Expanded Catalog of 50 Simulations

New Simulation Partners

Our newly expanded catalog of simulations makes it easier to find one that fits your teaching objectives. As many professors have experienced, simulations make learning competitive and memorable. Students feel engaged, have fun, and experience “aha!” moments. Best of all, simulations ensure key concepts stick.

HBP Education recently launched its own 6 simulations in strategy, accounting, marketing, IT management, macroeconomics, and technology adoption. In addition, HBP’s catalog now includes simulations from new partners Cesim, Marketplace Simulations, and MobLab in the disciplines of marketing, economics, international business, entrepreneurship, and strategic management. Varying in length from 15 minutes to several hours, simulations from these partners provide powerful, experiential learning experiences for a range of students and course types. See pages 2-4 for more information.

See more simulations and read what educators say about the energized classroom experience: hbsp.harvard.edu/simulations

Register on the new Education website to see complete Educator Copies of all simulations: hbsp.harvard.edu/registration

REVISED EDITION
THE CASE STUDY HANDBOOK: A STUDENT’S GUIDE
BY WILLIAM ELLET

Revision includes study guides and new insight for students.

“By far the best and the most comprehensive case study self-help book I have ever read.”
– RATISLAW KULICH, FORMER MBA STUDENT 
AND HARVARD BUSINESS SCHOOL GRADUATE

The business case study is a powerful learning tool. But students—especially those new to case learning—can find it challenging to analyze a case and/or write about it. This practical guide provides students with a potent approach to:

• Recognize case situations and apply appropriate tools to solve problems, make decisions, or develop evaluations
• Quickly establish a base of knowledge about a case
• Write persuasive case-based essays
• Talk about cases effectively in class

New in this edition of the Case Study Handbook are study guides for analyzing and writing about different types of cases, whether they require a decision, an evaluation, or problem diagnosis.

Individual chapters are available.

CONTINUED ON PAGE 4
Marketplace Simulations

Marketplace Simulations is a family of marketing and business simulations designed for educational faculty worldwide. Developed by Innovative Learning Solutions Inc. with a simulation pedagogy that has been refined over 30 years, business educational tools offered by Marketplace allow students the opportunity to experiment with strategies, test ideas, and experience the consequences of their actions in the safety of a virtual environment.

**NOW AVAILABLE THROUGH HBP EDUCATION:**
- Advanced Strategic Marketing #MP0005
- Introduction to Marketing #MP0001 | #MP0007
- Strategic Marketing #MP0003 | #MP0009

**Faculty Spotlight**

GREGORY T. GUNDLACH  
COGGIN DISTINGUISHED PROFESSOR OF MARKETING, COGGIN COLLEGE OF BUSINESS, UNIVERSITY OF NORTH FLORIDA

**Why do you use Marketplace simulations?**

Simply put, the Marketplace simulations make me a better teacher. They provide a rigorous and dynamic real-world setting for my undergraduate, masters and executive students to apply what they have learned.

**How do these simulations impact student learning?**

The competitive nature of the Marketplace simulations motivates students to reach deep and further learn the course material as a basis for outperforming their classmates.

**How are you using the simulation in your courses?**

The simulation complements my course modules, lectures, and readings, providing the students a setting in which to apply what they are learning as we move through the course.

**What sets Marketplace Simulations apart from other types of course materials?**

The simulation takes case studies to another level by incorporating multiple periods of play in which students are required to react and learn from the results of their past decisions. The dedicated business focus, user-friendly interface, and excellent customer service also set the Marketplace simulations apart.

“I currently am using the Advanced Strategic Marketing simulation as a setting for my undergraduate and graduate students to apply what they learn in the course.”

–GREGORY T. GUNDLACH, UNIVERSITY OF NORTH FLORIDA

Cesim

Cesim’s competitive, team-based simulations help illustrate business theories in a low-risk environment. Built on a powerful and highly scalable online platform that allows for different class sizes, Cesim simulations improve students’ knowledge retention, decision making, and teamwork. The simulations are customizable, available in multiple languages, and accompanied by built-in tools for explaining results to students.

**NOW AVAILABLE THROUGH HBP EDUCATION:**
- Global Challenge (Strategy and International Business Management) #CE0001
- Hospitality (Hotel and Restaurant Management) #CE0007
- OnService (Small Service Business Management) #CE0003
- SimFirm (General Business Management) #CE0005

**Faculty Spotlight**

JAMES NEBUS  
PROFESSOR, SUFFOLK UNIVERSITY

**Why do you use the Global Challenge simulation?**

The most difficult part of running an international business is decision making in a complex and uncertain global environment. This is a topic that is easy to talk about but difficult to do. Global Challenge is unique in that it enables
students to experience this decision making in an international environment. The way I teach Global Challenge, it presents students with a weekly changing environment over the semester-long simulation. Each week, students must make a set of decisions: forecast demand, develop or license new products, build vs. subcontract production capacity, set transfer prices, and finance these projects through equity and/or debt. They also choose the products to be sold, their prices, and promotion budgets across multiple continents simultaneously.

While playing the simulation, students have a newfound appreciation for the interdependence of their decisions made while running a business in this complex and uncertain environment. Global Challenge helps students improve their decision making over time by learning from their mistakes and successes and observing those of other teams.

How do students react to playing the simulation?

After the first round of the simulation, when each team can see how their business is doing relative to other students’ businesses, the competitive juices start to flow. It amazes me how much time student groups spend analyzing their income, cost, and cash flow statements relative to those of other teams in order to get a competitive edge. This would never happen in a textbook exercise. Sometimes I have to tone down the trash talk among teams.

“After the first round of the simulation...the competitive juices start to flow.”

–JAMES NEBUS, SUFFOLK UNIVERSITY

NOW AVAILABLE THROUGH HBP EDUCATION:

- Asset Market (Bubbles & Crashes) #ML0001
- Minimum Effort #ML0007
- Principal Agent #ML0003
- Production, Entry & Exit #ML0009
- Stackleberg Competition #ML0005
- Trust #ML0011
- Ultimatum #ML0013

Faculty Spotlight

BRETT A. SARANITI
PROFESSOR, KELLOGG SCHOOL OF MANAGEMENT, NORTHWESTERN UNIVERSITY

Why do you use MobLab games?
Instead of telling students how people or firms behave in certain situations, MobLab lets me put the students into those situations so they can see for themselves. The theory comes afterward and they see how it applies.

What do simulations offer that other teaching methods and course materials do not?
Thirty-five years ago I dissected a frog in my 7th grade biology class. I can still remember the smell of the formaldehyde and the feel of the scalpel. That’s the difference between a lab and a lecture. That’s what MobLab gives my students: an experience they won’t ever forget.

What kinds of results have you had using MobLab games with different types of students?
I have used MobLab with undergraduates, MBAs, and executives on three continents and the results are always the same: an engaging learning experience that pulls the students deeper into the content of the course.

“MobLab gives my students an experience they won’t ever forget.”

–BRETT A. SARANITI, NORTHWESTERN UNIVERSITY

NEW SIMULATION PARTNER

MobLab

MobLab turns economics classrooms into interactive learning environments. With a library of short, 15-to-30-minute games, MobLab offers hands-on learning experiences to supplement a wide range of courses in economics, management, and social sciences. Instructors can easily configure games, monitor progress, and review results.
Strategy Simulation: Value Champion

Students Learn About Value Chain Analysis and Activity Choices

This 30-minute simulation teaches students about value chain analysis and competitive advantage. Acting as a manager for SmartShoe, an athletic footwear company, students make strategic decisions about everything from procurement and raw materials to manufacturing, staffing, shoe features, shipping, and marketing. As they struggle with trade-offs, students learn how value chain analysis can help lower costs, increase differentiation, and create value for the firm.

Teaching and Debrief Tools
Facilitators have a variety of tools at their disposal, including a comprehensive Teaching Note, introductory and debrief PowerPoint slides, author commentary videos, and detailed reporting screens that showcase student results and support the class debrief.

FOR COURSES IN:
- Strategy
- Operations Management
- Introduction to Business
- Management Accounting

SEAT TIME: 30 MINUTES, PLUS DEBRIEF
PRODUCT #8685 | SINGLE-PLAYER
NORMAN T. SHEEHAN, UNIVERSITY OF SASKATCHEWAN

“IT HELPS BREAK DOWN THE VALUE CHAIN IN A NICE AND INTERACTIVE WAY.”
- STUDENT REVIEW OF STRATEGY SIMULATION: VALUE CHAMPION

Students make a series of strategic decisions in response to a high-stakes customer order.
Value Proposition Simulation: Surgical Robotics

**Students Develop Value Propositions and Learn How They Drive Brand Value**

In this competitive simulation, students learn the concept of value proposition and gain insight into how effective propositions connect to an organization’s strategy and drive brand value.

Playing the role of CEO at 1 of 4 competing surgical robotics companies, students are tasked with improving their brand’s value proposition to customers, gaining market share, and further expanding market category penetration. Representing their assigned brand, students must craft a strategy and value proposition, and implement them through a series of executional investments in 4 timed years.

**Teaching and Debrief Support**
Instructors have access to dynamic debrief PowerPoint slides, a comprehensive Teaching Note, and author commentary videos. Instructors can choose from 6 class results charts and 5 group comparison charts to support debrief in class.

**LEARNING OBJECTIVES INCLUDE:**
- Understand how a value proposition is linked to business strategy and brand value.
- Connect a value proposition to the market category.
- Develop actionable value propositions and use them to drive execution.
- Link the value proposition to a brand’s performance and competitive advantage.
- Consider competitive dynamics in developing a value proposition.
- Explain the systems nature of value propositions.

**FOR COURSES IN:**
- Marketing
- Strategy
- Brand Management

**NEW IN CORE CURRICULUM:**
- FINANCIAL ACCOUNTING READING: MARKET AND REGULATORY INSTITUTIONS #5094
- ORGANIZATIONAL BEHAVIOR READING: LEADING GLOBAL TEAMS #8358
- FINANCIAL ACCOUNTING READING: ASSETS #5071

**SEE ALL CORE CURRICULUM READINGS:**
hbsp.harvard.edu/corecurriculum

**SEE ALL SIMULATIONS:**
hbsp.harvard.edu/simulations

**WHY I TEACH WITH CORE CURRICULUM READINGS**
**BY MICHAEL P. GRIFFIN**
CPA, CMA, SENIOR LECTURER OF ACCOUNTING AND FINANCE | CHARLTON COLLEGE OF BUSINESS, UNIVERSITY OF MASSACHUSETTS DARTMOUTH

“Recently, I taught a course covering the basics of accounting and finance for nonbusiness students. I needed a quick way to present an accounting primer. Rather than use a textbook, I adopted three HBP Core Curriculum Readings in Financial Accounting: Basic Accounting Concepts and Assumptions (#5060), Preparing Financial Statements—The Balance Sheet (#5050), and Preparing Financial Statements—Statements of Income and Cash Flows (#8608). The coverage of fundamentals, realistic examples, and rich financial vocabulary brought the students up to speed on the accounting framework and accepted principles, allowing us to move on to robust discussions about 10Ks, ratio analysis, time value of money, corporate finance, and even personal financial planning topics.”

**CORE CURRICULUM READINGS:**

All Readings are accompanied by a Teaching Note (including a list of recommended cases and articles that pair well with the Reading), review questions, exhibit slides, and a glossary of key terms.

**SEAT TIME: 90 MINUTES, PLUS DEBRIEF**
PRODUCT #8720 | MULTI-PLAYER, SYNCHRONOUS
MARTA DAPENA-BARON

→ Dynamic reports help students visually compare their brand’s value proposition to that of other brands.
NEW MULTIMEDIA CASE IN IT
DIGITAL TRANSFORMATION IN VOCENTO
BY CASIMIRO JUANES
IE BUSINESS SCHOOL

This case helps students understand the impact of digital transformation in a traditional industry such as media, addressing customer habit changes, new emerging competition and digital disruption. It shows how company strategies and technology strategies align and how data analytics can be used to solve a business problem. Students have the opportunity to contemplate changes happening across industries and when digital transformation is required, as well as the concept of Over-The-Top Players (OTTPs).

#N003SE 9 | SEAT TIME: 30 MINUTES
IE BUSINESS SCHOOL

NEW MULTIMEDIA CASE IN IT
DISRUPTIVE INNOVATION AT BBVA
BY CASIMIRO JUANES
IE BUSINESS SCHOOL

In this case, students examine the impact of digital transformation in an industry such as banking, addressing changes in customer habits, new emerging competition and digital disruption. The importance of aligning company strategy with technology strategy is brought to light, illustrating that IT decisions are business decisions. Students gain an appreciation for a long-term approach to innovation in company culture, along with short-term execution.

#N00348 9 | SEAT TIME: 30 MINUTES
IE BUSINESS SCHOOL

IT Management Simulation: Cyber Attack!
Students Explore Management Issues Faced During and After a Cyber Attack

This immersive simulation teaches students key management issues faced when responding to an IT crisis in real time. Playing the role of the newly appointed CTO of a company in the midst of a cyber attack, students will practice ascertaining priorities and making sound decisions that reinforce data preservation. They will navigate the complexities of making meaning in a crisis and communicating in a fast-paced environment, while learning the importance of crisis preparedness.

