New Online Tools for Building Coursepacks

ADD PERSONAL AND NON-HBP MATERIAL TO COURSEPACKS

INSTRUCTORS NOW HAVE MORE OPTIONS for creating and delivering course materials on the Harvard Business Publishing for Educators web site. Through a partnership with Study.Net, new online tools enable instructors to clear permissions for course material from outside the HBP catalog, upload self-authored content, and deliver digital and print-on-demand coursepacks.

“We know that these are services that the academic community values and we think this will be a change welcomed by many,” said Maureen Betses, Vice President of Higher Education at Harvard Business Publishing. “It will be easier for instructors to choose and deliver course materials and student learning can remain their top priority.”

Now Premium Educators registered on the web site can create a coursepack that includes all their course materials, regardless of the source. Once an online coursepack is activated, it contains a unique web link that students can use to access materials at a discounted price. One of the primary benefits of the new tools is that the cost of content—which covers the material itself, permissions, and delivery—will be clear.

As an academic publisher, HBP aims to partner with institutions and instructors on pedagogical issues and provide participant-centered learning materials that enhance management education worldwide.

See a video overview of the new course-building tools:

hbsp.harvard.edu

Not a Premium Educator? Apply now:

educatoraccess.hbsp.harvard.edu

Case Analysis Coach

IDEAL FOR STUDENTS NEW TO CASES

The business case is a powerful learning tool. But for students, interpreting cases for the first time can be daunting. The Case Analysis Coach is a self-paced tutorial that introduces the key concepts required for the analysis of case studies. It is ideally assigned as students prepare to analyze a case for the first time.

Delivered entirely online, the Case Analysis Coach shows students how to quickly establish a base of knowledge about a case. Short examples from cases in various disciplines illustrate multiple types of case situations. The tutorial then walks the reader step by step through a structured case analysis framework. The coach prepares students for case analysis situations including written reports, presentations, “cold calls” during classroom discussion, and final exams.

The program concludes with an optional in-depth exercise in which students apply the analysis framework to an included General Management case. It requires students to interpret both qualitative and quantitative data and develop short- and long-term action recommendations. It also includes a Case Analysis Worksheet that students can use repeatedly to analyze actual cases assigned for coursework.

Premium Educators registered at hbsp.harvard.edu can see a free trial of the Case Analysis Coach.

VISIT THE EDUCATORS WEB SITE: hbsp.harvard.edu
Supply Chain Management Simulation: Root Beer Game V2

**THE SECOND RELEASE** of this multi-player simulation retains the fast-paced nature of the original while adding an enhanced user interface, new customized debrief slides and, due to popular demand, a single-player option. Students assume 1 of 4 roles in a root beer supply chain and must examine their inventories and send orders to the adjacent connection in the chain. All students share a common goal: minimizing inventory carrying costs while avoiding inventory shortages.

Limited information, a lack of demand visibility, and shipping delays rapidly contribute to excessive overstocking of inventory or extreme stock-out situations at different points in the supply chain. Students experience a dynamic known as the “bullwhip” effect as small changes in customer demand cause oscillations in ordering patterns moving down the supply chain away from the retail customer.

**HIGHLIGHTS OF THE UPDATED VERSION INCLUDE:**

- **NEW STUDENT INTERFACE**
  - Enhanced animation allows students to understand the movement of orders and inventory in the supply chain.
  - Notifications alert players when another player in the supply chain has not placed an order.
  - Entering final demand estimates at the end of the simulation is easier and more precise.

- **NEW TEACHING MATERIALS**
  - Updated Teaching Note reduces the time required to learn the simulation.

- **NEW ADMINISTRATIVE TOOLS**
  - Instructors can download presentation-ready debrief slides populated with class results showing inventory and backlog, average cost, and perceived vs. actual demand.
  - New graphs compare the inventory and backlog for all four roles across one or more supply chains. Graphs can be easily customized to show only specific roles or chains.
  - New simulation status alert appears at the top of the administration screens to indicate whether the simulation is open to students.

- **NEW SINGLE-PLAYER OPTION**
  - Instructors can assign any number of students as single players.

**Ideal for introductory courses in:**

- Operations Management
- Supply Chain Management

Seat time: 60 minutes
Product #6619

LEARN MORE
> Attend a webinar
> See a Free Trial of the simulation (for registered Premium Educators)
To see the webinar schedule or apply for Premium Educator access, visit: hbsp.harvard.edu

NOT A PREMIUM EDUCATOR? APPLY ONLINE: educatoraccess.hbsp.harvard.edu
Working Capital Simulation: Managing Growth

**IN THIS SINGLE-PLAYER SIMULATION**, students act as the CEO of Sunflower Nutraceuticals, a distributor of dietary supplements. The firm operates on thin margins with a constrained cash position and limited credit. In 3 phases over 9 simulated years, students consider investment opportunities in revenue and EBITDA growth and cash-flow improvements. Opportunities range from acquiring new customers and expanding into new distribution channels to reducing inventory and capitalizing on supplier discounts. Each opportunity has a unique financial profile and includes a summary of incremental changes to the financial statements.

Students must understand how the financial statements for the firm, including the statement of cash flows, are interconnected as they analyze the effects of each opportunity on working capital. The goal is to choose opportunities that balance the desire for growth with the need for maintaining liquidity.

**LEARNING OBJECTIVES FOR THIS SIMULATION INCLUDE:**

- Developing intuition regarding a firm’s cash conversion cycle and the operating ratios associated with it.
- Learning the trade-offs between managing revenue and EBIT growth while also managing net operating working capital.
- Understanding the consequences of investing too much or too little in net working capital as well as of focusing excessively on the income statement rather than the balance sheet and statement of cash flows.
- Developing intuition for the relationships among the income statement, balance sheet, and statement of cash flows.
- Understanding the tightrope between growth and illiquidity.
- Learning to maximize a firm’s growth opportunities in a limited-credit environment.

Instructors can determine level of difficulty to meet course needs and can set the amount of available credit and whether the simulation ends when students violate the credit restraint. Results are available immediately for class review and comprehensive debrief. Summary results are provided for the entire class and detailed results are available for individual students.

**Ideal for introductory courses in:**

- Finance
- Accounting
- Small Business Management
- Entrepreneurial Finance

Seat time: 60 minutes
Product #4302

To see the webinar schedule or apply for Premium Educator access, visit: [hbsp.harvard.edu](http://hbsp.harvard.edu)
ACCOUNTING

AT&T Wireless: Text Messaging
Vaughan Radcliffe, Mitchell Stein, Michael Lickver
Richard Ivey School of Business Foundation Case
Product #W11049 (16 pages) TN

The case examines AT&T’s wireless business with a focus on its text messaging services. The industry features a high proportion of fixed costs in relation to acquiring spectrum and building a network. Variable costs are relatively low and are very low for SMS text messages. Pricing and margins in text messaging have attracted regulatory scrutiny in the United States, Canada, and elsewhere. The case requires the use of key concepts in cost behavior, cost volume profit analysis, and product costing to understand the nature of the business and the profit margins involved. Many service or high-tech businesses exhibit similar cost behaviors and so the case gives students insight into the management of such enterprises.

Do You Know Your Cost of Capital?
Michael T. Jacobs, Anil Shivdasani
Harvard Business Review Article
Product #R1207L (8 pages)

The Association for Financial Professionals (AFP) surveyed its members about the assumptions built into the financial models they use to evaluate investment opportunities. Remarkably, no survey question received the same answer from a majority of the more than 300 respondents. That’s a big problem because assumptions about the costs of equity and debt profoundly affect both the type and the value of investments that companies make as well as the health of those businesses and the broader economy. Citing the AFP survey results in detail, Jacobs and Shivdasani of the University of North Carolina argue that with trillions of dollars in cash sitting on corporate balance sheets, it’s time to look honestly at precisely what affects the cost of capital. They offer specific examples of the consequences of misidentifying the cost of capital; a rigorous primer for how to calculate terminal value, the number ascribed to cash flows beyond a project’s forecast horizon; and an online tool that allows you to input your own rates to see how terminal-value growth assumptions affect a project’s overall value. With this knowledge, you’ll be much better equipped to identify your true cost of capital.

ECG Group: Fraud and Liquidation of a Joint Venture in China
Neale O’Connor, Grace Loo
University of Hong Kong Case
Product #HKU964 (9 pages) TN

In 1994, U.S.-based building-control systems specialist ECG US created a joint venture with China-based CIG Ltd., Realton JV, in order to manufacture and sell building-control system products such as air-conditioning valves and fire safety equipment on the mainland. The joint venture was out of control from the beginning. Sales were weak and, unbeknown to ECG US, the joint venture used complex maneuvers in order to gain contracts. With Realton unable to generate a profit, ECG US decided to dissolve the venture altogether by 2001. Nonetheless, the Chinese partner was adamant about continuing its operation, maintaining that Realton was profitable by Chinese accounting standards. As the two parties enter negotiation, how can they find a solution to this quagmire and protect their interests at the same time?

Enager Industries
James S. Reece
The Crimson Group Case
Product #TCG003 (4 pages) TN

A middle manager has an attractive new product proposal that is expected to make a lot of money. However, senior management is rejecting it. Students must analyze the proposal and determine whether it is as good as presented and if so, how to present it.

Import Distributors
James S. Reece
The Crimson Group Case
Product #TCG015 (2 pages) TN

The CEO of a retail distributor is trying to decide whether to keep or discontinue a product line. Students must undertake a tricky differential cost analysis.

