Organizational Behavior Simulation: Judgment in a Crisis

In this new single-player simulation, students must respond to a high-stakes product crisis. Matterhorn Health has recently launched the new GlucoGauge blood glucose monitor with high expectations, but customers have begun reporting accuracy problems with the device. Acting as product managers, students receive a rapid series of emails, video messages, and voicemails about the reported problem. They must quickly process this information, assess the situation, and make recommendations about how Matterhorn Health should respond. Created by Michael A. Roberto, co-author of Leadership and Team Simulation: Everest, this simulation explores cognitive bias and decision-making during a crisis.

Playing the Simulation
Students begin by watching a video about the development of the GlucoGauge device. They then use a series of channels—email, video, voicemail, and chat—to communicate with colleagues and gather information about the problem. Inbound messages arrive in rapid succession, conveying the urgency of the crisis, and different students receive different sets of information. Students advance to a decision screen to make recommendations on how the company should proceed.

Online Core Curriculum Readings
Foundational Concepts, Plus Interactive Illustrations and Videos

Core Curriculum. Harvard Business Publishing’s new set of foundational course materials provides the essential concepts and frameworks that are vital to a business education. Delivered entirely online, Core Curriculum Readings cover essential material for each topic and most include videos and Interactive Illustrations that allow students to master complex theories quickly.

We continue to offer new Readings in Core Curriculum and more will be released throughout 2015.

Each Teaching Note includes a list of recommended cases, articles, and eLearning programs that pair well with the Reading.

See page 2 for samples of Core Curriculum topics

Continued on p. 2
A sample of Core Curriculum topics include:

**OPERATIONS MANAGEMENT**

**Process Analysis**
INTERACTIVE ILLUSTRATIONS: Blocked and Starved Tasks, Cycle Time with Multiple Workers

**Managing Inventory**
INTERACTIVE ILLUSTRATIONS: Service Level, Newsvendor Model, Newsvendor Profit, Economic Order Quantity, Reorder Point for Different Lead Times and Demand Levels

**Managing Quality with Process Control**
INTERACTIVE ILLUSTRATIONS: Defect Rate, Central Limit Theorem, Process Capability Index, Correlation Coefficient, Six Sigma Compliance and Process Capability

**ENTREPRENEURSHIP**

**Experimenting in the Entrepreneurial Venture**
INTERACTIVE ILLUSTRATION: A/B Testing  
VIDEO: Tiggly’s Kickstarter Campaign

**Selling and Marketing in the Entrepreneurial Venture**
INTERACTIVE ILLUSTRATIONS: Customer Profitability, Retail versus Direct Business Models  
VIDEOS: Design Your Product to Sell Itself, The Feedback Loop, Aligning Strategy and Sales

**Attracting Talent and Building Ecosystems**
INTERACTIVE ILLUSTRATION: Evolution of the Skyhook Ecosystem

**MARKETING**

**Segmentation and Targeting**
INTERACTIVE ILLUSTRATIONS: Segmenting the Dog Food Market, Segmenting the Market for Early Test Devices  
VIDEOS: GE Healthcare Case Parts 1-6

**Brands and Brand Equity**
VIDEOS: How Google Markets with Emotion, A Wedge of Lime

**Consumer Behavior and the Buying Process**
VIDEOS: United Breaks Guitars, Use Social Media to Listen to Customers, Harnessing Creativity

**STRATEGY**

**Introduction to Strategy**
VIDEO: The Six Forces

**Competitive Advantage**
INTERACTIVE ILLUSTRATIONS: Division of Value, Added Value Concept, Types of Competitive Advantage Within a Specific Segment, Irizar’s Value Chain, Cost Component Analysis, Relative Cost Analysis

**Industry Analysis**

Judgment in a Crisis

**Cognitive Bias**
The decisions throughout the simulation were carefully designed to generate data about 4 cognitive biases: Confirmation Bias, the Sunk Cost Trap, the Anchoring Effect, and the Framing Bias. Many of the biases are illustrated by splitting students into 2 groups for each scenario faced.

Each group receives information in a different way in order to elicit certain biases. This split is not apparent to students during simulation play, and it is important to not reveal this fact until afterward. The simulation debrief section provides opportunities to compare and contrast experiences between the groups and illustrate the danger these biases present in a business environment.

Authored by: Michael A. Roberto  
#7077 | Single-player | Seat time: 60 minutes

SEE A COMPLETE LIST OF CORE CURRICULUM READINGS:  
hbsp.harvard.edu

NOT A PREMIUM EDUCATOR? APPLY ONLINE: educatoraccess.hbsp.harvard.edu
Teaching with Cases Online: A Web-Based Seminar

Strategies for Case-Based Online Courses

EXPANDING FROM THE FACE-TO-FACE case teaching seminars that Harvard Business Publishing has produced for more than 15 years, HBP recently launched Teaching with Cases Online, a 3-week, web-based seminar that includes asynchronous and synchronous activities.

Teaching with Cases Online is an immersion experience. The goal is to help online instructors better understand how to devise a teaching plan for delivering a participant-centered course online. Rather than focusing on platforms and technology, the seminar uses one learning management system and simple web conferencing software so that the emphasis is on case teaching and learning.

SEMINAR OBJECTIVES:

- Learn multiple case discussion facilitation and debrief approaches for both asynchronous and synchronous environments
- Experience these approaches as both students and instructors
- Review assessment strategies tailored to these multiple approaches
- Share testimonials and examples of successful strategies

Participation is limited to faculty who have experience teaching with cases, but are seeking to develop or refine their skill in leading an online case-based class. Seminar attendees spend 6-8 hours each week participating in discussion boards, small group work, and synchronous class sessions in which they debrief what they’ve read and present group work.

LEARN MORE AND SEE UPCOMING SEMINAR DATES:

hbsp.harvard.edu/cmtseminars

hbsp.harvard.edu 1-800-545-7685 | 3
ACCOUNTING

BMVSS: Changing Lives Through Innovation One Jaipur Limb at a Time (Abridged)
Srikant M. Datar; Saloni Chaturvedi; Caitlin N. Bowler
Harvard Business School Case #115009 (15 pages)

Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) is an Indian not-for-profit organization engaged in assisting differently abled persons by providing them with the legendary low-cost prosthesis, the Jaipur Foot, and other mobility-assisting devices, free of cost. Known for its patient-centric culture, its focus on innovation, and for developing the $20 Stanford-Jaipur knee, BMVSS has assisted over a million people in its lifetime of 44 years. As founder, Mr. D.R. Mehta thinks about the financial sustainability of BMVSS, he must devise a strategy that will sustain its human impact well into the future.

El Conejo Family Planning Clinic
David W. Young
The Crimson Group #TCG169 (4 pages)

This case concerns an outpatient clinic that has exceeded its budget. Students must determine the contributing factors. One reason is that third parties had lowered their payment rate for one of the clinic’s most significant visit types, but there are some other explanatory factors as well. The case lends itself to the use of a rather simple spreadsheet, which can be used to compute the variances. Once one variance has been computed accurately, the formula used in that cell can be copied and pasted into the remaining cells of a like kind.

Transfer Pricing at Cameco Corporation
Walid Busaba; Nourhene Ben Youssef; Saqib A. Khan
Ivey Publishing Case #W14368 (8 pages)

Transfer pricing used by multinational corporations to lower its tax burden, thereby increasing its consolidated income, can have far-reaching implications for the stakeholders, as a fund manager for Saskhedge fund found out the hard way. A stock investment the manager had made in Cameco Corporation has dropped its value by 20%. In addition, Canada Revenue Agency has initiated a lawsuit against the firm for alleged tax avoidance in relation to the company’s transfer pricing practices with its Swiss subsidiary. The suit could result in an additional tax liability of $800 million to $850 million. The manager needs to explain to the investment board the implications of the lawsuit on the stock price and advise the board on whether the projected $800 to $850 million is a fair estimate.

Wendy’s Chili: A Costing Conundrum
E. Richard Brownlee II
Darden School of Business Case #UV1739 (10 pages)

This case poses the seemingly simple and straightforward question: How much does it cost Wendy’s to make a bowl of chili? Even though most of the meat used in making chili comes from overcooked hamburgers, a question of cost allocation arises. Wendy’s is considering adding a salad bar to its “limited menu” and is wondering whether it should then drop an existing product. Such a decision leads to an evaluation of present-product profitability.

BUSINESS & GOVERNMENT RELATIONS

New York City’s Teen ACTION Program: An Evaluation Gone Awry
Dan Levy; Anjani Datla
Harvard Kennedy School Case #HKS896 (5 pages)

This video-based case explores how an impact evaluation for a promising after-school program in New York City went awry. In 2006, New York City Mayor Michael Bloomberg created the Center for Economic Opportunity (CEO). Designed as an innovation fund, CEO tested anti-poverty programs by applying an evidence-based approach. One of CEO’s programs, Teen ACTION, was developed to provide after-school service-learning opportunities to at-risk youth. Teen ACTION’s model was based on a rigorously evaluated program that had proven to significantly reduce rates of teen pregnancy and course failure among participants when compared to a control group. But when it came time to evaluate Teen ACTION’s impacts, the CEO ran into significant hurdles.

Profits Without Prosperity
William Lazonick
Harvard Business Review Article #R1409B (11 pages)

Though corporate profits are high and the stock market is booming, most Americans are not sharing in the economic recovery. While the top 0.1% of income recipients reap almost all the income gains, good jobs keep disappearing, and new ones tend to be insecure and underpaid. One of the major causes can be summed up easily: instead of investing their profits in growth opportunities, corporations are using them for stock repurchases.
Since 1960, the U.S. economy has moved from largely financing the exploitation of natural resources to making the most of talent. The rewards to executives and financiers have skyrocketed as a result. But over the past 2 decades or so, the author argues, it has become increasingly clear that much of this talent is trading value rather than creating it: the fastest-growing group on the Forbes 400 list is hedge fund managers. What’s more, stock-based incentives, which were intended to align the interests of top executives with those of long-term shareholders, are actually encouraging CEOs to serve the interests of short-term traders. The losers in this game are employees engaged in routine work, whose rewards are shrinking or whose jobs are disappearing. This state of affairs has created a growing, and unsustainable, inequality of income.

Wellness Is Everyone’s Business: Public-Private Partnerships for Health in Minnesota

Arnold M. Howitt; Jennifer Weeks
Harvard Kennedy School Case
#HKS774 (14 pages)

Like many other states at the time, Minnesota found itself facing several serious long-term public health challenges in the mid- and late-2000s, including rapidly rising health care costs and residents’ increasing vulnerability to chronic diseases arising from unhealthy behaviors like smoking, as well as higher obesity rates. Compounding these challenges, in 2008 a major economic recession took hold across the country, prompting states to target health and human services programs for extensive budget cuts. In Minnesota, even as the recession started to subside, analyses of the state budget indicated that it needed new strategies for slowing the growth rate of health care spending, and in response the state legislature passed a major health reform law that, among other things, aimed to reduce costs. This case describes how leaders of the Statewide Health Improvement Program (SHIP) initiative worked with businesses and corporate executives in an effort to have as far-reaching an impact as possible.

