chapters registered during the preceding month. This service is the most comprehensive of its kind worldwide and can be tailored to cover the subject areas you are interested in. To subscribe visit www.ecch.com/emailupdates

- **ECCHO**

The ecch free magazine, ECCHO includes case reviews, features and information on the case method, as well as a free case that teachers can use. To read the latest issue and subscribe visit www.ecch.com/ECCHO

- **Case method training**

Select to receive information on the latest case writing and teaching workshops. For further details visit www.ecch.com/workshops

European Case Awards 2010

Overall winner

505-098-1

RED BULL: THE ANTI-BRAND BRAND

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

Economics, Politics and Business Environment

IMD-2-0083

TRANSFORMING THE GLOBAL FISHING INDUSTRY: THE MARINE STEWARDSHIP COUNCIL AT FULL SAIL?

Ulrich Steger, Alexander Nick, Oliver Salzmann and Aileen Ionescu-Somers
IMD

Entrepreneurship

807-055-1

THE GRAMEEN BANK: CREDIT AS A HUMAN RIGHT

Eugénio Viassa Monteiro and Ana Janeiro Dias
AESE – Escola de Direcção e Negócios

Ethics and Social Responsibility

708-041-1

INNOCENT DRINKS: VALUES AND VALUE

Robert Brown and David Grayson
Cranfield University School of Management and EABIS

Finance, Accounting and Control

IMD-1-0276

DEAL MAKING IN TROUBLED WATERS: THE ABN AMRO TAKEOVER

Didier Cossin and Luc Keuleneer
IMD

Human Resource Management / Organisational Behaviour

409-008-1

LEADING ACROSS CULTURES AT MICHELIN (A)

Erin Meyer and Sapna Gupta
INSEAD

Knowledge, Information and Communication Systems Management

SI-0167-E

APPLE'S IPHONE: CALLING EUROPE OR EUROPE CALLING?

Sandra Sieber, Josep Valor and Jordan Mitchell
IESE Business School

Continued overleaf

Marketing sponsored by The Chartered Institute of Marketing

503-082-1

FORD KA: THE MARKET RESEARCH PROBLEM (A)

Markus Christen and David Soberman, *INSEAD*

Seh-Woong Chung, *Singapore Management University*

Production and Operations Management

602-057-1

OCADO: AN ALTERNATIVE WAY TO BRIDGE THE LAST MILE IN GROCERY HOME DELIVERY

Ken K Boyer, *Broad College of Business, Michigan State University*

Mark Frohlich, *London Business School*

Strategy and General Management

IMD-3-1334

NESTLÉ'S GLOBE PROGRAM (A): THE EARLY MONTHS

Peter Killing

IMD

Special award

THE SUMANTRA GHOSHAL AWARD FOR EXCELLENCE IN CASE WRITING

London Business School

Case method and specialist management disciplines

9A93G006

**BEN & JERRY'S HOMEMADE INC:
BACKGROUND NOTE**

Lane, HW
Berdrow, I

Richard Ivey School of Business

Ben & Jerry's makes super-premium ice cream under a tri-part mission to produce the finest quality all-natural ice cream, to be socially conscious and improve the quality of life of a broad community, and to operate profitably so that shareholder values continue to grow and employees enjoy career opportunities and financial rewards. The company has grown from one small ice cream parlor in a converted gas station to achieving sales of over \$130 million in 1992. This note provides the background for the decision to be made in 'Iceverks (A): Ben & Jerry's in Russia' case (9A93G007).

Russia; Food stores

Corporate culture
Corporate responsibility

12 pp
8A93G06 (11 pp)

9-673-057

BENIHANA OF TOKYO

Sasser Jr, WE
Klug, JR

Harvard Business Publishing

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 (10pp)

9A98G005

**BLACK & DECKER-EASTERN
HEMISPHERE AND THE ADP
INITIATIVE (A)**

Morrison, AJ
Black, JS

Richard Ivey School of Business

The new president of Black & Decker-Eastern Hemisphere, attempts to introduce a new performance appraisal and management development system. Black & Decker is a relatively weak player in the Eastern Hemisphere and the president is convinced that he needs to significantly increase the number and quality of managers in the region. To assist in the development process, the president is considering introducing a US- designed Appraisal Development Plan (ADP) in the region. ADP uses 360 degree feedback from peers, subordinates, and supervisors to assist employees in building managerial skills and in increasing personal accountability. Despite a successful track record for ADP in Black & Decker North America, members of the top management team are concerned that ADP will be a failure in the Eastern Hemisphere. They argue that the system faces huge barriers due to organizational cultural issues related to staffing, systems leadership and structure. The president is flirting with disaster if he proceeds.

*Singapore, USA; Miscellaneous
manufacturing industries; Large
Management development
Management in a global
environment
Management by objectives
Employee training*

17 pp
Field research
8A98G05 (11 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 and motels
Human resources management
Organizational behavior
Service management
Values

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

9-181-027

FREEMARK ABBEY WINERY

Krasker, WS

Harvard Business Publishing

Freemark Abbey must decide whether to harvest in view of the possibility of rain. Rain could damage the crop but delaying the harvest would be risky. On the other hand, rain could be beneficial and greatly increase the value of the resulting wine. This decision is further complicated by the fact that ripe Riesling grapes can be vinified in two ways, resulting in two different styles of wine. Their relative prices would depend on the uncertain preference of consumers two years later, when the wine is bottled and sold.

California; Winery; Mid-size; 1980

Beverages
Decision analysis
Decision trees
Managerial economics

3 pp
Field research
5-895-053 (5pp)

9-171-248

HARMON FOODS, INC

Whiston, WB

Harvard Business Publishing

Prediction and shipment has been a scheduling and budgetary problem. Multiple regression is suggested as a solution. Evaluation of regression coefficients leads to better understanding of trend, seasonality, and promotion effectiveness.

Budgeting
Managerial economics
Production scheduling
Regression analysis
Sales forecasting

7 pp
Generalised experience
5-176-152 (48pp)

**9-801-445
INFOSYS TECHNOLOGIES**

Nanda, A
DeLong, T
Harvard Business Publishing

Creating and sustaining a third-world-based technology company to compete globally (ie, in the first-world) poses many challenges. Such challenges are examined through the genesis and progression of Infosys Technologies Ltd. Key decisions made by Chairman NR Narayana Murthy are particularly highlighted. The teaching purpose is to understand the issues/challenges of doing business across cultures, particularly third-world/first-world and to examine and learn from dynamic business leader NR Narayana Murthy.

Cross cultural relations
India
IPO
Leadership
Software
Technology

23 pp
Field research
5-902-057 (11pp)

**9-376-241
LEARNING BY THE CASE METHOD
Note**

Hammond III, JS
Harvard Business Publishing

Helps students fully capitalize on the case method. Succinctly introduces the benefits, format, and process while offering lots of 'how-to' advice. Widely used as an introductory handout for executive, MBA, and undergraduate courses. Describes how case discussion enables the exchange of managerial experience and knowledge. Emphasizes the need to identify the real issues and do rigorous analysis in the course of reaching a management decision and that there is typically more than one 'right' answer.

Higher education
Case method
Learning
Teaching methods

4 pp
Published sources

**UVA-QA-0389
MARRIOTT ROOMS FORECASTING**

Bodily, SE
Weatherford, L
Darden Business Publishing

The manager of a large downtown hotel has to decide whether to accept 60 additional reservations or not. If she accepts, she will be overbooked and face certain costs if all the reservations show up. She must forecast, based on historical data, how many of the people holding reservations will show up and then decide whether to take the additional bookings after taking into account the cost involved. The case is used to treat seasonality and exponential smoothing in time-series forecasting.

Large city; Hotel; \$5 billion in sales; 1988
Decision theory
Forecasting
Diverse protagonist, female
Diversity case
Management of service industries
Time series
Diversity

5 pp
Field research
UVA-QA-0389TN (9pp)

ecch.com is changing

In 2010 you will see a variety of exciting new developments:

- e-delivery for all without the need for a plug-in
- educator access to on-line teaching notes
- a new look website
- the facility for educators to share teaching experiences by reviewing cases on-line.

Contact ecch:
help@ecch.com
+44 (0)1234 756410

North American customers:
ecchusa@ecch.com
+1 781 239 5884

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

Heskett, JL
Harvard Business Publishing

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 (16pp)

9-805-002
SHOULDICE HOSPITAL LTD
Abridged version

Heskett, JL
Hallowell, R
Harvard Business Publishing

A hospital specializing in hernia operations is considering whether and how to expand the reach of its services. The teaching purpose is to teach in service management, management of operations, and business strategy courses.

Canada
Capacity planning
Expansion
Hospital administration
Organizational behavior
Services
Social enterprise

14 pp
Field research

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

Heskett, JL
Harvard Business Publishing

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 (11pp)

9-800-373
THE FIRST SIX MONTHS: LAUNCHING
A PSF CAREER

Nanda, A
DeLong, TJ
Landry, S
Harvard Business Publishing

Presents two situations: (1) two graduating MBAs from Harvard Business

School compare and contrast their strategies for getting off to a good start in consulting; and (2) a junior consultant has to deal with the reception of difficult feedback in his very first performance review. The teaching purpose is to help students reflect on: (1) developing a strategy to ensure a good start in professional services; and (2) ensuring a quick turnaround if they do not start well.

Career advancement
Careers and career planning
Consulting
Management of professionals
Performance appraisal
Professional services

4 pp
Generalised experience
5-801-138 (14pp)

9-601-163
THE RITZ-CARLTON HOTEL COMPANY

Sucher, SJ
McManus, SE
Harvard Business Publishing

In just seven days, the Ritz-Carlton transforms newly hired employees into 'Ladies and Gentlemen Serving Ladies and Gentlemen'. The case details a new hotel launch, focusing on the unique blend of leadership, quality processes, and values of self-respect and dignity, to create award-winning service.

District of Columbia; Lodging industry; 18,000 employees, \$1.5 billion revenues; 2000

Brands
Change management
Human resources management
Innovation
Operations management
Organizational behavior

30 pp
Field research
5-602-113 (28pp)

9-801-393
TO HELL WITH THE FUTURE, LET'S
GET ON WITH THE PAST: GEORGE
MITCHELL IN NORTHERN IRELAND

Sebenius, JK
Curran, DF
Harvard Business Publishing

Examines the strategies and tactics used by US Negotiator George Mitchell during his two-year tenure as chairman of the all-party talks in Northern Ireland. His efforts culminated in the signing of the historic Good Friday Accords.

Northern Ireland; 1996-1998
International relations
Negotiations
Policy making

46 pp
Published sources

Economics, Politics and Business Environment

9-792-060

ACID RAIN: THE SOUTHERN COMPANY (A)

Reinhardt, FL

Harvard Business Publishing

The Southern Co, an electric utility, is planning its compliance with the 1990 amendments to the Clean Air Act. The Act established a system of tradeable permits for sulfur dioxide emissions. The company must decide whether to install pollution control equipment and generate excess permits for sale to other firms, or to emit larger quantities of sulfur dioxide, save capital costs, and purchase pollution permits. Can be used to teach discounted cash flow analysis of a make versus buy decision. Also raises issues of expected cost minimization, questions of economic and political uncertainty, and the value of flexibility.

United States; Electric utilities; Large, \$8 billion revenues; 1992

- Buy or make decisions
- Electric power
- Environmental protection
- Financial management
- Financial planning
- Pollution control
- Public utilities
- Rates of return

7 pp
Field research
5-794-043 (25pp)

9-703-022

BOMBARDIER: CANADA VERSUS BRAZIL AT THE WTO

Abdelal, R

Alfaro, L

Laschinger, B

Harvard Business Publishing

In less than a decade, Bombardier had grown from a medium-size Canadian company to a highly profitable global player largely on the strength of the introduction of a new generation of regional jet and successfully marketing its product to airlines around the world. Events taking place on the other side of the globe, however, threatened Bombardier's hard-earned success. A nasty trade dispute with Brazilian rival Embraer was dragging on into its fifth year with no end in sight. Recent developments in the dispute at the WTO were forcing CEO Robert Brown and his team to decide on a strategy for what could very well turn out to be the most

critical year in the company's history. The teaching purpose is to look at business-government relations in a trade dispute within the context of the WTO.

Canada; Airline industry; 2000

- Aircraft
- Business government relations
- Canada
- Globalization
- International business
- International trade
- Strategic planning
- Trade agreements

24 pp
Field research

195-001-1

CARREFOUR IN ASIA (A): TAIWAN: A BRIDGEHEAD INTO ASIA

Lasserre, P

Courbon, P

INSEAD

This is the first of a two-case series (195-001-1 and 195-002-1). The case series analyses the entry of a European mass retailer in Asia.