LinkedIn Corporation
Francois Brochet, James Weber
Harvard Business School Case
Product #112006 (37 pages)

The purpose of this case is to help students critically evaluate the market value of LinkedIn’s stock following its recent IPO. In the context of strong investor appetite for social media companies, LinkedIn is the lamp bearer among U.S. companies in that industry that are considering tapping into public markets. The case can serve to illustrate the challenges of valuing an early-stage high-growth company with a great deal of uncertainty about fundamental value and how quoted prices might reflect expectations that are hard to justify. Regardless of which valuation method is employed (e.g., residual income, discounted cash flow, multiples), the case provides a platform (i) to map the firm’s key success and risk factors into forecasts and estimates for its future performance and cost of capital, and (ii) to critically assess the implied assumptions underlying the market’s expectations. The case is best suited for a course on business valuation at all levels (undergraduate, MBA, executive programs).
Mitigating greenwashing is particularly challenging in a context of limited and uncertain regulation. This article examines the external (both institutional and market), organizational, and individual drivers of greenwashing and offers recommendations for managers, policy makers, and NGOs to decrease its prevalence.

ECONOMICS

A New Approach to Funding Social Enterprises
Antony Bugg-Levine, Bruce Kogut, Nalin Kulatilaka
Harvard Business Review Article
Product #R1201K (7 pages)

An increasing number of social entrepreneurs and investors are realizing that social enterprises of all sorts, including many organizations regarded as charitable nonprofits, can generate returns acceptable to the financial markets. The key is to view the funding of social enterprises as a problem of financial structuring. If they treat charitable donations as a form of capital that seeks social, not financial, returns, organizations can then tap traditional sources of funding: venture capital firms, banks, mutual funds, bonds, and so on. And with access to these sources, they can make use of all the tools for transferring risk and return, allowing them to free up capital and grow. For this to succeed, the social enterprise sector will need to create greater precision and transparency around measuring and reporting social outcomes, and policy makers must build the necessary market infrastructure and legal frameworks. With these efforts, social enterprises could have a larger universe of investors than conventional businesses do. This would be a significant step toward a greener, healthier, and more equitable world.

A Note on Long-Run Models of Economic Growth
Peter Rodriguez
University of Virginia Darden School Case
Product #UV4282 (12 pages)

This technical note prepares students to use and analyze economic models of long-run growth. The technical note is particularly useful in introducing the Solow neoclassical growth model for discussing growth in emerging markets and developed economies.

BUSINESS ETHICS

Cipla 2011
Rohit Deshpande, Sandra J. Sucher, Laura Winig
Harvard Business School Case
Product #511050 (25 pages)

Dr. Yusuf Hamied, head of the Indian pharma and generics manufacturing company Cipla, is weighing options for how to continue to support the global fight against HIV/AIDS while positioning his company for growth in a changing regulatory landscape.

The Drivers of Greenwashing
Magali A. Delmas, Vanessa Cuerel Burbano
California Management Review Case
Product #CMR494 (24 pages)

More and more firms are engaging in greenwashing, misleading consumers about their environmental performance or the environmental benefits of a product or service. The skyrocketing incidence of greenwashing can have profound negative effects on consumer and investor confidence in green products. Mitigating greenwashing is particularly challenging in a context of limited and uncertain regulation.

California Water Pricing
Dorothy Robyn
Harvard Kennedy School Case
Product #HKS537 (14 pages)

In many parts of California, water districts set prices so that agricultural users pay far less than residential users and far less than the true cost of water. While the adoption of a marginal cost pricing system would bring enormous efficiency gains, it would inevitably create losers as well as winners. To anticipate the problems of implementing such a pricing system in California, reformers need to anticipate which regions and which crops in California would be most affected. The case provides the information necessary to do a partial equilibrium incidence analysis, including data on the average factor share of water by crop, the average value created for each crop by marginal applications of water, the degree of interregional variation in the ratio of non-water inputs, and the role of each crop in the California and worldwide markets.

Intrinergy: Carbon Offsets (A)
Samuel E. Bodily, Brandon Ogilvie, Brett Brohl
University of Virginia Darden School Case
Product #UV4312 (6 pages)
B Case Available

The A case describes the decision the Bur-Mills textile company will make regarding whether to change from producing its own steam to outsourcing its steam production to Intrinergy. BurMills can calculate the present value of cost flows for three alternatives: producing its own steam from burning natural gas or outsourcing to Intrinergy with either a fixed price contract or with a price contract that floats with the natural gas price at Henry Hub. In addition to the standard costs associated with steam production, the case adds depth by providing the possibility of revenue from carbon credits. These credits are earned because the energy in the Intrinergy plant is created from biomass. A proper analysis will include a Monte Carlo simulation based on an arithmetic random walk for carbon credit pricing, a mean-reverting arithmetic random walk for Henry Hub natural gas spot prices, and other distributions.
To Build a Different Model: The Case for Preservation of Affordable Housing, Inc.

Alexander Von Hoffman
Harvard Kennedy School Case
Product #HKS685 (29 pages)

This case study examines the business model of the Preservation of Affordable Housing, Inc. (POAH), and its applicability to nonprofit housing providers. POAH is one of the premier socially conscious low-income housing developers and owners in the United States. Its primary mission is to purchase large, multifamily properties and refinance them for long-term affordability. As of 2016, POAH had rescued and refinanced more than 4,900 units of affordable rental housing in eight states and the District of Columbia. Since its founding in 2001, POAH has been unique among preservation owners, not only for its business model—which attends closely to the bottom line of every transaction—but also for its commitment to policy and regulatory reform affecting a range of housing affordability issues. This case invites the reader to explore many dimensions of organizational strategy for nonprofit housing companies. In the world of nonprofits POAH is unusual in many ways, including its origins: it was formed in order to complete an acquisition of a significant subsidized low-income housing portfolio; its organizational structure, which combines for-profit and nonprofit companies; its financial model, which emphasizes returning profits to the company and increasing cash flow as opposed to developer fees and especially property management fees; and its ability to influence government officials to modify regulatory policies to suit the needs of nonprofit housing groups. Finally, the case explores the larger importance of POAH for the low-income housing field.

ENTREPRENEURSHIP

Dropbox: “It Just Works”

Thomas R. Eisenmann, Michael Pao, Lauren Barley

Harvard Business School Case
Product #811065 (22 pages)

Dropbox is a venture-backed Silicon Valley start-up founded in 2006 that provides online storage and backup services to millions of customers using a “freemium” (free plus premium offers) business model. The case recounts Dropbox’s history from conception through mid-2010, when founder and CEO Drew Houston had to make strategic decisions about new product features, how to target enterprise customers, and whether to pursue distribution deals with smartphone manufacturers.

Gupta Garments and Amit’s First 100 Days

Ernesto J. Poza

Thunderbird School of Global Management Case
Product #TB0259 (9 pages)

This case captures the predictable tension between the generations of a family in business. The incumbent generation knows the secrets to the business’s current success; the next generation joins the business with its own vision of what the future holds and the opportunities for change in technology, supply chains, the marketplace, and the degree of globalization. Both legacy and opportunity (or tradition and innovation) are fundamental elements of the successful strategy for continuity of the family-owned business. Amit is returning to his family business in India after successfully completing the requirements of a master’s in business administration in the United States. How can he most productively rejoin the family business and make the knowledge he has acquired abroad available and useful to its owner-managers and the enterprise they lead?

NEWSLETTER

New Project? Don’t Analyze—Act

Leonard A. Schlesinger, Charles F. Kiefer, Paul B. Brown

Harvard Business Review Article
Product #R1203R (6 pages)

In a predictable world, getting a new initiative off the ground typically involves analyzing the market, creating a forecast, and writing a business plan. But what about in an unpredictable environment? The authors recommend looking to those who are experts in navigating extreme uncertainty while minimizing risk: serial entrepreneurs. These business leaders act, learn, and build their way into the future. Managers in traditional organizations can do the same, starting with smart, low-risk steps that follow simple rules: use the means at hand, stay within an acceptable loss, secure only the commitment needed for the next step, bring along only volunteers, link the initiative to a business imperative, produce early results, and manage expectations. Momentum is gained by continuing to act based on what is learned at each step. The launch of Clorox’s Green Works product line is discussed as an example.

PunchTab, Inc.

Ramana Nanda, William R. Kerr, Lauren Barley

Harvard Business School Case
Product #812033 (20 pages)

PunchTab was a Silicon Valley start-up founded in 2011 that was developing an Internet-based turnkey customer loyalty program for web site owners, mobile applications developers, and brands. Founder/CEO Ranjith Kumaran must make strategic decisions about how to fund PunchTab’s early operations and growth given the many options available: individual angel investors, super angel funds, incubators, and seed funds inside traditional venture capital firms.

Sheila Mason and Craig Shepherd (Abridged)

Michael J. Roberts

Harvard Business School Case
Product #810114 (13 pages)

The case describes two individuals who have met and are in the process of starting a company together. Each is still at his or her former employer, and each has signed a different employment agreement that on paper may prohibit some contemplated acts (e.g., soliciting customers or employees). The
case focuses on how individuals should think about leaving their employers in general and how these specific legal agreements may impact the situation in this case. In addition, the case includes issues such as dealing with venture capitalists, nondisclosure agreements, and how to select and work with a lawyer.

**FINANCE**

**AQR’s Momentum Funds (A)**

Daniel B. Bergstresser, Lauren H. Cohen, Randolph B. Cohen, Christopher Malloy

Harvard Business School Case
Product #211025 (12 pages)  
B Case Available

AQR is a hedge fund based in Greenwich, Connecticut, that is considering offering a wholly new line of product to retail investors, namely the ability to invest in the price phenomenon known as momentum. There is a large body of empirical evidence supporting momentum across many different asset classes and countries. However, up to this point momentum was a strategy employed nearly exclusively by hedge funds and thus was not an investment strategy available to most individual investors. This case highlights the difficulties in implementing this “mutual funditizing” of a hedge fund product. It also covers the challenges that the open-end and regulatory features of a mutual fund pose to many successful strategies implemented in other contexts. In addition, it gives students the ability to calculate and interpret various horizons of correlations between many popular investment strategies using longtime series data. Students can then think about the potential complementarities of strategies in a portfolio construction context.