The Rise (and Likely Fall) of the Talent Economy

Roger L. Martin
Harvard Business Review Article
#R1410B (9 pages)

This case is about a gold mining company that seeks to practice responsible mining by addressing environmental and stakeholder concerns, but which nevertheless attracts protests. Barrick Gold Corporation has invested $4.8 billion developing the Pascua Lama gold mine in a glacial region of South America, but opposition has blocked the project.

Fostering an Ethical Organization from the Bottom Up and the Outside In

Megan F. Hess; Earnest Broughton
Business Horizons Article
#BH623 (9 pages)

Despite the best efforts of corporate compliance officers, boards of governance, auditors, and regulators, corporate misconduct continues to plague our markets. This article argues that efforts to fight fraud and other forms of corporate misconduct have failed in part due to the systematic approach employed toward a problem that is irregular, complex, and extends well beyond the boundary of the firm. By drawing upon research from the field of behavioral ethics to suggest a new approach that does more than just stress formal control systems, this case illustrates how executives may strengthen organizational ethics through informal practices that work from the bottom up and the outside in. The article includes practical recommendations regarding how to create shared responsibility for ethical leadership; how to empower employees to achieve both economic and ethical ends; how to enlist the aid of key stakeholders in identifying problems before they grow and spread; and how to redesign compliance practices to address the complex nature of corporate misconduct.

Honeywell and the Great Recession (A)

Sandra J. Sucher; Susan Winterberg
Harvard Business School Case
#315022 (22 pages)
B Case Available

CEO Dave Cote spent 6 years turning around an ailing Honeywell and, in 2008, Cote and his team face a new challenge: how to respond to the Great Recession. Cote does not want to give up the gains he made in transforming and unifying Honeywell. With a fall-off in demand, Cote and the team must decide how to respond spending cuts in all parts of the business. They face choices in whether to employ layoffs or furloughs (unpaid leaves) for any needed workforce reductions, and whether to enact hiring freezes and other cost-saving changes to employee and executive compensation programs and benefits.
Too Much Information
Anna Hawkins; John Melnyk
Ivey Publishing Case
#W14378 (3 pages) TN

A university student is working on a group project for a case-based business ethics course. Just over a week before the project deadline, one of her fellow group members reveals that he has found part (B) of the assigned case on the Internet. He has read this document, which specifies exactly what the company has done to address the challenge in the case they are working on. It is clear to the protagonist that her group cannot use this information, but she is unsure of how to handle the situation.

The Palm Oil Dilemma
Renato J. Orsato; Renata Loew Weiss; Mona Parikh McNicholas; Giovanna Sanches; Horacio Falcao; Luk Van
INSEAD Case
#INS789 (38 pages) TN

This case explores the events leading to the creation of a multi-stakeholder platform, the Roundtable on Sustainable Palm Oil (RSPO). The promotion of palm oil as an alternative to fossil fuels has increased demand, hence the palm oil dilemma: to produce oil more sustainably or save the forests? The ability to respond to NGOs and the additional cost of certified palm oil are some of the future challenges facing the RSPO.

ECONOMICS

China: A Concise Profile, 2014
Michael A. Witt
Harvard Business School Background Note
#INS809 (11 pages)

This concise country profile provides an up-to-date introduction to the history, politics, foreign relations, society, and economy of China, supplemented by the latest available key statistics. The background notes in this series are updated annually.

ENTREPRENEURSHIP

500 Startups: Scaling Early-Stage Investing
Robert Siegel; Yin Li
Stanford Graduate School of Business Case
#E528 (31 pages) TN

This case focuses on the investment strategy employed by 500 Startups, an early-stage investment firm founded by Dave McClure. McClure, an outspoken personality in Silicon Valley, believes that the venture capital industry is not innovating quickly enough to adapt to large-scale changes. The cost of starting a company has plummeted over time, enabling investors to write smaller and smaller checks. The exit options for companies have expanded, allowing investors to realize returns earlier than in the past, though typically at lower valuations. Major customer acquisition platforms are enabling start-ups to disrupt traditional businesses. Finally, opportunities for investment abound overseas in rapidly growing and emerging markets, in McClure’s opinion.

Core Curriculum Reading:
Experimenting in the Entrepreneurial Venture
Thomas R. Eisenmann; Eric Ries; Sarah Dillard
Harvard Business School
#8077 (31 pages) TN

Supplemental Slides and Review Questions Available

Entrepreneur Eric Ries coined the term “lean startup” to describe organizations that follow the principles of hypothesis-driven entrepreneurship. Entrepreneurs in these startups translate their vision into business model hypotheses, then test the hypotheses using a

UPDATED!
Entrepreneurship Simulation: The Startup Game
Authored by: Ethan Mollick, Wharton School of the University of Pennsylvania

This multi-player simulation immerses students in the fundamentals of forming a new company. Students role-play as founders, investors, and potential employees who must interact with their classmates to negotiate deals, calculate valuation, find the right staffing mix, and debate financial gains versus organizational control.

Key New Features:

- All Players Enter Decisions—Students playing the employee and investor roles now enter their own decisions. Employees indicate which startup has hired them; investors note the startup(s) they have invested in.
- New Facilitator Screen: Game Overview—Displays investor and founder information regarding A) total investment versus total available funds, and B) company shares given versus total shares available.

#WH0001 | Seat Time: 60 minutes TN

Registered Premium Educators can see a full Free Trial online. Premium Educator Access is a free service.
series of minimum viable products, each of which represents the smallest set of features or activities needed to validate a concept. Founders of a lean startup also know that time counts among their scarcest resources. Put simply: speed matters. Like lean manufacturing, the lean startup method accelerates the tempo of innovation by using rapid iteration, small batches, and short cycle times. The Reading begins by contrasting the hypothesis-driven entrepreneurship approach with other methods. The Reading also explains, step by step, how to formulate business model hypotheses, test them, and act on the test feedback. In the final section, the Reading considers what settings are best suited for hypothesis-driven entrepreneurship. The Reading also includes a section on special topics, a glossary of key terms, and suggestions for complementary cases and further reading.

Core Curriculum Reading: Financing Entrepreneurial Ventures
William R. Kerr; Ramana Nanda; James McQuade
Harvard Business School
#8072 (46 pages)
Instructor Spreadsheet, Supplemental Slides, and Review Questions Available

This Reading introduces students to the key issues involved in the financing of entrepreneurial enterprises. It begins by examining how business models shape external financing requirements. It then contrasts the choice to bootstrap with the option to raise external funds, as well as the traits of debt versus equity investment. Students learn about the different types of equity investors, including angels, VCs, and strategic investors, and follow an entrepreneurial venture’s path through the financing stages. Students also examine how entrepreneurs can adjust business models to match financial conditions, and how they can reduce financing needs through alternative models such as partnerships. Finally, the Reading covers emerging funding models, such as crowdfunding and accelerators, and the global aspects of entrepreneurial finance.

E-comics: Forecasting Demand
Mala Srivastava; Gaurav Thapar
Ivey Publishing Case
#W14490 (6 pages)
Instructor Spreadsheet Available

After spending a few years in the corporate world, in 2012 a young entrepreneur in India decided to start up his own venture developing mobile applications that supported interactive comic content. Called TodTales, the innovative e-comic would incorporate music, interactive games, and augmented reality in a comic book format that would encourage young children to read. He had raised the initial seed funding from his own and his partner’s personal resources and an angel investor. The prototype was ready for demonstration and received positive responses from parents during a focus group study conducted in Mumbai. With the hope of going commercial by the end of 2014, the founder knew that he should start the next stage of development by convincing prospective investors that his idea had commercial potential and would quickly find a market not only in India but around the world.

Fast Ion Battery
Ramana Nanda; Sid Misra
Harvard Business School Case
#815025 (14 pages)

John Davidson, a partner at Ware Street Capital and a board member at Fast Ion Battery, was told by Don Lerner at Blulock Ventures that Blulock would not participate in the $5 million bridge financing for Fast Ion Battery. Fast Ion was running out of cash and urgently needed another round of financing to continue developing its revolutionary battery. Davidson faced a real dilemma. On one hand, the company was finally gaining traction when it came to developing its technology, and the search to replace the current CEO had yielded 2 prospective candidates who were extremely well suited to drive the company forward with a more capital-efficient business model. On the other hand, Ware Street Capital and the 2 other investors had already invested $10 million into a company that had not performed up to investors’ expectations. Would they be throwing more good money after bad by providing the bridge financing?

Husk Power
Joseph B. Lassiter; Sid Misra
Harvard Business School Case
#815023 (20 pages)

In late 2013, Husk Power Systems found itself falling further and further behind plan. The founding CEO had decided to resign. His co-founder is faced with the decision of quitting his corporate job in the U.S. to head to India and help form a new management team. Husk is an Indian startup founded in 2007 with the goal of global rural electrification. The company has decided to pivot from operating biomass gasification plants toward developing solar microgrids in India and East Africa.

Rent the Runway (Abridged)
Thomas R. Eisenmann; Brent Goldfarb; David A. Kirsch
Harvard Business School Case
#815055 (4 pages)

Two months after a successful launch in November 2009, the co-founders of Rent the Runway (RTR), a web site that rents designer dresses, are debating whether to grow their startup at a measured pace and focus on improving operational effectiveness or raise a new round of venture capital sooner than originally planned. Raising more venture capital would allow RTR to aggressively expand its inventory and customer acquisition efforts in order to serve a broader range of customer segments with a wider selection of products (e.g., accessories, maternity wear).

WellSpace Treatment Centers for Complementary and Alternative Medicine (A)
Regina E. Herzlinger; Jun Huangpu; Bing Lin
Harvard Business School Case
#303017 (32 pages)

How should WellSpace, a venture capital–backed purveyor of alternative health services, expand? Although it was nearing breakeven in its first location, the right business model remained unclear.

FINANCE

David A. Moss
Harvard Business Review Press
#0018BC (15 pages)

Chapter 6, Reading a Balance of Payments Statement, defines the essential information in a balance of payments (BOP) statement. The author explores how to read and analyze a BOP and explains how to look for indicators of economic health. The chapter concludes with a short essay on how accounting rules are evolving at the International Monetary Fund.
Barclays Bank, 2008
Lucy White; Stephen Burn-Murdoch; Jerome Lenhardt
Harvard Business School Case #215027 (29 pages)
In the midst of the financial crisis, Barclays (the world’s 4th-largest bank by assets) is forced by U.K. regulators to raise more capital. Should it take up the U.K. government’s offer to invest, or take funding from investors from the Middle East? Students may price the 2 deals to determine which is more expensive, and must decide whether avoiding the constraints of government ownership is worth the extra cost.