Taiwan; Distribution, Retailing, Hypermarkets

- Asia Pacific
- International strategy
- Entry strategy
- Marketing in Asia
- International services
- Asia business

22 pp
Field research

9-295-059

DIVIDEND POLICY AT FPL GROUP, INC (A)

Esty, B

Schreiber, C

Harvard Business Publishing

A Wall Street analyst has just learned that FPL (the holding company for Florida's largest electric utility) may cut its dividend in several days despite a 47-year streak of consecutive dividend increases. In response to the deregulation of the electric utility industry, FPL has substantially revised its competitive strategy over the past several years. The analyst must decide whether a change in dividend policy will be a part of FPL's financial strategy in this deregulated environment. Allows students to examine how firms set and change

dividend policy. Also provides a background for examining why firms pay dividends and whether dividend policy matters.

Florida; Electric utility; Large, 12,400 employees, \$5.3 billion revenues; 1994

- Corporate strategy
- Deregulation
- Dividends
- Electric power
- Financial strategy
- Securities analysis

17 pp
Published sources
5-296-072 (21pp)

9-295-024

THE HARVARD MANAGEMENT COMPANY (1994)

Light, JO

Harvard Business Publishing

Harvard University decides upon the asset allocation for its endowment, and the mode in which it should be managed.

Boston, MA; Investment management; Employees 133, \$31 million revenues; 1994

- Higher education
- Investment management

21 pp
Field research

9-700-047

HITTING THE WALL: NIKE AND INTERNATIONAL LABOR PRACTICES

Spar, DL

Burns, J

Harvard Business Publishing

In the mid-1990s Nike, one of the world's most successful footwear companies, is hit by a spate of alarmingly bad publicity. After years of high-profile media attention as the company that can 'just do it', Nike is suddenly being painted as a firm that relies on low-cost, exploited labor in its overseas plants. Nike officials vigorously deny the charges, claiming that Nike has no control over the independent contractors who manufacture Nike shoes. But the activists will not retreat. Eventually, Nike must learn to deal with the activists' claims and with the web of conflicting data that surrounds the notion of a 'fair' or 'living' wage. The teaching purpose is to

stimulate debate about appropriate wages in developing countries and the role of activists in affecting company decisions.

Activists
Business government relations
Developing countries
Ethics
Footwear
International operations
Labor relations
Wages and salaries
Working conditions

23 pp
 Published sources
 5-701-020 (13pp)

9-200-007
LONG-TERM CAPITAL MANAGEMENT, LP (A)

Perold, AF
Harvard Business Publishing

Long-Term Capital Management, LP (LTCM) was in the business of engaging in trading strategies to exploit market pricing discrepancies. Because the firm employed strategies designed to make money over long horizons - six months to two years or more - it adopted a long-term financing structure designed to allow it to withstand short-term market fluctuations. In many of its trades, the firm was in effect a seller of liquidity. LTCM generally sought to hedge the risk-exposure components of its positions that were not expected to add incremental value to portfolio performance, and to increase the value-added component of its risk exposures by borrowing to increase the size of its positions. The fund's positions were diversified across many markets. This case is set in September 1997, when, after three and a half years of high investment returns, LTCM's fund capital had grown to \$6.7 billion. Because of the limitations imposed by available market liquidity, LTCM was considering whether it was a prudent and opportune moment to return capital to investors. Can be used to discuss a broad range of issues relating to arbitrage, market efficiency, implementation of investment strategies, liquidity shocks, risk management, financial intermediation, investment management, hedge funds, incentives, systemic risk, and regulation.

Connecticut; Finance; 1997-1998

Arbitrage
Capital markets
Efficient markets
Financial institutions
Investment management
Risk management

23 pp
 Field research

206-026-1
MAS HOLDINGS: STRATEGIC CORPORATE SOCIAL RESPONSIBILITY IN THE APPAREL INDUSTRY

Story, J
 Watson, N
INSEAD

MAS Holdings is a family-owned manufacturer of women's apparel, founded by three brothers who have built the business into a US\$570 million business. Clients include the biggest brands in lingerie and sportswear. The textile industry makes up 50% of Sri Lanka exports, and these were coming under pressure as the US and the EU phased out quotas on exports, especially from China. The case is about using corporate social responsibility as a strategic tool in global competition. This is a multi-purpose case. At firm level, the emphasis is on leadership, corporate social responsibility, manufacturing strategy, and the development of corporate capabilities. MAS faces tough challenges on global markets, as China was taking the market share in textiles, but the big brands were also concerned about compliance with the UN millennium goals. The global politics of the textile industry is therefore a central issue. Students are invited to consider future policy directions for MAS Holdings.

Sri Lanka; Textiles; US\$700 million turnover; 2005-2006

Family business
Emerging market
Corporate social responsibility
Corporate leadership
Branding
Global trade system
Value chain
Strategy

27 pp
 Field research
 206-026-8 (15pp)

205-003-1
MCDONALD'S: A GLOBAL CULTURAL ICON?

Usunier, JC
 Faulk, S
Universite de Lausanne

This macro-marketing case describes the experience of McDonald's as it expanded internationally at a sensitive historical moment, and how the corporation's country of origin affected perceptions of consumers in certain regions. The case examines instances of violence and boycotts targeted at McDonald's, and anti-McDonald's activity in many parts of the world. It provides information about the particular politico-economic and religious context of certain actions directed against the quick-service restaurant chain. The corporation's efforts to adapt to these sensitive local conditions are detailed in the case. The case is intended for business students, particularly MBA students, conversant with the fundamentals of marketing and international business. The case is based almost exclusively on information that is available on the Internet, thereby facilitating student access in a rapid and comprehensive manner when students use the web addresses in the case text and footnotes.

Middle East, Asia; Restaurants, fast food, quick service; 1999-2004

Country of origin branding
International expansion
Franchising
Consumer behaviour
Cultural influences
Quick service restaurants
Fast food
Middle East
Muslim
Violence
Terrorism

32 pp
 Published sources
 205-003-8 (15pp)

ADN-0258-E
MEASURING UNCERTAINTIES: PROBABILITY FUNCTIONS
Technical note

Arino, MA
IESE Business School

This technical note presents probability functions as a tool to measure uncertainties. Discrete and continuous

probabilities are introduced as well as the distinction between probability functions and cumulative probabilities. The mean and standard deviation of a probability are also presented. This note was previously numbered 102-004-6.

**Probability
Statistics**

13 pp

**195-001-5
RETAILING IN TAIWAN: SUPPORTIVE
INFORMATION FOR CARREFOUR IN
ASIA (A) AND (B) Background note**

Lasserre, P
Courbon, P
INSEAD

This background note is to accompany the case series 'Carrefour in Asia (A) and (B)' (195-001-1 and 195-002-1). The case series analyses the entry of a European mass retailer in Asia.

*Taiwan; Distribution, retailing,
hypermarkets*

**Asia Pacific
International strategy
Entry strategy
Marketing in Asia
International services
Asia Business**

20 pp
Field research
195-001-8 (21pp)

**9-201-094
SAMPA VIDEO, INC**

Andrade, G
Harvard Business Publishing

A video rental store is considering offering home delivery service. Management must value the project under different financing strategies and methods, specifically adjusted present value (APV) and weighted average cost of capital (WACC). The teaching purpose is to explain how to implement APV and WACC, and when each is appropriate.

**2001
Capital budgeting
Capital investments
Debt management
Financial strategy
Financing
Present value**

3 pp
5-204-125 (10pp)

**9-705-508
SAMSUNG ELECTRONICS**

Siegel, J
Chang, JJ
Harvard Business Publishing

When is it possible to create a dual advantage of being both low cost and differentiated? In this case, students assess whether Samsung Electronics has been able to achieve such a dual advantage, and if so, how this was possible. Moreover, Samsung Electronics' long-held competitive advantage is under renewed attack. Students also can assess how Samsung should respond to large-scale Chinese entry into its industry.

China, Global, South Korea; Electronics industry, semiconductor industry; 113,000 employees, \$78.5 billion revenues; 2005

**Competition
Competitive advantage
Globalization
International business
International management
Technology**

26 pp
Field research
5-706-406 (25pp)

**9-703-040
SINGAPORE INC**

Vietor, RH
Thompson, EJ
Harvard Business Publishing

In early 2003, Prime Minister Goh Chok Tong is assessing Singapore's development strategy - tax cutting combined with an industrial policy focused on six 'clusters', including biomedical sciences. After 36 years of stupendous growth, Singapore has slowed down and faces intense competition in exports and foreign direct investment, especially from China. Is its new strategy the right choice? This case examines several key aspects of Singapore's growth, including organizational / cultural arrangements, the savings / investment balance, and total factor productivity growth. May be used with: (9-794-051) 'Accounting for Productivity Growth'.

Singapore; 3.2 million population, US\$85 billion revenues; 2001-2002

**Country analysis
Economic development
Globalization
Industrial policy
Macroeconomics
Productivity**

27 pp
Field research
5-703-049 (11pp)

**IMD-2-0083
TRANSFORMING THE GLOBAL
FISHING INDUSTRY: THE MARINE
STEWARDSHIP COUNCIL AT FULL SAIL?**

Steger, U
Nick, A
Salzmann, O
Ionescu-Somers, A
*IMD - International Institute for
Management Development*

The Marine Stewardship Council (MSC) is a non-government organisation (NGO) - headquartered in London and established by the World Wildlife Fund (WWF) and Unilever in 1997 to set up a certification and eco-labelling system for sustainable fishing. The case describes the MSC's initial and more recent challenges including the Tragedy of the Commons, a wide range of less willing stakeholders, and the complexity of certifying fisheries on sustainability criteria. It also outlines management decisions to meet at least some of the challenges: improved transparency and engagement with stakeholders, new governance structures and certification methodologies. For the learning objectives, the participants should: (1) see the challenges associated with the certification of sustainable business practices (in general and in fisheries in particular); (2) reflect on the institutional dilemma presented by the wide range of often conflicting stakeholder demands; and (3) see the necessity to carry out strategic (ie, focused) stakeholder engagement (find the most important allies) and establish effective governance structures.

Global, Europe; Fishing, food and beverage; 23 employees, charity; 1997-2006

**Sustainability
Certification
Labelling
Fishing
Non-government organisation (NGO)
Stakeholder management
Food and beverage**

12 pp
Published sources
IMD-2-0083-T (15pp)

Entrepreneurship

9-801-446 A NOTE ON PRE-MONEY AND POST-MONEY VALUATION (A&B)

Cyr, L
Harvard Business Publishing

Provides a brief introduction to calculations inherent in pre-money and post-money evaluations at multiple stages of financing. Relies on three different examples to illustrate that valuations can be calculated in a variety of ways depending on the information provided. The teaching purpose is to introduce students to pre- and post-money calculations at various stages of financing. Key financing concepts such as dilution and step-ups are also illustrated.

Entrepreneurial finance
Entrepreneurial management
Valuation
Venture capital

8 pp

9-384-131 A PERSPECTIVE ON ENTREPRENEURSHIP Note

Stevenson, HH
Harvard Business Publishing

Designed to highlight alternative concepts of good management and the need for entrepreneurship as a response to societal changes. It argues that entrepreneurship can be fostered or destroyed as a function of the administrative setting.

Entrepreneurial management
Managerial behavior
Participatory management

13 pp
Published sources

9-396-101 CENTEX TELEMAGEMENT, INC (A)

Sahlman, WA
Janower, A
Harvard Business Publishing

Contains a description of the events surrounding the financing of Centex Telemagement, Inc by Sierra Ventures, a venture capital fund. The case is written from the perspective of the venture capitalists and is designed to teach students about the process of venture capital funding. A rewritten version of Centex Telemagement, Inc, this series separates two decisions.

Entrepreneurial finance
Entrepreneurship
Long term financing
Short term financing
Stock offerings
Telecommunications
Venture capital

18 pp
Field research

9-507-016 CLOCKY: THE RUNAWAY ALARM CLOCK

Ofek, E
Sherman, E
Harvard Business Publishing

Gauri Nanda is the creator of an innovative new product: an alarm clock named Clocky that, in addition to ringing, rolls around the room in order to force its owner to get out of bed. Beset by media attention and consumer interest but still at least a year away from the ability to debut Clocky, Nanda must navigate a series of challenges and difficult decisions in order to effectively bring her product to market. These include positioning strategies, choosing the proper channel, potential partnerships, manufacturing issues, market analysis, and public relations management.