**Braddock Industries, Inc.**

William E. Fruhan

Harvard Business School Case
Product #211061 (17 pages)  
TN

This case examines the drivers of economic value creation for shareholders and how these drivers are reflected in various incentive compensation programs for management. The case also looks at how the economic performance of business units can be evaluated using measures of economic value creation.

**Emergia: Driving Profitability on Help Desk Contracts**

F. Asis Martinez-Jerez, Lisa Brem

Harvard Business School Case
Product #111048 (24 pages)  
TN

Emergia wants to keep its customers happy with its contact center service, but the margins on the help desk contract are dangerously low. Can Miguel Neira, the COO, increase margins while preserving the customer relationship?

**Golden Opportunity: Commercial Real Estate Valuation**

Craig Furfine, Sara Lo, Daniel Kamerling

Kellogg School of Management, Northwestern Case
Product #KELS95 (18 pages)  
TN

Aurelia Dimas had been sent to investigate the various properties being offered by the state of California in the form of a sale-leaseback agreement. The opportunity was perfect for her firm, Orrington Financial Partners, which had recently expanded its fixed-income portfolio to include real estate. The wide range of offerings in the Golden State Portfolio provided both diversification and stability over a period of decades. She had spent the past week walking the halls of each and every building to see the offering firsthand. Now the task of valuing the portfolio rested on her shoulders.

**Hony, CIFA, and Zoomlion: Creating Value and Strategic Choices in a Dynamic Market**

Josh Lerner, Yiwen Jin

Harvard Business School Case
Product #811032 (26 pages)  
TN

The private equity group Hony Capital considers what to do with its investment in Zoomlion, which has been successful to date. The question is whether to take its money off the table or to invest in its acquisition of a large Italian competitor.

**India: The Promising Future**

F. John Mathis, Paul G. Keat

Thunderbird School of Management Case
Product #TB0265 (17 pages)  
TN

This case is about a large U.S.-based manufacturing company considering whether it should shift its production from China to India to maintain its global competitiveness, particularly for selling in the U.S. market. This case study examines in detail the recent (2003–2010) economic performance of India, including changes in government policies toward foreign investment in India. The case also reviews recent financial market and product developments in India. Finally, the case study also describes, illustrates, and applies a process of country risk analysis for foreign companies considering investing in a rapidly growing emerging market economy such as India.

**WHAT I DIDN’T LEARN IN BUSINESS SCHOOL: HOW STRATEGY WORKS IN THE REAL WORLD**

By Jay Barney, University of Utah, and Patricia Gorman Clifford

A new MBA graduate quickly realizes that the tools he gained in school won’t help him grapple with the human side of strategy—including swirling political forces within a company. Bestselling chapters include:

- A Simple Problem: Real-World Strategies for Managing First Impressions, Scoping an Engagement, and Performing Situation Analysis with Limited Information #7129BC
- A New Shirt: Real-World Strategies for Identifying Purchasing Criteria, Understanding Segmentation, and Using NPV Analyses Strategically #7136BC
- A Moving Target: Real-World Strategies for Applying 5 Forces, Selecting and Using Appropriate Tools, and Reacting to Feedback #7135BC

**GENERAL MANAGEMENT**

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- A Moving Target: Real-World Strategies for Applying 5 Forces, Selecting and Using Appropriate Tools, and Reacting to Feedback #7135BC
Jefferson Multimedia Company
David W. Young
The Crimson Group Case
Product #TCG015 (6 pages) TN

The CEO of a multimedia company is trying to determine the cost of each of the company’s products to improve pricing.

GENERAL MANAGEMENT

Cancer Treatment Centers of America: Scaling the Mother Standard of Care
Rosabeth Moss Kanter, Matthew Bird
Harvard Business School Case
Product #312073 (23 pages) TN

The CEO of a private and growing national network of specialty-care hospitals focusing on advanced-stage and complex cancer treatments reflects on the firm’s past phase of growth before meeting with the company’s chairman and founder. They will discuss how to further scale what they call the Mother Standard of Care and in the process change the face of cancer care.

LEGO Group: Building Strategy
Darren Meister, Paul Bigus
Richard Ivey School of Business Foundation Case
Product #W11169 (12 pages) TN

The world-famous toymaker LEGO Group assembles an internal management team to create a strategic report on LEGO’s different product lines and business operations. In recent years, numerous threats had emerged against LEGO in the toy industry. The acquisition of Marvel Entertainment by The Walt Disney Company created major implications for valuable toy license agreements. LEGO also recently lost a long legal battle with major competitor MEGA Brands, makers of MEGA Bloks, with a European Union court decision that removed the LEGO brick trademark. Furthermore, new competition from Hasbro, the second-largest toymaker in the world, with the company launching a new rival product line called Kre-O. It is critical for the management team to identify where to expand LEGO’s product lines and business operations in order to develop a competitive strategy to continue the organization’s recent years of financial success and dominance in the building-toy market.

Pierre Frankel in Moscow (A): Unfreezing Change
Rosabeth Moss Kanter, Matthew Bird
Harvard Business School Case
Product #312070 (11 pages) TN
B and C Cases Available

A young and upcoming French executive in a global technology company is sent to Moscow as deputy managing director to turn around the Russia subsidiary. He must report to the subsidiary’s managing director (a large reason for the organization’s under-performance) and to corporate. In his first three months, he took steps to prepare the organization for change. Yet the lack of more tangible actions and results leaves him open to criticism from subsidiary employees and pressure from corporate executives. How can the young executive unfreeze the situation and get movement?

Student Cars PTY Ltd.
Elizabeth M.A. Grasby, Marsha Watson
Richard Ivey School of Business Foundation Case
Product #909M03 (10 pages) TN

Three MBA students at Bond University in Australia form a partnership in 2006 to rent vehicles to international students studying in Australia for short periods of time. The partnership operates by capitalizing on each partner’s key competency. When one of the partners is offered a promising position by a large company, the partners are faced with losing one of the company’s key players and must make several decisions that will change the direction of the business.

Transforming Verizon: A Platform for Change
Rosabeth Moss Kanter, Matthew Bird
Harvard Business School Case
Product #312082 (20 pages) TN

A new CEO steps into the shoes of his long-serving predecessor, who had created the U.S. telecommunications giant via a series of acquisitions and before departing had initiated the company’s strategic repositioning. The new CEO reflects on Verizon’s recent successes, some of which he led, and considers how to ensure that the team can continue to rise to new challenges. He knows change is both energizing and difficult and that every victory has to be followed by the next play. He pauses in his New York City office to think about how his team handled recent challenges and whether the culture was in place to continue Verizon’s transformation from a traditional telecommunications provider to a global services and technology firm.

Yahoo: Relationship Crisis with Alibaba in China
Zhigang Tao, Penelope Chan
University of Hong Kong Case
Product #HKU970 (34 pages) TN

In October 2005, Yahoo! Inc. formed a partnership with Alibaba Group Holding Limited, the country’s biggest e-commerce firm. The company invested US$1 billion in Alibaba for a 40% stake and transferred the ownership of Yahoo! China to Alibaba. However, some media outlets have described the two
companies’ relationship since 2005 as being anywhere from rocky to downright ugly. Yahoo’s decision in mid-2009 to switch to Microsoft’s Bing search technology prompted Alibaba to adopt a search engine from Yahoo’s local competitor Sohu.com. Then Alibaba collaborated with eBay Inc. instead of Yahoo! in entering the U.S. business-to-business market. Meanwhile, Yahoo directly competes with Yahoo! China for advertisers by soliciting companies in southern China to advertise on Yahoo’s Hong Kong Web site. Alibaba has been taking a loss in its operations since 2006, and the search revenue share of Yahoo! China has dropped from 27% in 2005 to an insignificant level in 2010. But Yahoo! has turned down Alibaba’s offer to buy back its stake because it would like to wait for the IPOs of Alibaba’s two major subsidiaries before any exit. In light of growing tension with Alibaba, Yahoo’s board would like to review its approach to managing this partner- relationship and figure out what should be done to mend the ties.

**HUMAN RESOURCE MANAGEMENT**

**Arck Systems (A)**

Ian I. Larkin

Harvard Business School Case
Product #911056 (6 pages) TN
B, C, D, E, and F Cases Available

The Arck Systems series of cases describes the dilemmas faced by a senior sales manager in determining a sales compensation plan at an enterprise software company. The existing compensation plan is aggressive and highly rewards “star” performers. The cases track a series of changes the manager makes to the sales compensation plan in response to negative and unintended consequences of the existing system. The cases illustrate the trade-offs inherent in incentive plans (even outside sales environments) and presents a framework for the design and management of incentive systems. It also is useful in addressing employee response to incentive system change.