EcoMotors International
John D. Macomber; Hermes Alvarez
Harvard Business School Case #215012 (18 pages)
EcoMotors must decide how to go to market with a new technology for internal combustion engines for automotive and industrial use. The OPOC engine is a 2-stroke engine, as compared to a more traditional inline or V-oriented 6-, 8-, or 12-cylinder gas or diesel engine. A 2-stroke engine is cheaper to build and has higher power output than a 4-stroke engine, but historically has been more polluting. At present in the U.S., 2-stroke engines are mostly deployed in lawnmowers and chainsaws, while 4-stroke engines are the leaders in cars, boats, and generators. Should the company be an invention company licensing its technology; an engine designer and manufacturer selling to auto, marine, and fixed-OEM companies; or a fully integrated power and transport solution? How is the value chain currently organized, what obstacles are there in going to market, and how can this company thrive with this innovation that is cleaner and cheaper than the incumbent but hard to explain and deploy?

Envy Rides Incorporated
Elizabeth M.A. Grasby; Greg Smith
Ivey Publishing Case #W10542 (9 pages) Instructor Spreadsheet Available
The newly appointed manager of commercial accounts considers a loan request from the owner of a recreational motorsport dealership in the amount of $60,000 for a long-term loan for renovations and the addition of a tattoo parlor. The owner has also requested a $450,000 working capital loan for operations and to help manage seasonal fluctuations in sales. This is a comprehensive case in which students assess qualitative issues affecting the recreational motorsport industry during a weak economic climate. Students learn the basics of commercial lending and the risks involved in lending to a company that has no bank loan history and that is seeking credit for sustainability.

Landmark Facility Solutions
William E. Fruhan; Wei Wang
Harvard Business School Brief Case #915527 (8 pages) Instructor/Student Spreadsheets Available
Landmark Facility Solutions presents a situation in which a medium-sized facility management company assesses whether to acquire a larger facility management company that is known for its high-quality services and technical expertise. The acquirer believes the acquisition will help it become an integrated facility manager and enter new industries in its home market. The case focuses on valuing the acquisition opportunity and choosing the right financing for the transaction. It explores the interaction between corporate investment and financing, and sets the stage for discussions about capital structure decisions.

Lisa’s Waterbed Emporium Inc.
Richard H. Mimick; Lisa Davidson
Ivey Publishing Case #89J012 (2 pages)
Lisa’s Waterbed Emporium Inc. is a mini case requiring completion of an income statement, a statement of retained earnings, and a balance sheet. The case tests the students’ knowledge of these 3 statements as well as the individual accounts.

POPULAR SIMULATION
Finance Simulation: M&A in Wine Country V2
Authored by: Timothy A. Luehrman and W. Carl Kester, Harvard Business School
In this simulation, students play the role of management at 1 of 3 publicly traded wine producers. Two companies consider a merger-of-equals while a 3rd considers acquiring 1 of the other 2. Students review confidential information to determine value and set reservation prices before negotiating deal terms with each other and accepting or rejecting final offers. An optional valuation exercise introduces students to the valuation techniques used in the simulation.

Registered Premium Educators can see a full Free Trial online. Premium Educator Access is a free service.
Making Room for the Baby Boom: Senior Living
Charles F. Wu; Joseph Beyer
Harvard Business School Case #215003 (20 pages) TN

This case describes several issues for the continuum of senior care alternatives for residents and developers: What motivates seniors to leave their homesteads for much smaller spaces? How can they afford to do so? What are the physical as well as operational challenges for operators when serving the different levels of ability? The case also describes which zoning issues may be faced by developers who seek to build in attractive but challenging neighborhoods. Furthermore, it examines several other questions, including the following: How can a successful operator branch out into new businesses? When should the operator form joint ventures to help them achieve their strategic ends?

Rick's Dilemma
Arthur I. Segel; Charles F. Wu; Siddharth Yog; Ben Eppler
Harvard Business School Case #215006 (8 pages) TN

In 2014, Rick is serving as a trustee for a large family trust whose principle asset is a plot of prime real estate in the Upper East Side of Manhattan. The land is currently subject to a ground lease which pays $4.6 million annually, with resets every 20 years at 4.5% of the appraised value of the land. The next reset is in 2022, and in the meantime Rick must make a decision on whether it might be better for the trust’s beneficiaries to sell the land early. If so, what price should he seek?

ScoreStore.com
Samuel E. Bodily
Darden School of Business Case #UV0361 (7 pages) TN
Student Spreadsheet Available

An angel/venture capitalist could invest in an Internet-sheet-music publishing start-up. The chance of success multiplied by the value, if successful, suggests that this isn’t a good investment. Nevertheless, several friends suggest the optionality present in the venture: abort an unsuccessful web site and sell the technology; switch the technology if the web site is good; expand; or buy out. Decision trees and Monte Carlo simulations are used to value these options, which make the opportunity look very attractive.

Thomas Cook Group on the Brink
Benjamin C. Esty; Stuart C. Gilson; Aldo Sesia
Harvard Business School Case #215008 (28 pages)

The new CEO of Thomas Cook Group faces a daunting set of business and financial challenges at the 171-year-old U.K. travel services company. The company has lost almost £600 million in the past 3 quarters; has seen its stock price fall from 230 pence to a low of 8.8 pence in the past 2 years; and has seen its bonds trade down to as little as 40% of face value. Under just a few weeks the company’s license to operate is to be reviewed by the United Kingdom’s Civil Aviation Authority, competitors are publicly questioning the company’s viability, and seasonal working capital needs are about to peak. With the company’s very survival at stake, the CEO must devise a turnaround plan that will return the company to financial health. Any plan must address the company’s high cost structure, raise substantial new capital, fix the balance sheet, create a profitable growth strategy, and build a more effective organization and culture. But achieving all these objectives within the short time available will be a major challenge.

GENERAL MANAGEMENT

Axel Springer in 2014: Strategic Leadership of the Digital Transformation
Robert Burgelman; Robert Siegel; Jason Luther
Stanford Graduate School of Business Case #E522 (27 pages) TN

In 2013, Mathias Dopfner, CEO of the publishing house Axel Springer SE, a premier source of content in Germany with its popular newspapers and magazines such as Bild and Die Welt, was evaluating the progress of his company’s digital transformation. The advent of the digital revolution at the end of the 20th century had caused an appreciable shift in the publishing industry: traditional print media players were confronted with major technological advancements and changes in consumer tastes and how news was consumed.

Building the Virtual Lab: Global Licensing and Partnering at Merck
Thomas Klueter; Felipe L. Monteiro
INSEAD Case #INS794 (20 pages) TN

The case presents a situation in which Merck’s World Wide Licensing (WWL) division needs to make important organizational decisions to increase the speed, the breadth, and the efficiency of its global licensing and partnering activities.

The Best-Performing CEOs in the World
Adi Ignatius; Daniel McGinn
Harvard Business Review Article #R1411B (15 pages)

The knock on most CEOs is that their focus is too myopic—that they’re fixated on achieving short-term goals to increase their pay. If you studied results produced over the long term, which leaders would truly show strong performance? HBR’s ranking of the 100 best CEOs provides an answer. We took a scientific, objective approach, basing our evaluation on hard data rather than on reputation or anecdotes. We also collected biographical and compensation data on the CEOs to see if we could identify what they had in common and whether there was any correlation between performance and pay. While the top 100 have each had unique journeys to success, there do seem to be 2 preferred pathways: over a quarter of the CEOs have MBAs, and nearly as many studied engineering. But in some ways, the best CEO in the long haul turned out to be one who frequently underperformed in the short term—while continuing to make big bets on the future.

Contextual Intelligence
Taran Khanna
Harvard Business Review Article #R1409C (11 pages)

The author, a strategy and international business professor at Harvard Business School, says that trying to apply management practices uniformly across geographies is a fool’s errand. Best practices simply don’t travel well across borders. Conditions—not just of economic development but of institutional maturity, educational norms, language, and culture—vary enormously from place to place. Students of managerial practice once thought
that their technical knowledge of best manufacturing practices (to take one example) was sufficiently developed that processes simply needed to be tweaked to fit local conditions. More often, they have to be reworked quite radically—not because the technology is wrong but because everything around it changes how it will work. Until we can better develop and apply contextual intelligence, failure rates for cross-border businesses will remain high, what we learn from experiments unfolding around the world will remain limited, and the promise of healthy growth in all parts of the world will remain unfulfilled.

The Discipline of Business Experimentation
Stefan Thomke; Jim Manzi
*Harvard Business Review* Article #R1412D (11 pages)

The data you already have can’t tell you how customers will react to innovations. To discover if a truly novel concept will succeed, you must subject it to a rigorous experiment. In most companies, tests do not adhere to scientific and statistical principles. As a result, managers often end up interpreting statistical noise as causation—and making bad decisions. This article presents several questions companies need to ask themselves to conduct experiments that are worth the expense and effort.

The GSK Scandal: When Questionable Global Practices Met Imperfect Institutions in Emerging Markets
Zhigang Tao; W.H. Lo
University of Hong Kong Case #HK1049 (43 pages) TN

China’s health care reforms in the 1980s left the country’s hospitals undersubsidized and its medical officials underpaid. Hospitals relied on profits generated from the provision of medical services to cover the funding gap, while doctors became kickback seekers to make up for their low rates. In traditional markets, global pharmaceutical companies (“pharm companies”) are no strangers to wooing hospitals and doctors to favor the prescribing of their drugs. These questionable marketing practices were taken to the next level in the China market. Streams of financial flows, legal or not, from pharm companies to hospitals and doctors to win their favor in prescribing their drugs became a structurally embedded problem of the country’s health care system. The Chinese government introduced a new round of reform in 2009. While it promises to spend millions more on health care, its action to wipe out bribery and other kickback-seeking behaviors of the industry left many players perplexed.

HBO Boxing: Should Julio Cesar Chavez Jr. Fight on Cable or Pay-Per-View?
George Foster; David Hoyt
Stanford Graduate School of Business Case #SPM51 (40 pages) TN

Professional boxing was once a mainstream sport, but by the 2000s, it had become a niche sport in the U.S. as few boxers were known beyond hardcore fans, top fights were only available on premium cable or pay-per-view (PPV), and other combat sports were on the rise. This case focuses on a decision facing HBO, one of the important economic drivers of the sport. In September 2012, Julio Cesar Chavez Jr. lost a title fight to Sergio Martinez. The fight was seen on HBO PPV. Most observers thought that a rematch would attract a substantial PPV audience. However, Chavez would likely also have an interim fight. HBO considered the possibility of having the interim Chavez match on its cable channel rather than on PPV. This would make the fight available to more viewers, hopefully increasing the audience for the PPV rematch with Martinez, and would guarantee Chavez a sizable payment from television rights. However, if the fight were on PPV, Chavez would have the opportunity to earn more money based on PPV sales. If HBO believes it’s in the long-term interest of the sport, the fighters, and HBO to have the fight on cable rather than PPV, how can they convince Chavez to accept a lower potential payday in exchange for an increased audience and the opportunity to build PPV sales for the planned rematch with Martinez?