United States; Watch industry; 1 employee; 2005

Entrepreneurship
Manufacturing
Market entry
Market positioning
Market research
Partnerships
Public relations

21 pp
Field research
5-508-022 (24pp)

9-801-359 DUCATI & TEXAS PACIFIC GROUP: A 'WILD RIDE' LEVERAGED BUYOUT

Kuemmerle, W
Coughlin, WJ
Harvard Business Publishing

Describes the attempt of Texas Pacific Group (TPG), a buyout firm, to purchase a controlling stake in Ducati Motor, the world's leading high-performance motorcycle company, based in Bologna, Italy. Ducati is part of Cagiva Group, a family-controlled industrial group. Cagiva

has fallen on hard times and Ducati is the crown jewel in the group. Yet even Ducati is under great financial pressure and short on working capital. Abel Halpern, a Partner at TPG, is frustrated because a deal with the owners seems to be an ever-moving target, although TPG has negotiated with the seller for almost a year. In spite of costly due diligence efforts by TPG, Abel Halpern is now ready to walk away from the deal. In his decision he needs to consider not only valuation and the feasibility of hiring new management to turn the company around but also the feasibility of an eventual exit via the public markets in Italy. The teaching objectives are: (1) to teach students about valuation and buyout financing in entrepreneurial settings; (2) to examine entrepreneurship, financing, and corporate governance in Italy; (3) to illustrate working capital dynamics in manufacturing firms; and (4) to examine the feasibility of brand expansion beyond a core product.

Bologna, Italy; Automotive industry; U\$130 million revenues, 600 employees; 1996

Brand management
Corporate governance
Entrepreneurship
International entrepreneurial finance
Leveraged buyouts
Stock exchanges

30 pp
5-803-074 (22pp)

808-021-1 EASYFINANCE: DEVELOPING THE CAPACITIES FOR GROWTH

Velamuri, SR
Xin, F
China Europe International Business School

EasyFinance is a Chinese training company founded in 2004, focusing on finance training. It was set up by two trainers, and Marshall Ma joined in 2005, as the third partner. EasyFinance has experienced rapid growth since its inception by doubling its revenues every year and has become the dominant player in the fragmented and highly competitive Chinese finance training market in 2008. The work force has reached 31 and the organisational structure and processes are also well established. Marshall and his two partners expect to keep doubling revenues for another three years.

However, EasyFinance is playing in a relatively small market segment and the shortage of qualified trainers is a bottleneck that his business has to overcome. Marshall and his team need to identify a feasible way to achieve their ambition. The case touches upon: (1) the challenge entrepreneurial firms face of achieving sustained growth; and (2) organisational development issues in professional service firms, with a special focus on attracting and retaining talent.

China; Training, consultancy; About 30 employees; 2004-2008

Entrepreneurship
China
Professional service firms
Growth
Organisational development
Training
Start-up

31 pp
Field research
808-021-8 (9pp)

**BAB156
FEED RESOURCE RECOVERY**

Zacharakis, A
Zacharakis-Jutz, R
Babson College

Shane Eten is passionate about being an entrepreneur and finds an opportunity in managing food waste, a clean technology start-up. Shane develops a plan for an anaerobic digester that will convert grocery store food waste into energy and organic fertiliser. The case explores Shane's entrepreneurial journey, from working in a high tech start-up, a low tech candle maker, an MBA student to gaining recognition in business plan competitions for the anaerobic digester. At the point in time of the case, Shane needs to raise some capital to develop a prototype and prove his concept. Shane struggles in identifying sources for the \$250,000 he needs to launch his dream. Although Shane has garnered lots of interest from potential investors during his success in business plan competitions, his venture is too early and the capital needed is too small for venture capitalists. He could seek angel capital, but how can he identify these 'hidden' angels? Friends and family are a possibility, but Shane isn't sure that his contacts have enough capital available for him. Besides, he would like to preserve as much ownership as possible at this point in

time, because he recognises that he'll need to raise more capital to build up the company if the prototype is successful. This is a good case to explore alternative sources of capital. The teaching objective is to search for alternative sources of capital for launching a new venture.

Protecting intellectual property
Opportunities in clean technology
Entrepreneurship
Opportunity recognition
Raising capital
Bootstrapping
Identifying core customer
Team building
Roots of an entrepreneurial career

16 pp
Field research
BAB656 (10pp)

**807-016-1
FRESH TRADING (A)**

Bates, J
Mitchell, J
Rivers, O
London Business School

This is the first of a two-case series (807-016-1 and 807-017-1). 'Could you turn the light on?' Adam Balon asked his colleague Jon Wright. Wright, Balon and their friend Richard Reed had assembled in Balon's office at Virgin Cola to begin drafting the plan for their business venture, a new brand of fresh fruit smoothie drinks. It was a typical English late summer afternoon - heavily overcast, with the promise of rain. In the steadily increasing gloom it was becoming impossible to read the mass of data gathered on the desk in front of them. 'You think we need to cast light on the problem?' joked Reed. In truth, each of the three knew it would take more than electricity to illuminate the difficulties that confronted them. They had been researching their idea for almost six months, and at the outset they had set themselves some ambitious goals. 'The quality of our closest rivals' product is not as good as you would make at home, nor as good as the smoothies you can buy in the USA,' they had said to one another. 'We'll beat them on taste, and match them on price.' But the three friends' analysis now seemed to show that if they stuck to those targets they would struggle to meet a third, no less crucial, objective. 'If you're going to survive you'll need to hit gross margins of 40 percent - that's the standard for the FMCG (fast moving consumer

goods) sector,' a senior colleague of Wright's at Bain, the management consultancy, had told them early on. But every time that Wright had run a spreadsheet model, the message had seemed to be the same: they would not be able to achieve their financial goals and remain true to their other aspirations. This left the three with some stark choices. Should they plan to increase price, or lower quality? Or was there another solution to enable them to get this business off the ground?

UK; 1998
Entrepreneurship
Business plans
Entrepreneurial finance
Entrepreneurial marketing

20 pp
Field research

**9-384-079
HEATHER EVANS**

Stevenson, HH
Roberts, MJ
Harvard Business Publishing

Focuses on the efforts of Heather Evans, a second-year MBA student, and her attempts to start her own dress business. Examines the business plan and the process of acquiring control over the financial and human resources necessary to implement the plan.

New York, NY; Fashion industry; Start-up, 3 employees; 1982-1983

Business plans
Development stage enterprises
Entrepreneurial management
Financing
Planning

46 pp
Field research
5-385-079 (7pp)

**9-805-019
HOW VENTURE CAPITALISTS
EVALUATE POTENTIAL VENTURE
OPPORTUNITIES**

Roberts, MJ
Barley, L
Harvard Business Publishing

Presents interviews with four venture capitalists from leading Silicon Valley firms about the frameworks they use to evaluate potential venture opportunities. Questions include: 'How do you evaluate

potential venture opportunities?'; 'How do you evaluate the venture's prospective business model?'; 'What due diligence do you conduct?'; 'What is the process through which funding decisions are made?'; 'What financial analyses do you perform?'; 'What role does risk play in your evaluation?'; and 'How do you think about a potential exit route?' Interviews feature Russell Siegelman, Partner at Kleiner Perkins Caufield & Byers; Sonja Hoel, Managing Director at Menlo Ventures; Fred Wang, General Partner at Trinity Ventures; and Robert Simon, Director at Alta Partners. The teaching purpose is to highlight frameworks that individual capitalists use to evaluate potential venture opportunities.

Business models
California Research Center
Entrepreneurial finance
Entrepreneurship
Financial analysis
Risk assessment
Venture capital

19 pp
Field research
5-805-055 (5pp)

**9-898-154
ONSET VENTURES**

Roberts, MJ
Tempest, N
Harvard Business Publishing

Describes the history of ONSET Ventures, a venture capital firm focused on seed-stage start-ups. Describes the principles and strategies the firm has developed over its life. Also presents an in-depth discussion of one of the seed-stage companies ONSET has been incubating. The teaching purpose is to explore the activities required to successfully manage a venture capital firm and the principles of investing.

California; Venture capital; 6 employees; 1997

California Research Center
Entrepreneurial finance
Financing
Venture capital

30 pp
Field research
5-899-052 (5pp)

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

Stevenson, H
Mossi, J
Harvard Business Publishing

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 (4pp)

**9B08M054
THE ASCENDANCE OF AIRASIA:
BUILDING A SUCCESSFUL BUDGET
AIRLINE IN ASIA**

Lawton, T
Doh, J
Richard Ivey School of Business

In September 2001, Tony Fernandes left his job as Vice President and Head of Warner Music's Southeast Asian operations. He reportedly cashed in his stock options, took out a mortgage on his house, and lined up investors to take control of AirAsia, a struggling Malaysian airline. Three days later, terrorists destroyed the World Trade Center. Despite the negative aftermath of the 9-11 attacks, by 2003, AirAsia had demonstrated that the low-fare model epitomized by Southwest and JetBlue in the United States, and by Ryanair and easyJet in Europe, had great potential in the Asian marketplace. Now, Fernandes had to make plans to ensure that AirAsia maintained its momentum while considering the influx of new entrants into the low-fare segment of the airline industry in Asia.

Asia; Air transportation; Medium; 2001-2008

Entrepreneurial business growth
Competitive strategy
Strategic positioning
International business

15 pp
Field research
8B08M54 (8pp)

**9-384-185
VALUATION TECHNIQUES Note**

Roberts, MJ
Stevenson, H
Harvard Business Publishing

Describes several approaches for valuation of a going concern: assets, earnings, and cash flow.

Entrepreneurship
Valuation

8 pp

**9-803-096
ZIPCAR: REFINING THE BUSINESS
MODEL**

Hart, MM
Roberts, MJ
Stevens, JD
Harvard Business Publishing

Zipcar is a start-up organized around the idea of 'sharing' car usage via a membership organization. This case describes several iterations of the Zipcar business model and financial plan. These iterations include a very early version and a version developed just prior to the launch of the business, as well as data from the first few months of operations. Students are called on to analyze the underlying economics and business model for the venture and to discover how these assumptions are holding up as the business is actually rolled out. The teaching purpose is to understand the notion of a business model and unit economics and flow through the impact of actual operating results.

Boston, MA; Car and truck rental industry; Start-up, \$1 million revenues, 5 employees; 1999-2000

Business models
Business plans
Entrepreneurship
Financing
Growth strategy
Logos
Operating costs
Wireless technologies
Women in business

20 pp
5-804-060 (17pp)
5-805-152 (10pp)

Ethics and Social Responsibility

9-794-080

BITTER COMPETITION: THE HOLLAND SWEETENER COMPANY VERSUS 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 (28pp)

9-394-060

CONFLICT ON A TRADING FLOOR (A)

Badaracco Jr, JL
Useem, J
Harvard Business Publishing

A junior salesperson on FirstAmerica Bank's trading floor is assisting a top salesperson, Linda, on a deal to finance the construction of a new cruise ship for Poseidon Cruise Lines. While the terms of the deal are being worked out, he realizes Linda has taken advantage of the Poseidon executives' unfamiliarity with complex financial structures to build an outrageously high profit margin into the deal. When the executives become suspicious of the prices FirstAmerica is quoting, Linda asks the protagonist to send them an intentionally misleading fax so that the deal will not be held up. Holding the personal belief that 'before a blind man you shall not put a stumbling block', he does not know if he can bring himself to send the information.

New York, NY; Securities and investing; 1986

Commercial credit
Ethics
Foreign exchange
Values

5 pp
Field research
5-307-017 (13pp)
5-394-194 (7pp)

9-394-061

CONFLICT ON A TRADING FLOOR (B) Supplement

Badaracco Jr, J
Useem, J
Harvard Business Publishing

Supplements the (A) case. Must be used with: (9-390-060)'Conflict on a Trading Floor (A)':

Commercial credit
Ethics
Foreign exchange
Values

1 pp
Field research
5-307-017 (13pp)
5-394-194 (7pp)

9-700-116

DOGFIGHT OVER EUROPE: RYANAIR (B) Supplement

Rivkin, J
Harvard Business Publishing

Supplements the (A) case.

Airlines
Competition
Cost analysis
Industry analysis
Market entry
United Kingdom

4 pp
Field research
5-701-090 (24pp)

9-307-059

ETHICS: A BASIC FRAMEWORK Note

Paine, LS
Harvard Business Publishing

Provides a basic framework for ethical analysis of management decisions, policies, and plans of action.