**Building a Well-Networked Organization**

Margaret Schweer, Dimitris Assimakopoulos, Rob Cross, Robert J. Thomas

MIT Sloan Management Review Article
Product #SMR410 (10 pages)

Leaders and human resources professionals are searching for ways to generate more value from their employees. Recent studies show that companies perform at a higher level when they have integrated talent management programs that are aligned with business strategy and operations. Organizations can get more from their investments in talent management, the authors argue, by focusing on collaboration. Job design and performance management are typically based on individual accountability despite the fact that most work today is collaborative. Talent management practices tend to focus on individual competencies and experiences, while overlooking the importance of employee networks. By examining individual performance data together with the results of organizational network analysis, the authors say, senior managers can look at talent along two important dimensions. In addition to looking at individual employee performance for the purpose of succession or workforce planning, they can take a network view to assess the same employees in terms of their broader collaborative contributions to the organization. The authors show how applying a network lens reveals a significant number of key players (including marginalized talent, hidden talent, and underutilized talent) that traditional performance management systems miss. They identify best practices for nurturing networks through talent management initiatives, illustrating them with examples from organizations including IDEO, Nokia, Dow Chemical, Best Buy, Gallo, and the U.S. Army.

**Employment Vignettes**

Lena G. Goldberg, Chad M. Carr

Harvard Business School Case
Product #311021 (13 pages) TN

Six vignettes drawn from decided cases explore legal and business issues in hiring, firing, promoting, and demoting employees, with emphasis on protected classes, pretext, and antidiscrimination laws in the setting of start-ups and privately held companies.

**Foxconn Technology Group (A)**

Robert G. Eccles, George Serafeim, Beiting Cheng

Harvard Business Review Case
Product #112002 (21 pages) B Case Available

**GENERAL MANAGEMENT**

**Being the Boss: The 3 Imperatives for Becoming a Great Leader**

By Linda A. Hill, Harvard Business School, and Kent Lineback

NAMED ONE OF FIVE BEST BUSINESS BOOKS TO READ FOR YOUR CAREER IN 2011 BY THE WALL STREET JOURNAL

“A modern classic.” —Financial Times

Becoming a great boss is a journey that requires students to master three imperatives: manage yourself, manage your network, and manage your team. Bestselling chapters include:

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- I’m Your Friend!: Beware the Pitfalls When You Create Relationships That Are Too Personal—Why Being Both Boss and Friend Won’t Work #73098C

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The case describes the challenges that Foxconn faced after a series of suicides took place at its plants. The response of Foxconn’s management is presented and the associated implications for Foxconn’s stock price are discussed.

The Rise of the Supertemp
Jody Greenstone Miller, Matt Miller
Harvard Business Review Article
Product #R1205B (11 pages)

Full-time, permanent jobs with large organizations are quite possibly an artifact of a particular moment in economic history—about 60 or 70 years ago. For elite executives and professionals, such jobs are now in many cases far less attractive than independent, project-based work, say the authors, who are “supertemps” themselves. Independent professionals are making inroads in law, consulting, and even management roles, sometimes earning more than they did in their previous positions while escaping 80-hour work weeks, endless internal meetings, and corporate politics. And they’re achieving a gratifying work-life balance. Corporations are learning how best to tap the supertemps’ skills; organizations may soon come to look less like pyramids and more like jigsaw puzzles. Intermediary firms that broker independent talent are growing rapidly. But social biases against temporary work persist and—especially in the U.S.—the health care and tax systems are unfriendly to project workers. Rising numbers of highly paid independents will be motivated to overcome those obstacles: health coverage could become portable; tax rules could be rewritten. The result would be not just more-rewarding careers but a more innovative economy.

INFORMATION TECHNOLOGY

Airbnb (A)
Benjamin Edelman, Michael Luca
Harvard Business School Case
Product #912019 (7 pages) TN
B Case Available

After widely publicized complaints of destructive guests and unreliable hosts, online apartment rental site Airbnb explores mechanisms to facilitate trust between guests and hosts. Flexible online reputation systems can collect and share information with ease, but Airbnb must decide which information guests and hosts should have to provide and how much flexibility each should have in selecting whom to do business with. A full-featured system could provide all the information users have been requesting, but would it be too complicated for routine use?

Body Scans and Bottlenecks: Optimizing Hospital CT Process Flows
Sunil Chopra, Flamm Scott, Sachin Waikar
Kellogg School of Management, Northwestern Case
Product #KELS92 (6 pages) TN

A Midwest hospital purchases new CT scanners that are much faster than the existing technology. Processes in the radiology department are optimized to the older, existing scanners, and technicians are unable to take full advantage of the new scanners’ speed. The hospital finds itself working to change the processes to suit the new scanners’ capabilities and take full advantage of their speed.

Online Marketing at Big Skinny
Benjamin Edelman, Scott Duke Kominers
Harvard Business School Case
Product #911033 (13 pages) TN

This case describes a wallet maker’s application of seven Internet marketing technologies: display ads, algorithmic search, sponsored search, social media, interactive content, online distributors, and A/B testing. It provides concise introductions to the key features of each technology and asks which forms of online marketing the company should prioritize in the future. Also discussed are similarities and differences between online and off-line marketing as well as issues of marketing campaign evaluation.

Red Hat Global Support Services: The Move to Relationship-Based Customer Servicing and Knowledge-Centered Support
Richard M. Kesner
Richard Ivey School of Business Foundation Case
Product #WI1543 (19 pages) TN

In the 1990s, Red Hat established itself as a leading proponent of the open source software movement and sought to carve out a significant role for itself in the open source marketplace. The company reported $77 million in non-GAAP operating income in FY2010, based on revenues of $748 million. Red Hat’s market capitalization was set at $8 billion as of January 25, 2011. It operated 65 offices worldwide, including 12 global support service centers, and employed 3,580 people. The Red Hat brand is most closely associated with Linux even though its stable of product offerings grew to include a number of other noteworthy system software and middleware products, such as JBoss and Red Hat Enterprise Virtualization. As Red Hat’s Linux product line came to be widely accepted as an enterprise software platform, the company transformed its thinking about and delivery of customer support. This case study explores the innovative ways that Red Hat went about this transformation.

Successfully Navigating the Turbulent Skies of a Large-Scale ERP Implementation
Benoit Aubert, Simon Bourdeau, Brett Walker
HEC Montreal Centre for Case Studies Case
Product #HEC035 (29 pages)

Enterprise resource planning (ERP) systems introduce changes on a larger scale than most other systems. They link various components of the organization and modify its structure by deploying standardized processes and data models, which can lead to higher efficiency and significant cost savings. This case shows the adjustment dynamic between an ERP system and the other components of the organization. The project is a very large one, involving an investment of several hundred million dollars. The results are impressive. Bombardier implemented new processes through the use of the system, changed the roles of its employees, created a different way of looking at the organization and its activities, and established new value indicators that helped crystallize the new behaviors.

Tata Consultancy Services: Sustaining Growth Momentum in China in 2010
Beng Geok Wee, A. Lee Gilbert, Ivy Buche
ABCC Nanyang Tech University Case
Product #NTU017 (19 pages) TN
In 2002, Tata Consultancy Services (TCS) set up operations in China, following its major client, GE Medical Systems. TCS China operations also supported the software needs of multinational and regional companies expanding in China, while providing the company with a platform to grow its local clientele. In 2006, TCS announced a new global business initiative that included plans for large-scale operations in China. The aim was to grow its China operations to become TCS’ second global delivery center after India, functioning as its offshore IT outsourcing hub for the Asia-Pacific region. In addition, China’s growing domestic software market presented attractive opportunities for IT services. TCS shifted its focus to China’s financial sector, as many of China’s domestic banks were then undergoing a period of major organizational transformation. Given that, in 2007 the company set a target to increase its China-based manpower strength from 800 to 6,000 by 2011. However, the tight supply of IT talent in China was a major challenge and in early 2010 TCS’ manpower strength reached 1,100. The company set a new target to quadruple its manpower strength to 5,000 by 2014. Product/service innovation was an essential catalyst to sustain its growth momentum and to maintain a competitive edge in the Chinese market. What steps should the company take to tap the rising demand for outsourcing services while tackling the problem of achieving service excellence in a resource-tight situation?

in “market expansion services.” This novel market expansion services company works with global “clients” (e.g., major pharmaceutical companies) to help them get access to and accelerate growth in different Asian markets and with “customers” (e.g., Asian distributors and retailers) to provide them with access to the goods and services from the global clients. To effectively achieve this corporate transformation, Wolle worked with several other senior executives to create integrated IT, logistics, and market intelligence capabilities. The case focuses on the growth strategy and associated challenges, mostly people- and leadership-related, to bring DKSH to the next level of profitable growth.

Global Business Speaks English
Tsedal Neeley
Harvard Business Review Article
Product #R1205H (10 pages)

Like it or not, English is the global language of business. Today 1.75 billion people speak English at a useful level—that’s one in four of us. Multinational companies such as Airbus, Daimler-Chrysler, SAP, Nokia, Alcatel-Lucent, and Microsoft in Beijing have mandated English as the corporate language. And any company with a global presence or global aspirations would be wise to do the same, says HBS professor Tsedal Neeley, to ensure good communication and collaboration with customers, suppliers, business partners, and other stakeholders. But while moving toward a single language at work is necessary and inevitable, Neeley’s research shows that implementing such a policy is fraught with complications. English-only policies can create job insecurity and dissatisfaction and generate strife between native and nonnative English speakers in cross-national teams. Companies can anticipate and plan for inevitable challenges and resistance when adopting an English-only policy. Using Japanese Internet services firm Rakuten as a case example, this article outlines guidelines for proper implementation.