IFCI: Turning Around an Ailing Financial Institution
Shailendra Kumar Rai; C.P. Gupta
University of Hong Kong Case #HK1041 (22 pages) TN

By 2004, the Industrial Finance Corporation of India (“IFCI”) is on the verge of collapse; its profitability has become negative. Non-performing assets (“NPAs”) have reached their peak, and the company does not have enough money to do business. It begins selling off and renting out its premises to get money to sustain its operations, going door to door to save itself. Employee morale is at its lowest level. IFCI’s operations become unsustainable and are no longer viable. Against this backdrop, the IFCI board of directors and the government of India are in a quandary as they try to decide on IFCI’s future course. After evaluating all possible options, IFCI and the government decide to restructure IFCI. IFCI’s turnaround, which catapults it on the path to growth, includes multiple factors such as converting debt into equity, creating provisions for bad loans, restructured liabilities, retiring high-cost debt, managing NPAs aggressively, voluntarily retiring staff, focusing on short-term projects, adopting a selective approach in identifying projects for assistance, and monitoring projects more effectively. The most critical factor that enables the turnaround of the state financial institution is the able leadership that not only changes IFCI’s public sector culture but also brings a new work culture and ethics to the organization. IFCI’s turnaround from the financial crisis inspires a lasting motivation in the hearts of its employees.

Is It Ever OK to Break a Promise?
Neil Bearden
*Harvard Business Review* Case Discussion #R1409X4 (4 pages)
Commentary-Only Version #R1409Z Complete Case and Commentary #R1409L

A student must decide whether to break his promise and leave the company that sponsored his MBA when he is offered a dream job by a Silicon Valley start-up. Expert commentary comes from Carolin Oelschlegel, a principal at Strategy & (formerly Booz & Company), and J. Frank Brown, managing director and COO of General Atlantic, a global investment firm, and former dean of INSEAD.

LOLC Micro Credit
Jasjit Singh; Pushan Dutt
INSEAD Case #INS670 (21 pages) TN

Supplemental PowerPoint Slides Available
LOLC Micro Credit, a microfinance company within the LOLC group in Sri Lanka, has been serving the financial needs of the base of the pyramid through micro-leasing and group lending. The question now is whether to grow the existing business, use diversification to increase impact, or prioritize its expansion into Myanmar.
Workspaces That Move People
Ben Waber; Jennifer Magnolfi; Greg Lindsay
Harvard Business Review Article
#R1410E (11 pages)

Few companies measure whether the design of their workplaces helps or hinders performance, but they should. The authors have collected data that capture individuals’ interactions, communications, and location information. They’ve learned that face-to-face interactions are by far the most important activity in an office—creating chance encounters between knowledge workers, both inside and outside the organization, improves performance. The Norwegian telecom company Telenor was ahead of its time in 2003 when it incorporated “hot desking” (no assigned seats) and spaces that could easily be reconfigured for different tasks and evolving teams. The CEO credits the design of the offices with helping Telenor shift from a state-run monopoly to a competitive multinational carrier with 150 million subscribers.

HUMAN RESOURCE MANAGEMENT

Hacking Tech’s Diversity Problem
Joan C. Williams
Harvard Business Review Article
#R1410H (8 pages)

In 1991, women held 37% of computing jobs; today they hold only 26%. But if tech firms want to get serious about hiring, retaining, and promoting more women, they’ll need something more effective than sensitivity or mentoring programs that fix individual behavior, and longer lasting than cultural change programs. Working women face 4 kinds of bias: prove-it-again (continually being asked to prove their competence), tightrope (backlash for being too assaultive or too nice), maternal wall (erroneous assumptions about mothers), and tug-of-war (pressure to distance themselves from other women). All 4 affect hiring, work assignments, evaluations, and promotion and compensation. Companies need to understand how to thwart these biases with interrupters—small changes to business systems that stop patterns of bias.

How Not to Cut Health Care Costs
Robert S. Kaplan; Derek Haas
Harvard Business Review Article
#R1411G (8 pages)

Health care providers in much of the world are trying to respond to the tremendous pressure to reduce costs—but evidence suggests that many of their attempts are counterproductive, raising costs and sometimes decreasing the quality of care. Kaplan and Haas reached this conclusion after conducting field research with more than 50 health care provider organizations. They found administrators looking for cuts typically work from the line-item expense categories on their P&Ls. This may appear to generate immediate results, but it usually does not reflect the optimal mix of resources needed to efficiently deliver excellent care. The authors describe 5 common mistakes.

Marketing Retirement—or Staying On the Job
Betsy D. Gelb; Teri Elkins Longacre
Business Horizons Article
#BH630 (9 pages)

Financial packages provide the most common incentive to meet the legal requirement that retirement be voluntary. However, managers have other tools to encourage retirement or encourage staying on the job—within legal constraints and consistent with current health insurance changes that may make pre-65 retirement more desirable. In using these tools, managers must consider demographic realities that offer a large cohort to replace retirees. To assist managers, a qualitative study among human resource experts probed how companies decide between encouraging retirement and encouraging staying on the job and also how each is accomplished to maintain a workforce best matched to job requirements.

Rethink What You “Know” About High-Achieving Women
Robin J. Ely; Pamela Stone; Colleen Ammerman
Harvard Business Review Article
#R1412G (11 pages)

The authors, who have spent more than 20 years studying professional women, set out to learn what HBS graduates had to say about work and family and how their experiences, attitudes, and decisions might shed light on prevailing controversies. Their comprehensive survey revealed that the conventional wisdom about women’s careers doesn’t always square with reality. The survey showed, for instance, that (1) the highly educated, ambitious women and men of HBS don’t differ much in terms of what they value and hope for in their lives and careers; (2) it simply isn’t true that a large proportion of HBS alumnae have opted out to care for children; (3) going part time or taking a career break to care for children doesn’t explain the gender gap in senior management; and (4) the vast majority of women anticipated that their careers would rank equally with those of their partners—many of them were disappointed.

INFORMATION TECHNOLOGY

Digital Ubiquity: How Connections, Sensors, and Data Are Revolutionizing Business
Marco Iansiti; Karim R. Lakhani
Harvard Business Review Article
#R1411D (11 pages)

When Google bought Nest, a digital thermostat and smoke detector company, it was a clear indication that digital transformation and connection are reaching critical mass, spreading across even the most traditional industrial segments and creating a staggering array of business opportunities and threats. The digitization of tasks and processes has become essential to competition. General Electric, for example, was at risk of losing many of its top customers to nontraditional competitors—IBM and SAP on one hand, big data start-ups on the other—offering data-intensive, analytics-based services that could connect to any industrial device. So GE launched a multibillion-dollar initiative focused on what it calls the industrial Internet: adding digital sensors to its machines, connecting them to a common, cloud-based software platform, investing in software development capabilities, building advanced analytics capabilities, and embracing crowd-based product development. With all this, GE is evolving its business model.
Entrepreneurship and IT Complementarity: The Case of People's Remittance and Exchange Services
Probir Kumar Banerjee; Moez Limayem; Louis Ma
HEC Montreal Case
#HEC047 (17 pages)

Mr. Rao, with several years of banking experience, approached People’s Group Dubai, a venture capitalist firm, seeking financing for a micro-remittance-cum-foreign exchange service operation in Hong Kong. He argued that demand for currency exchange services in Hong Kong would continue to grow because of the high number of tourists who visited Hong Kong on their China tour. He also argued that a captive market of domestic workers who remitted their wages to their home countries would provide continuous demand for remittance services. Mr. Rao was confident that he could start quickly with a small office staffed by a few tellers and one manager in a busy location of Hong Kong, and then expand operations to other locations. However, financing to cover fixed assets and working capital would be required to open additional outlets. A major enabler of the proposed strategy was the telecommunication network of Western Union, which had established a presence in several parts of the world as a trustworthy provider of remittance services. Mr. Rao also intended to benefit from the technology support and expertise of the IT arm of People’s Group based in Bangalore, India. People’s Group Dubai welcomed realistic entrepreneurial ideas if they were backed by clear strategies for business growth and promised an acceptable rate of return on investment (ROI). With competition and low-cost micro-remittance services provided by pure Internet players, there were questions about the adequacy of technology support from the Bangalore arm in steering Mr. Rao’s proposed venture to success and generating adequate ROI in the short and long run. People’s Group directors debated the viability of the proposed venture.

INTERNATIONAL BUSINESS

Globalization of Hyatt Place
Gevork Papiryany
Ivey Publishing Case
#W14443 (11 pages)

Multinational, multi-brand hotel corporations serve almost all segments of the market. They own hotels and work with other hotel owners through leases, management contracts, and franchise agreements. In the hotel business it is commonplace to receive contracts for management, but many well-known players use franchising agreements during their global expansion. In 2011, Hyatt Hotels Corporation has announced that its select-service brands are expanding internationally. Among other issues, the leadership of the corporation now needs to find answers for 2 key questions: What modes of entry should be used in brand internationalization? How should new internationalization opportunities be pursued for the lower-category Hyatt Place while maintaining the company’s premium brand?

Profits at the Bottom of the Pyramid
Erik Simanis; Duncan Duke
Harvard Business Review Article
#R1410G (9 pages)

The best way for companies to improve the lives of the world’s poorest people—those at the bottom of the pyramid—is to focus first on doing good business, not just on doing good. That’s the contention of the authors, who say that a steady flow of profits from manageable ventures will pave the way for later investments in more-ambitious, socially beneficial projects. The authors cite 2 main challenges in selling profitably to the bottom of the pyramid: changing consumers’ behavior and changing the way products are made and delivered. To help companies see how these challenges affect various business prospects, they have developed an opportunity map that classifies opportunities along a spectrum from the least complex and resource-intensive to the most.

Tesco PLC: Strategy for India
Christopher Williams; Ramasastry Chandrasekhar
Ivey Publishing Case
#W14323 (10 pages)

As multinational enterprises expand operations in emerging economies, identifying and responding to unique marketing challenges may require a strategy that focuses on local adaptation and global integration on a country-by-country basis. In March 2014, Tesco PLC (Tesco), the largest retailer in the U.K. and the 3rd-largest supermarket group in the world, has signed an agreement with Trent Hypermarkets, the retail division of the Tata Group, a leading Indian business conglomerate, for setting up a 50:50 joint venture (JV) in Indian retail. Tesco is committed to investing £85 million (US$110 million) as its share of capital. As it gets down to the basics of operating the JV, the management of Tesco, headquartered in London, United Kingdom, is facing 3 major dilemmas: How should Tesco sustain the advantage of being the first global multi-brand retailer to be allowed to invest in India? How should it fine-tune its tried and tested global business model to suit Indian retail? How could the company avoid the kind of failure it had experienced in the U.S. market, which it exited in April 2013?