Teaching and Debrief Tools
Facilitators have a variety of tools at their disposal to support the class debrief, including a comprehensive Teaching Note, introductory and debrief PowerPoint slides, author commentary videos, and student results.

LEARNING OBJECTIVES:
• Discover human biases that lead to ineffective behavior while responding to a crisis in real time.
• Recognize the importance of crisis preparedness.
• Learn to ascertain and manage priorities during a crisis.
• Practice collaboration and decision making to structure effective diagnosis and response.
• Understand the complexities of communicating upward, outward, and internally during and after a crisis.

FOR COURSES IN:
• IT Management
• Information Assurance
• Information Security
• Crisis Management
• Leadership
• Organizational Behavior

Students proactively respond to prompts from a diverse set of characters, prepare a statement for an external audience, and review each other’s statements.

PRODUCT #N8690 | MULTI-PLAYER, SYNCHRONOUS
ROBERT D. AUSTIN, IVEY BUSINESS SCHOOL
Financial Analysis Simulation: Data Detective

Students Identify Industry Characteristics Revealed in Financial Data

In this simulation, students learn to identify typical industry characteristics revealed in financial data. Equipped with an interactive set of tools, students look for clues in disguised financial statements and ratios, and match them to a set of companies. Students practice relating financial data to the strategy and operating characteristics of a business, understand how said characteristics vary across industries, learn financial ratios, and test their understanding of the balance sheet and income statement.

Teaching and Debrief Tools
Facilitators have a variety of tools at their disposal to support the class debrief, including a comprehensive Teaching Note, debrief PowerPoint slides, author commentary videos, and student results.

LEARNING OBJECTIVES:
• Create a narrative about how a business operates and finances itself, given only common-size financial statements and some select ratios.
• Demonstrate an understanding of how the operational financial story of an industry would be reflected in financial ratios and other metrics.

FOR COURSES IN:
• Accounting
• Finance
• Financial Accounting
• Financial Statement Analysis

NEW ACCOUNTING TUTORIAL
THE STATEMENT OF CASH FLOWS
BY LUCIA EGEA RONDA
IE BUSINESS SCHOOL

This tutorial helps students understand the basic concept of cash flow in accounting and the categories of operating, investing, and financing activities. Students will learn how to develop the statement of cash flows using the inputs from the income statement and balance sheet, and then prepare the statement of cash flows under both the direct and indirect methods. Finally, students will be able to compare the differences between the direct and indirect methods and be able to interpret the statements of cash flows of real companies.

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FREE TRIAL AVAILABLE:
hbsp.harvard.edu
Innovation Marketing Simulation: Crossing the Chasm

Students Experience the Challenges of Achieving Mainstream Adoption of a Disruptive Innovation

This simulation allows students to experience the frustrations and challenges of taking a disruptive innovation from initial success with early adopters to widespread adoption by the mainstream market. This transition has been termed “crossing the chasm” by Geoffrey A. Moore, and is the foundational framework for the simulation.

Playing the role of co-founder and CEO of a self-driving vehicle technology firm, students are tasked with achieving the growth promised by their technology. They will assess a variety of market opportunities and develop an appropriate strategy for their target segments in an effort to bridge the early-adopter and mainstream markets, and successfully cross the chasm.

LEARNING OBJECTIVES:

• Experience the discontinuity between early-adopter and mainstream markets in the adoption of a disruptive innovation.
• Discover how to attain widespread adoption through a strategy that bridges the early-adopter and early-majority markets.
• Ascertain appropriate target market segments using limited, qualitative data.
• Overcome the tendency to follow a conservative strategy, and pursue the high-risk strategy of focusing on one segment.
• Practice satisfying the needs of a target segment with a whole product solution.
• Recognize the long-term benefit of persisting with and dominating one segment to achieve success in adjacent segments.

Teaching and Debrief Tools

Facilitators have a variety of tools at their disposal to support the class debrief, including a comprehensive Teaching Note, debrief PowerPoint slides, author commentary videos, and student results.

FOR COURSES IN:

• Entrepreneurship
• Innovation Management
• Marketing Strategy
• New Venture Strategy
• Technology Marketing

EDUCATOR COPIES

Complete Educator Copies of simulations are available online to registered Educators.

NOT REGISTERED? IT'S FREE: hbsp.harvard.edu/registration
In late 2016, Axonify, a Canadian technology company that managed a corporate online learning platform, was struggling to meet aggressive revenue growth targets while also controlling the costs of acquiring new customers. Axonify’s chief financial officer had not imposed a top-down approach to developing budgets, nor had he attempted to closely monitor and control actual results against the budgeted costs. The members of the senior management team had been exercising considerable autonomy to develop their own functional area budgets and had been asked to explain only significant variances. The budgeting system had served Axonify well in its startup phase. Would this “loose” budget system continue to work as the company grew, or should the chief financial officer have considered another budget process?

Partners in Health: Costing Primary Care in Haiti
ROBERT S. KAPLAN; MAHEK A. SHAH
HARVARD BUSINESS SCHOOL CASE #118051 (17 PAGES)

Partners in Health, a global NGO focused on delivering health care to residents of rural underserved communities, conducts a project on the cost of primary care at 5 sites in the Central Highlands of Haiti. It devises a simple approach for tracking the resources used by patients being treated for diverse medical conditions, as an input to a time-driven activity-based costing model. The results show considerable cost diversity across the 5 sites, but organizational leaders differ on the interpretation and action implications of the findings.

The Pfizer-Allergen Tax Inversion
REBECCA LESTER; JACLYN C. FOROUGHI
STANFORD UNIVERSITY CASE #A230 (31 PAGES)

In November 2015, U.S.-based biopharmaceutical company Pfizer [NYSE: PFE] and Ireland-based pharmaceutical company Allergan [NYSE: AGN] announced a US $160 billion merger to move Pfizer’s domicile out of the United States to Ireland in the largest inversion deal ever. The announcement came just days after the U.S. Department of the Treasury laid out a set of restrictions on tax inversions; however, the deal was structured to avoid those restrictions. According to the Treasury Department, “By undertaking an inversion transaction, companies move their tax residence overseas to avoid U.S. taxes without making significant changes in their business operations.” Two primary benefits provided by inversions were (1) the removal of a company’s foreign operations and income from the U.S. taxing jurisdiction to achieve pure “territorial” tax treatment (in which income was taxed only in the country where it was earned); and (2) the reduction of U.S. taxes on income from U.S. operations through the use of various “earnings stripping strategies” (e.g., making payments of deductible interest or royalties from the U.S. entity to a new foreign parent). According to Reed College economist Kim Clausing, inversions and other income-shifting techniques reduced Treasury revenues by as much as US $111 billion in 2012.
research and development. In October 2015, investors began losing confidence when Valeant was subpoenaed to testify before the U.S. Senate Committee about its price-gouging practice. Ongoing investigations by the U.S. House Committee and Attorney’s Offices regarding Valeant’s patient assistance program and business relationships with Philidor Rx Services also contributed to the company’s downfall. In May 2016, Valeant hired Joseph Papa to replace Pearson as CEO. One of Papa’s top priorities was to pay down the $30 billion debt amassed to finance the company’s acquisitions. In Case (A), students learn about the company’s executive incentive compensation philosophy, acquisitions, and governance practices and are asked to assess the financial impact of Valeant’s acquisitions. In Case (B), students are asked to identify the factors driving Valeant’s stock price down and to assess the company’s ability to pay down its $30 billion debt.

Whole Foods Under Amazon
DENNIS CAMPBELL; TATIANA SANDINO; JAMES BARNETT; CHRISTINE SNIVELY
HARVARD BUSINESS SCHOOL CASE #118074 (34 PAGES)

In August 2017, Amazon acquired Whole Foods Market for $13.7 billion. Whole Foods was struggling with high costs and faced growing competition from traditional supermarkets offering more organic products. Prior to the acquisition, Whole Foods had begun rolling out a new order-to-shelf (OTS) inventory management system that many observers believed had led to shortages. For years, store team leaders at Whole Foods were empowered to make inventory decisions and tailor their stores to meet local needs, but OTS came with strict rules for purchasing and displaying goods, which upset many employees. Should Amazon push Whole Foods to improve performance by emphasizing efficiency and standardization? Or should it aim to maintain a sense of empowerment among employees?

India’s Demonetization: Purging Black Money?
TULSI JAYAKUMAR
IVEY PUBLISHING CASE #W17732 (17 PAGES)

On November 8, 2016, the Indian prime minister announced that in an effort to counter corruption, black money, and counterfeiting, high-value currency notes of Rs 500 and Rs 1,000 denominations would be withdrawn from circulation. The currency to be removed in the demonetization exercise was worth Rs 15.4 trillion, or 86.9% of the total value of currency in circulation. The old currency would be replaced with new Rs 500 and Rs 2,000 notes, but the transition would limit cash liquidity for 50 days in the Indian economy, which was heavily dependent on cash to facilitate both consumption and production. How would this process affect India, which had been identified as the world’s fastest-growing economy? Would demonetization have the desired effect of purging the economy of black money and moving India toward a cashless economy with increased growth? Or would it simply bring India’s remarkable growth story to a grinding halt and discourage investments?

Kickstarting Tomato Jos in Nigeria
SOPHUS A. REINERT; RISA KAVALERCIK
HARVARD BUSINESS SCHOOL CASE #178027 (47 PAGES)

In the spring of 2016, Mira Mehta faced a difficult decision. Following a successful Kickstarter campaign and having won second place in the Harvard Business School New Venture Competition-Social Enterprise Track, she had moved to Northern Nigeria, where she founded the tomato paste company Tomato Jos. Though her brand had gained traction, she had, in the face of endless unforeseen and unforeseen obstacles, yet to produce any actual paste. As the Nigerian government pondered new tariffs to protect local alternatives against the competition of ostensibly cheap and low-quality “killer tomato paste,” Mehta considered a job offer from a major agricultural company that would secure her financially, but at the cost of her independence and, perhaps, her dreams.

Sunrun in 2017: Net Metering in Nevada (A)
STEVEN CALLANDER
STANFORD UNIVERSITY CASE #P93A (11 PAGES)

In 2015, the Nevada Public Utility Commission (PUC) passed a ruling that essentially eliminated net metering, dramatically reducing the compensation rate for home solar owners selling excess electricity back to the utility company. As a result, solar companies, including Sunrun, were forced to close down operations, severing 3,000 industry jobs. This case profiles the PUC’s decision, and Sunrun’s strategy in dealing with out-of-market forces in order to retain a sales presence in Nevada.

Charity or Bribery
EUGÈNE SOLTES; BRIAN TILLEY
HARVARD BUSINESS SCHOOL CASE #118052 (4 PAGES)

Filip Kowalski, a senior manager at the pharmaceutical company Healthgen, leads sales for the firm’s Polish division. While pitching Healthgen’s products, he develops a relationship with a director of a regional health fund who also runs a private foundation. After a natural disaster, Healthgen—at the request of the director—donates products to help during the crisis. After Healthgen wins an important contract, the media alleges that the donation was made to secure the support of the regional health director. Were the efforts to boost company sales and support public health a donation or a bribe?

The Dakota Access Pipeline Project
INGO WALTER; SINZIANA DOROBANTU
INSEAD CASE #IN1444 (24 PAGES)

Plans for a $3.5 billion crude oil pipeline in 2014–17 from the Bakken formation of North Dakota and Canada to a transfer point near Chicago, linked to an existing pipeline to
the major refining and export facilities on the U.S. Gulf Coast, run into trouble when the developer, Energy Transfer Partners, encounters a “roadblock” on a section of federal land that is within a reservation of the Flat Rock Sioux tribe of Native Americans. The case charts how the conflict escalated from the local to the global level.

Kirat Housing Development Society
ALVARO SANDRONI; FARHAD ASPY FATAKIA
KELLOGG SCHOOL OF MANAGEMENT CASE #KE1044 (11 PAGES) TM

Three months into his first job as an IT consultant, newly minted MBA Phil Lee was wondering whether he had made a horrible mistake. Initially, he had been thrilled with his employer, Orion Information Technology Consulting, and the prospects for his professional future. He had specifically requested to work on projects in emerging markets, and his bosses had responded by flying him halfway around the world to New Delhi to meet with the head of procurement of a luxury property developer, Kirat Housing Development Society (KHDS). Lee thought the reason for the meeting was slightly unusual: Orion was planning to make a bid to supply building management software for KHDS’s newest luxury tower, and this meeting would be the “pre-bid” negotiation. Lee wasn’t totally sure what they’d even be discussing, as the tender had already provided full details on exactly what modules would be required and even included specific penalty clauses for delays. The meeting at KHDS seemed ordinary at first, but quickly took a turn when the assistant to the head of procurement explained that Orion would win the bid if it offered him a $200,000 contract as an “independent consultant.” Lee was stunned. To make matters worse, when he returned to his hotel room he found a gift waiting for him: an expensive-looking diamond pendant. On his sleepless flight home, Lee’s mind raced. Had his bosses known this would happen? Were bribes standard operating procedure? Now that he'd accepted a gift, was he complicit in wrongdoing? Lee didn’t want to get fired, but he wasn’t sure he could go along with this.