The Global Family Business: Challenges and Drivers for Cross-Border Growth
Vijay K. Patel, Torsten M. Pieper, Joseph F. Hair, Jr.
Business Horizons/Indiana University Case
Product #BH474 (9 pages)

Globalization has become an imperative and is no longer avoidable as a strategic choice for family businesses. However, globalization strategies are far from the norm among small and midsized family enterprises. This article reviews the main drivers for globalization, highlights the distinct characteristics of family businesses that may enhance or constrain their global expansion, and provides a framework for strategically evaluating business capabilities and global market opportunities.
The Growth Opportunity That Lies Next Door
Geoffrey Jones
Harvard Business Review Article
Product #R1207P (6 pages)

How will the logic of globalization change for corporations from countries such as India, China, Indonesia, Brazil, and Turkey if the growth opportunities in emerging markets continue to far outpace those in developed markets? Natura Cosmeticos, a Brazilian beauty giant, has considerable experience with that question. For some 30 years the company has been attempting to move, with decidedly mixed results, into developed markets even as the opportunities in its region have grown stronger and stronger. Markets like the United States exert a strong pull on emerging-market multinationals, but Natura must contend with a changing economic equation: the U.S. beauty market grew by an anemic 1.1% in 2010, whereas demand in Argentina, Chile, Colombia, and Peru increased by 10.9%. Ultimately, Natura has moved beyond stereotypes of globalization, recognizing that winning in Argentina, Chile, and Mexico can be an entry onto the world stage that is every bit as effective as conquering Paris or New York.

How to Win in Emerging Markets: Lessons from Japan
Shigeki Ichii, Susumu Hattori, David Michael
Harvard Business Review Article
Product #R1205J (6 pages)

In the 20th century Japanese multinationals established themselves as powerhouse exporters in developed markets. Names like Sony, Toyota, and Honda became commonplace. But in this century, growth in developed markets has slowed. Goldman Sachs forecasts that these markets will grow at an average annual rate of nearly 2% until 2020, whereas the BRIC economies are expected to grow at an average annual rate of nearly 7%. To prosper now Japanese companies must win in emerging markets—which they're failing to do. They face four key challenges: distaste for the middle and low-end segments of the market; aversion to mergers and acquisitions; reluctance to commit, financially and organizationally, in emerging markets; and a failure to properly allocate talent. Two Japanese multinationals stand out for their success in overcoming the challenges: Unicharm, a manufacturer of personal care products, and Daikin, one of the world’s largest air-conditioning manufacturers. This article explains what they’ve done.

7-Eleven in Taiwan: Adaptation of Convenience Stores to New Market Environments
Shih-Fen Chen, Aihwa Chang
Richard Ivey School of Business Foundation Case
Product #W12804 (24 pages)

The case portrays the expansion of 7-Eleven into Taiwan and the adaptation of the store format by its local franchisee to a new market environment. The core issue in this case is the balance between standardization and localization in business-format franchising across national borders. Keeping only the store logo and the convenience concept that was well-established in the United States, the local franchisee of 7-Eleven in Taiwan reformatted almost all aspects of the store chain, including its positioning, location, layout, product offerings, etc. In addition, 7-Eleven in Taiwan introduced a wide variety
of new services to handle daily chores for its customers, ranging from e-commerce (train or movie tickets), e-payment, mobile communications, and pickup/delivery to taxi services. The local franchisee, President Chain Store Corp., seemed to have struck the right balance between standardization and localization that allowed it to use service differentiation to gain competitive advantages over its rivals. In about three decades it grew from zero to nearly 5,000 stores in Taiwan with more than 50% of the market while expanding its reach to China and Thailand.

Airwide International-China (A) Key Account Selling
John Zerio
Thunderbird School of Global Management Case
Product #TB0277 (6 pages) TN

Airwide International was one of the top suppliers of commercial and residential air-conditioning systems in Europe, with a growing presence in the attractive markets of Asia. Increasing competition from Chinese and international manufacturers coupled with a sales organization built primarily by hiring (from other industries) and retraining have produced a pattern of uneven sales. At a recent national sales meeting, the performance of the Shanghai region surfaced as an area of concern for senior management. The transition from product selling to key account selling has met with obstacles; primary among them is the insufficient commitment of some area sales leaders. A review meeting with a Shanghai sales leader reveals some of the problems and provides the sales VP an opportunity to go over the essence of key account management.

Decathlon China: Using Social Media to Penetrate the Internet Market
Nicole R.D. Haggerty, Raymond Pirouz, Grace (ChunXia) Geng
Richard Ivey School of Business Foundation Case
Product #W11503 (14 pages) TN

After successfully establishing more than 33 retail stores in large cities across China, Decathlon, a large sporting goods manufacturer and retailer, planned to open its official online shopping Web site in China. The marketing department head of Decathlon China has experimented with several new social media in China in order to increase the brand awareness among online shoppers. In the upcoming executive meeting, the marketing department head would like to persuade the chief executive officer to dedicate more resources to social media to increase both online sales in the short term and market share in the long term.

How to Get Your Messages Retweeted
Arvind Malhotra, Claudia Kubowicz Malhotra, Alan See
MIT Sloan Management Review Article
Product #SMR406 (8 pages)

Many companies are trying to leverage the power of Twitter to connect with customers and promote their brands and products. The authors studied the marketing communication between 47 companies and their followers for about three months. Their research identifies factors that increase the likelihood of “retweeting” so that a company’s tweets will be shared with recipients’ networks and identifies which activities should not be pursued. Retweeting is desirable both because the original tweet reaches more people and because a retweet is essentially an endorsement from the first recipients to their followers. That said, since tweeting by companies is basically a marketing function, there are several practices that don’t work well. The most important to avoid is blatant hard-sell messages. In addition, neither using hashtags nor embedding links increased retweeting. Finally, announcing contests or other promotional techniques also did not increase retweeting. The authors did find nine practices that increase retweetability, including keeping messages short so there is room for retweeters to add their own messages. Opening with an attention-grabbing headline is important, as is simply asking the recipient to pass the message on. Humanizing the brand has the highest likelihood of causing retweeting, increasing the odds by as much as 70%. The authors also suggest providing information that people can use and act on, offering a deal that can save people money, and making the message relevant and topical. And the best practice of all is when organizations combine several of these practices to get the most out of their marketing messages.

Old Spice: Revitalizing Glacial Falls
Derek D. Rucker, David Dubois
Kellogg School of Management,

Pricing to Create Shared Value
Marco Bertini, John T. Gourville
Harvard Business Review Article
Product #RI206F (10 pages)

Many companies are in competition with their customers to extract as much value as possible from every transaction. Pricing is their weapon of choice, and consumers fight back by rooting out and disseminating pricing policies that seem unfair. The problem is that companies generally think of value as a pie that is rightfully theirs. But value is not fixed, and it neither originates with nor belongs solely to the firm. Without a willing customer,
there is no value. Instead of using pricing in a way that turns customers into adversaries, companies can use it to enlarge the pie. That means viewing customers as partners in value creation—a collaboration that increases customers’ engagement and taps their insights about the value they seek and how firms could deliver it. The result can be new revenue, increased customer satisfaction and loyalty, positive word of mouth, and cost savings. The multiyear process to price the 8 million tickets to the London 2012 Olympic Games suggests five principles for using pricing to create shared value: focus on relationships, not on transactions; by using pricing to communicate that you value customers as people; set prices proactively to discourage detrimental behavior and to encourage behavior that is beneficial to both your firm and your customers; allow prices to change in response to shifting customer needs; promote transparency by providing the rationale for your pricing; and make sure that prices and the processes by which they are set meet consumers’ expectations about what is fair.

### The Saffola Journey

Srinivas Prakhya, Rochna Poddar
Indian Institute of Management Bangalore Case
Product #IM8359 (12 pages)

This case critically analyzes the positioning journey traversed by Saffola, one of India’s leading cooking oils. For nearly half a century Saffola was strongly associated with the health of the human heart, with its visual language, communication strategy, and brand positioning all revolving around heart-related risks. With changing trends and market sentiments Saffola became painfully cognizant of its shrinking relevance as a brand, indicated by stagnating sales, thus posing a unique conundrum: how should Saffola expand its user base to include non-heart patients while still being relevant to its current, loyal user base? In order to address this, the marketing team at Saffola undertook two repositioning exercises, one in 2001 and the other in 2004. This case studies both these efforts in detail, analyzing the dynamics of the brand’s image, identity, and positioning in tandem with changing consumer trends and market conditions.

### Tchibo Ideas: Leveraging the Creativity of Customers

Sven Petersen, Francine Espinoza, Luc Wathieu
European School of Management and Technology Case
Product #ES1291 (19 pages)

In 2008, the German coffee and consumer goods corporation Tchibo launched Tchibo Ideas, an Internet platform where customers can share their product/design ideas with the company. The tension in the case emerges from the uncertainty regarding Tchibo’s intentions with Tchibo Ideas. While some people perceive this move as a genuine attempt by the company to establish closer interactions with customers, some people see it simply as a marketing gimmick. The case describes the challenges and potential benefits that Tchibo Ideas is encountering to foster a discussion on the value of a co-creation strategy.

### Waltraud Ziervogel at Konnopke's Imbiss: Reinventing a Berlin Icon

Urs Muller, Veit Etzold
European School of Management and Technology Case
Product #ES1261 (10 pages)

The case describes a critical external incident that will have fundamental consequences for a small but very successful family business. At the beginning of 2010, Konnopke’s Imbiss was considered to be one of the, if not the, most famous snack bars in Berlin. This family-owned business was especially famous for the legendary “Currywurst,” a Berlin invention that consists of a sausage fried in hot oil and served with ketchup, chili sauce, curry powder, and French fries. The Konnopke Imbiss main branch was located in the Berlin district of Prenzlauer Berg, which was considered to be one of the “coolest” districts of Berlin. Konnopke’s had become a Berlin fast-food icon, winning critical acclaim in almost all major Berlin travel guides. But at the same time the snack bar did not any longer seem to fit its environment, which had changed from a working-class district to a posh neighborhood mainly consisting of young freelancers and tourists.