Trip Trap: Managing Certification in the Global Supply Chain
Jette Steen Knudsen; Dana Brown
Ivey Publishing Case
#W14528 (8 pages)

A small Danish design company seeks to collaborate with its largest supplier in Thailand in order to improve health, safety, and environmental conditions, as well as labor standards, as a core element of complying with the UN Global Compact principles. The company takes its corporate social responsibility (CSR) agenda seriously and has developed a new standard for CSR in its supplier factories that is implemented and audited by a non-governmental organization. New challenges emerge as attention shifts to the certification of production inputs such as wood. Although Western small- and medium-sized enterprises (SMEs) face pressures to audit their suppliers in developing countries, these SMEs often lack the financial and political resources to change behaviors in supplier factories. The firm’s quality manager must evaluate its sustainability approach. How much leverage can a small
In 2013, Jason Strauss and Noah Tepperberg significantly expanded their portfolio of nightclubs in New York City, Las Vegas, and abroad. Was it a wise idea to model the revamped club after its namesake in Las Vegas? After a costly renovation of Marquee New York City, it was uncertain their investment would pay off. This case discusses whether Strauss and Tepperberg could make the seemingly risky economics—which involved placing large bets on superstar DJs—work in a very different market.

Executive on the front lines of managing across borders share their insights: Luc Minguet, of France’s Michelin, explains how the importance of cultural training not just for managers taking on assignments abroad but also for local employees who work with colleagues from around the world. He describes how his own experience learning to communicate across cultures reflects the tire-maker’s broader practices. Eduardo Caride, of Madrid-based Telefonica, explains how the relatively young multinational corporation is investing in a diverse talent mix as it strives to become a truly global company. Whereas early on, leaders relied on exporting Spanish managers abroad, he notes the street now runs both ways. Takeo Yamaguchi, of Japan’s Hitachi, details his efforts to create standardized global HR systems and processes across the conglomerate’s 948 separate companies.

“The three years ago we had no systematic way of tracking employees, evaluating performance, or identifying future leaders,” Yamaguchi says. “Today we do.” And Shane Tedjarati, from the U.S.’s Honeywell, talks about how the industrial powerhouse is shifting its strategy toward new regions, such as China, India, Vietnam, and Indonesia. “We call these markets ‘high-growth regions’ instead of emerging markets,” says Tedjarati, “because they now account for more than half of Honeywell’s total growth.”

In December 2013, music superstar Beyoncé was about to surprise her fans with the release of her self-titled album. The team at her company Parkwood Entertainment, which general manager Lee Anne Callahan-Longo described as “a management, music, and production company that is owned and at the highest level operated by an artist,” had chosen to release the entire album at once and exclusively via the Apple iTunes Store, without any prior promotion—a significant and potentially very risky departure from how music was traditionally released. Sony Music’s label, Columbia Records, with whom Parkwood partnered on recorded-music activities, shared the costs—and therefore also the risk—of the album, which had been 1.5 years in development and was a particularly expensive proposition because of the many videos. How would fans and music industry insiders react to the daring launch, unveiled via Beyoncé’s Facebook and Instagram accounts? Would the album be able to find a large enough audience even without traditional promotional activities? And would there be any adverse reactions, for instance such as traditional music retailers refusing to carry the physical album later?

Cree Inc.: Introducing the LED Light Bulb
John Gourville; Michael Norris
Harvard Business School Case #515026 (20 pages)
Cree, a North Carolina-based maker of light-emitting diodes (LEDs), has just introduced its first consumer product—an LED light bulb. It is designed as an energy-efficient replacement for the ubiquitous incandescent light bulb. But given that it is an unfamiliar technology and that it costs 10 times what an incandescent bulb costs, there are questions about how best to promote adoption and what sales level might be expected.

Crescent Pure
John A. Quelch; Alisa Zalosh
Harvard Business School Brief Case #915539 (12 pages)
Executives from Portland Drake Beverages (PDB) are meeting to determine the appropriate product positioning and advertising campaign for the launch of Crescent Pure, a specialty organic beverage. They have 3 options for positioning: should Crescent Pure be positioned as an energy drink, or a sports drink, or should it adopt broader positioning as an organic health and wellness beverage? Students studying this case explore customer segmentation, product differentiation analysis, and the evaluation of perceptual maps as a market research technique.
Customer Care at eTots.com
Phillip E. Pfeifer; Paul W. Farris; Ichiro Shiraki
Darden School of Business Case
#UV2916 (7 pages)  
Instructor/Student Spreadsheets Available
The case provides the background for a hands-on data-mining exercise. The purpose of the analysis is to identify high-value customers of an online retailer in order to give them VIP treatment. The exercise is described in the case “Identifying the VIPs at eTOTS” (UV2918).

From Conflict to Balance: Mastering Creative Tension
Matthew E. May
Rotman School of Management Article
#ROT248 (5 pages)
Great innovation is often born of an ability to harmonize opposing tensions, the author argues—like the pressure to avoid failure and the need to take risks, or the demands of getting results quickly and the freedom to search for “the best way.” Unfortunately, all too often the artful balancing of opposing tensions goes by the wayside, and compromises are made that sub-optimize efforts to create value. The author introduces a technique that prevents compromise: intentional goal conflict. He provides two examples of this approach, cut from the annals of innovation at Toyota, to illustrate exactly how it works.

GoldieBlox: Toy Company and Copyright Infringement
Zahra Ladha Jiwani
Ivey Publishing Case
#W14370 (3 pages)  
In November 2013, GoldieBlox was accused of copyright infringement. It used the Beastie Boys song “Girls” in one of its advertisements promoting new toys for girls without permission. The company’s reaction to file a lawsuit against the band was not well received and perhaps a little hasty. In the wake of the crisis, the chief executive officer of GoldieBlox Toy Company and her team had some decisions to make regarding how to handle the lawsuit they filed against the Beastie Boys that then backfired. The hostile environment was not conducive to the image of the company and the negative media was of concern to GoldieBlox and its employees.

Incredible India: Evolution of Brand India
Tripti Ghosh Sharma; Akshay Kumar; Samriddhee Khanna; Aditi Gupta; Karthik Govindarajan; Arpit Agarwal
Ivey Publishing Case
#W14514 (14 pages)  
In 2011, the minister of state for tourism in India is contemplating the future of the “Incredible India” campaign. Started in 2002, the campaign had succeeded in turning India into a high-end tourist destination, resulting in growth of 16% in the number of foreign visitors. Originally focused on landscape and culture, the campaign evolved to embrace such concepts as spiritual, medical, adventure, film, and sports tourism on a year-round basis. In 2007, the campaign was extended to the international arena with participation in events in Berlin, Cannes, London, and New York. In 2012, the culmination of over a decade of effort resulted in three awards at the World Travel Awards. Now, in 2013, uncertainties have multiplied. India has gained more familiarity among and acceptance from foreign tourists of diverse backgrounds, who now expect more differentiation in the choices available. To lure them, the tourism departments of several Indian states and union territories have begun to adopt their own advertising campaigns. Can Indian tourism, which is based on a unified branding approach, sustain its growth in the long run? Is it more advantageous to change to a system in which different tourism products and regions are branded distinctly?

Marketing Marijuana in Colorado
John A. Quelch; David Lane
Harvard Business School Case
#515003 (28 pages)  
In March 2011, Asif Satchu and Modi Wiczyk, co-chairmen and co-chief executive officers at independent production company Media Rights Capital (MRC), are debating whether to accept a licensing offer from Netflix for their most ambitious project to date, a new television series called House of Cards. MRC executives had begun to pitch the series to each of the major premium cable networks in the U.S., including AMC, FX, HBO, Showtime, and Starz. To the surprise of the two entrepreneurs, Netflix executives had made it known they were prepared to make a bold step into the world of original programming. As thrilled as Satchu and Wiczyk were about Netflix’s offer, accepting it—and thus forgoing a sought-after one-season offer from a traditional premium cable network—raised major concerns, for instance about MRC’s ability to secure international rights fees, to obtain sufficient marketing support, to gain the necessary credibility in the marketplace, and to satisfy artists and other key constituents. Was Netflix the right partner for MRC?

Netflix: The Customer Strikes Back
Daniel Shively; Rajkumar Venkatesan
Darden School of Business Case
#UV6459 (7 pages)  
A financial analyst is asked to appraise the value of Netflix stock at a time of unprecedented turmoil for the company. This case introduces customer lifetime value (CLV) as a useful metric for subscription-based businesses.
Online Tutorial: Customer Lifetime Value
Thomas Steenburgh; Jill Avery
Harvard Business School
#7085 TN
Seat time: 60 minutes
The Customer Lifetime Value Tutorial teaches students how to calculate a customer’s lifetime value, allowing them to prioritize their marketing and product development resources on the customers that will provide the biggest returns. This tutorial allows students to manipulate the levers that determine a customer’s lifetime value—providing insight into how to maximize the value each type of customer delivers. The relationships a company has with its customers are among its most valuable assets, and understanding the value of those customer relationships is key to managing them well over time. But not all customers are created equally, and figuring out how much value each customer adds to the bottom line allows managers to be the most efficient with their marketing and product development investments.

Online Tutorial: Market Sizing
Thomas Steenburgh; Jill Avery
Harvard Business School
#7080 TN
Seat time: 60 minutes
The Market Sizing Tutorial helps students turn raw market data into a clear analysis that can inform product development and marketing plans. It helps students gather the data needed to size the market, then it helps students use the data to make confident projections, and finally, it helps students use the data to help build a strategy. The Market Sizing Tutorial includes a brief tutorial that walks students through the process and calculations; instructions for gathering market data to plug into the tool; and the results of students’ data analysis in a shareable PowerPoint document.

Online Tutorial: Pricing for Profit
Thomas Steenburgh; Jill Avery
Harvard Business School
#7083 TN
Seat time: 60 minutes
The Pricing for Profit Tutorial helps students confidently arrive at the most profitable price by guiding them through a series of questions: How much does it cost to produce each product you sell? How are your competitors’ products priced, and how valuable is your product or service relative to those competitors? How many customers will buy your product at various price points? What price maximizes your profitability? The Pricing for Profit Tutorial will help students turn raw data into a clear analysis that will inform pricing decisions. The Pricing for Profit Tutorial includes a brief tutorial that walks students through the process and calculations; instructions for gathering pricing data to plug into the tool; and the results of students’ data analysis in a sharable PowerPoint. The tool provides a systematic approach to determining the most profitable price for products and services.

Portland Trail Blazers
Ronald T. Wilcox
Darden School of Business Case
#U2971 (11 pages) TN
Instructor Spreadsheet Available
Designed to teach conjoint analysis, this case challenges students to make tactical decisions based on marketing research. A National Basketball Association franchise is struggling to increase attendance. It contracts a marketing research firm to conduct a conjoint analysis focusing on several aspects of its season ticket offerings with the hope that it can profitably improve their attractiveness.

Showrooming at Best Buy
Thales S. Teixeira; Elizabeth Anne Watkins
Harvard Business School Case
#515019 (15 pages)
Best Buy is a consumer electronics retailer with nearly 2,000 stores worldwide. In 2012, the rising popularity of price-matching apps for mobile phones made price differences between retailers transparent, online and offline. Shoppers’ desire to test electronics firsthand before purchase drove them to use Best Buy stores as showrooms to see new products and then search for better deals on their smartphones. This case examines how brick-and-mortar stores battle showrooming through changes in product assortment, the development of apps, loyalty programs, and changes in pricing policy. The case asks whether Best Buy can survive by permanently price-matching their online-only competitors, primarily Amazon, despite having higher costs.