Decision analysis
Decision making
Human behavior
Leadership
Action planning
Ethics
Accountability
Social responsibility

8 pp
Generalised experience

JBEE1-1CS1

FROM GRACE TO DISGRACE: THE RISE AND FALL OF ARTHUR ANDERSEN

Smith, NC
Quirk, M
Neilson Journals Publishing

In June 2002, Arthur Andersen LLP became the first accounting firm in history to be criminally convicted. The repercussions were immense. From a position as one of the leading professional services firms in the world, with 85,000 staff in 84 countries and revenues in excess of \$9 billion, Andersen effectively ceased to exist within a matter of months. Although Andersen's conviction related specifically to a charge of obstructing justice, public attention focused on the audit relationship between Andersen and its major client, Enron Corporation, particularly the actions (and inactions) that had allowed Enron to post spectacular year-on-year earnings and profit growth. As well as examining events leading up to the demise of Andersen, the case provides an opportunity to consider the broader controversy over accounting and corporate governance practices and, more generally, the pressures found within organisations that can foster unethical conduct. The case was prepared from public sources. This case has been peer reviewed by the editorial board of the Journal of Business Ethics Education (JBEE). This case was previously numbered 704-040-1.

Accounting ethics
Auditing
Conflicts of interest
Normative ethics
Ethical decision making
Corporate governance
Auditor role and responsibilities

24 pp
Published sources
JBEE1-1TN1 (12pp)

9-399-110

GUARANTY TRUST BANK PLC NIGERIA (A)

Paine, LS
Hogan Jr, HF
Harvard Business Publishing

Fola Adeola, the CEO of Nigeria's Guaranty Trust Bank and one of its founders in 1991, is considering what

should be done to maintain the bank's original vision and vitality in the face of its rapid growth and success in the marketplace. Known for its high ethical standards, the bank is planning to expand inside and outside Nigeria. Among Adeola's concerns is what to do about employees' insistence on underpaying their personal income taxes - a practice he regards as inconsistent with the bank's mission of being a role model for society. A rewritten version of an earlier case.

Africa, Nigeria; Banking; 600 employees, \$200 million revenues; 1996-1998

Africa
Banking
Business and society
Business conditions
Corporate culture
Corporate responsibility
Developing countries
Ethics
Legal aspects of business
Organizational development

15 pp
Field research

9-906-414
IKEA'S GLOBAL SOURCING
CHALLENGE: INDIAN RUGS AND
CHILD LABOR (A)

Bartlett, CA
Dessain, V
Sjoman, A
Harvard Business Publishing

Traces the history of IKEA's response to a television (TV) report that its Indian carpet suppliers were using child labor. Describes IKEA's growth, including the importance of a sourcing strategy based on its close relationships with suppliers in developing countries. Details the development of IKEA's strong culture and values that include a commitment 'to create a better everyday life for many people'. Describes how, in response to regulatory and public pressure, IKEA developed a set of environmental policies that grew to encompass a relationship with Greenpeace and World Wildlife Fund (WWF) on forest management and conservation. Then, in 1994, Marianne Barner, a newly appointed IKEA Product Manager, is surprised by a Swedish television documentary on the use of child labor by Indian carpet suppliers, including some that supply IKEA's rugs. She immediately

implements a strict policy that provides for contract cancellation if any IKEA supplier uses child labor. Then Barner is confronted by a German TV producer who advises her that he is about to broadcast an investigative program documenting the use of child labor in one of the company's major suppliers. How should she react to the crisis? How should the company deal with the ongoing issue of child labor in the supply chain?

Global, India, Sweden; Furniture, retail industry; 90,000 employees, US\$1.2 billion revenues; 1995

Corporate responsibility
Crisis management
Developing countries
Ethics
Growth
Human resources management
International management
International operations
Outsourcing
Publicity
Social enterprise
Suppliers
Values

13 pp
Field research
5-907-407 (17pp)

9-906-415
IKEA'S GLOBAL SOURCING
CHALLENGE: INDIAN RUGS AND
CHILD LABOR (B) Supplement

Bartlett, CA
Dessain, V
Sjoman, A
Harvard Business Publishing

Must be used with: (9-906-414) 'IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A)'.

Corporate responsibility
Crisis management
Developing countries
Ethics
Growth
Human resources management
International management
International operations
Outsourcing
Publicity
Social enterprise
Suppliers
Values

17 pp
Field research
5-907-407 (17pp)

708-041-1
INNOCENT DRINKS: VALUES AND VALUE

Brown, R
Grayson, D
Cranfield University

The first part of this case deals with the development and testing of a new business idea - market research, written business plan, credibility of start-up team - enabled by raising £230,000 through business angel financing, in return for 20% equity. The second part examines the company's development of an open management style, its responses to environmental and social issues (responsible entrepreneurship), the way it built customer confidence in the brand and resisted early equity market floatation or trade sale. A further issue is how to preserve the integrity and authenticity of a brand whose consumers feel themselves part of the innocent family, with a stake in the product, and are anxious to protect it. The case highlights: (1) the importance of proving opportunity through good market research and consumer; (2) maintaining majority equity share holding in the hands of the entrepreneurs by reducing the start-up capital needed through sub-contracting expensive manufacturing to proven supplier(s); (3) generating favourable media publicity via low cost shoestring and viral marketing (labels, cause related marketing, vans, jazz concerts, website, blog); (4) responsible entrepreneurship through proactive management of environmental, social and ethical issues; and (5) the role of challenger brands, and the risks and opportunities when such sustainability-based brands associate with global brands are controversial for their environmental and/or social impacts. At the end of the case, innocent faces an immediate issue: with rapid growth in turnover and employee numbers in the UK and Europe, and after the furore caused by the company's decision to sell in branches of McDonalds, what further steps should the management team take to ensure that its brand's reputation survives intact?

Soft drinks; 250+ employees; 1998-2008
Sustainability
Small business
Corporate responsibility
Entrepreneurship
Challenger brands
Viral marketing
Brand identity
Sustainability strategy
Corporate values
Entrepreneurs exiting their business

28 pp
Field research
708-041-8 (14pp)

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

Ghemawat, P
Baird, B
Harvard Business Publishing

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 (15pp)

9-394-085
MARRIOTT CORPORATION (A)

Paine, LS
Nichols III, CA
Harvard Business Publishing

Marriott Corp's chairman and CEO must decide whether to recommend a restructuring of the company to the board of directors. The proposal he is considering would split the Marriott Corp, a premier hotel developer, owner, and manager, into two separate companies by a stock dividend to shareholders. One of the new companies would contain most of Marriott Corp's profitable management operations, while the other would retain ownership of its hotel properties as well as most of its long-term debt.

United States; Lodging industry; Large, 202,000 employees, \$8.3 billion revenues; 1992

Bonds
Ethics
Financial strategy
Restructuring

18 pp
Published sources
5-395-188 (23pp)

9-403-114
MARTHA MCCASKEY

Van Dissel, BJ
Margolis, JD
Kanji, A
Harvard Business Publishing

Martha McCaskey, a Project Leader at a consulting firm, is asked to complete a project at a crucial point in her career. Successful completion of the project would gain McCaskey a promotion and a significant raise. McCaskey, however, cannot see a way to complete the project without compromising her values. She must decide whether to maintain the high degree of integrity that has always characterized her work or to compromise and 'play the game'.

Organizational behavior
Decision making
Ethics
Values

14 pp
Field research
5-404-110 (32pp)

9-399-126
ROYAL DUTCH/SHELL IN NIGERIA (A)

Paine, LS
Moldoveanu, MC
Harvard Business Publishing

Working with Shell's country manager for Nigeria, the company's Committee of Managing Directors must decide how to respond to the Nigerian government's decision to impose the death sentence on Ken Saro-Wiwa and eight other leaders of a movement for the rights of the Ogoni (one of Nigeria's 240 ethnic groups). As the case opens, Saro-Wiwa and his codefendants have just been found guilty of inciting murder in a trial that international observers have criticized as deeply flawed. Saro-Wiwa, an environmentalist, writer, businessman, television producer, and human rights activist, has been a vocal critic of not only the Nigerian government but also Shell. Provides background on Shell, on its business in Nigeria, and on environmental and human rights issues in the Niger Delta. May be used with: (9-300-039) 'Royal Dutch/Shell in Transition (A)'; (9-300-040) 'Royal Dutch/Shell in Transition (B)'.

Nigeria; Petroleum industry; 100,000 employees, \$94 billion revenues; 1995

Corporate responsibility
Country analysis
Emerging markets
Environmental protection
Ethics
Multinational corporations

28 pp
Field research
5-307-020 (23pp)

706-043-1
THE WAL-MART SUPPLY CHAIN CONTROVERSY

Smith, NC
Crawford, RJ
London Business School

Having grown into one of the world's largest companies, Wal-Mart has become the object of attack from many critics. One of the principal areas of criticism concerns the manner by which the company manages its global supply chain. The case begins with the example of a lawsuit filed by an activist lawyer on behalf of a number of plaintiffs from various countries, which serves to introduce the supply chain controversy. As a background, the case examines Wal-Mart's business model in some detail. The case then presents an overview of the range of issues related to Wal-Mart's supply chain policies and practices. The case concludes with a description of the ways with which the company is attempting to respond to its critics, that is, with particular attention to its code of conduct as well as its most recent initiatives in the area. Key questions for analysis and discussion are: (1) given its business model, can Wal-Mart change its corporate practices for the better? (2) does it appear to be doing the right thing with the various initiatives it is undertaking? (3) what else might the company do? and (4) what should it do?

Global; Retailing; Large; 2005-2006

Corporate responsibility
Business ethics
Retailing
Supply chains
Globalisation
Mainstreaming corporate responsibility
Labour practices
Sweatshops
Environmental impacts

17 pp
Published sources
706-043-8 (4pp)

Finance, Accounting and Control

9-201-028

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

Esty, B
Kane, M

Harvard Business Publishing

In July 2000, Airbus Industries' 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.

France; 2000

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

20 pp

Published sources
5-201-040 (31 pp)

9-197-047

ARCH COMMUNICATIONS GROUP INC

Palepu, KG
Srinivasan, S

Harvard Business Publishing

The market values Arch differently from analysts' values. Students are asked to evaluate the investment potential of Arch's stock based on industry fundamentals and analysts' forecasts.

Communications equipment
Technology
Valuation
Company, stock valuation

28 pp

Published sources

9-292-140

**ARUNDEL PARTNERS: THE SEQUEL
PROJECT**

Luehrman, T
Teichner, WA

Harvard Business Publishing

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)

9-190-085

**BRIDGETON INDUSTRIES:
AUTOMOTIVE COMPONENT &
FABRICATION PLANT**

Cooper, R
Bost, P

Harvard Business Publishing

Bridgeton Industries was experiencing reduced sales. To become more competitive it introduced a classification procedure for products based upon their productivity and other factors. Products were classified into three groups: world class, potentially world class, and non-world class. The firm outsources the non-world class products. This outsourcing causes the costs on the remaining products to increase because some costs associated with the outsourced products did not go away. These residual costs caused more products to become non-world class and hence candidates for

outsourcing. The firm has entered the death spiral.

*United States; Automotive; Mid-size, \$250
million revenues*

Automotive supplies
Budgeting
Corporate strategy
Cost accounting
Cost allocation

7 pp

Field research
5-191-168 (26 pp)

9-198-048

**CITIBANK: PERFORMANCE
EVALUATION**

Davila, A
Simons, RL

Harvard Business Publishing

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's strategy.

United States; Banking; 1996

Banking
Control systems
Incentives
Performance appraisal
Performance measurement
Strategy implementation

9 pp

Field research
5-199-047 (13 pp)

9-187-081

**CODMAN & SHURTLEFF, INC:
PLANNING AND CONTROL SYSTEM**

Simons, RL

Harvard Business Publishing

Detailed description of the planning and control systems in use at Johnson & Johnson. Focuses on the actions of managers in one subsidiary in revising budget targets. Illustrates intensive strategic planning and financial planning process in a large, decentralized company. Includes interviews with the president and senior executives

concerning benefits of the system. Raises issue of the role of formal control systems in decentralized organizations.