### Fiji Versus FIJI: Negotiating Over Water

Francesca Gino, Michael W. Toffel, Stephanie van Sice
Harvard Business School Case
Product #912030 (18 pages)

This case examines negotiations between a company and a government over natural resources. The Fijian government proposed a substantial increase in its water extraction tax that would apply only to large extractors and thus to FIJI Water and not to its competitors. FIJI Water responded by calling the increase “discriminatory” and threatening to shut down its operations. But in the end its negotiations resulted in its agreeing to pay the tax increase.

### V-Cola: General Instructions

Ian L. Larkin
Harvard Business School Case
Product #912043 (4 pages)

V-Cola is a six-party exercise that simulates a negotiation between a boutique advertising agency and a beverage company that is launching a new product. Each of the six parties has different incentives and information, which leads to a complex, realistic simulation about agency issues, misaligned incentives, and the (mis)use of contingent contracts.

### Does America Really Need Manufacturing?

Gary P. Pisano, Willy Shih
Harvard Business Review Article
Product #R1203G (9 pages)

Too many U.S. companies base decisions about where to locate production largely on narrow financial criteria. They don’t consider whether keeping manufacturing at home makes more sense strategically or take into account the impact it might have on their ability to innovate. The result has been an exodus of manufacturing from America, which has weakened the capabilities that domestic firms need to keep inventing high-quality, cost-competitive products. One problem is that it’s hard to tell when moving production far from
R&D will do damage. To make that determination, say Harvard Business School’s Pisano and Shih, executives need to examine two things. The first is modularity, or the degree to which product design can be separated from manufacturing. When modularity is low, product designs can’t be clearly specified and design choices affect manufacturing processes in subtle, difficult-to-predict ways (and vice versa). The second is the maturity of the manufacturing process. Immature processes are ripe for innovation, but over time opportunities for improvement become incremental. Viewed through the modularity-maturity lens, relationships between manufacturing and innovation fall into four quadrants: pure product innovation, pure process innovation, process-embedded innovation, and process-driven innovation. In the first two quadrants, locating design near production isn’t critical, but separating the two functions is risky in the third and fourth quadrants. This framework will help business leaders make better sourcing decisions and reinvigorate America’s innovation-driven economy.

**DHL Supply Chain**
Singfat Chu, David Ringrose
Richard Ivey School of Business Foundation Case
Product #W12888 (3 pages) TN

The degradation of the environment has led many governments and customers to press businesses to make their operations more nature-friendly. The case illustrates an effective example of corporate social responsibility. Specifically, it demonstrates how a small increase in a supply chain budget can drastically reduce carbon dioxide emissions in the transportation of LCD TVs from manufacturing bases to a distribution center.

**FIJI Water: Carbon Negative?**
Francesca Gino, Michael W. Toffel, Stephanie van Sice
Harvard Business School Case
Product #611049 (22 pages) TN

Seeking to go beyond global best practices in reducing environmental impacts, FIJI Water, a premium artisan bottled water company in the United States, launched a carbon-negative campaign that would offset more greenhouse gas emissions than were released by the company’s operations and products. The case examines the controversies surrounding this program as well as the program’s impacts on the environment and FIJI Water’s brand image. The company also faced decisions regarding how to best manage its relationship with the Fijian government, which recently dramatically raised imposed export taxes and could limit FIJI Water’s access to water, its primary raw material. The case enables students to better understand the challenges of implementing an environmental strategy and of negotiating with parties that control raw materials, and it invites discussion of the effectiveness of various approaches and the general lessons for the management of companies seeking to operate in an environmentally responsible manner.

**Flow Line in a Job Shop: The Story of Ace Designers**
Haritha Saranga, Sulakshana Sarathy, Mario Gonsalves
Indian Institute of Management Bangalore Case
Product #IMB329 (20 pages) TN

Ace Designers, a machine tool company in India, is debating whether to invest in production of an in-house CNC controller. Currently Ace is fitting imported CNC controllers into its machine tools, which account for 50% of the material cost. The in-house controller’s cost is significantly lower and also reduces the company’s exposure to exchange rate fluctuations. However, convincing customers about the quality and reliability of an indigenously developed CNC controller is a major challenge and could affect sales in the short run. Given the history of successful product innovations for the low-cost segment and process improvement initiatives (like Ace Designers’ “flow lines in a job shop”), students have to determine the probability of succeeding in this new venture and the financial viability of the controller project. Sufficient data is provided in the case to carry out a quantitative analysis, assess the success of earlier initiatives, and justify or reject investments in the new project. Also sufficient information is given on earlier process improvement initiatives to obtain deeper insights into softer issues and to provide justification for the success or failure of future projects.

**Four Star Industries Singapore—Matching Supply with Demand**
S. Viswanathan, D.G. Allampalli
ABCC at Nanyang Tech University Case
Product #NTU001 (12 pages) TN

In 2002, Neo Sia Meng took over as executive director of Four Star Industries Private Limited, founded three decades earlier by his parents. After joining the family business as director in 1996, Sia Meng saw several local and foreign mattress manufacturers enter the Singapore market. This intensified the competition in the local market, which was already seasonal and volatile. The increased competition resulted in a proliferation of product offerings from all the manufacturers. The local dealers who dominated the retail mattress market sought an exclusive range of in-house models from the local manufacturers. As Four Star depended heavily on local dealers, it tried to accommodate their demands to increase its product range and service level. However, as Four Star substantially increased the variety of its mattress offerings, its operations became chaotic, and matching demand with the correct inventory
of mattresses became a significant challenge. The order fulfillment problems created significant pressures on the manufacturing operations and Sia Meng was worried that these operational problems might provoke some of his long-serving employees to consider leaving the company. Sia Meng pondered the short- and long-term options for Four Star to move toward a responsive but cost-effective operations model.

**Green Rules to Drive Innovation**

Daniel C. Esty, Steve Charnovitz

*Harvard Business Review* Article

Product #R1203L (5 pages)

Incoherent U.S. energy and climate policies have cast a pall over the entire economy and are putting U.S. companies at a serious global disadvantage. The authors offer 10 prescriptions for reforms, two of which they describe in detail. First, they argue that the U.S. should impose a gradually increasing carbon charge, which would help internalize environmental costs, drive investment in energy efficiency, encourage innovation in renewable power, and raise substantial revenues that could reduce the national debt. Second, they say the government should curb or redirect unwise energy subsidies and increase funding for clean-energy R&D. Environmental stewardship need not be an economic burden, they emphasize; on the contrary, investing in sustainability can enhance corporate and national competitiveness.

**Improving Environmental Performance in Your Chinese Supply Chain**

Erica Plambeck, Hau Lee, Pamela Yatsko

*MIT Sloan Management Review* Article

Product #SMR408 (11 pages)

Multinationals are under growing pressure to make sure that their contractors and subcontractors in China meet environmental standards in their operations. Yet traditional approaches to ensuring environmental, health, and safety compliance such as checklist audits have proved problematic. The authors conducted research over a one-and-a-half-year period with leading multinational buyers (mostly in the apparel and footwear industries) as well as with NGOs and industry groups active in China. Based on their research, the authors report that rather than simply monitoring Chinese suppliers’ compliance with local environmental, health, and safety standards, leading companies are giving suppliers tools and incentives to independently improve environmental performance. They are helping suppliers use energy, water, and materials more efficiently and reaching deeper into their supply chains to where the greatest environmental damage occurs. At the same time they are overcoming their traditional reluctance as competitors to cooperate in monitoring and fixing problems at common suppliers. The authors describe innovative approaches that companies such as Nike are taking. More generally, the authors’ recommendations include working closely with suppliers and providing incentives for identifying, disclosing, and addressing problems; establishing collaborative relationships with NGOs and industry groups; and finding ways both to learn from suppliers’ best practices and to facilitate learning among suppliers.

**Riverside Hospital’s Pharmacy Services**

Anne Snowdon, Hannah Standing Rasmussen

*Richard Ivey School of Business* Foundation Case

Product #WI1646 (16 pages) [TN]

Riverside District Memorial Hospital (RDMH) is a small rural hospital that must work within an operational budget that is determined by the Ministry of Health and Long-Term Care in a Canadian province. This case identifies the emergence of concerns for patient safety related to medication administration and the challenges of ensuring that professional services are maintained by the pharmacy department to serve patients admitted to the hospital. The chief nursing executive must decide what steps should be taken to reduce this exposure in the context of the complex relationships in which RDMH exists.

**Shanghai Interior Automotive Door System: Running a Manufacturing Operation in China**

Neale O’Connor, Grace Loo

University of Hong Kong Case

Product #HKU966 (5 pages) [TN]

Shanghai Inteva Automotive Door System Co. Ltd. (formerly Shanghai Delphi) was a leading player in China’s automotive component industry with a 30% market share. Nonetheless, between 2007 and 2009 it failed to meet its profit targets for three consecutive years. A number of factors contributed to this failure, some internal and some associated with the challenges of working in an emerging economy. If Shanghai Inteva is to stay competitive it has to start making its targets.

**Sugar and Spice Desserts: Strategic Position Defensibility**

Gad Allon, Stephanie Kahn, Mark Skeba

*Kellogg School of Management,* Northwestern Case

Product #KEL623 (10 pages) [TN]

Sugar and Spice and Sparkles are two companies in the high-end cupcake market that have chosen two different competitive and operating strategies. Sugar and Spice has configured its operations to emphasize a high level of customization. Sparkles has a strategy that emphasizes a narrower range of products. Based on data collected by Sugar and Spice, the question is whether its position is at risk. The case focuses on Sugar and Spice and the defensibility of its position using its current operating system. The issue requires students to compare the competitive and operating strategies of both companies and to identify and evaluate the sources of cost differences in their operations.