SVEDKA Vodka (A)
Paul W. Farris; Rajkumar Venkatesan; Ivy Zuckerman
Darden School of Business Case
#UV4284 (18 pages) TN
B and C Cases Available
Supplemental Slides Available
Suitable for both MBA- and undergraduate-level courses such as integrated marketing communications, this case traces a product from idea to established, successful brand. A spirits industry executive perceives a gap between the under-$10 and the $25-and-up prestige vodkas. Could a mid-priced vodka capture some volume from each of those markets? Decisions on pricing, target, distribution, branding, and promotion are considered in the A case. The B case (UV4285) presents the results, which include the important benchmark of 1 million case sales by 2006. It also presents the founder’s assessment of which initial decisions were most critical and explores the new choices he faces, including changes to the distribution channels and additions to the product line.

Visa Inc. and the Global Payments Industry
Neil Bendle; Dan Horne
Ivey Publishing Case
#W14186 (8 pages) TN
Student Spreadsheet Available
A manager preparing for an interview with Visa Inc. seeks to understand the nature of the global payments industry and Visa Inc.’s position within it. The case outlines the industry’s history and current practice through extensive use of publicly reported information. The public information allows answers to some important questions: What does Visa Inc. do? How competitive is the industry? And what is the source of Visa Inc.’s competitive advantage?

Wheaties: Reinvigorating an Iconic Brand (A)
Marian Moore; Adam Weinberg
Darden School of Business Case
#UV6536 (8 pages) TN
B and C Cases Available
In the spring of 2008, the marketing manager of Wheaties was getting ready for a meeting to discuss ideas about how to reinvigorate one of the most iconic and well-known cereal brands in America, which was over the preceding
few years had experienced a steady decline in market share. The only limitation the manager would impose was that any new product could not replace the original Wheaties. Otherwise, she was open to any opportunity to differentiate Wheaties from the orange box and yet fully embody the brand equity.

NEGOTIATION

Contracting from East to West: Bridging the Cultural Divide
Eric L. Richards
Business Horizons Article
#BH634 (8 pages)

When contracting in a global environment, basic cultural differences increase the risk of misunderstandings. Culture generally provides the context for contract language and shapes the parties’ most basic assumptions regarding their respective rights and responsibilities. Businesses must recognize, respect, and reconcile cultural differences if they hope to contract successfully in the global environment. For U.S. and Chinese businesses to better understand how to successfully negotiate and carry out contractual relations with one another, they must recognize the differences in core cultural values between the 2 countries and develop strategies for reconciling these differences. Bridging these cultural differences between the U.S. and China, managers can achieve the mutual expectations necessary to the long-term success of cross-cultural business transactions.

Indian Steel Ltd: Tri-Party Negotiation—The Buyer (A)
Samish Dalal; Agarwal Rajiv
Ivey Publishing Case
#W14021 (3 pages) \[TN\]

This case presents a role play between a buyer, seller, and consultant. In January 2012, India Steel Ltd., a successful, family-owned, mid-sized steel manufacturing company headquartered in India but with agents in Europe, the U.S., and some parts of the Middle East, is about to enter into a negotiation to buy a steel plant owned by Swedish Steel AB, a large Swedish steel company with more than 7,000 employees working in 9 production facilities all over the world. Encouraged by a family friend, India Steel’s CEO has hired an Indian consulting firm to go to Sweden and evaluate the offer. This case involves the buyer and is used with Indian Steel Ltd.; Tri-Party Negotiation—The Seller (B); and Indian Steel Ltd.: Tri-Party Negotiation—The Consultant (C).

MANAGEMENT

Managing Ambiguity in Strategic Alliances
Rajesh Kumar
California Management Review Article
#CMR575 (21 pages)

Alliances have become a core component of many firms’ strategy, but they are often characterized by a high level of instability that can lead to failure. Ambiguity is an intrinsic aspect of strategic alliances and effective management of it determines how well the partners are able to make the alliance work. Alliances are subject to 3 types of ambiguity—partner, interaction, and evaluative—that are important at different stages of alliance evolution. Partner-related ambiguity is most prevalent at the formation stage of the alliance, interaction ambiguity at the operational stage, and evaluative ambiguity at the outcome stage. This article examines the mechanisms by which firms can best manage these different types of ambiguity to achieve a successful alliance.

OPERATIONS MANAGEMENT

AmazonFresh: Rekindling the Online Grocery Market
Rory McDonald; Clayton M. Christensen; Robin Yang; Ty Hollingsworth
Harvard Business School Case
#615013 (17 pages)

More than a decade after the high-profile failures of several early online grocers, grocery remains the largest single U.S. retail category
and one of the few that has not yet migrated online. Amazon began testing its grocery-delivery service, AmazonFresh, in Seattle in 2007; 5 years later, the company has made significant progress. The case traces the evolution of AmazonFresh’s business model and describes the operating capabilities necessary to compete with brick-and-mortar supermarkets like Walmart and Safeway and with new digital grocery startups. Now Amazon needs to decide on AmazonFresh’s next step. Should the company continue refining its business model in Seattle or expand to another city? What factors should it take into account when planning its next move?

Humanitarian Assistance/Disaster Relief: What Can We Learn from Commercial Supply Chains?
Willy Shih; Margaret Pierson
Harvard Business School Case
#615003 (16 pages)
Organizing speedy and efficient supply operations for unpredictable major natural disasters was a continuing challenge for the U.S. military, and the 2010 earthquake in Haiti was unique in both its operational scope and political complexity. As he reviewed the after-action reports, George Topic, the vice director of the Center for Joint and Strategic Logistics at the National Defense University, wondered how the performance of disaster relief efforts should really be measured. How should the efficiency of the response be characterized? He wondered if they could overcome some of the hurdles to applying concepts from commercial supply chains. The case explores some of the lessons learned from the Haiti disaster and offers an opportunity to test well-known supply chain concepts.

Is Revenue Sharing Right for Your Supply Chain?
Mehmet Sekip Altug; Garrett van Ryzin
California Management Review Article
#CMR574 (29 pages)
Many firms have enjoyed remarkable success using revenue sharing contracts to improve supply chain performance. The video rental industry and its pioneering deal with movie studios is one such example. At the same time, other firms have struggled to make it work. What accounts for this difference? When can revenue sharing create significant value and what are the implementation costs? By comparing and contrasting several case examples—including our own experience working with a major semiconductor manufacturer—we develop a general framework that helps answer these questions based on the fundamental sources of added value and added costs.

Mattel and the Toy Recalls (A)
Hari Bapuji; Paul W. Beamish
Ivey Publishing Case
#908M10 (14 pages) TN
B Case Available
On August 14, 2007, the U.S. Consumer Product Safety Commission (CPSC), in cooperation with Mattel, announced 5 different recalls of Mattel’s toys. On September 4, Mattel announced 3 more recalls. Some were due to the use of lead paint, while others were due to small magnets coming loose. The (B) case outlines the handling of the recalls and their consequences, such as consumer outrage, media scrutiny, government intervention, and the effect on China. Further, it discusses the design flaws for which large toy companies are responsible. The (B) case raises many issues, such as who Mattel’s stakeholders are, what values Mattel followed, and whether Mattel needs to revisit its China strategy.

Netflix: Designing the Netflix Prize (A)
Karim R. Lakhani; Wesley M. Cohen; Kynon Ingram; Tushar Kothalkar; Maxim Kuzemchenko; Santosh Malik; Cynthia Meyn; Greta Friar; Stephanie Healy Pokrywa
Harvard Business School Case
#615015 (15 pages) B Case Available
In 2006, Netflix CEO Reed Hastings was looking for a way to solve Netflix’s customer churn problem. Netflix used Cinematch, its proprietary movie recommendation software, to promote individually determined best-fit movies to customers. Hastings determined that a 10% improvement to the Cinematch algorithm would decrease customer churn and increase annual revenue by up to $89 million. However, traditional options for improving the algorithm, such as hiring and training new employees, were time-intensive and costly. Hastings decided to improve Netflix’s software.
by crowdsourcing, and began planning the Netflix Prize, an open contest searching for a 10% improvement on Cinematch. The case examines the dilemmas Hastings faced as he planned the contest, such as whether to use an existing crowdsourcing platform or create his own, what company information to expose, how to protect customer privacy while making internal data sets public, how to allocate IP, and how to manage the crowd.

**Pfizer’s Centers for Therapeutic Innovation**

Gary P. Pisano; James Weber; Kaitlyn Szydlowski
Harvard Business School Case #615024 (25 pages)

In 2010, Pfizer established 4 small research units, in New York, Boston, San Francisco, and San Diego, which were located close to several premier Academic Medical Centers or hospitals with adjoining medical schools. The goal of these units was to redesign collaboration with Pfizer and academic medical researchers, with the purpose of developing new, innovative drug candidates for testing on patients. Project teams consisted of Pfizer scientists and academics working side by side to reduce the time needed to bring a therapeutic drug from the lab to a patient’s bedside. This case explores the academic collaboration model developed by Pfizer. What were the strengths and challenges facing this model? How would the model evolve in the future? And how would new, similar collaboration models surfacing at other major pharmaceutical companies pose a threat to the Pfizer model?

**The Physics of Patient Flows and Wait Lists in Health Care Pathways**

Stephen E. Chick
INSEAD Case #INS417 (11 pages) TN

This case allows course participants to use a graphical simulation tool to explore several key factors that lead to customer response delays in service systems. A high-level discussion can then ensue on process flow management, including tools like segmentation, process standardization and scheduling, and resource utilization planning. The case requires the ProModel simulation software tool (not included, must be purchased separately), and computer simulation input files (available free from the author’s web site, http://faculty.insead.edu/stephen-chick/simulations).

**Qihoo**

Feng Zhu
Harvard Business School Case #615017 (16 pages)

Qihoo, one of the largest Internet companies in China today, was founded in 2005. The company started its business by offering a security software product, and quickly dominated the market in China after its unusual move of giving its product away for free in 2009. Later, it expanded its offering to cover a broad spectrum of Internet and mobile security products. In 2012, the company launched its own Internet search engine called So.com. By August 2013, So.com captured 18% PC market share, and had posed a threat to Baidu, China’s largest and most established search engine provider. Yet to compete against Baidu and other Chinese Internet giants in the long run, Qihoo needed to find a way to replicate its PC market success in the mobile market. How could Qihoo continue to evolve its search engine business, and what was the best mobile strategy to help the company grow?

**South Side Restaurant’s Low Carbon Wine List**

Michael Valente
Ivey Publishing Case #W11278 (12 pages)

The owner of South Side Restaurant, a middle-to-upper-class restaurant located in Chicago, Illinois, must decide which of the 3 bottles of wine to add to the restaurant’s wine list. Given that the restaurant prides itself on its environmental and social positioning and that its consumers have come to expect performance in this area, the wine’s carbon footprint represents an important decision criterion. South Side Restaurant is a for-profit restaurant and the owner must balance this environmental criterion with short- and long-term financial return considerations.