Oilcorp’s Marketing Campaign: Mixed Reactions to a CSR Initiative
JUAN M. PARRA
NORTH AMERICAN CASE RESEARCH ASSOCIATION CASE #NAS505 (7 PAGES) TM

In January 2010, the head of the Colombian Red Cross approached Oilcorp, owner of the largest regional chain of service stations in the country, requesting its participation in the Colombian Red Cross’s 100th anniversary celebration with a brand awareness campaign for its social programs. Given that the annual budget had already been approved without this campaign in mind, Oilcorp’s CEO assigned the task of raising money to the marketing department. Nevertheless, the campaign backfired when Oilcorp tried to link the social message with selling more gasoline and asking customers to provide their details through its corporate website, to be added to Oilcorp’s database. Carlos Cardona—a member of the marketing team at Oilcorp—was worried about the mixed reactions he was receiving. The team merely wanted to be practical, and this seemed the easiest way. However, people close to Cardona thought otherwise. For many, it seemed that the company was taking advantage of a social cause for marketing purposes. They disliked the way in which it was hiding selfish intentions behind helping those most in need. Nor did they understand why Oilcorp asked for personal information on a website in exchange for a donation that the company should give on its own initiative. In addition, Oilcorp’s CEO told media the company expected to raise US $50,000 from the campaign, but Cardona was worried about achieving the target when he noticed that just 1,200 users had provided their data via the campaign’s website. Because of the regular pattern of gas consumption, it was improbable that customers would buy more gasoline from Oilcorp’s service stations through the influence of a social initiative. Consequently, the results of the campaign could be as much as 30% below the Colombian Red Cross’s expectations and the promises made by Oilcorp’s CEO in the media. Cardona and the marketing team needed to decide what actions to take, given that the campaign was not on track to meet expectations.

Recruiting: Additional Vignettes
R. EDWARD FREEMAN; PATRICIA H. WERHANE; BIDHAN L. PARMAR
UNIVERSITY OF VIRGINIA DARDEN EXERCISE #UV7388 (2 PAGES) TM

These vignettes highlight several ethical issues for MBA students as they begin to look for a job. They serve as a practical springboard for a discussion of topics, including one’s obligation to classmates, the recruiting firm, and the school itself.

Balancing the Trade-Offs Between Competition and Stability: Private Banks & Public Policy
XAVIER VIVES
IESE INSIGHT MAGAZINE ARTICLE #IIR190 (6 PAGES) TM

Does too much competition in banking hurt society? What policies can best protect and stabilize banking without stifling it? This article addresses the critical relationships between competition, regulation, and stability, and the implications of coordinating banking regulations with competition policies. The author presents some key challenges that bankers and regulators face in trying to manage the trade-offs between competition and stability. He also derives some important policy implications for both public- and private-sector actors, so that society can reap the genuine benefits of competition—efficiency, innovation, growth,
and consumer welfare—in order to build trust in the banking sector again.

China’s Miracle Economy: Causes, Consequences, and Current Status
JOHN MARTHINSEN; NESTOR AZCONA
BABSON COLLEGE CASE
#BAB346 (32 PAGES) SPANISH VERSION AVAILABLE

During the past few decades, China has experienced spectacular rates of economic growth that dwarf those of developed Western countries. This case describes the major policy reforms that have allowed China to transition from an agrarian-based economy to the manufacturing powerhouse it is today. Also discussed are some of the negative consequences of rapid economic growth, the reasons behind China’s recent slowdown, and the government’s current efforts to reorient the economy, financial system, and policies affecting international trade and investments.

Internationalization Strategies of Emerging Market Banks: Challenges and Opportunities
JOSEPH C. MARQUE; ANNA LUPITA-WEGENER; SUSAN SCHNEIDER
BUSINESS HORIZONS ARTICLE
#BH848 (9 PAGES)

The greatly improved economic fundamentals of the major emerging economies over the past decade have propelled several emerging banks into the ranks of the world’s largest. Despite the importance of emerging market banks in the global economy, internationalization remains an understudied phenomenon. This article examines factors that may influence the internationalization strategies of emerging market banks in the private banking sector, both when going abroad (take-off) and upon arrival in a host country (landing). The private banking sector is of significant interest given its importance in many leading financial centers around the world even as it undergoes major transformation due to the worldwide financial crisis, several recent scandals, and a fast-changing regulatory environment. We highlight the internationalization strategies of 2 banks from emerging countries, China and Brazil, and their experience in Switzerland’s traditional private banking sector. These 2 cases highlight factors that may influence successful internationalization, such as prior industry experience, existing client base, entry strategy, ownership type, and the liability of foreignness. Our findings offer valuable insights for managers from other emerging economies by providing a better understanding of how emerging market banks expand internationally.

Microfinance Ecosystem: How Connectors, Interactors, and Institutionalizers Co-Create Value
KELLY ARMSTRONG; MUJITABA AHSAN; CHAMU SUNDARAMURTHY
BUSINESS HORIZONS ARTICLE
#BH875 (3 PAGES)

Since the mid-1990s, the number of microfinance institutions (MFIs) has grown tremendously, with more than 10,000 worldwide varying in size and approach. Despite their continued growth and variety, the value of MFIs has been hotly debated. Furthermore, managers and founders of MFIs have faced the challenge of balancing social and financial objectives and understanding effective ways of evaluating their organization’s effectiveness. Hence, in this article we closely examine the operations of 3 distinct types of MFIs and offer a framework for how they collectively create value, with each playing a unique role in a symbiotic relationship: Namaste, an interactor; Kiva, a connector; and Accion, an institutionalizer. Interactors build relationships with clients and facilitate the flow of information to connectors and institutionalizers, which disseminate this data to capital markets, build confidence, and fuel capital flow into the MF industry. The latter disseminates innovation and best practices. Thus, it is critical that each MFI recognize its symbiotic role and evaluate itself accordingly instead of spreading itself across roles.

Apple Watch: Managing Innovation Resistance
TANIA BUCIC; GAGANPREET SINGH
IVEY PUBLISHING CASE
#VI1034 (8 PAGES)

Having affirmed its place in the computer, phone, and music markets, Apple Inc. decided to embark on a brand extension strategy, shifting its focus to wearable technologies. With this shift in mind, Apple launched the Apple Watch in April 2015 as an attempt to enter different industries. Apple Watch integrated fitness and health features with Apple’s mobile operating system and other Apple products and services. Because Apple owned the necessary hardware, software, and services that were augmented through its ecosystem, the watch was virtually inimitable. The innovation thus appeared poised to be a true game changer. However, in mid-2016, Apple’s chief executive officer acknowledged that Apple Watch had not created quite the market impact Apple had expected. Apple management had limited options. Should Apple reconfigure the marketing mix to realign its marketing strategy to reduce resistance to Apple Watch?

Do Entrepreneurs Need a Strategy?
JOSHUA GANS; ERIN L. SCOTT; SCOTT STERN; CARL SCHRAMM; NIRAJ SHAH; BIJAN SABET; JENNIFER LUM; DANIEL MCGINN; WALTER FRICK
HARVARD BUSINESS SCHOOL REVIEW ARTICLE
#R1803B (5 PAGES)

Some startup founders follow a business plan; others operate by the seat of their pants. This package looks at how entrepreneurs can carefully craft a strategy in advance—and whether that’s what they should do. In “Strategy for Startups,” Joshua Gans, Erin L. Scott, and Scott Stern write that in their haste to get to market first, entrepreneurs often run with the first plausible strategy they identify. They can improve their chances of picking the right path by investigating 4 generic go-to-market strategies and choosing a version that aligns most closely with their founding values and motivations. The authors provide a framework, which they call the entrepreneurial strategy compass, for doing so. Also in this package, in “It’s Not About the Framework,” Syracuse University professor Carl Schramm argues that contrary to the teaching at many business schools, entrepreneurs really have no alternative to learning by doing. In “Create Something and Start Selling It,” Daniel McGinn and Walter Frick present a conversation with startup veterans Niraj Shah, Bijan Sabet, and Jennifer Lum.

The Harvard Business Review
Entrepreneur’s Handbook: Everything You Need to Launch and Grow Your New Business
HARVARD BUSINESS REVIEW PRESS BOOK
#10156 (304 PAGES)

Starting an independent new business is rife with both opportunity and risk. And as an entrepreneur, you’re the one in charge: your actions can make or break your business. You need to know the tried-and-true fundamentals—from writing a business plan to getting your first loan. You also need to know the latest thinking on how to create an irresistible pitch deck, mitigate risk through experimentation, and develop unique opportunities through business model innovation. The HBR Entrepreneur’s Handbook addresses these challenges and more with practical advice and wisdom from Harvard Business Review’s archive.
Given the array of topics the case explores, and what kind of activity it will support. Market in mind, but also with an awareness be made not only with the customer and Meridian’s legacy system. These choices must that the new product is less profitable than used? The overlay to these issues is the fact Or should a hybrid of these approaches be web contact and limited in-person selling? Should the product be integrated into sales force, that is, primarily by phone or it be sold with a new, dedicated field sales Meridian’s existing field sales force, should (1) introduce or review the various component parts of a new business concept; (2) expose students to feasibility screening; and (3) begin breaking the habit of using subjective, assumption-driven, personal opinions in evaluating new ideas. Meridian Systems FRANK V. CESPEDES; MICHAEL J. ROBERTS HARVARD BUSINESS SCHOOL BRIEF CASE #918533 (14 PAGES) INSTRUCTOR AND STUDENT SPREADSHEETS AVAILABLE The Meridian Systems case focuses on a startup in the restaurant point of sale (POS) systems market. In early 2018, Meridian is getting ready to roll out a POS system based on a new technology—a tablet-based, Wi-Fi-enabled POS system (the “tablet” system, or GingerSnap). This product has a far lower price point than Meridian’s existing terminal-based system does. It also has a different target customer. The company’s leadership is thus faced with several questions about how to deploy the sales force for GingerSnap. Should the product be integrated into Meridian’s existing field sales force, should it be sold with a new, dedicated field sales force—or should it be sold by an inside sales force, that is, primarily by phone or web contact and limited in-person selling? Or should a hybrid of these approaches be used? The overlay to these issues is the fact that the new product is less profitable than Meridian’s legacy system. These choices must be made not only with the customer and market in mind, but also with an awareness of the margin structure of the new product, and what kind of activity it will support. Given the array of topics the case explores, Meridian Systems can be used in courses on marketing, selling, sales management, business marketing, new products, distribution channels, entrepreneurial management, technology ventures, and strategy. Open Innovation: Research, Practices, and Policies MARCEL BOGERS; HENRY W. CHESBROUGH; CARLOS MOEDAS CALIFORNIA MANAGEMENT REVIEW ARTICLE #CHR669 (12 PAGES) Open innovation is now a widely used concept in academia, business, and policy making. This article describes the state of open innovation at the intersection of research, practice, and policy. It discusses some key trends (e.g., digital transformation), challenges (e.g., uncertainty), and potential solutions (e.g., EU funding programs) in the context of open innovation and innovation policy. With this background, the authors introduce select papers published in this special section of California Management Review that were originally presented at the second annual World Open Innovation Conference, held in Santa Clara, California, in December 2015.
a base case, which should be assigned first, that provides background on the material and addresses the entrepreneurial process, and (2) 4 follow-on cases that can be taught in any order: a lean supply chain case, a sustainability case, a business analytics case, and a digital innovation case.

**FINANCE**

**Air India: Maharaja in Debt Trap**  
VAIDYANATHAN KRISHNAMURTHY; CATHERINE XAVIER  
INDIAN SCHOOL OF BUSINESS CASE  
#ISB101 (17 PAGES) TN

In 2016, after more than a decade of loss-making, Air India posted an operating profit of ₹1,05 billion. Over the years, Air India's greatest problem has been its crippling debt. At the end of fiscal 2014-15, the airline had a total debt of ₹537 billion. While the airline managed to phase out more than ₹50 billion of debt from its books during the fiscal year 2015-16, its total debt still stood at ₹460 billion. In order to facilitate the revival of Air India, Ashwani Lohani, known as the "turnaround man," was appointed chairman and managing director of Air India. As Lohani piloted Air India toward revival, efforts were being made to convert INR 100 billion of Air India's debt into equity, a move that would substantially reduce its interest burden and give banks a major say in its functioning. Lohani was in talks with banks and investors who could play a critical role in Air India's debt restructuring. Lohani mulled over the various options related to debt restructuring. It remained to be seen whether Lohani's image as the "turnaround man" coupled with Air India's operating profits would increase investor confidence and help Air India deal with its debt burden. While Air India's modest operating profit was good news, it remained to be seen whether Lohani's attempts at improving employee relations with the organization and the operational changes he was introducing to Air India could help turn the tide for the ailing airline. As of July 2017, 2 questions remained: Had Air India really turned the corner under Lohani's leadership? Could Air India's short-term progress help it overcome the huge debt that had become the "elephant in the room"?