**Supply Chain Optimization at Madurai Aavin Milk Dairy**

Unnikrishnan Dinesh Kumar, P. Arun Pandian, Nachiappan SP

*Indian Institute of Management* Bangalore Case

Product #IMB341 (9 pages) [TN]

The Madurai District Cooperative Milk Producers’ Union Ltd., also known as Madurai Aavin Milk Dairy (MAMD), has been one of the largest dairies in the southern part of Tamil Nadu, India. One of the major activities in MAMD’s supply chain was to procure milk from farmers and also to provide necessary technical input facilities to them. The procurement was carried out by forming village-level milk producers’ cooperative societies. The supply of raw milk to MAMD from the farmers around Madurai is decreasing, whereas the demand is increasing. Several strategies are explored by MAMD to meet the demand for its main product, “premium milk.” MAMD faces two challenges: 1) forecasting the demand for...
premium milk and 2) meeting the demand in an optimal manner that would maximize MAMD’s profits.

ORGANIZATIONAL BEHAVIOR

A Zero Wage Increase Again
Karen MacMillan
Richard Ivey School of Business Foundation Case
Product #W11154 (5 pages) TN

The owner of a large hardware, furniture, and building center faced a dilemma regarding how to manage the upcoming wage review process. After two consecutive years of frozen wages, employees were impatient for financial progress, but there was no spare money in the budget. It was possible to pump savings from upcoming process improvement initiatives into wage increases. However, the owner had limited motivation to channel hard-won funds to underperforming employees. On the other hand, he was eager to reward the people who added value. A plan that rewarded only some employees could result in an angry backlash. He had to decide whether he wanted to divert the savings into compensation, and if so, he needed an effective distribution plan.

Bancolombia: Talent, Culture, and Value Creation Management in Mergers
Juanita Cajiao
Richard Ivey School of Business Foundation Case
Product #WI1579 (20 pages) TN

The case presents a review of the main facts related to the merger process experienced by three companies, Bancolombia, Conavi, and Corfinsura, in the Colombian financial market during 2005 and 2006. The merger decision emerges from directors and senior executives visualizing an incoming significant market transformation—adjustment in industry regulation, improvement in international competence, and consolidation of main players—and their further response in order to adapt to the new economic conditions. Considering the fact that the success rate of merger processes is not above 30%, the sustained financial results achieved by Bancolombia from the very beginning of the integration process are robust indicators that invite exploration into what was done and how it was done.

Cultural Change That Sticks
Jon R. Katzenbach, Ilona Steffen, Caroline Kronley
Harvard Business Review Article
Product #R1207K (9 pages)

When a major change initiative runs aground, leaders often blame their companies’ culture for pushing it off course. They try to forge ahead by overhauling the culture—a tactic that tends to fizzle, fail, or backfire. Most cultures are too well-entrenched to be jettisoned. The secret is to stop fighting your culture and to work with and within it until it evolves in the right direction.

Today’s best-performing companies, such as Southwest Airlines, Apple, and the Four Seasons, understand this, say the authors, three consultants from Booz & Company. These organizations follow five principles for making the most of their cultures: 1) Match strategy to culture. Culture trumps strategy every time, no matter how brilliant the plan, so the two need to be in alignment; 2) Focus on a few critical shifts in behavior. Wholesale change is hard; choose your battles wisely; 3) Honor the strengths of the existing culture. Every culture is the product of good intentions and has strengths; put them to use; 4) Integrate formal and informal interventions. Don’t just implement new rules and processes; identify “influencers” who can bring other employees along; 5) Measure and monitor cultural evolution. Otherwise you can’t identify backsliding or correct course.

When the leaders of Aetna applied these rules while implementing a new strategy in the early 2000s, they reinvigorated the company’s ailing culture and restored employee pride. That shift was reflected in the business results, as Aetna went from a $300 million loss to a $1.7 billion gain.

Daiichi Sankyo’s Acquisition of Ranbaxy—Cultural Issues in Integrating Business Models and Organizations
Beng Geok Wee, Ivy Buche, Geraldine Chen
ABC at Nanyang Tech University Case Product #NTU027 (26 pages) TN

When Daiichi Sankyo, an established Japanese pharmaceutical firm, acquired the majority stake in Ranbaxy, India’s largest generic drug company, it signaled a move into uncharted territory. Daiichi Sankyo was the first Japanese innovator drug company to acquire the majority share in a global generic drug manufacturer and exporter. In doing so, it had entered the generic drug business, which operated on very different premises from the large multinational firms that dominated the global pharmaceutical industry. Furthermore, Daiichi Sankyo was acquiring another Asian company that had emerged

Talk, Inc.: How Trusted Leaders Use Conversation to Power Their Organizations
By Boris Groysberg, Harvard Business School, and Michael Slind

“In Talk, Inc., Boris Groysberg and Michael Slind offer a set of truly original insights supported by a collection of in-depth case studies that will help leaders surface the best ideas from the widest variety of people in their organizations. The most successful companies don’t just outcompete their rivals, they outthink their rivals.”

— William C. Taylor, Cofounder, Fast Company; author, Practically Radical: Not-So-Crazy Ways to Transform Your Company, Shake Up Your Industry, and Challenge Yourself

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from very different national cultural roots and corporate history. This presented a new dimension in the management of change arising from a major acquisition initiative. The case examines the rationale for the acquisition, its immediate aftermath, and the cross-cultural challenges ahead for the leadership of both companies as they work to implement a new hybrid business model.

Creating Sustainable Performance
Gretchen Spreitzer, Christine Porath
Harvard Business Review Article
Product #R1201F (9 pages)
What makes for sustainable individual and organizational performance? Employees who are thriving—not just satisfied and productive but also engaged in creating the future. The authors found that people who fit this description demonstrated 16% better overall performance, 125% less burnout, 32% more commitment to the organization, and 46% more job satisfaction than their peers. Thriving has two components: vitality, or the sense of being alive and excited, and learning, or the growth that comes from gaining knowledge and skills. Some people naturally build vitality and learning into their jobs, but most employees are influenced by their environment. Four mechanisms, none of which requires heroic effort or major resources, create the conditions for thriving: providing decision-making discretion, sharing information about the organization and its strategy, minimizing incivility, and offering performance feedback. Organizations such as Alaska Airlines, Zingerman’s, Quicken Loans, and Caiman Consulting have found that helping people grow and remain energized at work is valiant on its own merits, but it can also boost performance in a sustainable way.

Ganging Up on Cancer: Integrative Research Centers at Dana-Farber Cancer Institute (A)
Heidi K. Gardner, Edo Bedzra, Shereef M. Elnahal
Harvard Business School Case
Product #412029 (16 pages) TN
B Case Available

Dr. Barrett Rollins, chief scientific officer of the Dana Farber Cancer Institute, attempts to engender cross-scientist collaboration by applying project management principles to medical research. The resulting innovation, Integrative Research Centers, is novel in this field and presents a substantial challenge to the institute’s culture, which had previously allowed faculty scientists complete autonomy over their research. Center leaders are required to develop a business plan, adhere to agreed-upon performance metrics, and undergo regular progress reviews conducted by a peer-led oversight committee. The Center for Nanotechnology in Cancer, a new but crucial center in the program, has failed to meet almost all its objectives in the first year. Furthermore, a heated dispute between two faculty members in the center has complicated matters significantly. Rollins is flummoxed by these problems because he thought he had provided resources and clear objectives to all the centers. He must urgently diagnose the main reason(s) for the center’s shortcomings and develop a plan of action so that this center’s problems do not undermine the whole initiative toward greater scientific collaboration.

The New Science of Building Great Teams
Alex “Sandy” Pentland
Harvard Business Review Article
Product #R1204C (11 pages)
Why do some teams consistently deliver high performance while other seemingly identical teams struggle? Led by Pentland, researchers at MIT’s Human Dynamics Laboratory set out to solve that puzzle. Hoping to decode the “it factor” that made groups click, they equipped teams from a broad variety of projects and industries (comprising 2,500 individuals in total) with wearable electronic sensors that collected data on their social behavior for weeks at a time. With remarkable consistency the data showed that the most important predictor of a team’s success was its communication patterns. Those patterns were as significant as all other factors—intelligence, personality, talent—combined. In fact, the researchers could foretell which teams would outperform simply by looking at the data on their communication without even meeting their members. In this article, Pentland shares the secrets of his findings and shows how anyone can engineer a great team. He has identified three key communication dynamics that affect performance: energy, engagement, and exploration. Drawing from the data, he has precisely quantified the ideal team patterns for each. Even more significant, he has seen that when teams map their own communication behavior over time and then make adjustments that move it closer to the ideal, they can dramatically improve their performance.

Steve Jackson Faces Resistance to Change
Andrew C. Inkpen, Christine Pearson
Thunderbird School of Global Management Case
Product #TB0275 (3 pages) TN
Jackson, a project professional at Western Construction (an international construction conglomerate), is attempting to introduce BSO, a new software package. Engineers at Western who would be using BSO seem to support the change, and BSO has already been adopted successfully by Western’s competitor. However, Mike Barnett, a long-term Western employee of undisclosed hierarchical status and strong personal ties to the top, is leveraging every opportunity to kill the BSO project. Knowing that he must find a way to win Barnett over, Jackson attempts a variety of approaches to overcoming resistance to change, including turning to his own boss for assistance.