Massachusetts, New Jersey; Health care; Fortune 500, 75,000 employees; 1986

Budgeting
Control systems
Decentralization
Planning systems
Strategic planning

17 pp
Field research
5-188-029 (9pp)

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. 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 (11pp)

UVA-F-1351
DIAMOND CHEMICALS PLC (A): THE MERSEYSIDE PROJECT

Bruner, RF
Darden Business Publishing

These two cases consider the capital-investment decisions to be made by executives of this large chemicals firm in January 2001. The (A) case presents a go/no-go project evaluation regarding improvements to a polypropylene production plant. The (B) case reviews the same project but from one level higher, where the executive faces an either/or investment decision between two mutually exclusive projects. The objective of the two cases is to expose students to a wide range of capital-budgeting issues which include, among others: (1) the identification of relevant cash flows; (2) the critical assessment of a capital investment evaluation system; (3) the classic 'cross-over' problem, in which project rankings disagree on the basis of net present value (NPV) and internal rate

of return (IRR); and (4) the assessment of real option value latent in managerial flexibility to change operating technologies.

Capital budgeting
Capital investment
Relevant costs

9 pp
UVA-F-1351TN (36pp)

9-289-047
MARRIOTT CORPORATION: THE COST OF CAPITAL Abridged version

Ruback, R
Harvard Business Publishing

Gives students the opportunity to explore how a company uses the capital asset pricing model (CAPM) to compute the cost of capital for each of its divisions. The use of weighted average cost of capital (WACC) formula and the mechanics of applying it are stressed.

Unspecified; Hotels and restaurants; Large; 1988

Capital costs
Hotels and motels

10 pp
Field research
5-298-081 (18pp)

9-298-101
MARRIOTT CORPORATION: THE COST OF CAPITAL

Ruback, RS
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 (20pp)



monthly e-mail updates

Monthly e-mail updates is a free service giving details of new cases, journal article reprints and book chapters from all sources.

The most comprehensive of its kind worldwide, you can tailor the information you receive to cover the subject areas you are interested in.

To subscribe visit www.ecch.com/emailupdates

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

Bruner, RF
Chan, J

Darden Business Publishing

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 (5pp)

9-298-166
NOTE ON ALTERNATIVE METHODS FOR ESTIMATING TERMINAL VALUE

Fruhan Jr, WE
Harvard Business Publishing

Reviews basic techniques for estimating terminal value in the valuation of businesses. Among the techniques discussed are perpetuities, growing perpetuities, use of multiples, and liquidation value. Background reading for terminal value calculations within the control of an introductory finance course. A rewritten version of an earlier note.

Cash flow
Forecasting
Present value
Valuation

8 pp

9-287-057
RJ REYNOLDS INTERNATIONAL FINANCING

Kester, WC
Allen, WB
Harvard Business Publishing

Reynolds must source a substantial portion of the financing of its Nabisco acquisition in offshore bond markets. Morgan Guaranty has proposed a yen/dollar dual currency Eurobond that

could be hedged into dollars. This structure is compared to Eurodollar Bonds, Euroyen Bonds, and Euroyen Bonds swapped or hedged into dollars.

United States; Capital markets; Fortune 500, \$13 billion sales; 1985

Bonds
Capital markets
Currency
Hedging
International finance

14 pp
Field research
5-290-010 (17pp)

294-009-1
THE BOEING 777

Bruner, RF
Christey, P
Clausen, H
Gollish, D
Koggersbol, N
INSEAD

In October 1990, the Boeing company announced that it was launching a new aircraft model, the 777. The task for students in this case is to evaluate the 777 against a financial standard. The students must estimate a weighted average cost of capital (WACC) with which to evaluate the project IRRs. The general objective of this case is to exercise students' skills in estimating a weighted-average cost of capital and cost of equity. The need for students to estimate a segment WACC draws out students' abilities to critique different estimates of beta.

USA; Aircraft manufacture, Boeing; Large; 1990

Cost of capital
Capital budgeting
New product

27 pp
Generalised experience
294-009-8 (13pp)

9-101-019
VYADERM PHARMACEUTICALS

Simons, RL
Reinbergs, IA
Harvard Business Publishing

In 1999, the new CEO of Vyaderm Pharmaceuticals introduces an Economic Value Added (EVA) program to focus the company on long-term shareholder value. The EVA program consists of three

elements: EVA centers (business units), EVA drivers (operational practices that improve EVA results), and an EVA-based incentive program for bonus-eligible managers. Over the next two years, the implementation of the program runs into several stumbling blocks, including resistance from regional managers, who push for 'line of sight' EVA drivers; the difficulty of managing a large number of EVA centers; and unexpected bonus adjustments due to poor EVA performance. The decision point focuses on the competitive situation in a business unit where the sudden exit of a competitor produces an unexpected one-time 'windfall' in earnings. Vyaderm's top managers struggle with the question of whether to adjust the EVA results to prevent demoralizing managers in future years when EVA results are likely to decline. Requires students to calculate EVA bonus payouts.

Bonuses
Control systems
EVA
Executive compensation
Incentives
Organizational design
Performance measurement
Pharmaceuticals

15 pp
Field research
5-101-043 (16pp)

Human Resource Management / Organisational Behaviour

400-019-1

BERTELSMANN: CORPORATE STRUCTURES AND THE INTERNET AGE

Galunic, C
Barsoux, JL
INSEAD

This is the first of a two-case series (400-019-1 and 404-044-1). This case exposes the growing pains of an older, bricks-and-mortar, company as it attempts to join the New Economy. The focus is on synergy; pushed by converging technologies and managed by a young and energetic leader, Bertelsmann attempts to overcome a history of decentralization to create a more integrated and Internet savvy corporation.

Europe, Global; Media; 65,000 employees; 1999-2000

Corporate structure
New organisational forms
New economy
Internet
Synergy
Integration
Leadership
Change

23 pp
Field research
400-019-8 (13pp)

404-104-1

CULTURE AND LEADERSHIP AT IBM

Weeks, J
INSEAD

To explain the role that corporate culture has played in the performance of IBM, this case traces the culture of IBM under four of its influential leaders: Thomas Watson, Sr, Thomas Watson, Jr, John Akers and Lou Gerstner. Particular attention is paid to Gerstner's impact revitalising the culture and bringing the company back, in some sense, to its cultural roots. Analysts and commentators agreed that Lou Gerstner had created a revolution within IBM, but Gerstner himself mused: 'On one level so much about IBM has changed. On another level very little is different'. This case helps students understand two things. First, the importance of corporate culture: how it influences organisational behaviour and how it impacts performance for better and for worse.

Second, how exceptional leaders influence and vitalise culture, shaping its influence for the better.

Global; IT; 320,000 employees; 1924-2003
IBM
Leadership
Organisational culture
Corporate culture

21 pp
Published sources

9-486-083

DONNA DUBINSKY AND APPLE COMPUTER, INC (A)

Jick, TD
Gentile, M
Harvard Business Publishing

Describes a major conflict within Apple Computer in 1985 over control of product distribution. The Founder and Chairman, Steve Jobs, proposed a new distribution process which would transfer many responsibilities away from Distribution Manager, Donna Dubinsky. Dubinsky believed, however, that this process would be practically and financially unworkable. Presents her defensive and unsuccessful conflict management, culminating in her threatened resignation.

California; Computers; Fortune 500; 1985
Computer industry
Conflict
Distribution planning
Management of change
Managing superiors
Power and influence
Silicon Valley

14 pp
Field research
5-491-055 (8pp)

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).

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 (24pp)

408-076-1

INNOVATIVE HR PRACTICES AT SOUTHWEST: CAN IT BE SUSTAINED?

John, DR
Ananthi, R
Syed, AS
IBS Research Center

With 35 consecutive years of profitability, the Dallas-based Southwest Airlines had been the most successful low fare, high frequency and point-to-point carrier in the US. Southwest is known not only for its innovation in operations but also for its human resources (HR) practices which were nurtured by its long-standing CEO, Herbert D Kelleher. He developed a culture aimed at fun and employee satisfaction. He also devised numerous employee-oriented organisational practices, training and motivational programmes. His fun loving way of treating employees and charismatic

leadership qualities made him a supreme hero among them, even after he stepped down from the CEO post in 2001 and became its chairman. But in May 2008, Kelleher announced that he would step down from the post of chairman. Following the announcement, the entire airline industry was sceptical about the sustainability of Kelleher's innovative HR practices at Southwest. The case discusses how a leader influences the HR practices of a firm with his own leadership style. It also allows discussion on whether it is the right move for a company to follow HR practices which are highly influenced by a leader. The pedagogical objectives are to: (1) trace out the distinguished HR practices of Southwest Airlines; (2) discuss Herb Kelleher's role in Southwest's HR practices; (3) analyse the positive impact of Southwest's HR practices on its operational and financial performance; and (4) evaluate a leader's role in influencing HR practices of a company.

US; Airlines; 2007

Southwest Airlines
Herbert D Kelleher, charismatic leader
US airline industry
Southwest's business model
Best human resources (HR) practices
Southwest spirit
Motivational programmes
Innovative training programmes
Fun work culture
Kelleher's role in HR practices at Southwest
Leader's influence on a firm's HR practices
Southwest in the absence of Kelleher
Sustainability of HR practices at Southwest
Gary Kelly, Coolen Barrett
HR dilemma

13 pp
 Published sources
 408-076-8 (10pp)

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.

China, USA, Europe; Manufacturing; 1998-1999

Compensation
Cross-culture
International expansion
China
Incentives

20 pp
 Field research
 499-021-8 (11 pp)

403-065-1
MULTICHOICE AFRICA: MANAGING THE QUEUE

Bendixen, M
 Beswick, C
Wits Business School - University of the Witwatersrand

It was late on a Tuesday afternoon at the beginning of March 2003. Eddie Moyce, Call Centre Manager for MultiChoice Africa, a multichannel television platform, was examining the results of some recent market research that had been presented that day. The research had shown that while customers who had phoned the call centre were generally satisfied with the service they received, they were dissatisfied with the length of time it took for their calls to be answered. The call centre was strategically important in building and maintaining relationships with MultiChoice customers and the company's senior management had reacted strongly to this finding. They had asked Moyce to investigate the possibility of improving the response time from the current 80:30 to 80:20 or even 90:10. What would the impact of reducing response times be? Would it be possible to reduce response times while staying within budget? Management had recently imposed severe austerity measures on the company, even reducing the call centre's budget in the last two years.

South Africa; Call centre; Medium; 2003
Queuing theory
Call centre management

6 pp
 Field research

9-400-087
REBIRTH OF THE SWISS WATCH INDUSTRY, 1980-1992 (A)

Tushman, M
 Radov, DB
Harvard Business Publishing

The Swiss watch industry has been devastated by new entrants from Asia in the low-and mid-priced watch segments. Japanese and Hong Kong firms have used quartz technology to lower costs dramatically. Nicolas Hayek, President of a Swiss consulting firm, is asked to help design a new strategy and structure for the two Swiss giants, ASUAG and SSIH, which have decided to merge. Ernst Thomke, Managing Director of ASUAG's manufacturing arm, also figures prominently. The case outlines options for the positioning of the new, inexpensive Swatch brand as well as a number of other flagship Swiss brands. Focuses on alignment of strategy with the structure of the new company. Topics to address include the management of change and the formulation of a detailed action plan to make the new company succeed.

15,000 employees; \$1 billion revenues; 1980-1983

Management of change
Organizational structure
Product development
Strategy implementation
Switzerland
Technological change

14 pp
 Published sources

408-083-1
RICHARD MURPHY AND THE BISCUIT COMPANY (A)

Jarrett, M
 Ingram, K
London Business School

This is the first of a two-case series (408-083-1 and 408-084-1). This case describes the successful journey of organisational renewal and change for a food company facing a changing world of consumer tastes and fierce competition. The first part of the case shows how traditions, a strong founding leader and a previously successful operational formula can lead to a competency trap and organisational inertia. The main part of the case focuses on the years 2002-2006, the challenges of managing change and the role of a new

Marketing Director, Richard Murphy. He is tasked with making the company market orientated over its current model of production schedules and efficiencies. The case reveals the important role of understanding and tackling resistance to change, managing multiple and diverse stakeholders, engaging customers and personal resilience in leading change. The case also highlights that change takes time and that paying attention to political and social networks is as important as the content of the change itself.

UK; Food retail; 2,000 employees; 2002-2006

Change management
Resistance to change
Organisational politics
Stakeholder management
Organisational networks
Managing your boss
Influencing others
Organisational renewal

13 pp
Field research
408-083-8 (6pp)

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

Burton, MD
Harvard Business Publishing

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 (18pp)

HR6A
SAS INSTITUTE (A): A DIFFERENT APPROACH TO INCENTIVES AND PEOPLE MANAGEMENT PRACTICES IN THE SOFTWARE INDUSTRY

Pfeffer, J
Stanford Business School

The SAS Institute is a large, growing software company headquartered in the Research Triangle in North Carolina. Founded more than 25 years ago, it has evolved a unique approach, given its industry, to developing and retaining talent including using no stock options or phantom stock and not paying its salespeople on commission. The CEO and Vice President of Human Resources must decide how well their current management practices will continue to serve them as the company gains greater visibility and faces an increasingly competitive labor market.