**Alibaba’s Growth Frenzy: Pioneer in China’s Internet Financial Service**  
MARK GREEVEN; SHUYU HOU; TAO YUE; WEI WEI; BAS KOENE  
ROTTERDAM SCHOOL OF MANAGEMENT CASE  
#RSM007 (17 PAGES) TN

Alibaba has been heavily involved in financial innovations in China, offering services such as online payment, online retail wealth management, and purely online insurance through its daughter companies Alipay, Ant Financial, and others. Internet-driven financial innovation is a driving trend in China, as opposed to countries such as the U.S. and the UK, where the likes of Google and Facebook are dominant Internet companies but are not heavily involved in Internet-driven finance. Considering that the financial sector is highly regulated in China, Alibaba’s role is ironic and heroic at the same time. Why are Alibaba’s Internet financial services innovative? What managerial challenges are there for an e-commerce company to run financial services? And what regulatory challenges are facing Alibaba? Who are competitors for Alibaba in this sector? What is the impact of Alibaba’s financial innovation on China’s financial system? How does big data analytics facilitate financial services? The case shows how an emerging Chinese Internet giant transforms from an e-commerce player to a significant financial services provider. It presents the managerial and regulatory challenges Alibaba encounters in this transformation and showcases its success in China’s reforming financial sector.

**The Battle for Value, 2016: FedEx Corp. versus United Parcel Service, Inc.**  
MICHAEL J. SCHILL; JENNY CRADDOCK  
UNIVERSITY OF VIRGINIA DARDEN CASE  
#UV7414 (17 PAGES) TN

This case invites students to assess the financial performance of FedEx Corp. and United Parcel Service, Inc., 2 firms that have long competed for dominance in the overnight delivery industry. The case is designed to introduce students to corporate value creation and its sources. It requires no numerical computations; instead, it asks the student to interpret the results and to reflect on their implications.

**Credit Suisse: Building an Impact Investing Business in Asia**  
JASJIT SINGH; JOOST BILKES  
INSEAD CASE  
#IN1406 (19 PAGES) TN

This case describes how an intrapreneur helped Credit Suisse launch a commercially viable impact investing business in Asia. It specifically details the investment strategy and process for a new impact fund aligning social impact objectives with commercial goals of the bank. It also presents 2 new investment opportunities needing evaluation.

**Expect the Unexpected: Risk Measurement and Management in Commercial Real Estate**  
CRAIG FURFINE  
KELLOGG SCHOOL OF MANAGEMENT-NORTHWESTERN CASE  
#KE1016 (16 PAGES) TN

In early December 2013, Roxann Biller, an associate at the Chicago-based private equity firm Delta Quantitative Real Estate Capital, was asked to assess the risk associated with the firm’s first potential overseas investment. Haifu Sentā Gendaino was a large multi-tenant logistics property located in the Gaiando area of Tokyo. High-quality tenants currently occupied the property, so at first glance the risks of investing in the property seemed minimal. However, Biller knew that she had to consider the potential drawbacks. This would mean gaining a better understanding of each tenant, trying to forecast the future condition of the Tokyo logistics market, and considering what new risks her firm would face because the property’s cash flows were in a foreign currency.

**Lufax: FinTech and the Transformation of Wealth Management in China**  
CHRISTOPHER MALLOY; LAUREN H. COHEN; ANTHONY K. WOO  
HARVARD BUSINESS SCHOOL CASE  
#218088 (24 PAGES)

This case examines the rise and competitive positioning of Lufax, an online marketplace headquartered in Shanghai, China, and a pioneer in the origination and trading of financial assets. The company had grown at a remarkable rate, and was awarded “Trading Platform of the Year” for 2017 by the Asian Banker Financial Markets Awards Programme. Case protagonist Gregory Gibb, chairman and CEO of Lufax, must decide how to navigate the challenging regulatory and competitive landscape, in order to achieve Lufax’s goal of transforming and expanding the wealth management industry in China. Whether the technology giants (e.g., Baidu, Alibaba, and Tencent, often collectively known as “BAT”) would be able to develop strong capabilities in the “Fin” part of “FinTech,” and whether traditional financial institutions would become technologically sophisticated enough for their “Tech” capabilities to materialize, were among some of the key uncertainties and potential challenges that Lufax had to confront. There were also looming risks and lingering uncertainties on the political and regulatory fronts. The focal point of the
Morgan Stanley: Building Long-Term Sustainability

VIKRAM GANDHI; LYNN SCHENK
HARVARD BUSINESS SCHOOL CASE #318103 (37 PAGES)

At the end of 2017, Morgan Stanley’s firm performance—the strongest since the financial crisis—is linked to the overall success of its corporate strategy set out in 2015. Following several years of development and integration of a sustainability strategy in sync with overall firm strategy, the case asks the question of what “version 2.0” of a sustainability strategy should look like for the firm. The question is posed by Audrey Choi, chief marketing officer, chief sustainability officer, and CEO of the Morgan Stanley Institute for Sustainable Development. Since joining the firm in 2007, Choi has worked with senior management and key individuals in each of the firm’s business segments to transition sustainability from being a niche initiative to being part of the broad firm-wide strategy, embedded across Morgan Stanley’s core businesses. The case recounts the process of integrating sustainability into each of the firm’s 3 business units and examines the challenges, product development, and outcomes of the integration strategy in order to pose the question of what Morgan Stanley should do to further embed and grow its sustainability strategy.

Openinvest

SHAWN COLE; BORIS VALLEE; NICOLE TEMPEST KELLER
HARVARD BUSINESS SCHOOL CASE #218064 (16 PAGES) [TN]
STUDENT SPREADSHEET AVAILABLE

Founded by a team of hedge fund and NGO alumni, Openinvest launched its platform in 2015 to enable retail investors to tailor their portfolios to their personal values in an automated way, for instance by screening out weapons manufacturer stocks or overweighting LGBTQ-friendly companies, while still closely tracking the overall stock market performance. Bolstered by $3.25 million in seed funding from Andreessen Horowitz, in 2017 Openinvest was also preparing to launch an app targeted at clients to vote on shareholder resolutions with a simple swipe. With this technological addition, Openinvest was well on its way toward realizing its mission of democratizing socially responsible investing (SRI) investing, bringing transparency to the financial services market, and enabling retail investors to invest their capital in a way that aligned with their values. However, getting to scale and profitability in the crowded robo-advisor space was a critical challenge. The case closes with the founders contemplating expanding or migrating their model from B2C to B2B in order to achieve scale and profitability faster. The case is an opportunity to discuss the theoretical underpinning of creating impact in public markets; to explore how portfolio performance may be affected by SRI screens; and to understand drivers of demand for impacting investing more broadly. The case also explores the challenges the founders face when aiming to design a new product to meet an emerging need, and which distribution channel to choose for doing so.

Reexaming Dual-Class Stock

VIJAY GOVINDARajan; ANUP SRIVASTAVA
BUSINESS HORIZONS ARTICLE #BH903 (6 PAGES)

Snapchat’s initial public offering, which provided shares with no voting rights, is a culmination of the growing trend of dual-class shares. It contradicts the precept of one share, one vote that is essential for corporate democracy. Snapchat’s action caused an uproar among influential investors. In January 2017, a coalition of the world’s biggest money managers, which together control more than US $17 trillion in assets, demanded a total ban on dual-class shares. We reason that the increasing prominence of dual-class stock is explained by the confluence of 3 economic trends: the growing importance of intangible investments, the rise of activist investors, and the decline of staggered boards and poison pills. A dual-class structure offers immunity against proxy contests initiated by short-term investors. It enables managers to ignore capital market pressures and to avoid myopic actions, such as cutting research and development, that hurt companies in the long term. Thus, a dual-class structure is optimal in certain scenarios. We put forth alternatives to dual-class structure that enable managers to maintain control while retaining focus on sustainable value creation.

Tesla Motors (A): Financing Growth

STUART C. GILSON; SARAH L. ABBOTT
HARVARD BUSINESS SCHOOL CASE #218033 (19 PAGES) [B]
CASE AVAILABLE

The case analyzes the equity market value of Tesla Motors, the electric car company founded and led by Elon Musk. Wall Street analysts are wildly divided on the future growth prospects for this company, and analysts’ 1-year share price targets range from $160 to $500. The case explores in detail the valuation case made by 2 analysts covering Tesla, one a bull on the stock and one who is bearish. Students are asked to consider the arguments and the analytical approaches employed by each. Is Tesla a good investment or not?

Spotify’s Direct-Listing IPO

CRAIG DUNBAR; STEPHEN R. FORERSTER;
KEN MARK
IVEY PUBLISHING CASE #V18028 (19 PAGES) [TN]
INSTRUCTOR SPREADSHEET AVAILABLE

In early April 2018, Spotify Technology SA had planned a rare direct listing on the New York Stock Exchange. Unlike typical initial public offerings (IPOs), which use investment banks as underwriters to help set an IPO price, Spotify’s direct listing would allow market participants to determine the initial price. In a typical IPO, investment banks shop the potential offer to various clients and, in the process of book building, determine a range for the offer when it starts trading. They also often provide support for the issue on the day it starts to trade, limiting the downside for shareholders if demand is low. In Spotify’s case, the investment banks were being paid only a nominal fee, and Spotify was not raising capital in the offering. The stock simply started trading on the prescribed day. A portfolio manager with a hedge fund that focused on growing technology companies was considering investing in the firm but faced a challenge: how could she estimate Spotify’s value when it started to trade?
Amazon.com: Evolving into Offline Retail
WON-YONG OH
IVEY PUBLISHING CASE #918008 (13 PAGES)

In late 2015, Amazon.com, Inc. opened its first brick-and-mortar Amazon Books store in the U.S. Amazon had invested heavily in expanding in the U.S. through new projects, from establishing Amazon Prime Now to setting up Amazon Books and Amazon Go locations. By 2017, a rumor suggested that Amazon might acquire Whole Foods Market Inc., a natural and organic foods supermarket. Could Amazon be as successful in offline retail as it had been in e-commerce? How could the company differentiate itself in the brick-and-mortar retail segment?

Ferrari
STEFAN THOMKE; ELENA CORSI; ASHOK NIMGADE
HARVARD BUSINESS SCHOOL CASE #618047 (26 PAGES)

Ferrari is among the world’s most powerful brands, but how the company operates has remained mysterious. The case reveals the inner workings of the company—the Ferrari Way—from the way it designs, produces, and markets its cars to how its leadership team is driving future growth. Central to Ferrari’s strategy is its response to disruptive changes in the automotive industry and their impact on the company’s products and brand.

Harvest City: The Intelligent Procurement System Project
LYNDA M. APPLEGATE; RAMIRO MONTEALEGRE
HARVARD BUSINESS SCHOOL BRIEF CASE #918507 (9 PAGES)

The Harvest City case describes the implementation of a cloud- and IoT-based intelligent procurement system at a new convention complex in the U.S. Midwest. The decision to build a convention complex is a strategic initiative for this city and involves extensive use of information technology. The risk of implementation failure is high. Such failures are costly and highly visible, and affect multiple stakeholders. This case explores the challenges of large-scale, computer-based system implementation by examining the events, decisions, and actions taken to implement the intelligent procurement system at Harvest City. This case helps students reflect on and discuss the challenges of implementing IT-enabled change initiatives, especially those that require streamlined and integrated inte-

Influence and Persuasion (HBR Emotional Intelligence Series)
ROBERT B. CIA LDINI; NANCY DUARTE, HARVARD BUSINESS REVIEW; LINDA A. HILL; NICK MORGAN
HARVARD BUSINESS REVIEW PRESS BOOK #10165 (160 PAGES)

Changing hearts is an important part of changing minds. Research shows that appealing to human emotion can help you make your case and build your authority as a leader. This book highlights that research and shows you how to act on it, presenting both comprehensive frameworks for developing influence and small, simple tactics you can use to convince others every day. This volume includes the work of Nick Morgan, Robert Cialdini, Linda A. Hill, and Nancy Duarte. This collection of articles includes “Understand the Four Components of Influence,” by Nick Morgan; “Harnessing the Science of Persuasion,” by Robert Cialdini; “Three Things Managers Should Be Doing Every Day,” by Linda A. Hill and Kent Lineback; “Learning Charisma,” by John Antonakis, Marika Fenley, and Sue Liechti; “To Win People Over, Speak to Their Wants and Needs,” by Nancy Duarte; “Storytelling That Moves People,” an interview with Robert McKee by Bronwyn Fryer; “The Surprising Persuasiveness of a Sticky Note,” by Kevin Hogan; and “When to Sell with Facts and Figures, and When to Appeal to Emotions,” by Michael D. Harris.