**Whole Foods: The Path to 1,000 Stores**

David Drake; Ryan W. Buell; Melissa Barton; Taylor Jones; Katrina Keverian; Jeffrey Stock
Harvard Business School Case #615019 (20 pages)

The case examines the operations strategy of Whole Foods, one of the largest natural grocery

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**NEW! MULTIMEDIA CASE**

**Havas: Change Faster**

Authored by: Michael Tushman; Karim Lakhani

As the 6th largest global advertising, digital, and communications group in the world, Havas was highly decentralized. It had semi-independent agencies in more than 100 countries, with the largest, Havas Worldwide, based in New York. CEO David Jones was determined to make Havas Worldwide a leader in digital innovation. The case explores the tensions within the company as Jones attempts to change the company to compete in an industry undergoing digital transformation. The case uses the example of the acquisition of Victors & Spoils, a crowdsourcing advertising agency, to examine internal reactions.

Harvard Business School Case Seat Time: 90 minutes | #615702 TN
chains in the U.S. In late 2013, Whole Foods was expanding rapidly, with a publicly stated goal of growing from 351 to 1,000 domestic stores by 2022. It was also engaged in a strategic initiative to combat food deserts—areas with limited access to affordable and nutritious food. In pursuit of these initiatives, the company’s rapid entry into a heterogeneous set of new markets necessitated a reexamination of its store format, target customer base, and approach to human capital.

**ORGANIZATIONAL BEHAVIOR**

**Bosch India’s Starter Motor and Generator Division: Pioneering a Network Form of Organization**

Abhoy Ojha

Indian Institute of Management Bangalore Case #IMB471 (10 pages) **TN**

The case describes a situation faced by the Starter Motor and Generator (SMG) division of Bosch Limited in India as a consequence of the global restructuring of the Bosch Group in 2007. The SMG division had not earned profits for the 22 years since its inception, but was welcomed as part of the India operations of Bosch Limited as other divisions cross-subsidized the division. However, after the restructuring, the division became a part of the global product division, which had no incentives to tolerate the continuation of a loss-making division. The local management was forced to make strategic and operational changes to make the division viable to avoid the harsh decision of closing down the operations of the business. The case briefly describes the operational changes that were implemented to improve profitability, and then focuses on the strategic decisions related to the choice of a new business model that had consequences for the organizational structure that was adopted.

**Do Business and Politics Mix?**

Brian K. Richter

*Harvard Business Review* Case Discussion #R1411X (4 pages)

Commentary-Only Version #R1411Z

Complete Case and Commentary #R1411J

Natural Foods, a midsize chain of organic grocery stores, has chosen to donate to a super PAC that plans to fund ads promoting political candidates with strong pro-business platforms. When 1 of those candidates takes a controversial stance against gay marriage and news of the company’s connection to him is exposed, customers and employees stage protests and ask the company to reconsider its policy on campaign contributions. One board member urges the CEO to get out of politics completely, but the head of government relations believes that the company just needs to be more strategic about how it makes political donations. Can the company have the political influence it needs without making campaign contributions? This case has commentary from Ken Cohen, the vice president of public and government affairs for Exxon Mobil, and John Harrington, the president and CEO of Harrington Investments.

**Indus Towers: From Infancy to Maturity**

Ranjay Gulati; Maxim Sytch; Rachna Tahiliani

*Harvard Business School Case* #415005 (22 pages)

Indus Towers, the world’s largest telecom tower company, is a joint venture between 3 telecom rivals in India. These rivals—Bharti Airtel, Vodafone India, and Idea Cellular—combined their telecom towers to provide shared telecom infrastructure to wireless telecom operators on a nondiscriminatory basis. The CEO has transformed Indus from struggling start-up with a monopolistic mind-set into a customer-centric organization. He now wants to grow Indus’s profits 100 times. However, to achieve this he needs to reconcile the conflicting objectives of Indus’s shareholders. All 3 shareholders are also his customers and often these 2 roles lead to differing requirements. He needs to determine how to convince the board to make a decision, keeping Indus’s best interests in mind while balancing operators’ interests.


Jay W. Lorsch; Emily McTague

*Harvard Business School Case* #415021 (9 pages)

B Case Available

On Tuesday, March 15, 2011, all 1,200 global partners of McKinsey & Co. gathered at the Gaylord National Hotel & Convention Center near Washington, DC, for their annual partners’ conference. The atmosphere was tense as the partners, in addition to their normal agenda, discussed the Galleon Group insider-trading trial and the recent allegations against the firm’s former managing director Rajat Gupta. Three months earlier, senior partner Anil Kumar pled guilty to providing confidential information about McKinsey clients he served when working with Galleon Group founder Raj Rajaratnam. The McKinsey partners were shocked and dismayed by the actions of Kumar, as well as the recent allegations against Gupta, and were closely monitoring the situation. Could a former managing director of their firm have conspired to enable insider trading? And if so, what did that mean for the future of the firm?

**Micromax: Scaling the Largest Indian Mobile Handset Company**

Ranjay Gulati; Rachna Tahiliani; Alicia DeSantola

*Harvard Business School Case* #415034 (23 pages)

In January 2014, Rahul Sharma, co-founder of Micromax Informatics (Micromax), the largest Indian mobile handset company, prepares for an emergency conference call with his private equity investors. In the last 6 years, Micromax had grown its annual product revenues from $54 million to over $1 billion. Unfortunately, it was difficult for the founding team to keep up with Micromax’s rapid growth, triggering a series of missteps in 2010 that brought the company close to catastrophe. In response, investors had convinced Sharma and his co-founders to hire their first outside CEO, Deepak Mehrotra, and several senior professionals. With the founders working alongside the new professionals, frequent overlaps and sometimes run-ins occurred. Now, both Mehrotra and the head of their smartphone division had resigned. Sharma evaluates their options—would the founders need to reconsider their involvement in the company they created or was there still a middle ground where both founders and professionals could coexist in the business?

**Opening the Valve: From Software to Hardware (A)**

Ethan S. Bernstein; Francesca Gino; Bradley R. Staats

*Harvard Business School Case* #415015 (23 pages)

In January 2014, Rahul Sharma, co-founder of Micromax Informatics (Micromax), the largest Indian mobile handset company, prepares for an emergency conference call with his private equity investors. In the last 6 years, Micromax had grown its annual product revenues from $54 million to over $1 billion. Unfortunately, it was difficult for the founding team to keep up with Micromax’s rapid growth, triggering a series of missteps in 2010 that brought the company close to catastrophe. In response, investors had convinced Sharma and his co-founders to hire their first outside CEO, Deepak Mehrotra, and several senior professionals. With the founders working alongside the new professionals, frequent overlaps and sometimes run-ins occurred. Now, both Mehrotra and the head of their smartphone division had resigned. Sharma evaluates their options—would the founders need to reconsider their involvement in the company they created or was there still a middle ground where both founders and professionals could coexist in the business?
example of an organization with virtually no hierarchy. A 400-person organization, Valve has a unique organizational form (described in detail in the case and accompanying employee handbook) that includes 100% self-allocated time, no managers (and therefore no managerial oversight), a structure so fluid that all desks have wheels to allow free movement between cabals (teams) on a regular basis (which happens frequently enough that Valve created a homegrown tracking app to allow peers to find each other), a unique hiring apparatus that supports recruitment of T-shaped individuals, and a purely peer-based performance review and stack ranking.

**Teaming at Disney Animation**

Amy C. Edmondson; David L. Ager; Emily Harburg; Natalie Bartlett

Harvard Business School Case 

#615023 (20 pages)

Jonathan Geibel, director of the Systems group at Walt Disney Animation Studios, walked through the work space occupied by the group he had been tasked to lead. The Disney studio had created more than 53 feature animated films in over three-quarters of a century. In late March 2014, Frozen became the highest-grossing animated feature, worldwide, of all time. There was a period in the history of the 90-year-old studio, not so many years ago (and prior to John Lasseter and Ed Catmull’s leadership), when Walt Disney Animation Studios had become more structured and hierarchical, and it wasn’t always easy to work across departments to innovate. Both high-tech computer animation and creative storytelling was more cross-disciplinary and dynamic than ever. Geibel wondered what he and Ron Johnson, whom he hired and teamed up with to re-envision the Systems group within Disney Animation, could do to improve the flow and the efficiency of the organization’s increasingly technical and creative work.

**The Transparency Trap**

Ethan S. Bernstein

Harvard Business Review Article 

#R1410D (10 pages)

To promote accountability, productivity, and shared learning, many organizations create open work environments and gather reams of data on how individuals spend their time. A few years ago, HBS Professor Ethan Bernstein set out to find empirical evidence that such approaches improve organizational performance. What he discovered is that this kind of transparency often has an unintended consequence: it can leave employees feeling vulnerable and exposed. When that happens, they conceal any conduct that deviates from the norm so that they won’t have to explain it. Unrehearsed, experimental behaviors sometimes stop altogether. But Bernstein also discovered organizations that had established zones of privacy within open environments by setting 4 types of boundaries: around teams, between feedback and evaluation, between decision rights and improvement rights, and around periods of experimentation. Moreover, across several studies, the companies that had done all this were the ones that consistently got the most creative, efficient, and thoughtful work from their employees.

**What’s Your Language Strategy?**

Tsedal Neeley; Robert Steven Kaplan

Harvard Business Review Article 

#R1409D (8 pages)

Language pervades every aspect of organizational life. Yet leaders of global organizations—where unrestricted multilingualism can create friction—often pay too little attention to it in their approach to talent management. By managing language carefully, firms can hire and develop the best employees, improve collaboration on global teams, and strengthen the company’s footing in local markets. Language proficiency—either in a lingua franca, or shared language, or in a local language—does not guarantee high performance. Recruiters may favor fluency over other capabilities. They may rely on external hires with language skills rather than grooming internal candidates with the capacity and motivation to learn new languages. And leaders may give expatriate assignments not to the best candidates but to people who speak certain languages. To hire and promote the best people, firms may need to provide training to meet global and local language needs. Fluency in a language also does not equal cultural fluency.
SALES

FormPrint Ortho500
Frank V. Cespedes; Alisa Zalosh
Harvard Business School Brief Case
#915535 (14 pages)

The senior VP of FormPrint’s Medical Products business unit is considering issues raised by the upcoming introduction of a new 3-D printing system, the Ortho500, which could print custom exoskeletal orthopedic splints, braces, and casts that conform to a patient’s body. The potential market extended beyond large urban hospitals (Ortho’s existing market) to high-volume outpatient offices in the U.S., with a long-term goal of expanding internationally. The product represents an important new market opportunity for FormPrint’s Orthopedic business unit, but requires a new approach to marketing and sales. The immediate issue is whether the product should be sold by FormPrint’s existing orthopedic sales force or by independent sales representatives. Other issues include the role of the Ortho500 in the company’s global marketing strategy and the need for better marketing-sales coordination in a changing health care marketplace.