North Carolina; Software; 5,000 employees, \$750 million annual gross revenues; 1997

Incentives
Corporate culture
Human resources management
Management philosophy
Computer software
Organizational behaviour

17 pp
Field research

9B04C012
THE 1996 EVEREST TRAGEDY

Pittenger, K
Richard Ivey School of Business

In May 1996, two world renowned climbers, along with some of their clients and guides, perished on Mount Everest in the mountain's deadliest tragedy to date. The accounts of survivors imply that biased decision making contributed to the tragedy. Did a decision lead to this tragedy or was it an unfortunate mountaineering accident? The case provides the opportunity to explore

decision biases such as framing, escalation of commitment, anchoring, and over confidence and the issues of leadership style, group behaviour, team management and communication.

Nepal; Amusement and recreation services; 1996

Decision analysis
Group behaviour
Management decisions
Organizational behaviour

9 pp
Published sources
8B04C12 (6pp)

401-020-1
THE COLLAPSE OF BARINGS (A): THE EVENTS

Soane, E
Nicholson, N
Audia, P
London Business School

This is the first of a two-case series (401-020-1 and 401-021-1). In 1995 Barings, one of Britain's oldest private banks, collapsed after losses of £830 million caused by the actions of Singapore-based trader Nick Leeson. Case study (A) examines the psychological and organisational factors that contributed to the collapse. Leeson's use of a secret account which enabled him to hide his huge trading losses from his managers was a key factor in his successful deception. Despite mounting concern about Leeson's trading activities and the discovery of significant unexplained transactions, it was not until an earthquake in the city of Kobe which caused the Japanese market to fall to low levels that Leeson realised he could no longer sustain his position. His unhedged bets on the Nikkei index had led to losses so great that Leeson fled his job and his home. Leeson was arrested on his way back to the UK, subsequently tried and spent several years in Singapore's Changhi prison. The combination of an individual seeking to build his reputation and driven to appear successful with an organisation that sought to expand its derivatives business, had unclear lines of management and communication, and was willing to overlook some of Leeson's misdemeanours because of his apparent success, is critical to Barings' downfall. The (B) case summarises the aftermath of the

collapse. The penalties for the individuals involved are presented. Two similar events, at Daiwa Bank and the Sumitomo Corporation, are outlined.

12 pp
Published sources
401-020-8 (5pp)

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. It looks at effective 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.

*Great Britain; Entertainment, airline;
Large; 1968-2000*

Richard Branson
Virgin
Entrepreneurs
Leadership
Brand management
Venture capital firm

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

9-498-045
**WOLFGANG KELLER AT
KÖNIGSBRAU-TAK (A)**

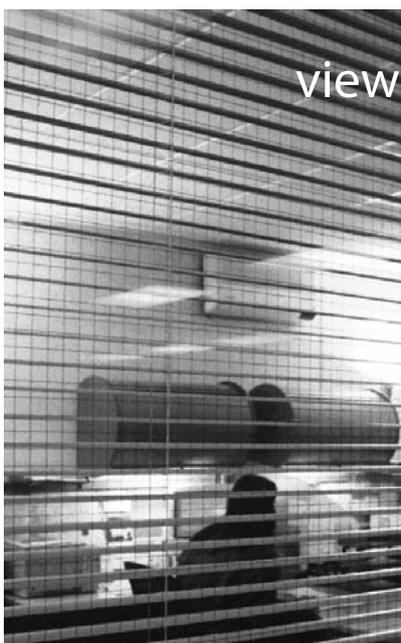
Gabarro, JJ
Harvard Business Publishing

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 (20pp)



view inspection copies on-line

You can view and print inspection copies of more than 38,000 cases, journal article reprints and book chapters on-line at www.ecch.com (subject to eligibility).

Visit the website to register.

Knowledge, Information and Communication Systems Management

SI-0172-E

APPLE'S IPHONE: CALLING EUROPE OR EUROPE CALLING?

Abridged version

Sieber, S
Valor, J
Mitchell, J

IESE Business School

This is an abridged version of 'SI-0167-E'. Apple needs little introduction. After the launch of the highly successful iPod in 2001, Apple has been on an aggressive growth path (revenues have increased by a compound annual growth rate (CAGR) of 31% and net income surged ahead at a CAGR of 128%). In 2007, Apple declared that they would once again change yet another industry - mobile telephony - with the iPhone. The iPhone was heralded as an immediate success in the US, selling one million units in a record 74 days (the iPod took two years to reach the million unit mark). Apart from the high sales and the positive technological reviews, what surprised many was the revenue sharing model that Apple had negotiated with mobile carriers, who had traditionally not given up a part of their subscription revenues to handset manufacturers. The case is set as of 9 November 2007 on the morning that the iPhone is released in the UK with Telefonica's O2. Students must determine whether the deal will prove advantageous to Telefonica's O2 and the longer-term effects on the industry structure. This case was published as part of the ECCHO collection of free cases (visit www.ecch.com/freecase for more information on the collection). This case can be downloaded by educators as a clean pdf by viewing the on-line inspection copy. Access is unlimited and you may print as many copies as you wish for use with your students. Standard pricing applies for any copies ordered from ecch.

United Kingdom; 2007

Industry analysis
Technological change
International expansion
Innovation
Information systems
Competitive advantage

8 pp
Generalised experience
SIT-0013-E (11pp)

9-303-106

CATHAY PACIFIC: DOING MORE WITH LESS

McFarlan, FW
Young, F
Harvard Business Publishing

Focuses on the various aspects of information technology that can be outsourced. Cathay Pacific outsourced a significant part of its vital operations from Hong Kong to Sydney, Australia. Class discussion focuses on the pros and cons of this decision and what lies ahead in the future. The teaching purpose is to develop an understanding of outsourcing issues in a global economy.

Airlines
Information technology
International business
Outsourcing

25 pp
Field research

904-065-1

CHARLES SCHWAB'S CUSTOMER FOCUSED E-BUSINESS STRATEGY

Gupta, V
Prashanth, K
ICMR Center for Management Research

This case discusses the customer-focused e-business strategy of Charles Schwab & Company, the leading discount brokerage firm in the US. It describes its multi-channel strategy that aimed at providing the customers as many channels as possible to interact and transact with Schwab. It examines the way in which Schwab focused on providing better customer service by promoting its website and proactively using Internet enabled technologies. The benefits Schwab derived from its e-business strategy are also highlighted. This case is structured to enable students to: (1) understand the importance of a customer-focused e-business strategy for the growth of an organisation; (2) appreciate the importance of a multi-channel strategy in providing better customer service; (3) recognise the role of IT/Internet in integrating different business processes to make them more customer-oriented; and (4) identify the ways in which IT and the Internet can be effectively used for enhancing customer satisfaction levels and thereby improving the financial performance of the

company. The case is targeted at MBA/PGDBA students and is intended to be part of the knowledge, information and communications management curriculum. It can also be discussed as a part of customer relationship management courses.

US; Financial services; Large; 1997-2004

Charles Schwab
e-Business strategy
Customer relationship management (CRM)
eCRM
Multi-channel strategy
Channel integration
Customer Segmentation
Implementing e-business
Website enhancement
Personalisation
Positions monitor
Schwab alerts
Learning centre
Personal choice program

19 pp
Published sources

9-301-099

CISCO SYSTEMS ARCHITECTURE: ERP AND WEB-ENABLED IT

Nolan, RL
Porter, K
Akers, C
Harvard Business Publishing

In a seven-year process, Cisco built its strategic I-Net. Beginning in 1994, Cisco completely replaced its back-office legacy systems. At that time, the company standardized Internet protocols. In addition, the company shifted strategic focus from IT back-office applications to front-office applications. After ERP (enterprise resource planning), the company spent the next two years electronically connecting with customers. A rewritten version of two earlier cases. A consolidated version of the Cisco Systems ERP and Cisco Systems Web-enablement cases. Designed to be taught in one class session (if two class sessions are available, it is recommended that Cisco ERP Systems be used for one session followed by Cisco Systems Web-enablement). May be used with: (9-301-154) 'The Ten Components of a Strategic I-Net.'

San Jose, CA; Information technology (IT) industry; 2000-2001

ERP
Information technology
Technological change

23 pp
Field research
5-301-143 (15pp)
5-301-145 (3pp)

9-699-022
CISCO SYSTEMS, INC:
IMPLEMENTING ERP

Austin, RD
Nolan, RL
Cotteleer, MJ
Harvard Business Publishing

Reviews Cisco System's approach to implementing Oracle's Enterprise Resource Planning (ERP) software product. This case chronologically reviews the diverse, critical success factors and obstacles facing Cisco during its implementation. Cisco faced the need for information systems replacement based on its significant growth potential and its reliance on failing legacy systems. Case discussion focuses on where management was particularly savvy in contrast to where it was the beneficiary of good fortune.

Silicon Valley; 2,500 employees, gross revenue: \$8 billion revenues; 1993-1995

Enterprise systems
Information and technology
ERP
Information age
Applications
Implementing strategy

19 pp
Field research
5-602-076 (21pp)
5-699-031 (9pp)

906-014-1
CRM IMPLEMENTATION FAILURE AT
CIGNA CORPORATION

Gupta, V
Kumar, MV
ICMR Center for Management Research

The case gives a detailed account of the information technology (IT) and customer relationship management (CRM) initiatives implemented by the

HealthCare division of Cigna Corporation, the third largest healthcare services provider in the US. The case details the circumstances that led Andrea Anania, the Chief Information Officer of Cigna's HealthCare division, to take up IT systems migration projects and how the hasty and poor CRM systems implementation affected the organisation's business operations and customer service. The case then focuses on the steps taken by Cigna to solve the problems and the steps taken by the company to achieve effective migration to new systems. The case is designed to help students to: (1) understand the rationale behind companies going for IT overhaul and CRM initiatives; (2) study and analyse the problems faced during migration to a new system; (3) examine the reasons for failure of such projects; (4) analyse the role of chief information officers in such implementations; and (5) critically examine the strategic impact of IT and CRM failures. The case is intended for MBA/PGDBM level students as part of the knowledge, information and communication systems management curriculum. The teaching note includes the abstract, teaching objectives, teaching methodology, assignment questions, feedback of case discussion and additional readings and references.

US; Health care insurance; Very large; 2000-2005

Cigna Corporation
Cigna Healthcare
Customer relationship management
CRM software implementation
Accelerated solution environment tools
Systems migration
MyCigna.com
Claims processing system
Customer service
Information technology (IT) overhaul project
Cignature Suite

13 pp
Published sources
906-014-8 (4pp)

907-025-1
MCKINSEY'S KNOWLEDGE
MANAGEMENT PRACTICES

Gupta, V
Perepu, I
ICMR Center for Management Research

The case describes the knowledge management practices at McKinsey & Company. Managing knowledge effectively is of prime importance especially for consultancies like McKinsey, which depended heavily on knowledge for their existence and growth. The expertise McKinsey gained over the years was put into optimal use through knowledge management (KM). Knowledge was spread in the firm through training sessions, seminars, workshops, sharing of the findings of the projects. The other KM efforts that McKinsey undertook included development of centres of competence, practice information system, practice development network and knowledge resource directory. The case examines how McKinsey promoted a culture of knowledge sharing within the firm. This case is designed to enable students to: (1) evaluate the ways in which knowledge can be shared and disseminated in the organisation; (2) study the importance of culture in implementing KM successfully; and (3) examine the role played by the top management in promoting KM within a company. This case is aimed at MBA/PGDBA students, and is intended to be part of the knowledge, information and communication systems management curriculum. The teaching note includes the abstract, teaching objectives and target audience, teaching approach, assignment questions, feedback of case discussion, references and suggested readings. It does not include an analysis of the case.

US; Consulting; Very large; 1980-2007

McKinsey & Company
Knowledge management
Global MAKE Awards
Enterprise knowledge
Knowledge-driven culture
Intellectual capital
Collaborative knowledge sharing
Learning organisation
Tacit knowledge
Mutually Exclusive-Collectively Exhaustive (MECE) approach
Firm practice information system
Practice development network
Employee training
McKinsey Global Institute
Client engagement

19 pp
Published sources
907-025-8 (3pp)

**908-024-1
OFFSHORING AND INNOVATION AT
GLOBALCO: NEGOTIATING A WIN-WIN
STRATEGY FOR THE OUTSOURCING
RELATIONSHIP**

Barrett, M
Cambridge Judge Business School

In recent years, the evolution of IT offshoring relationships has been marked by a gradual shift away from their traditional focus on low cost and labour arbitrage. Instead, with the relationship evolving to new levels of global collaboration, the perceived role of vendors is shifting to one of partnership and as a key source of innovation. This case examines the challenges and opportunities of a multinational firm and its Indian vendors in developing its offshoring relationship over time. It also raises the crucial question as to how key Indian and North American firms can transition their offshoring relationship to one of partnership driving business innovation.