The New CEO Activists
AARON K. CHATTERJII; MICHAEL W. TOFFEL
HARVARD BUSINESS REVIEW ARTICLE #R1801E (13 PAGES)

Though corporations have been lobbying the government and making campaign donations for a long time now, in recent years a dramatic new trend has emerged in U.S. politics: CEOs are taking very public stands on thorny political issues that have nothing to do with their firms’ bottom lines. Business leaders like Tim Cook of Apple, Howard Schultz of Starbucks, and Marc Benioff of Salesforce—among many others—are passionately advocating for a range of causes, including LGBTQ rights, immigration, the environment, and racial equality. Not only are CEOs speaking out, but they’re flexing their firms’ economic muscles by threatening to move business activities out of states that pass controversial laws. But does CEO activism actually change public opinion and policies? What are its risks and rewards? And what is the playbook for leaders considering speaking out? The authors of this article examine those questions and explain the takeaways of their own research. One finding: consumers tend to view CEO activism through the lens of their own political affiliations, so it can provoke both negative and positive responses. Nevertheless, in the age of Twitter, silence on an issue can be conspicuous—and consequential.

“Nobody Ever Disagrees” (A)
MARK E. HASKINS
UNIVERSITY OF VIRGINIA DARDEN CASE #UVN001 (4 PAGES)

The president of the Belgian consumer goods subsidiary of a large American conglomerate thought he had inherited a loyal, lean, efficient, and capable management team to help him accelerate the growth and profitability of the decades-old, moderately successful subsidiary. Yet after 6 months in his current position, not much had improved. Financial performance had not regressed—just not expanded or accelerated.

Sony
STE FAN THOMKE; ATSUSHI OSA NAI; AKIKO KANNO
HARVARD BUSINESS SCHOOL CASE #618045 (28 PAGES)

Sony used to be synonymous with “innovation” and “cool products.” The case reveals how the company lost its edge and describes the leadership initiatives to restore its former
In 2012, Kazuo “Kaz” Hirai becomes CEO and successfully transforms Sony, in part by relentlessly focusing on differentiation through “wow” products instead of chasing scale. How should he organize and manage the company’s response to digital opportunities, such as virtual reality, that could affect the company’s entire value chain?

**What to Expect from Agile**

JULIAN BIRKINSHAW  
MIT Sloan Management Review Article  
#MR635 (6 PAGES)

In this article, the author examines agile as a management practice through a case study of ING Bank in the Netherlands, which has adopted agile across its headquarters in Amsterdam. The research is based on in-depth interviews with 15 ING executives and many frontline employees. The article highlights key learnings at ING, largely from the point of view of the senior executives of the bank, and explores the challenges of implementing agile in an established organization, focusing on 5 lessons.

### HUMAN RESOURCE MANAGEMENT

PRITHWIRAJ CHOUDHURY; CARIN-ISABEL KNOOP; NATHANIEL SCHWALB  
Harvard Business School Case  
#R18034 (5 PAGES)  
B CASE AVAILABLE

This case profiles the early career choices faced by 3 McKinsey associates. The A case profiles the dilemma faced by each individual and sets up the class discussion. The B case outlines the choices made by the associates in real life and the consequences of such choices.

**The New Rules of Talent Management**  
PETER CAPPELL; ANNA TAVIS; DIANE GHERSON; LISA BURRELL; DOMINIC BARTON, DENNIS CAREY; RAM CHARAN  
Harvard Business Review Article  
#R1802B (17 PAGES)

Agile isn’t just for tech anymore—it’s transforming how organizations hire, develop, and manage their people. The lead article in this package discusses the profound changes companies are making in 6 important areas: performance appraisals, coaching, teams, compensation, recruiting, and learning and development. The authors describe practices and examples from organizations including the Bank of Montreal, Regeneron Pharmaceuticals, Procter & Gamble, Johnson & Johnson, and DigitalOcean. The Spotlight package includes 2 companion features. In “Co-Creating the Employee Experience,” IBM’s chief human resources officer discusses how the iconic tech company is treating its employees more like customers as it revamps its business model and adapts its talent practices accordingly. “One Bank’s Agile Team Experiment” explores the new organizational structures—tribes, squads, and chapters—put in place by the global banking group ING in its quest to become more fluid and responsive to customer needs.

**CASE STARTUP KITS**

Case Startup Kits are designed to help aspiring case teachers begin using cases in their courses. It recommends cases ideal for teaching as a “first case” for new instructors, with cases selected for their brevity, ease of use, and teachability. Most cases are fewer than 15 pages, and all are accompanied by a Teaching Note that provides instructional guidance. Also suggested are foundational Core Curriculum Readings that pair well with the recommended cases.

Case Startup Kits are available in 13 disciplines.
as RBC, was choosing projects that had the greatest potential ROI. The People Strategy and People Analytics teams worked together to add clear business value to business units to help them achieve performance objectives. The case details 2 of RBC’s major People Analytics projects. The first project used data to identify empirically the traits of great managers and subsequently identify who might or might not be a great manager. This enabled RBC to help those managers who could benefit from coaching or other types of interventions. The second project used both internal and customer data to diagnose whether any specific branch, region, or product innovation was not doing as well as it could be—and why not.

Talent Wins: The New Playbook for Putting People First
RAM CHARAN; DOMINIC BARTON; DENNIS CAREY
HARVARD BUSINESS REVIEW PRESS BOOK #10003 (192 PAGES)

Most executives today recognize the competitive advantage of human capital, and yet the talent practices their organizations use are stuck in the 20th century. Typical talent-planning and HR processes are designed for predictable environments, traditional ways of getting work done, and organizations where “lines and boxes” still define how people are managed. As work and organizations have become more fluid—and business strategy is no longer about planning years ahead but about sensing and seizing new opportunities and adapting to a constantly changing environment—companies must deploy talent in new ways in order to remain competitive. Turning conventional views on their heads, talent and leadership experts Ram Charan, Dominic Barton, and Dennis Carey provide leaders with a new and different playbook for acquiring, managing, and deploying talent in today’s agile, digital, analytical, technologically driven strategic environment—and for creating the HR function that business needs. Filled with examples of forward-thinking companies that have adopted radical new approaches to talent (such as ADP, Amgen, BlackRock, Blackstone, Haier, ING, Marsh, Tata Communications, Telenor, and Volvo), as well as the juggernauts and the startups of Silicon Valley, this book shows leaders how to bring the rigor that they apply to financial capital to their human capital—elevating HR to the same level as finance in their organizations. Providing deep, expert insight and advice for what needs to change and how to change it, this is the definitive book for reimagining and creating a talent-driven organization that wins.

Trust the Algorithm or Your Gut? (HBR Case Study)
JEFFREY T. POLZER
HARVARD BUSINESS REVIEW CASE #R1802N (6 PAGES)

A VP decides which candidate to promote. This fictional case study by Jeffrey T. Polzer features expert commentary by Prasad Setty and Patty McCord.

Artificial Intelligence for the Real World
THOMAS H. DAVENTPORT; RAJEEV RONANKI
HARVARD BUSINESS REVIEW ARTICLE #R1801H (10 PAGES)

Cognitive technologies are increasingly being used to solve business problems; indeed, many executives believe that AI will substantially transform their companies within 3 years. But many of the most ambitious AI projects encounter setbacks or fail. A survey of 250 executives familiar with their companies’ use of cognitive technology and a study of 152 projects show that companies do better by taking an incremental rather than a transformative approach to developing and implementing AI, and by focusing on augmenting rather than replacing human capabilities. Broadly speaking, AI can support 3 important business needs: automating business processes (typically back-office administrative and financial activities), gaining insight through data analysis, and engaging with customers and employees. To get the most out of AI, firms must understand which technologies perform what types of tasks, create a prioritized portfolio of projects based on business needs, and develop plans to scale up across the company.

Dow Chemical Co.: Big Data in Manufacturing
MUSTAPHA CHEIKH-AMMAR; NICOLE R.D. HAGGERTY; DARRENN MEISTER; R. CHANDRASEKHAR
IVEY PUBLISHING CASE #W17669 (12 PAGES)

In 2012, a pilot study undertaken by the data services team of the Dow Chemical Company in the polymer division of the multinational company’s Midland, Michigan, plant had revealed an unexpected trend on the company’s shop floor. Plant engineers were working for the data; the data was not working for them. The data services director saw an opportunity to reverse the trend through the deployment of big data capabilities and, more specifically, enterprise manufacturing intelligence (EMI), a subset of big data. How should he gain user acceptance of the proposed EMI?

Finding Applications for Technologies Beyond the Core Business
ERWIN DANNEELS; FEDERICO FRATTINI
MIT SLOAN MANAGEMENT REVIEW ARTICLE #SMR667 (8 PAGES)

Typically, authors Erwin Danneels and Federico Frattini observe, companies are more comfortable developing new products for the customers they already serve than they are with applying their technologies in new markets (a process they call “technology leveraging”). Only a small number of companies make a deliberate effort to tap the potential for business outside their core markets. Using examples from companies the authors have studied or advised, the article describes a 4-step process for leveraging technology.

TD Bank Group: Building an Effective Enterprise Data Management Policy
MURAT KRISTAL; GLENDA CRISP; CONNIE BONELLO; KATHERINE HEIGHINGTON
IVEY PUBLISHING CASE #W18160 (10 PAGES)

Glenda Crisp became the chief data officer of TD Bank Group in October 2015. The office of the chief data officer had only been established in 2013; the scope of the department still needed to be fully defined, and the original enterprise data governance policies needed to be updated. Crisp saw issues in a variety of areas, such as organizational structure, the processes...
used to manage data governance practices, and technology, all of which needed to be identified and prioritized. An implementation plan then had to be developed.

**INTERNATIONAL BUSINESS**

**The New Global Road Map: Enduring Strategies for Turbulent Times**  
PANKAJ GHEMAWAT  
HARVARD BUSINESS SCHOOL PRESS BOOK  
#101772 (272 PAGES)

Executives can no longer base their strategies on the assumption that globalization will continue to advance steadily. But how should they respond to the growing pressures against globalization? And what can businesses do to control their destinies in these times of uncertainty? In The New Global Road Map, Pankaj Ghemawat separates fact from fiction by giving readers a better understanding of the key trends affecting global business. He also explains how globalization levels around the world are changing, and where they are likely to go in the future. Using the most up-to-date data and analysis, Ghemawat dispels today’s most dangerous myths and provides a clear view of the most critical issues facing policy makers in the years ahead. Building on this analysis, with examples from a diverse set of companies across industries and geographies, Ghemawat provides actionable frameworks and tools to help executives revise their strategies, restructure their global footprints, realign their organizations, and rethink how they work with local governments and institutions. In our era of rising nationalism and increased skepticism about globalization’s benefits, The New Global Road Map delivers the definitive guide on how to compete profitably across borders.

**PSA Peugeot Citroen: Re-Entering the United States**  
IRINA SURDU; KAMEL MELLAHI  
IVEY PUBLISHING CASE  
#W18076 (11 PAGES)  

In 2017, PSA Peugeot Citroen (PSA), the French-based automaker known for its famous Peugeot and Citroën brands, announced its plans to re-enter the U.S. market after having exited North America in 1991. This was not the first time the company tried to re-enter the U.S. market. In an effort to reduce its reliance on declining European markets, PSA had attempted to re-enter the United States in 2003, again in 2014 with its premium automobile range, and most recently in 2016 in a partnership with a French-based ride-sharing operator. What are PSA’s strategic options for its international growth by focusing particularly on U.S. re-entry? Would re-entering the U.S. market help PSA respond to growing competitive pressures in the global automotive industry?

**Qualtrics: Rapid International Expansion**  
ESTHER TIPPMSANN, SINEAD MONAGHAN  
IVEY PUBLISHING CASE  
#W18233 (15 PAGES)  

In 2015, Qualtrics was a rapidly growing U.S.-based software-as-a-service firm. After 10 years of operating with little capital, Qualtrics raised some venture capital funding, which enabled it to initiate a rapid international expansion. The management team intended to aggressively pursue global opportunities, but first needed to make some key decisions regarding how to develop the company’s Europe, Middle East, and Africa (EMEA) regional headquarters, and its European operations. Key concerns included the company’s market selection and prioritization, and finding the best approach for developing a subsidiary and EMEA regional operations that could achieve significant scale in a short time frame.

**Uniqlo: Re-Examining American Expansion**  
DEREK LEHMBERG  
IVEY PUBLISHING CASE  
#W18233 (15 PAGES)  

Japan’s number-one apparel brand and retailer, Uniqlo Co. Ltd. built its business by delivering high-quality basic casual clothing at low prices. Uniqlo’s founder and chief executive officer of its parent company, Fast Retailing, stated that his goal was for Uniqlo to become the world’s number-one apparel retailer. He argued that success in the U.S. market was crucial to meeting this goal; yet Uniqlo USA was not doing well. In mid-2017, after more than a decade of efforts, Uniqlo USA had relatively few stores and continued to lose money. As the gap between its goals and performance continued to diverge, the company needed to re-examine its U.S.-based business and potentially its globalization strategy altogether.