SOCIAL ENTERPRISE

Deborah Cullinan and Yerba Buena Center for the Arts
Laura Callanan; Jane Wei-Skillern; Amy O’Callaghan
UC Berkeley—Haas School of Business Case
#B5822 (24 pages)

The case study describes the work of Deborah Cullinan during her tenure as executive director of Intersection for the Arts and in her new role as executive director of Yerba Buena Center for the Arts (YBCA). The case begins as Cullinan is conducting a strategic refresh of YBCA and deciding how to navigate an array of opportunities and challenges. Some of the challenges include staff fatigue resulting from a constant push for innovation under her predecessor; skepticism that the focus on the community will diminish artistic excellence; questions about Cullinan’s ability to manage a large institution; changes to the Yerba Buena Gardens complex that may affect YBCA’s tenancy and 14% of its revenue; and a fraught environment in which artists and community members are being priced out of San Francisco by the influx of tech companies and their highly paid workers, potentially altering the character of the city forever.

The Energy Foundation: Catalyzing and Adapting Networks in China
Jane Wei-Skillern
UC Berkeley—Haas School of Business Case
#B5820 (24 pages)

The Energy Foundation China case study focuses on EF China’s history, network culture and processes, and how the organization is adapting to external changes. Throughout EF China’s history, the organization has been very successful at building relationships and networks in a country that has had little engagement with international NGOs like the Energy Foundation. Unlike most other nonprofit organizations, EF China has not focused on self-promotion, their own innovative strategies, or their programmatic strategies; instead, the organization has focused on the greater mission of solving energy issues in China. As a result, EF China has been very open, adaptive, and flexible to China’s specific needs and culture, as well as humble in not taking the credit for work they clearly contributed to and in many cases, spearheaded. These strategies have led EF China to be very successful in helping to develop and change energy policies; however, the case focuses on external changes and how EF China is grappling with how to adapt its network strategy.

Innovation at One Acre Fund: Seeing the Forest for the Trees
Jamie Jones; Grace Augustine
Kellogg School of Management Case
#KEL801 (14 pages)

One Acre Fund (1AF) is a nonprofit organization in rural Western Kenya that helps farmers lift themselves out of poverty by providing a bundle of products and services that support farmers with quality inputs, training on farming techniques, access to credit, and assistance in achieving optimal prices. Since the organization’s founding nearly a decade ago, it has grown to serve over 180,000 farm families annually as of July 2014. This high level of penetration into rural Kenya, Rwanda, Burundi, and Tanzania makes 1AF a potential distribution channel for rolling out new products and technologies that could benefit farmers and their families. The organization prides itself on its innovative culture, and always strives to offer new products and methods to its farmers. In 2011, 1AF realized that it needed to formalize its innovation process to ensure it was confident in new products before rolling them out across its entire farmer network. It therefore created a robust, multistep evaluation framework to assess new innovations on 4 criteria: impact, adoptability, simplicity, and operability.

Made by Survivors: Business Solution for a Social Problem
Gaurab Bhardwaj; Elizabeth Swanson Goldberg
Babson College Case
#BAB271 (22 pages)

The case tracks the creation and growth of a social enterprise, Made By Survivors (MBS), founded by Sarah Symons and John Berger. Inspired by a documentary on sex trafficking and a visit to a Nepalese nonprofit that helped women freed from sex trafficking (survivors), Symons conceived the idea for a business that would help survivors become financially independent and restore their lives. With Berger’s help, she launched MBS to sell handicrafts, stationery, and home goods in the U.S., all products that were made by survivors in several countries, thus providing them a source of income. To grow sales, the co-founders tried different means of selling, altering the product mix, partnering with suppliers, starting production on their own, and designing products for a new audience. MBS is now a global business, and the case focuses on the organization’s ability to scale its social mission and generate new revenue.

Using Social and Economic Incentives to Discourage Chinese Suppliers from Product Adulteration
Christopher S. Tang; Volodymyr Babich
Business Horizons Article
#BH619 (12 pages)

The American public raised serious concerns about product safety in 2007 when the number of product recalls broke a new record. Following a temporary drop in 2008, both the number and retail value of recalled units have been increasing, despite various efforts exerted by government agencies and private companies to combat this trend. Currently, companies are being priced out of San Francisco by the influx of tech companies and their highly paid workers, potentially altering the character of the city forever.
many countries—including China itself—are expressing serious concerns over adulterated or unsafe food made or sold in China. What are the underlying reasons for some Chinese suppliers to adulterate products? When law enforcement is still weak in China, what can Western manufacturers do to reduce the risk of product adulteration? To develop effective deterrence mechanisms, the authors first identify 4 underlying factors that create incentives for some Chinese suppliers to produce unsafe products. Then, ideas are proposed to discourage Chinese suppliers from producing adulterated products, based on 2 underlying strategies.

**STRATEGY**

**Core Curriculum Reading: Competitive Advantage**

Pankaj Ghemawat; Jan W. Rivkin
Harvard Business School
#8105 (29 pages)
Exhibit Slides Available

Core Curriculum in Strategy is a series of Readings that cover fundamental course material in Strategy. Readings include Interactive Illustrations that help students master complex concepts quickly. Competitive Advantage introduces core concepts in competitive advantage, including value creation and distribution, added value, willingness to pay, and supplier opportunity cost. The Reading explores how a firm’s unique activities directly relate to establishing competitive advantage. Students also learn how to analyze a firm’s value proposition.

**Core Curriculum Reading: Introduction to Strategy**

Ramon Casadesus-Masanell
Harvard Business School
#8097 (28 pages)

Exhibit Slides and Review Questions Available

Core Curriculum in Strategy is a series of Readings that cover fundamental course material in Strategy. Readings include Interactive Illustrations which help students master complex concepts quickly. “Introduction to Strategy” provides a comprehensive overview of the strategy discipline and introduces the building blocks of strategy by providing overviews of fundamental conceptual frameworks. Students will learn how firms decide where to compete by exploring the business landscape and the structural forces that shape competition. This Reading will also present alternative perspectives on strategy.

**Digital-Physical Mashups**

Darrell K. Rigby
*Harvard Business Review Article* 
#R1409F (10 pages)

A quarter century into the digital revolution, many companies still agonize over whether to invest significant resources in digital capabilities. Meanwhile, customers—who are used to weaving their digital and physical worlds tightly together—wonder why companies haven’t done the same. The author and his colleagues at Bain have worked with and studied hundreds of companies around the globe that are trying to cope with the swiftly changing marketplace. Most industries, he writes, are still in the early stages of what he calls “digital” transformation—and the greatest barrier they face is inexperience with its execution. Drawing on Bain’s study of leaders from 20 global industries, he presents 5 rules that can help.

**Google Inc. in 2014**

Benjamin Edelman; Thomas R. Eisenmann
Harvard Business School Case
#915004 (24 pages)

This case describes Google’s history, business model, governance structure, corporate culture, and processes for managing innovation. This case reviews Google’s recent strategic initiatives and the threats they pose to selected competitors, and then asks what Google should do next.

**How Smart, Connected Products Are Transforming Competition**

Michael E. Porter; James Heppelmann
*Harvard Business Review Article* 
#R1411C (23 pages)

Products once composed solely of mechanical and electrical parts have become complex systems combining hardware, sensors, electronics, and software that connect through the Internet in myriad ways. These smart, connected products offer exponentially expanding...
opportunities for new functionality, far greater reliability, and capabilities that cut across and transcend traditional product boundaries. The changing nature of products is disrupting value chains, argue Michael Porter and PTC CEO James Heppelmann, and forcing companies to rethink nearly everything they do, from how they conceive, design, and source their products to how they manufacture, operate, and service them to how they build and secure the necessary IT infrastructure. Smart, connected products raise a broad set of new strategic choices for companies about how value is created and captured, how to work with traditional partners and what new partnerships will be required, and how to secure competitive advantage as the new capabilities reshape industry boundaries.

Moser Baer and OM&T—Choosing a Strategic Partnership Mode
Kannan Srikanth; Sonia Mehrotra; Priyank Arora; Geetika Shah
Indian School of Business Case #ISB043 (14 pages) TN

This case is set in December 2006, when the management at Moser Baer India Limited (MBIL) was faced with the critical decision of whether to pursue a strategic partnership with Optical Media and Technology (OM&T) and what form such a partnership should take. MBIL was India’s largest and the world’s 3rd-largest optical storage media manufacturer, with a presence in over 82 countries, serviced through marketing offices in India, the U.S., and Europe. In 2006, MBIL had also entered the photovoltaic (PV) cells industry and aimed to succeed in this new business by leveraging its core process strength in coating thin films on substrates. OM&T was based in a high-technology cluster in Eindhoven, the Netherlands, and was known in the industry for its contribution to prototyping, standardization, and pilot production of advanced optical disc formats such as Digital Versatile/Video Disc (DVD) and Blue Laser Discs (Blu-ray discs). For the MBIL management team, all the options were on the table, including a licensing arrangement, a strategic alliance by taking an equity stake in the company, and a complete acquisition of the company. After careful evaluation, they had to choose the most appropriate option and implement their decision.

Netflix in 2011
Willy Shih; Stephen P. Kaufman
Harvard Business School Case #615007 (21 pages) TN

Reed Hastings founded Netflix to provide a home movie service that would do a better job satisfying customers than the traditional retail rental model. But as it encountered challenges it underwent several major strategy shifts, ultimately developing a several major strategy shifts, ultimately developing a new business model and an operational strategy that were highly disruptive to retail video rental chains. The combination of a large national inventory, a recommendation system that drove viewership across a broad catalog, and a large customer base made Netflix a force to be reckoned with, especially as a distribution channel for lower-profile and independent films. Blockbuster, the nation’s largest retail video rental firm, was initially slow to respond, but ultimately rolled out a hybrid retail/online response in the form of Blockbuster Online. Aggressive pricing pulled in subscribers, though at a price to both it and Netflix. But a new challenge was on the horizon: the rapid growth of the company’s online streaming service, which had a very different business model. Hastings’ efforts to separate the activity into 2 separate companies met with strong pushback from consumers and the press. What was the best path forward?

Taking a Mexican Company Global—The CEMEX Way
S. Venkataraman; Yiorgos Allayannis; Gerry Yemen
Darden School of Business Case #UV6381 (27 pages) TN

This case uses CEMEX, a global cement producer based in Mexico, to set the stage for unfolding an analysis of a growth through acquisition strategy. It offers a discussion about the firm’s overall strategy to acquire on a global scale instead of growing organically, and provides an opportunity to introduce basic financial, marketing, and operational terms that can be explored in following classes. The material includes a PMI process that further allows discussion on that technique.

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Turkcell
Felix Oberholzer-Gee; Charles C.Y. Wang; Esel Cekin
Harvard Business School Case #715009 (27 pages)

This case centers around the shareholder dispute among 3 major shareholders of Turkcell, and how its management voted against increasing regulatory intervention and market competition in the absence of a fully functioning board. The battle for control of the Turkish telecom giant led to several years in which the company could not hold annual shareholder meetings, renew its board of directors, or pay dividends, and lacked a board-approved operating budget. Nevertheless, it maintained its majority market share and was the only telecom player with positive EBITDA in the market. What were the implications of this dispute for Turkcell’s broad ambitions? How would the continuing battle affect management, talent, and the company’s financial performance?
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