India, North America; Telecoms; 60,000 employees; Mid-1990s to mid-2000s

Offshoring
Innovation
Outsourcing relationship
Negotiations
Partnership
Competitive advantage

10 pp
Field research

**9-607-088
PREDICTION MARKETS AT GOOGLE**

Coles, PA
Lakhani, KR
McAfee, AP
Harvard Business Publishing

In its eight quarters of operation, Google's internally developed prediction market has delivered accurate and decisive predictions about future events of interest to the company. Google must now determine how to increase participation in the market, and how to best use its predictions.

California; Software industry; 12,000, \$10 billion revenues; 2006

Collective intelligence
Decision analysis
Decision roles
Forecasting
Information technology
Intranets
Market analysis

Planning
Prediction markets

21 pp
Field research
5-608-024 (21pp)

**9-396-054
REENGINEERING A BUSINESS
PROCESS Note**

Davenport, TH
Harvard Business Publishing

Describes the six steps included in most reengineering initiatives: selecting the processes for reengineering; identifying change enablers; developing a business vision of process objectives; understanding and measuring existing processes; designing and prototyping the new processes; and implementing the new processes.

Process analysis
Prototypes
Reengineering

16 pp

**9A98E040
SUPERIOR GRAIN ELEVATOR INC**

Bell, PC
Richard Ivey School of Business

The manager of port facilities for Superior Grain Elevator, Inc in Thunder Bay, Ontario, must decide whether to construct a third wharf at a cost of \$1.5 million. Superior Grain Elevator, Inc has just negotiated a grain sale to Poland that will increase the number of shipments from the Thunder Bay facility. A Microsoft Excel model is available for use with this case, product '7A98E040'.

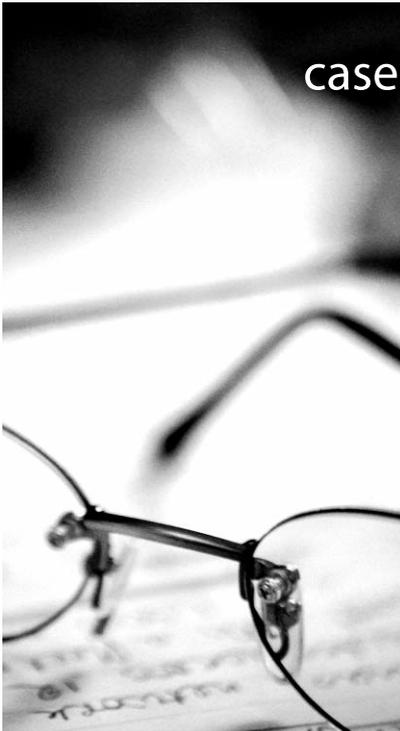
Canada; Water transportation; Medium Simulation
Risk analysis
Spreadsheet application
Computer applications

5 pp
Published sources
8A98E40 (7pp)

**9B08E012
SYDNEY WATER CUSTOMER
INFORMATION AND BILLING SYSTEM
(A)**

Parent, M
Richard Ivey School of Business

Sydney Water's new customer information and billing system (CIBS), its largest information technology project ever, was over-budget and very late, with no end in sight. In the (A) case, the board of directors must decide what action to



case writing competition

In 2011, ecch's European Case Awards will become a global event and a case writing competition will be launched. Authors are invited to submit entries in 2010.

Each year the executive committee of ecch will identify an emerging 'hot topic' in the classroom, which for 2011 is 'Renewable and sustainable energy, technology and development'.

The second new category is 'New case writer' for a first teaching case.

Submissions are invited before **30 September 2010**. Visit www.ecch.com/casecompetition

take with regards to management's actions, and regarding the project contractor, PricewaterhouseCoopers. The (B) case outlines what happened afterwards. The cases span a 10-year period - from inception to litigation. The case is useful as a tool to explore governance issues at the board and senior management levels as they pertain to enterprise risk management and IT risk.

Australia; Electric, gas and sanitary services; Large; 2002

Project management
Information systems
Government and business
Board of directors

4 pp
Published sources
8B08E12 (9pp)

9-302-128
TALE OF TWO AIRLINES IN THE NETWORK AGE: OR WHY THE SPIRIT OF KING GEORGE III IS ALIVE AND WELL!

McFarlan, FW
Harvard Business Publishing

Describes an airline service incident that ought not to have happened in the network age. Inadequate use of available technology creates service problems. A rewritten version of an earlier case.

United States; Airlines; 2002
Airlines
Information technology
Operations management
Service management

2 pp
Generalised experience
5-303-004 (7pp)

906-039-1
TISCALI (D): PROJECT MANAGEMENT

Sampietro, M
Canato, A
Pennarola, F
SDA Bocconi

This is the fourth of a four-case series (306-476-1 and 906-037-1 to 906-039-1). The case object is the management of the Tiscali UNIT project, which brought about information systems unification on a European level. In particular, the case investigates the initial phases of the project and focuses on the organisational aspects and its management, rather than the methodological part of project

management. The decision-making subjects are the Chief Executive Officer (CEO) of Tiscali, Renato Soru, and the Chief Information Officer (CIO) of the company, Salvatore Pulvirenti. The action trigger consists of the explicit request of Tiscali's Managing Director and CEO, (Renato S) who, after a noteworthy series of takeovers on the European market, has asked his managers (and especially his CIO) to elaborate a proposal that would allow Tiscali to undertake an integration process among the various companies. The setting is initially Cagliari (Italy), but the action also takes place in various European countries. The time span is from March 2001 to August 2002. This case (complemented by the teaching notes) can be used in stand-alone mode but is best complemented by 'Tiscali (B): UNIT Project: European IS Integration' (306-476-1), which describes the premises for the UNIT project. In addition, there are two other cases which describe Tiscali's experience, 'Tiscali (A): An Internet Service Provider between Service and Technology' (306-476-1) and 'Tiscali (C): Management Consulting during IS Implementation' (906-038-1).

Europe; Telecom, Internet; Large; 2001
Project management
IS (information systems)
implementation

6 pp
Field research
906-039-8 (11pp)

9-803-092
WYNDHAM INTERNATIONAL: FOSTERING HIGH-TOUCH WITH HIGH-TECH

Applegate, LM
Piccoli, G
Harvard Business Publishing

The president of Ford Argentina has to decide on the e-business approach at this subsidiary of Ford Motor Co. The approach has to take into consideration the ambitious global e-business transformation proposed by the parent company within the context of a major economic crisis suffered in Argentina. The teaching purpose is to understand the challenges of balancing global and local markets' constraints in implementing new technological initiatives.

Competition
Electronic commerce

Growth strategy
Hotels and motels
Information technology
Leadership
Loyalty
Organizational behavior

42 pp
Field research

Marketing

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

508-117-1 APPLE INC'S IPHONE: CAN IPHONE MAINTAIN ITS INITIAL MOMENTUM?

Purkayastha, D
Faheem, H
ICMR Center for Management Research

This case is about Apple Inc's entry into the mobile phone market by launching the iPhone. The launch of the much hyped iPhone was hailed as the most successful launch of a brand ever by some analysts. The case also discusses the various challenges faced by Apple shortly after its launch, including the pricing controversy in the US and the challenges in marketing the iPhone in Europe. Apple raised many eyebrows by reducing the price of its much hyped iPhone by one-third within 10 weeks of the launch. While some analysts felt that adoption of such market skimming strategies and subsequent price cuts by companies selling technological devices was nothing new, others felt that Apple's decision to reduce the price so drastically just a few weeks after the launch was nothing short of a public relations fiasco. In November 2007, Apple launched the iPhone in three European markets, Germany, France, and the UK. Analysts opined that despite Apple being a late entrant in the highly competitive mobile phone market, it emerged as a successful player. However, a few analysts were of the view that it remained to be seen whether iPhone would be able to maintain its initial momentum considering that the challenges in marketing the iPhone in European countries were stiffer. Then there was the

challenge of cracking the Asian market. In August 2008, Apple launched the iPhone in India. The company planned to launch its iPhone in other Asian markets like Japan, South Korea, and China by the end of 2008. The case will help students to: (1) understand the rationale behind Apple's entry into the intensely competitive mobile phone market; (2) understand the challenges faced by Apple while entering a new market with a new product like the iPhone; (3) understand the issues and challenges faced by Apple while launching the iPhone in Europe and Asia; (4) analyse Apple's strategy of slashing the price of its iPhone so soon after the launch; (5) understand the issues and challenges in pricing a product or service (pricing decisions, premium pricing, market skimming, etc); and (6) understand how pricing could affect product adoption and diffusion. This case is designed for MBA/PGDBA students, and is intended to be part of the international marketing/marketing management curriculum. The teaching note includes: (1) the abstract; (2) teaching objectives and target audience; (3) teaching methodology; (4) assignment questions; (5) feedback of case discussion; and (6) suggested readings and references. It does not contain an analysis of the case.

Europe, UK, USA; Consumer electronics; Large; 2007-2008

International marketing
Pricing
Public relations
Buzz marketing
iPhone
Apple
Samsung
Nokia
Macintosh
Sony Ericsson
Motorola

19 pp
Published sources
508-117-8 (5pp)

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 (23pp)

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 (17pp)

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

9-599-087
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

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?

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

Pricing
New products
International marketing

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

IMD-5-0395
MEDIQUIP SA (R)

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 (13pp)

2073
NATUREVIEW FARM

Fleming, KM
Harvard Business Publishing

Brief Case from HBSP. Explores channel management issues in the US food industry. Natureview Farm, a Vermont-based producer of organic yogurt with \$13 million in revenues, is the leading national yogurt brand (24% market share) sold into natural foods stores. It has achieved this through its special yogurt manufacturing process and through cultivating personal relationships with dairy buyers in the natural foods channel. Set in 2000, when the company faces financial pressure to grow revenues to \$20 million by the end of 2001 due to a planned exit by its venture capital investors. The immediate decision point that the protagonist, Natureview's vice president of marketing, faces is whether to achieve this revenue growth by expanding into the supermarket channel.

United States
Quantitative analysis
Marketing
Marketing channels
Market share
Pricing
Sales promotions
Value chains
Margins

12 pp
 Published sources
 2074 (27pp)

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.

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

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

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
Guerilla marketing
Energy drinks
Integrated marketing communications
Advertising
Product-life cycle
Non-traditional marketing

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

9-504-016
STARBUCKS: DELIVERING CUSTOMER SERVICE

Moon, Y
 Quelch, JA
Harvard Business Publishing

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; 60,000 employees, gross revenue: \$3.3 billion revenues; 2002

Market research
Profitability
Customer retention
Customer service

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

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.

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 (44pp)

9-595-057

THE BLACK & DECKER CORPORATION (A): POWER TOOLS DIVISION

Dolan, RJ
Harvard Business Publishing

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 (22pp)

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.

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 (34pp)
504-009-9 (s/w)



european case awards 2010

Since 1991 the European Case Awards have been presented annually in recognition of outstanding case development in Europe.

Overall winner
Red Bull: The Anti-Brand Brand
Nirmalya Kumar, Nader Tavassoli and Sophie Linguri Coughlan
London Business School
(see page 26 for abstract)

Further details can be found at the front of this bibliography (page iii) or at www.ecch.com/caseawards

Production and Operations Management

9-694-046

BARILLA SPA (A)

Hammond, JH

Harvard Business Publishing

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 (22pp)

KEL366

BP's OFFICE OF THE CHIEF TECHNOLOGY OFFICER: DRIVING OPEN INNOVATION THROUGH AN ADVOCATE TEAM

Wolcott, RC

Lippitz, MJ

Kellogg School of Management

The case describes the evolution between 1999 and 2005 of an unusual innovation team within the office of the Chief Information Officer of BP. The team leader, Vice President and Chief Technology Officer (CTO) Phiroz Darukhanavala ('Daru'), eschewed a large group and a venture budget in favor of a small, lean team intimately engaged with BP's business units. The case described several mechanisms created by the CTO office during its early evolution, aimed at expanding executives' appreciation of emerging technology capabilities, building a network of relationships through which emerging technologies are scouted and vetted, and providing

structured mechanisms for technology transfer. In late 2005 the CIO's Advisory Group challenged the CTO office to 'keep reinventing yourselves.' Students are asked to assume Daru's role and suggest new processes and structures to continue the evolution of the CTO office. The teaching note describes what the team actually did, and addresses questions raised at the end of the case.