**VivaColombia: The Challenge of Growing a Low-Cost Airline in Latin America**  
ELKIN RAVE; JUAN FRANCO  
HEC MONTREAL CASE  
#HECM155 (23 PAGES)  

The case describes the emergence and business model of VivaColombia, a low-cost Colombian airline. The airline was established in 2008, although it did not begin operations until May 2012. Since its inception, VivaColombia has grown within both the domestic and international markets. It provides passenger transportation services to major and intermediate cities in Colombia and to major cities in international destinations. In 2015, VivaColombia had 9 Airbus A320 aircraft serving 21 routes in Colombia and 6 international routes in North, Central, and South America. It had over 500 employees. In 2015, it carried over 2.9 million passengers on domestic and international flights, with sales of US $119.2 million and profits of more than US $371,000. Although VivaColombia’s board of directors was satisfied with the results achieved to date, they disagreed about how to proceed. Some board members believed that VivaColombia should consolidate its domestic operations. They were concerned about the large number of customer service complaints that had accompanied the airline’s rapid growth. In addition, 2 low-cost international carriers were planning to enter the Colombian market, which the board feared would jeopardize VivaColombia’s position in the domestic market. Other board members thought VivaColombia should take advantage of the opportunity to expand into Brazil, a major Latin American market, presented by Aerovilí, Colombia’s civil aviation authority, which had authorized VivaColombia to operate the Bogotá, Colombia-Sao Paulo, Brazil route. Students must decide whether the company should expand into Brazil or consolidate operations in the domestic market.

**Volkswagen and Tata Motors: A Strategic Alliance in India**  
MEETA DASGUPTA  
IVEY PUBLISHING CASE  
#W17642 (12 PAGES)  

In 2017, Volkswagen Group was not satisfied with its performance in India. Tata Motors Limited, on the other hand, had been dealing with increased competition from new automobile players. In March 2017, both players announced a potential strategic alliance with one another. However, the alliance talks soon stalled over the potential use of a platform and the practicality of the business model. The question facing both companies was whether to work out their differences and move the alliance forward, or to terminate the negotiation talks and operate independently.
Best Buy: Creating a Winning Customer Experience in Consumer Electronics
MOHANIR SAWHNEY; PALLAVI GOODMAN; GANESAN KEERTHIKASAN
KELLOGG SCHOOL OF MANAGEMENT, NORTHEASTERN CASE #K10123 (18 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE

After a successful run for many years as a resilient consumer electronics giant, Best Buy was under intense pressure at the end of 2014. Even as competitors like Circuit City melted away, Best Buy had been able to withstand the onslaught of online behemoth Amazon and discount retailers like Target and Walmart. However, its competitive position was threatened as online shopping became more popular, particularly among millennial customers. With a new leadership team, Best Buy had recently undertaken bold initiatives to expand and refine its online presence and position itself for success. These initiatives had produced encouraging results, but Best Buy needed to do more to stem the loss of market share to Amazon and to become more relevant to millennial customers. To address these challenges, Best Buy approached the Kellogg School of Management to solicit ideas from student teams by sponsoring a Business Challenge competition. The teams came up with several strategic initiatives. Best Buy needed to evaluate these initiatives on 2 criteria. First, how well did these initiatives leverage Best Buy’s privileged physical assets (stores, salespeople, and Geek Squad services staff) to create a winning customer experience? Second, how effective would these initiatives be in attracting and retaining millennial customers?

Coca-Cola India: More than Just Sugar and Fizz
SANDEEP PURI; ARCHIT KACKER; SHREYA GUPTA
IVEY PUBLISHING CASE #W18115 (11 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE

When the chief executive officer of The Coca-Cola Company made his maiden visit to India in August 2017, it was clear that he wanted the Indian branch of the company, Coca-Cola India Private Limited, to achieve many goals. These included reducing the sugar content in the company’s products, introducing more juice-based drinks and water, and making small entries into the dairy segment. For a company that had long stressed its carbonated and fruit-based drink segments, Coca-Cola India Private Limited was now indicating its strong intent to steer away from its core competency. The aim was to recast the company as a “total beverage company,” with possible ventures across all relevant beverage categories. Should the company take a chance and move away from its core competency? Should it tweak existing products, seek to extend its brands, or try to create entirely new offerings? How could Coca-Cola India Private Limited succeed in its shift toward “total beverage” solutions, and what challenges should it prepare for as part of this shift?

De Beers Group: Marketing Diamonds to Millennials
STEFANIE BENINGER; KAREN ROBSON
IVEY PUBLISHING CASE #W17668 (10 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE

In 2017, the next generation of consumers that were poised to become engaged to be married—millennials—showed different preferences and consumption patterns from previous generations. In response, the De Beers Group of Companies, a leading company within the global diamond industry, was making moves to capture this important market. In partnership with the world’s 6 other leading diamond companies, known collectively as the Diamond Producers Association, De Beers launched a campaign titled “Real is Rare” with the goal of persuading millennials that diamonds were an important symbol of romantic commitment, even in 2017. Would these marketing endeavors be successful in changing the millennial mindset, or would the campaign fail flat? Would diamond engagement rings continue to be the ultimate symbol of commitment? What could De Beers do to encourage sales of diamonds in a changing world?

Heinz Ketchup: Pricing the Product Line
RONALD T. WILCOX; REBECCA O. GOLDBERG
UNIVERSITY OF VIRGINIA DARDEN CASE #UV5142 (13 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE SPANISH VERSION AVAILABLE

An iconic American brand must determine how to maximize net profit by increasing the sales of its highest-margin items in the face of constant retailer pushback including reduced shelf space and promotional support of those same products. This case is suitable for required MBA marketing courses as well as pricing and brand management electives at both the undergraduate and MBA levels. The analytics of the case assume that students can calculate both dollar and percentage margins.

Jaguar Land Rover: Towards a Customer-centric Organisation—Leveraging Customer Intelligence and Data Analytics for Sustainable Growth
JOERG NIESING; BRIAN HENRY
INSEAD CASE #IN1440 (9 PAGES)

The case looks at the enormous disruption affecting the entire automotive industry through the eyes of a recently hired CRM expert at the British premium carmaker Jaguar Land Rover (JLR), who keeps the marketing team grounded by taking a customer-centric approach. The case provides a clear sense of purpose about the typical customer journey and the touch points where the carmaker can reach out to the customer with relevant and timely information. The case reveals the way in which JLR collects data and customer intelligence during the product life cycle in clear and easy-to-understand terms. One of the highlights of the case is the use of ethnographic research to strengthen the relationship between the target customer and the brand. The case also examines the creative use of smart-data analytics for decision making and the innovative deployment of conjoint analysis for simulating output volumes against price points.

Marketing in the Age of Alexa
NIRAJ DAWAR
HARVARD BUSINESS REVIEW ARTICLE #R1803E (8 PAGES)

Over the next decade, as artificially intelligent assistants like Alexa and Siri become the main channel through which people get information, goods, and services, the way companies acquire, serve, and retain customers will radically change. Because the bots will have deep knowledge about individuals’ habits and preferences, they’ll be able to anticipate a consumer’s needs even better than the consumer themselves can. They’ll ensure that routine purchases flow uninterrupted to homes, and constantly scan and analyze complex offerings like insurance and data plans for the best deals. And the more AI assistants satisfy consumers, the more trust in them will replace trust in brands. Marketing will soon become a battle for AI assistants’ attention, says Dawar. Brands will focus on influencing AI algorithms and will compete for placement on the assistants’ platforms. In return, brands will be able to get data on consumers from the platforms. That’s something companies will need in this new world, because AI assistants’ never-ending reassessment of purchases will force them to keep producing new tailored offers and innovations to keep their customers on board.
Montes Calçados: A Step Ahead
JAMES L. HESKETT; JAMES T. KINDLEY
HARVARD BUSINESS SCHOOL BRIEF CASE #918513 (9 PAGES) T
STUDENT AND INSTRUCTOR SPREADSHEETS AVAILABLE

Montes Calçados is a well-known "fast fashion" Brazilian manufacturer of casual but fashionable women's shoes for women aged 18-35 in major cities worldwide. To boost its declining revenues, MC must evaluate 2 growth options: whether to expand distribution online (at the risk of diluting the brand by attracting older customers) and whether to increase the frequency of introducing new styles (at the risk of more fashion "misses"). Altogether, Montes Calçados may need to rethink the "Brazilian" positioning of its brand. The case is suitable for strategy and general management courses because it raises questions about a company's basic direction and business definition, and the management of complex issues associated with doing business worldwide. Because this case suggests the overlap of key marketing decisions with strategic questions, it can also be used in both required and elective marketing courses, especially for topics on distribution of consumer products and brand management. This case can be used in advanced undergraduate, MBA, or executive-level courses.

Rosslyn Resource: Monetization and Sales Strategy
ROBERT J. DOLAN; SUNRU YONG
HARVARD BUSINESS SCHOOL BRIEF CASE #918509 (10 PAGES) T
INSTRUCTOR SPREADSHEET AVAILABLE

Rosslyn Resource identifies exploration targets (potential mineral deposits) in the mining industry and advances them until the project can be monetized, usually through sale to a larger mining company, in return for an upfront fee and a royalty on future revenues. Rosslyn has invested heavily in developing proprietary, innovative equipment and geological data sets that would make exploration cheaper and faster. Rosslyn must decide what to do with the Two Rivers site, for which a preliminary study shows favorable results. Rosslyn could follow its standard approach and sell Two Rivers, or it could move further down the value chain by developing an operational mine at the site (which would be a first for Rosslyn). The potential financial reward for doing so would be far higher, but this option entails higher risk and capital expenditures than Rosslyn is used to. This case can be used in advanced undergraduate, MBA, or executive-level courses.

Sagacity Tea: What Direction for Growth?
JOHN A. QUELCH; AMY HANDLIN
HARVARD BUSINESS SCHOOL BRIEF CASE #918527 (10 PAGES) T
STUDENT AND INSTRUCTOR SPREADSHEETS AVAILABLE

Kate Moran, CEO and cofounder of Sagacity Tea, a small, Vermont-based ready-to-drink tea brand, is considering a consumer-product group broker's proposal for the product's launch in several cities along the East Coast of the United States. The commitments in the proposal include various forms of trade promotion, including discounts, coupons, and slotting fees, the latter being upfront payments to retailers in the form of free goods in return for shelf space. Moran must decide whether to accept the proposal or to pursue other expansion options such as online sales or a pop-up store.

United Airlines' Service-Recovery Challenge After Reputation Meltdown
SANDEEP PURI; KUSHAL DEV KASHYAP; GAGANPREET SINGH
IVEY PUBLISHING CASE #W19124 (9 PAGES) T

In 2017, United Airlines suffered a blow to its corporate reputation throughout the United States and international markets, including China, mainly due to an incident on United flight 3411, in which an airport enforcement officer forcibly dragged a passenger out of a plane. The inadequate public relations reaction following the incident and ineffective crisis management left the company reeling. The company was subjected to scathing social media attacks, customer dissatisfaction, passenger anger, and a drop in its stock value. The airline, which had already been grappling with very low rankings in customer satisfaction indexes, realized the need to rebuild its brand image and consider some important questions: What service expectations did customers have of airlines such as United? How would these expectations develop over time? How important to United were customer satisfaction, client relationships, and passenger experience? How could an airline company conduct a root cause analysis for service failure? How could it analyze the different gaps in delivering good-quality service?

Wiikano Orchar ds
BENSON P. SHAPIR; KATHERINE B. HARTMAN
HARVARD BUSINESS SCHOOL BRIEF CASE #918577 (13 PAGES) T
STUDENT AND INSTRUCTOR SPREADSHEETS AVAILABLE

Wiikano Orchar ds, a family-owned business, faces declining demand in a commodity industry. The president is considering rebranding Wiikano's apple juice and increasing its prices and promotions. If this proposal succeeds, wholesalers and retailers would be more likely to distribute and pay more for Wiikano's juice. The Wiikano case focuses on challenges related to product differentiation and can be used to discuss branding, pricing, and marketing communications. It also addresses issues that small and midsize business owners face, by employing a product and a distribution system that are easy to understand. The case is recommended for upper-level undergraduate students or first-year MBA students. It may also be used as an exam case.

La Ceiba: Navigating Microfinance and Relationships in Honduras (A)
CHRISTINE L. EXLEY; JOHN BESHEARS; ALISON WOOD BROOKS
HARVARD BUSINESS SCHOOL CASE #918014 (7 PAGES) T

This case follows the program director of La Ceiba, a Hondurabased microfinance institution, as he navigates 4 challenging negotiation scenarios involving the organization's loan clients. Students are asked to adopt the perspective of the program director and to consider how they would act in these negotiation scenarios that are characterized by unclear objectives and severely asymmetric power dynamics. How should they approach negotiation situations in which the power balance is heavily in their own favor? Should they exert this power and engage in a "hard" negotiation approach? Or are there circumstances where a "soft" negotiation approach is warranted? In addition to helping students develop a framework about when to use soft versus hard negotiation approaches, 2 of the notable lessons that arise are (1) the role of apologies after misusing power and (2) how even "using one's power for good" can translate into paternalistic outcomes.

Rebel Technologies Series Seed Negotiation
SCOTT LENET; LAJU OBASAJU; SELINA TROESCH
GREIF CENTER FOR ENTREPRENEURIAL STUDIES—USC MARSHALL CASE #SCG534 (13 PAGES) T
INSTRUCTOR SPREADSHEET AVAILABLE

Students engage in a high-stakes "seed-stage" investment negotiation between Empire Ventures, a leading venture capital firm, and Rebel Technologies, a cutting-edge virtual reality game developer. The parties must quickly hash out the size of the
investment, board composition, founder vesting provisions, and other issues or risk falling behind in a fast-moving marketplace. This document contains general information and confidential information and instructions for Rebel Technologies. A companion case (#SCG535) provides information and instructions about Emperor Ventures.

OPERATIONS MANAGEMENT

Agile at Scale

DARRELL K. RIGBY; JEFF SUTHERLAND; ANDY NOBLE

HARVARD BUSINESS REVIEW ARTICLE

#R1803F (10 PAGES)

When implemented correctly, agile innovation teams almost always result in higher team productivity and morale, faster time to market, better quality, and lower risk than traditional approaches can achieve. What if a company were to launch dozens, hundreds, or even thousands of agile teams? Could whole segments of the business learn to operate in this manner? As enticing as such a prospect is, turning it into a reality can be challenging. Companies often struggle to know which functions should be reorganized into multidisciplinary agile teams and which should not. And it’s not unusual to launch dozens of new agile teams only to see them bottlenecked by slow-moving bureaucracies. The authors, who have studied the scaling of agile at hundreds of companies, share what they’ve learned about how to do it effectively. Leaders should use agile methodologies themselves and create a taxonomy of opportunities to set priorities and break the journey into small steps. Workstreams should be modularized and then seamlessly integrated. Functions not reorganized into agile teams should learn to operate with agile values. And the annual budgeting process should be complemented with a VC-like approach to funding.

The B2B Elements of Value

ERIC ALMQQUIST; JAMIE CLEGHORN; LORI SHERER

HARVARD BUSINESS REVIEW ARTICLE

#R180202 (10 PAGES)

As B2B offerings become more commoditized, the subjective, sometimes quite personal considerations of business customers are increasingly important in purchases. To discover what matters most to B2B buyers, the consulting firm Bain analyzed scores of quantitative and qualitative customer studies. All told, it identified 40 discrete “elements of value,” which fall into 5 categories: table stakes, functional, ease of doing business, individual, and inspirational. The elements range from strictly objective—those related to pricing and specifications, for example—to more subjective ones, such as reducing the buyer’s anxiety and enhancing his or her reputation. Understanding this full range of rational and emotional considerations, and tailoring the value proposition to the ones customers prize most, is critical to avoiding the commodity trap.

B-Kay Tech: Horizontal Collaboration in Logistics

BEN BOUTE; TOM VAN STEENDAM; STEFAN CREEMERS

IVEY PUBLISHING CASE

#W17625 (6 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE

In 2016, the supply chain director of B-Kay Tech, a multinational company headquartered in Belgium, had devised a logistics innovation project based on collaborative shipping, through which partner companies’ shipments could be proactively bundled in the same transport—without traditional, reactive third-party groups. With this system, any available space in one company’s transport facility could be utilized to transport shipments for the other company, reducing the overall number of trucks used and positively impacting greenhouse gas emissions. For this collaboration, the director had identified a potential partner in WARE-TOUCH, a UK-based multinational company that produced and distributed everyday consumer goods throughout Europe and the Middle East. The supply chain director at B-Kay Tech had to propose a gainsharing mechanism to convince WARE-TOUCH that a collaboration between the two companies would have been beneficial.

Cambridge Cooling Systems: Global Operations Strategy

P. FRASER JOHNSON; KEN MARK

IVEY PUBLISHING CASE

#W17657 (10 PAGES) INSTRUCTOR SPREADSHEET AVAILABLE

The chief operating officer (COO) at Cambridge Cooling Systems (CCS), an industrial cooling system manufacturer, has been asked for his recommendations on CCS’s plants in Canada and Mexico. The company has had a reversal in its strategic plan in the past year and is shifting from a focus on growth to looking for operating efficiencies. CCS’s global plants are running below full capacity, and opportunity exists to reduce costs through the consolidation of operations. The current focus is on Canada and Mexico, and the CEO is exploring moving customer work from Canada to Mexico, where labor and overhead rates are lower. The challenge for the COO is to consider the implications of such a move. He needs to determine whether it is economically preferable to move production to Mexico, and consider the implications of making changes to CCS’s operations strategy.

The Rise of 3-D Printing: The Advantages of Additive Manufacturing Over Traditional Manufacturing

MOHSEN ATTARAN

BUSINESS HORIZONS ARTICLE

#BH844 (12 PAGES)

The use of additive manufacturing technologies in different industries has increased substantially during the past years. Henry Ford introduced the moving assembly line that enabled mass production of identical products in the 20th century. Currently, additive manufacturing enables smaller quantities and greater variety of parts to be customized individually. Additive manufacturing technologies are opening new opportunities in terms of production paradigm and manufacturing possibilities. Manufacturing lead times will be reduced substantially, new designs will have shorter time to market, and customer demand will be met more quickly. This article identifies additive manufacturing implementation challenges, highlights its evolving technologies and trends and their impact on the world of tomorrow, discusses its advantages over traditional manufacturing, explores its impact on the supply chain, and investigates its transformative potential and impact on various industry segments.

Tesco and Ocado: Competing Online Models

RALF W. SEIFERT; RICHARD MARKOFF

IMD CASE

#IMD696 (7 PAGES)

The online grocery market in the UK is one of the largest in the world. It has many players, but two of the most dynamic are Tesco and Ocado. These companies have taken markedly different approaches to executing and fulfilling online grocery orders from customers. Tesco has an extensive network of stores and primarily uses these stores as picking locations to prepare and ship customer orders. Ocado has no retail stores and uses highly automated distribution centers to prepare and ship customer orders. This case describes the UK online grocery market and the two companies; it invites students to consider the differences in the approaches, in which ways they offer advantages to the company and to customers, and ultimately which one is better suited to the UK online grocery market.
Tetra Pak: Creating a Recycling Chain in China
YU GONG; FU JIA; STEVE BROWN
IVEY PUBLISHING CASE #W17704 (10 PAGES) F

In early 2016, the newly appointed recycling planning coordinator for an industry-leading food packaging and processing company, Tetra Pak International SA (Tetra Pak), was reviewing his company’s recent success in creating a recycling chain in China. By 2015, Tetra Pak China had successfully created a recycling chain system, increasing China’s recycling rate from almost zero in 2004 to 28%. It had done so by following a 4-stage process: scanning the recycling market, building awareness and selecting partners, creating recycling capacity, and securing the recycling capacity. While the recycling planning coordinator was pleased with this recent success, he knew that questions remained: How could Tetra Pak continuously motivate recyclers to grow? How could Tetra Pak support recycling activities to achieve an even higher recycling rate? How could Tetra Pak achieve its recycling targets without much financial support?

Tomorrow’s Factories Will Need Better Processes, Not Just Better Robots
JIM SCHMIDT; RON HARBOUR
HARVARD BUSINESS REVIEW WEB ARTICLE #H049NG (1,077 WORDS)

Many of automation’s gains have already been realized.

University Hospitals Cleveland Medical Center: Managing Capacity in Neurology
JOEL GOH; ROBERT S. HUCKMAN; NIKHIL SAHNI
HARVARD BUSINESS SCHOOL CASE #618062 (12 PAGES)

In December 2014, Dr. Anthony Furlan, chair of the Department of Neurology at University Hospitals Cleveland Medical Center (UH), faced a mandate from the hospital’s executive leadership team. Specifically, all UH departments were directed to take steps within 6 months to reduce the waiting time for outpatient appointments—measured as the time to first available outpatient appointment—to no more than 15 days. For Furlan and his colleagues in neurology, achieving this target was a significant challenge, as the department’s current time to first available appointment was 93 days. The case considers several alternatives for reducing waiting time in outpatient neurology without increasing the total clinical staff. The case allows students to evaluate opportunities for expanding the effective capacity of a complex service operation and to understand the trade-offs between customer service and labor utilization.

Warehouse Consolidation Project at Manipal Hospital Bangalore (A)
ANSHUMAN TRIPATHY; RAMANATH PAI; VAIBHAV JAIN
INDIAN INSTITUTE OF MANAGEMENT—BANGALORE CASE #IMB657 (15 PAGES) B CASE AVAILABLE

This case introduces the concepts of information and material flow analysis and operational improvement procedure, and the steps to be taken for successful change management in the context of warehouse consolidation at Manipal Hospitals Bangalore. The case describes the warehouse consolidation project that was expected to lower operational costs and improve service levels by leveraging economies of scale through aggregation of demand. It discusses the benefits of aggregation of demand and the procedure to design a supply network based on the demand pattern and criticality of products. This case goes beyond process improvement to its implementation, the challenges faced, and related change management techniques needed for ensuring success of the process improvement initiatives. Students are challenged to think about the various stakeholders involved when change initiatives are implemented on an organization level and to recommend solutions based on the voices of various internal customers.

Organizational Design at iQmetrix: The Holacracy Decision
CHRIS STREET; ANN C. FROST; CLAYTON CASWELL
IVEY PUBLISHING CASE #W17707 (7 PAGES) I

iQmetrix Software Development Corporation, headquartered in Vancouver, Canada, had enjoyed success and growth for over 2 decades. In July 2017, iQmetrix was confronted with the challenge of managing this growth while maintaining its organizational culture as a nonhierarchical, innovative, and open place to work—a place...
Personnel Problems
JAMES R. DETERT; CHRISTINA BLACK
UNIVERSITY OF VIRGINIA DARDEN CASE
#UV7446 (1 PAGE) [H]

The CEO of an investment management firm must decide what to do about inappropriate actions by 2 different employees. While both employees are strong performers, their actions are inconsistent with the values underpinning the firm’s culture. The case is designed to surface students’ instinctive decision-making tendencies. Thus, it is short enough to be read and responded to in class. Students are assigned readings and assignments related to the case after class discussion in which they are encouraged to reflect on their initial responses. The case is quite flexible and would work in any course that deals with leadership, ethics, difficult conversations, decision making, organizational behavior, human resources, crisis management, and related topics. It is appropriate for a range of levels and audiences, including undergraduate, MBA, and executive education.

Uber: Kalanick’s Tumultuous Era
ROBERT EAMES
IVEY PUBLISHING CASE
#IV18144 (10 PAGES) [H]
POWERPOINT SLIDES AVAILABLE

In June 2017, transportation company Uber Technologies Inc., which operated in 70 countries and had net revenue in the 4th quarter of 2016 of US $1.7 billion, fired its chief executive officer, Travis Kalanick. By the time of Kalanick’s departure, negative publicity had contributed to a decline in market share, and a number of other high-level executives had left the company. What options could the company identify for the future that would address existing issues, including those surrounding its culture, practices, financing, and consumer confidence?

Verona Group
ROBERT L. SIMONS; SARAH L. ABBOTT
HARVARD BUSINESS SCHOOL BRIEF CASE
#918531 (52 PAGES) [I]

Are a salesperson’s struggles her own fault or the result of a problematic job design? Anna George works as a salesperson at Verona Group, a company that designs and wholesales high-end women’s apparel. She had spent nearly 20 years in sales with another fashion label and was well regarded in the industry. Verona Group hired her to bolster its small but growing presence in the western United States. In her first 2 years with the company, however, George has missed her sales targets and received mixed scores from customers in Verona Group’s annual customer service survey. When Emilio Chao, the head of Verona’s sales force, looks at George’s performance review and discusses George’s situation with Catherine Edwards, Verona Group’s head of human resources, he wonders whether the company should give George additional support that would help her be more successful. Or is George not a good fit for the company?

How Digital Natives Are Changing B2B Purchasing
ERIC ALMQUIST
HARVARD BUSINESS REVIEW WEB ARTICLE
#H047FA (829 WORDS)

Stereotypes of B2B buyers have all but disappeared due to the astonishing change in technology over the past 2 decades. Digital natives who grew up with the Internet and smartphones have transformed the way B2B buyers research purchases, qualify vendors, and make purchases—changing the rules of the game for marketers and product managers.

How a Fast-Growing Startup Built Its Sales Team for Long-Term Success
DAVID MATTSON; FRANK V. CESPEDES
HARVARD BUSINESS REVIEW WEB ARTICLE
#H0416X (1,361 WORDS)

It’s common for leaders of sales teams to focus almost exclusively on short-term tactics while failing to think and act in a way that supports the longer-term needs of their businesses. The biggest problem with a short-term approach is that managers develop blind spots around crucial processes.
such as recruiting, hiring, and training and development.