United Kingdom, United States

Energy

Entrepreneurship

Global business

Innovation

Organizational behavior

Suppliers

Technology

14 pp

Field research

KEL367 (17pp)

600-003-1

DRAGONFLY: DEVELOPING A PROPOSAL FOR AN UNINHABITED AERIAL VEHICLE (UAV)

Loch, CH

DeMeyer, 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.

UK; Aerospace; 1999

9 pp

Published sources

600-003-8 (23pp)

606-043-1

eBAY® CUSTOMER SUPPORT OUTSOURCING

Verma, R

Newman, S

Grikscheit, G

Malapati, V

David Eccles School of Business

The case addresses an extremely critical and timely subject. Offshore outsourcing is hotly debated today in business and political circles, driven by the unrelenting growth of technology and the global economy. The ubiquitous nature of the eBay name adds to the appeal of the case. The authors believe it will be rare to find students in university classrooms today who have not bought or sold something on eBay and who have not been aware of the impact of outsourcing decisions on careers and communities. The case provides insights into eBay's unique on-line business model, explores the critical role of customer service in rapidly growing on-line enterprises, and stimulates in-depth discussion of the issues managers working in customer service face when making outsourcing decisions. The case is set in late 2004 when the operations director is scheduled to present a new 'three-tiered' outsourcing strategy to the senior management team lead by Chief Executive Officer Meg Whitman. In addition, at the last minute an unanticipated and largely untried approach to outsourcing is introduced in response to a question posed by eBay's vice president of global customer support. 'If we are to continue outsourcing, and even consider expanding it, why should we keep paying someone else to do what we can do for ourselves?' The question, and related issues, provides the stimulus for students to reflect on and analyse the details of the strategy involving: (1) a 100% increase in volume; (2) outsourcing potentially sensitive risk-related inquiries; (3) the addition of a second vendor; and (4) the viability of a back-out plan, as well as the growing concerns among senior executives about outsourcing altogether. Finally, students are challenged to evaluate a hybrid strategy for eBay to work with a third party vendor to 'Build, Operate, and ultimately Transfer', or 'BOT' facilities to eBay.

United States, International; eCommerce, service sector; Large corporation; 2004

Customer service
Offshore outsourcing
Customer relationship management
Customer satisfaction
Service operations
eBay
Managing risk and fraud
Metrics and benchmarks
On-line auctions
Outsourcing strategies
Outsourcing and technology
Outsourcing vendor selection
Trust and safety
Service performance improvement

26 pp
Field research
606-043-8 (29pp)

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 is it 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.

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 (15pp)

602-010-1
MARKS & 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.

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 (37pp)
602-010-9 (s/w)

OSA1
RED BRAND CANNERS

Wilson, R
Stanford University

Presents a simple example of a production planning problem amenable to analysis using linear programming.

California; Canning; 1965
Food processing industry
Linear programming
Production planning

5 pp
Generalised experience
OSA1T (5pp)

9-695-022
SPORT OBERMEYER, LTD

Hammond, JH
Raman, A
Harvard Business Publishing

The case describes operations at a skiwear design and merchandising company and its supply partner. Introduces production planning for short-life-cycle products with uncertain demand and allows students to analyze a reduced version of the company's production planning problem. In addition, it provides details about information and material flows that allow students to make recommendations for operational improvements, including comparisons between sourcing products in Hong Kong and China.

United States, Hong Kong, China; Apparel industry, ski; 100 employees, \$32.8 million revenues; 1992

Apparel
Demand analysis
Forecasting
International operations
Production planning
Sourcing
Supply chain

19 pp
Field research
5-696-012 (31pp)

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; 2000-2001

Employee retention
Service management

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

607-009-1
TALENT DRYCLEANERS

Belamuri, R
Ojadi, F
Anyakora, C
Lagos Business School

This case allows students in post graduate and entrepreneurial classes to explore the all-important concepts of bottle necks in managing service operations. It details the capacities of the various sub-processes and uses some cost data to analyse the break-even point, capacity utilisation and the all important service parameter of turnaround time in a typical dry-cleaning service. It also outlines what to do to improve the entire process and examines the economies of the business if the owner-manager is desirous to move out of the present location and up to the new emerging locations in Lagos metropolis. The teaching note includes the teaching strategy covering one hour fifteen minutes of the session and not just the solution set of data.

Lagos, Nigeria; Services; Small
Entrepreneurship
Process flow analysis
Break-even analysis
Marketing issues
Service management

8 pp
Field research
607-009-8 (7pp)

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!

Europe, Germany; Apparel, athletic footwear; 2001 Net sales: euros 6.1 billion, 14,000 employees; Oct-01
Mass customisation

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

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

Mishina, K
Harvard Business Publishing

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 (25pp)

603-006-1
VOL DE NUIT: THE DREAM OF THE FLYING CAR AT LEMOND AUTOMOBILES SA

Loch, CH
Sommer, S
INSEAD

The case describes the development of a radically new product within a large automobile company. It illustrates: (1) the difficulties encountered by the development team, both technically and concerning the organisational conflicts arising due to competition for resources, differing views of strategic priorities, internal resistance and insufficient relationship management with internal and external partners; (2) managing a project with ambiguity (unforeseeable influences): the importance of pursuing several parallel concepts and of having the ability to fundamentally re-define the project mid-course; (3) entrepreneurship internal to large organisation: the role of external partners to provide resources and expertise in the development of radically new products; and (4) the importance of relationship management: internal resistance and external friction may become the key challenges of a radically new project.

France; Automobile industry; SIC 3711, Annual sales of 50 billion euros; 2000-2001

Radical innovation
Parallel concepts
Organisational conflicts
Resource constraints
Communication of change
Strategic focus
Technology transfer
Automobile industry

17 pp
Field research

**603-002-1
ZARA**

Ferdows, K
Georgetown University
Domiguez Machuca, J A
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 (21pp)
603-002-9 (s/w)

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

McAfee, AP
Sjoman, A
Dessain, V
Harvard Business Publishing

In 2003, Zara's CIO 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 store 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; 32,000 employees, gross revenue: \$4 billion revenues; 2003

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

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



case method training

Taking time out to participate in a case teaching or writing workshop can dramatically enhance your case skills. ecch offers a broad range of workshops and events for case writers and teachers.

Customised programmes can be developed to ensure that learning objectives, time span and budget are met.

Visit www.ecch.com/workshops for further details.

Strategy and General Management

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

9B06M015

CAMERON AUTO PARTS (A) - REVISED

Crookell, H

Beamish, PW

Richard Ivey School of Business

This case is about a small American auto parts producer trying to diversify his way out of dependence on the major automakers. A promising new product is developed and the company gets a chance to license it to a Scottish manufacturer. The issue of whether to license or go it alone in international markets is central to the case. A sequel to this case is available titled 'Cameron Auto Parts (B) - Revised' (9B06M016).

US, United Kingdom; Transportation equipment; 2004

- Corporate strategy
- Exports
- International business
- Licensing

13 pp

Published sources

8B06M15 (8pp)

9B06M016

CAMERON AUTO PARTS (B) - REVISED

Crookell, H

Beamish, PW

Richard Ivey School of Business

Two years after signing a license agreement in the UK, the company now faces an opportunity to establish with another firm a joint venture in France for the European market. However, the prospect upsets the UK licensee who is clearly doing very well, and who even wants Cameron to consider joint venturing with him in Australia. The case ends with Cameron, run off its feet in North America, trying to decide whether to enter Europe via licensing, joint venture or direct investment. This case is a sequel to 'Cameron Auto Parts (A) Revised' (9B06M015).

US, Australia, EU; Transportation equipment

- Corporate strategy
- International business
- Joint ventures
- Licensing

11 pp

Published sources

8B06M16 (7pp)

301-228-1

EASYEVERYTHING'S PRICING POLICIES

Pagliero, M

Courty, P

London Business School

Founded in 1999 by Stelios Haji-Ioannou, 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 (8pp)

IMD-3-0873

EASYJET: THE WEB'S FAVOURITE AIRLINE

Kumar, N

Rogers, B

IMD - International Institute for Management Development

Stelios Haji-Ioannou, 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. 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). This case has been featured on the ecch website.

Europe; Airline; 1,000 employees, US\$125 million turnover; 2000

Marketing strategy
Industry analysis
Service management

22 pp

Field research

IMD-3-0873-T (19pp)

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. A video called 'The Evolution of the Circus Industry' is available for free faculty download at www.blueoceanstrategy.com.

Canada, USA, Europe; Circus; 2001

Circus and live entertainment industry
Value innovation
Strategy
Blue Ocean Strategy

Creating new market space
Redefining industry boundaries
Competition

9 pp

Field research

302-057-8 (24pp)

301-056-1

FORMULA ONE CONSTRUCTORS: COMBINED CASE

Jenkins, M
Cranfield School of Management

This is a revised and combined version of the Formula One Constructors case series (399-001-1 to 399-004-1 and 303-094-1). This case is used to address the issues of achieving competitive advantage in a highly competitive, technological and international context. The introduction outlines the competitive nature of Formula 1 and the fact that this is an industry of sophisticated multi-million pound organisations competing at the highest international level. The case then focuses on a constructor who achieved sustained competitive advantage in a particular period. The case is used to illustrate a number of principles relating to the resource-based view of strategy, such as defining sources of competitive advantage; the problems of imitation and appropriation of key resources; and the idiosyncratic and path-dependent nature of sources of advantage.

Global; Motorsport, Formula One; Large; 1950-2003

Sustained competitive advantage
Resource based view
Core competence
Distinctive capabilities
Strategy
Formula 1
F1

16 pp

Field research

399-001-8 (8pp)

9-399-150

GE'S TWO-DECADE TRANSFORMATION: JACK WELCH'S LEADERSHIP

Bartlett, CA
Wozny, M
Harvard Business Publishing

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: (1) the 'software' initiatives; (2) globalization; (3) redefining leadership; (4) stretch objectives; (5) service business development; and (6) Six Sigma quality. May be used with: (9-304-049) 'GE's Talent Machine: The Making of a CEO'; (95202) 'Corporate Strategy: The Quest for Parenting Advantage'.

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

Business policy
Change management
Conglomerates
Corporate culture
Corporate strategy
Executives
Leadership
Organizational change
Organizational development
Strategy implementation

24 pp

Published sources

5-300-019 (16pp)

9-384-049

HONDA (A)

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. 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 (7pp)

5-704-022 (27pp)

**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

**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 (3pp)

**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. A video called 'The Evolution of the Circus Industry' is available for free faculty download at www.blueoceanstrategy.com.

Canada, USA, Europe; Circus; 2001

Circus and live entertainment industry
Value innovation
Strategy
Blue Ocean Strategy
Creating new market space
Redefining industry boundaries
Competition

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

**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; 26,724 employees, gross revenue: 3,250 million eurodollars revenues; 2002

Vertical integration
Globalization
Target markets
Time based competition
Competitive advantage
Supply chain management

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

**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 (21pp)

**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 (22pp)



need help to find the right case?

Are you having problems finding
the right case?

Would you like hints on case
searching?

Contact our helplines.

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

help@ecch.com
+44 (0)1234 756410

North American customers:
ecchusa@ecch.com
+1 781 239 5884



the case for learning

ecch UK Registered Office:
Cranfield University, Wharley End
Beds MK43 0JR, UK
t +44 (0)1234 750903
f +44 (0)1234 751125
e ecch@ecch.com
w www.ecch.com

ecch USA Registered Office:
Babson College, Babson Park
Wellesley MA 02457, USA
t +1 781 239 5884
f +1 781 239 5885
e ecchusa@ecch.com
w www.ecch.com

ecch is the trading name of The European Case Clearing House, a non-profit-making company limited by guarantee, registered in England No 1129396 and entered in the Register of Charities No 267516. VAT No GB 870 9608 93. It is also the trading name of ecch at Babson, a non-profit-making company. Tax ID No 04-31-43431.

©2010 The European Case Clearing House (a company limited by guarantee). All rights reserved. This publication is protected by UK copyright law and under international treaties. No part of this publication may be copied, stored, transmitted, reproduced or distributed in any form or medium whatsoever without the permission of The European Case Clearing House. Photography ©2004 broad daylight. All rights reserved.