**SERVICE MANAGEMENT**

**Antara: Building Experiences in Senior Living**

*MANPREET HORA; GEETTIKA SHAH*
*INDIAN SCHOOL OF BUSINESS CASE #158094 (23 PAGES)*

Antara Senior Living, a first-of-its-kind senior living community targeted at people in their mid-50s and older, had been planned as a community grounded in the principles of service and hospitality, and built specifically to ensure that its residents gained the maximum benefit from their environment. Built on a unique design philosophy that encouraged the highest quality of living, it aimed to provide for the care of the residents’ physical health as well as their minds and spirits. The case, set in January 2017, describes the challenges facing Tara Vachani, the young CEO of Antara, as she watches her dream project take form and the project delivery date draw closer. Like any other startup, Antara was faced with the challenges of working in a new category with a unique product offering. Would Antara be able to establish a business model that would deliver on its commitment to service excellence? What should its operating strategy be? Should Antara look at any possible innovative service extensions that could be offered to seniors as a market at large? It was faced with the choice of either protecting its long-term vision of delivering a high-quality senior living offering or changing aspects of the product to bring it closer to traditional real estate offerings, thereby increasing the sales velocity and financial metrics of the business in the short term.

**Are Our Customer Liaisons Helping or Hurting?**

*SUNANDA NAYAK; JYOTSNA BHATNAGAR; RANA L. A. AWIDISH; ASHUTOSH RAGHVANSHI*
*HARVARD BUSINESS REVIEW CASE AND COMMENTARY #R1801N (6 PAGES)*

An Indian hospital creates a new customer liaison role—the patient care executive—but as its rate of attrition for physicians rises in an extremely tight talent market, leaders begin to wonder whether friction between the PCEs and doctors is the problem. This fictional case study features expert commentary by Rana Awdish and Ashutosh Raghuvanshi.

**Case Flash Forward: Zappos**

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*HARVARD BUSINESS SCHOOL CASE FLASH FORWARD #8669 (3 PAGES)*

Each Case Flash Forward provides educators and students with a brief update of key changes at a particular company covered in a related case study. It is a compilation of publicly available content prepared by an experienced editor. This Case Flash Forward provides an update on Zappos, including significant developments, current executives, key readings, and basic financials.

**Returning Customers: The Hidden Strategic Opportunity of Returns Management**

*FELIX JOHANNES ROLLECKE; ARND HUCHZERMEIER; DAVID SCHRODER*
*CALIFORNIA MANAGEMENT REVIEW ARTICLE #CHR676 (28 PAGES)*

Product returns are both a challenge and an opportunity for most retailers, since more than $640 billion in revenue is lost each year because of preventable product returns. A major impediment to unlocking the full potential of these returns is the firm’s returns management program: the policies governing the customer-firm exchange process. Recent insights from research and practice have yielded the unprecedented opportunity to open the “black box” of developing effective programs. Yet such development must address 3 main questions: What types of returns management programs exist? What misunderstandings impede returns management effectiveness? How can retailers develop effective programs? This article distinguishes among different types of returns management programs and discusses the managerial misunderstandings that reduce their effectiveness. It presents a framework for developing, implementing, and controlling effective programs that allow retailers to boost sales, reduce returns, and increase profitability.

**The Akal Academies**

*AMARPREET SINGH GHURA; VIJAYA SHERRY CHAND*
*INDIAN INSTITUTE OF MANAGEMENT—AHMEDABAD CASE #A00097 (18 PAGES)*

In July 2016, Baba Iqbal Singh Kingra Ji, chairperson, The Kalidjhar Trust-Society (TKTS), a nonprofit social development organization based in Himachal Pradesh, India, wanted a plan for expanding the rural school activities of TKTS. In 2012, TKTS had fixed a target of 500 academies with 250,000 students, to be achieved by 2020. As of 2016, it ran 129 schools that catered to 62,000 students. Apart from continuing with its donations and bank loan–based model, TKTS could explore franchising, entering into management contracts with existing schools, leasing land, or entering into public-private partnerships with the government.

**First Respond: The Challenges of Marketing Social Mission in China**

*CHRISTOPHER MARQUIS; XINGHUI CHEN*
*HARVARD KENNEDY SCHOOL CASE #KS1257 (28 PAGES)*

First Respond is a for-profit Chinese social enterprise focused on developing emergency services with the mission of making China a safer place. In China, there is a severe lack of first aid awareness and systems, and to fill this gap, First Respond delivers first aid training, products and services, and solutions to both businesses and individuals in the private and public sectors. It also provides in-race first aid service for marathons. Looking to the future, key challenges include how to most effectively communicate First Respond’s social mission to stakeholders and how to best sell its products and services in China, a market with a number of institutional barriers to public safety.

**Patagonia’s Path to Carbon Neutrality by 2025**

*DAVID H. KAMMEN; PAUL HENDRICKS; SEREN PENDLETON-KNOLL; VINCENT STANLEY; ROBERT STRAND*
*UC BERKELEY—HAAS SCHOOL OF BUSINESS CASE #85916 (32 PAGES)*

This case study describes Patagonia’s goal to become carbon neutral by 2025 in an absolute sense—that is, to reduce emissions to zero while still growing the company. Patagonia also wants to achieve absolute carbon neutrality in a way that other interested companies can replicate. The case explores aspects of this goal through the eyes of a number of Patagonia employees who work on different teams within the apparel and gear business. Patagonia is attempting to both address its own emissions and act as a leader on a complex, global problem.

**Preserve: Growing a Sustainable Consumer Goods Company**

*SINAN ERZURUMLU*
*BABSON COLLEGE CASE #B8418 (13 PAGES)*

This case presents the startup and growth of Preserve, a sustainability-driven business and B Corp, in the circular economy. The
that impacts its corporate culture, organizational structure, value proposition, and overall business model. The goal is to turn the traditional asset-heavy company into an active player in the new hospitality economy, able to compete head-on with the industry’s digital disruptors.

China’s “Furious Five” Smartphones: Strategies and Origins
GUOLI CHEN; TONY TONG; YANGAO XIAO; NIANCHEN HAN
INSEAD CASE #IN1442 (28 PAGES)

The case focuses on China’s “furious 5” smartphone makers—Huawei, Xiaomi, Lenovo, and OPPO/Vivo—charting the history of the industry and the changing dynamics of the global market. It explains the emerging market context in which these companies operate; the market’s distinctive features, opportunities, and challenges; and the various ways the companies have triumphed over established global brands.

Root Capital and the Efficient Impact Frontier
SHAWN COL; CAITLIN LINDSAY; REIMERS BRUMME
HARVARD BUSINESS SCHOOL CASE #218084 (13 PAGES)

In 2015, Root Capital, a pioneer in the impact investing space, began to explore how to more systematically integrate impact and financial management. After much deliberation, Root Capital landed on an ex-ante rating system for any potential investment that produced a proprietary expected impact. With this tool in place, Root Capital had an integrated picture of impact and financial performance for a loan, and across its portfolio. The next question Root Capital faced was how to use this tool to optimize impact and financial performance going forward. This case was designed to be taught alongside Root Capital’s Efficient Impact Frontier Simulation exercise.

AccorHotels’ Digital Transformation: A Response to Hospitality Disruptor Airbnb
TAWFIK JELASSI; VALERIE KELLER-BIRRER
IMD CASE #IMDB85 (25 PAGES)

The hotel industry is being disrupted by new digital players in the market that challenge the conventional hospitality approach. The sharing economy in particular, with the startup Airbnb in the lead, has created a major challenge, if not a threat, to established hotel chains. In response, AccorHotels, Europe’s leading hotel group, is going through a major digital transformation.
when the government of India, through a policy change, formally recognized Bollywood as an “industry.” This change ushered in the corporatization of Bollywood, which in turn affected the industry’s structure. Keeping production companies at center stage, students must analyze whether and how corporatization changed the bargaining power of different stakeholders vis-à-vis production companies. The analysis also helps evaluate how the industry might evolve in the future.

Inclusive Growth: Profitable Strategies for Tackling Poverty and Inequality

ROBERT S. KAPLAN; GEORGE SERAFEI; EDUARDO TUGENDHAT

HARVARD BUSINESS REVIEW ARTICLE
#R1801K (9 PAGES)

More than a billion people in the developing world remain in extreme poverty and outside the formal economy. Traditional corporate social responsibility programs have done little to alleviate the situation and rarely produce transformative change. Instead of trying to fix local problems, the authors argue, corporations need to reimagine the regional ecosystems in which they participate. They should search for systemic, multisector opportunities; mobilize complementary partners; and obtain seed and scale-up financing from organizations with a mission to alleviate poverty. They should also align the various stakeholders around the new strategy, using proven tools such as a co-created strategy map. These principles are informed by the authors’ experience with several successful inclusive-growth projects. An initiative in Uganda is bringing small maize farmers into the mainstream regional economy, while a training program in El Salvador is giving unemployed youths the skills to work in the country’s growing service sector.

Math Tools for Strategists

TARUN KHANNA; JAN W. RIVKIN

HARVARD BUSINESS SCHOOL INDUSTRY/BACKGROUND NOTE
#718477 (12 PAGES)

Great strategists rely heavily on numbers as they go about their work. This note offers an overview of the highbrow and lowbrow quantitative tools that individuals commonly encounter during strategy courses and in actual strategy work. The note focuses especially on simple calculations that often produce important insights.

RYANAIR STRATEGIC POSITIONING (A):

July 2013
SEAN MEEHAN

IMD CASE
#1MD905 (12 PAGES)

B CASE AVAILABLE
INTERVIEW VIDEO AVAILABLE FOR EDUCATORS

By 2013, after nearly 30 years, Ryanair has become the largest airline in Europe in terms of number of passengers flown internationally. It outperformed its low-cost rivals on most operational dimensions. It was unambiguously positioned as the lowest-cost of the low-cost airlines. Its success, however, came at a price. Ryanair was far from loved. Its operational model, which enabled such low-cost flying, had as a side effect service that was seen as far below industry norms. In 2013 its outspoken CEO, Michael O’Leary, came under increasing pressure to tone down the macho image he had cultivated and enhance service levels. To do this he would need to adapt the successful operational model. The A case asks whether such an adaptation make sense. The B case documents the evolution and implementation of Ryanair’s response, a change program called “Always Getting Better” (AGB). AGB encompasses a digitalization program that Chief Marketing Officer Kenny Jacobs believes can enable Ryanair to become the “Amazon of Travel in Europe.”

Sandlands Vineyards

BENJAMIN C. ESTY; GREG SALDUTTE

HARVARD BUSINESS SCHOOL CASE
#718438 (25 PAGES)
STUDENT SPREADSHEET AVAILABLE

Approximately 80% of the wineries in the U.S. break even or lose money. An even greater percentage lose money on an economic basis (i.e., after a charge for the cost of equity). Tegan Passalacqua is a successful young California winemaker who specializes in making “old vine” wine (i.e., wine from vines that are at least 60 and sometimes more than 100 years old). By day, he is the head winemaker at Turley Wine Cellars, a leading Zinfandel producer. In his spare time, however, he runs his own winery called Sandlands, which produces premium wines using historic, out-of-favor grape varieties such as Carignane, Mataro, and Chenin Blanc. Despite the odds, Sandlands appears to be succeeding. The question is why, and whether its performance is sustainable. The case is set in December 2017, as Passalacqua was deciding whether to buy a building and develop a winery at a cost of up to $500,000. Because he already owns an old vine vineyard, and has limited resources, he must decide whether this is the right investment to make next.

Starbucks Corporation

FRANK T. ROTAHERMEL

MCGRAW-HILL EDUCATION CASE
#1MH042 (21 PAGES)

With more than 25,000 stores in 75 countries and US $21 billion in annual revenues, Starbucks is the largest roaster and retailer of specialty coffee in the world. Howard Schultz’s strategic leadership was critical in turning Starbucks around. He is now hoping that his second retirement from the company he built from the ground up will be his final one. In the meantime, Kevin Johnson, the new CEO, faces several challenges. In particular, the questions of how to maintain core competencies and achieve future growth, both domestically and internationally, are central to the case. The case also focuses on diversification, as Starbucks is branching out into new areas such as menu extensions including offering alcohol, as well as rolling out coffee bars with high-end offerings such as a $12 cup of coffee.

A Winning Formula: Disruptive Innovation + Jobs to Be Done

STEPHEN WUNKER; DAVID FARBER

ROTMAN MANAGEMENT MAGAZINE ARTICLE
#ROT351 (5 PAGES)

New business opportunities stem from understanding the full landscape of “jobs” that people are trying to get done on a daily basis. The authors begin by explaining 2 of Harvard professor Clayton Christensen’s best-known concepts: disruptive innovation and Jobs to Be Done. Then they argue that these theories are natural complements: jointly, they show where incumbents are vulnerable and how customers hunger for new solutions. They introduce the “Jobs Atlas” and show how it can be used to bridge the 2 theories and develop creative solutions for customers.
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