Unintended Acceleration: Toyota’s Recall Crisis
David Austen-Smith, Daniel Diermeier, Eitan Zemel
Kellogg School of Management, Northwestern Case
Product #KEL598 (16 pages) TN
In late 2009 Toyota became the subject of media and U.S. government scrutiny after multiple deaths and injuries were attributed to accidents resulting from the unintended and uncontrolled acceleration of its cars. Despite Toyota’s voluntary recall of 4.2 million vehicles for floor mats that could jam the accelerator pedal and a later recall to increase the space between the gas pedal and the floor, the company insisted there was no underlying defect and defended itself against media reports and regulatory statements that said otherwise. As the crisis escalated Toyota was further criticized for its unwillingness to share information from its data recorders about possible problems with electronic throttle controls and sticky accelerator pedals, as well as about braking problems with the Prius. By the time Toyota Motor Company president Akio Toyoda apologized in his
testimony to the U.S. Congress, Toyota’s stock price had declined by 20% in just over a month—a $35 billion loss of market value.

Why “Good Jobs” Are Good for Retailers
Zeynep Ton
Harvard Business Review Article
Product #R1201L (9 pages)

Too many retail managers believe that they must offer bad jobs to keep prices low. As a result, almost one-fifth of American workers suffer low wages, poor benefits, constantly changing schedules, and few opportunities for advancement. The author’s research reveals, however, that the presumed trade-off between investment in employees and low prices is false. To meet short-term performance targets, many retailers cut labor. The unmotivated and poorly trained employees who remain often cannot keep up with their tasks in a complex operating environment.

The result is a vicious cycle in which lower sales and profits tempt managers to cut even more employees. Retailers such as QuikTrip, Mercadona, Trader Joe’s, and Costco instead create a virtuous cycle of investment in employees, stellar operational execution, higher sales and profits, and larger labor budgets. They also make work more efficient and fulfilling for employees, improve customer service, and boost sales and profits through four practices: simplifying operations and letting employees make some decisions.

SALES

A Radical Prescription for Sales
Daniel H. Pink
Harvard Business Review Article
Product #R1207E (3 pages)

A best-selling author and behavioral science and business thinker, Pink writes in this essay that as sales becomes less formulaic and more about creative knowledge work, extrinsic motivators (e.g., commissions and bonuses) are becoming less relevant. The new breed of inventive, insight-selling reps wants challenging, meaningful, intrinsically rewarding work. Pink suggests that having reps work on commission may actually undermine performance, and he proposes that some firms eliminate commissions altogether.

The End of Solution Sales
Brent Adamson, Matthew Dixon, Nicholas Toman
Harvard Business Review Article
Product #R1207C (10 pages)

In recent decades sales reps have become adept at discovering customers’ needs and selling them “solutions.” This worked because customers didn’t know how to solve their own problems. But the world of B2B selling has changed: companies today can readily define their own solutions and force suppliers into a price-driven bakeoff. There’s some good news, though, according to the authors, all directors at Corporate Executive Board. A select group of reps are flourishing in this environment, and lessons from the playbook they’ve devised can help other reps and organizations boost their performance. These star reps look for different sorts of organizations, targeting ones with emerging rather than established demand. Instead of waiting for the customer to identify a problem the supplier can solve, they engage early on and offer provocative ideas about what the customer should do. They seek out a different set of stakeholders, preferring skeptical change agents over friendly informants, and they coach those change agents on how to buy rather than quizzes them about their companies’ purchasing processes. High-performing reps are still selling solutions, but more broadly they’re selling insights. And in this new world that makes the difference between a pitch that goes nowhere and one that secures the customer’s business.

Motivating Salespeople: What Really Works
Thomas Steenburgh, Michael Ahearne
Harvard Business Review Article
Product #R1207D (7 pages)

No sales force consists entirely of stars; sales staffs are usually made up mainly of solid performers, with smaller groups of laggards and rainmakers. Though most compensation plans approach these three groups as if they were the same, research shows that each is motivated by something different. By accounting for those differences in their incentive programs, companies can coax better performance from all their salespeople.

As the largest cadre, core performers typically represent the greatest opportunity, but they’re often ignored by incentive plans. Contests with prizes that vary in nature and value (and don’t all go to stars) will inspire them to ramp up their efforts, and tiered targets will guide them up the performance curve. Laggards need quarterly bonuses to stay on track; when they have only annual bonuses their revenues will drop 10%, studies show. This group is also motivated by social pressure—especially from new talent on the sales bench. Stars tend to get the most attention in comp plans, but companies often go astray by capping their commissions to control costs. If firms instead remove commission ceilings and pay extra for overachievement, they’ll see the sales needle really jump. The key is to treat sales compensation not as an expense to rein in but as a portfolio of investments to manage. Companies that do this will be rewarded with much higher returns.

Selling into Micromarkets
Manish Goyal, Maryanne Q. Hancock, Homayoun Hatami
Harvard Business Review Article
Product #R1207F (9 pages)

Sophisticated sales organizations now have the ability to combine, sift, and sort vast troves of data to develop highly efficient strategies for selling into micromarkets. While B2C companies are typically adept at mining the petabytes of transactional and other purchasing data that consumers generate as they interact online, B2B sales organizations have only recently begun to use big data to both inform overall strategy and tailor sales pitches for specific customers in real time. Micromarket analyses involve five steps: defining the optimal micromarket size, determining the growth potential for each, gauging market share in each, understanding the causes of variation in market share across them, and prioritizing high-potential markets to focus on. Exploiting new-growth hot spots will be successful only if salespeople have a solid understanding of how micromarkets work and the simple tools for selling into them. Sales leaders must coach their teams in developing sales “plays” for groups of structurally similar micromarkets. That requires cross-functional collaboration—in particular between sales and marketing. To sustain early wins, companies also need to change their approach to sales force management in three ways: they must...
rethink performance management, open new channels between sales and marketing, and invest in talent development.

**Teaching Sales**

Suzanne Fogel, David Hoffmeister, Richard Rocco, Daniel P. Strunk  
*Harvard Business Review* Case  
Product #R1207H (7 pages)

A well-staffed sales function is vital to business success, but most MBA programs fail to offer any sales-related courses at all. As selling becomes more sophisticated and solutions-oriented and good sales jobs go unfilled for lack of qualified applicants, the value of university-based sales education programs rises. But such programs face substantial barriers in gaining funding and recruiting talent. This in turn leads to a frustrating lack of scholarly research relevant to improving sales capabilities. The authors, members of the marketing department at DePaul University, demonstrate that partnering with industry is the surest route to success in establishing sales programs and enhancing their effectiveness. They offer the experience of DePaul’s Center for Sales Leadership to demonstrate that when businesses provide input to curricula and encourage their salespeople to contribute to classroom discussions, the benefits flow both ways. Furthermore, demand for sales courses is rapidly increasing. When the center was founded in 2004 it hoped to enroll 90 students a year. Today about 700 per quarter enroll in its various sales courses.

**Tweet Me, Friend Me, Make Me Buy**

Barbara Giamanco, Kent Gregoire  
*Harvard Business Review* Article  
Product #R1207G (7 pages)

It stands to reason that sales, the most social of business activities, would make use of social media. But few organizations have figured out how to do so in a smart, productive way. The authors—veteran salespeople and now sales trainers—offer insights to help companies and reps get maximum value from sites like LinkedIn, Twitter, and Facebook. Social media’s greatest potential, they note, is at the start of the sales cycle, during prospecting, opportunity qualification, and presales-call research. Short messages sent via social media produce a much greater response than cold calling and, even better, reps don’t always have to start the conversation. In addition to building prospecting networks, they can set up keyword alerts and use tools such as HootSuite to pick up signals of need. At the back end of the cycle, social media tools are invaluable for maintaining relationships, which are often neglected in the pursuit of new sales. Organizational support can help, not just with training on mechanics and etiquette but also by providing engaging content to share. Yes, there are risks to using social media. But with clear policies those risks can be mitigated. And as your customers increasingly come to expect social network engagement, the biggest risk of all is to stay on the sidelines.

**SERVICE MANAGEMENT**

**China Automotive Finance: Service Operations Redesign**

Neale O’Connor, Grace Loo  
*University of Hong Kong* Case  
Product #HKU960 (9 pages)

In the mid-2000s, an American automaker opened an auto financing company in China, Shanghai-based C Automotive Finance Company (China) Ltd. (CAF). CAF grew rapidly and broke even in three years. Nonetheless, the long cycle time of its application process led to rampant dissatisfaction among dealers and also lowered the number of car purchases financed by CAF as a percentage of total cars sold. The auto financing industry in China held great potential but was also becoming increasingly competitive as more and more foreign companies entered the market. In order stay on top of the game CAF must improve the efficiency of its financing application process. What actions could CAF undertake to achieve this objective?

**InterfaceRAISE: Sustainability Consulting**

Michael W. Toffel, Robert G. Eccles, Casey Taylor  
*Harvard Business School* Case  
Product #611069 (19 pages)

InterfaceRAISE is a sustainability management consulting firm created to leverage the capabilities of its parent company Interface Inc., a carpet manufacturer recognized as a global leader in corporate environmental sustainability. This case illustrates the challenges of turning an internal capability into a client-facing revenue stream. This is made especially difficult by the fact that the parent company is a manufacturing firm and InterfaceRAISE is a professional services firm (consulting). InterfaceRAISE is not being staffed by a traditional consulting firm model, relying instead on the part-time availability of employees in the parent company. At the time of the case, InterfaceRAISE was grappling to identify the appropriate business model for the type of consulting firm it wants to be, to determine what its client portfolio should look like, and to set its pricing structure. InterfaceRAISE needed to decide how to accelerate its growth while better achieving its three objectives: improving its clients’ sustainability performance, enhancing its parent company’s brand image and sales, and increasing operating profits.

**SOCIAL ENTERPRISE**

**LabourNet: Empowering Informal Sector Laborers**

Sourav Mukherji, Caren Rodrigues, Sridhar Pabbisetty  
*Indian Institute of Management*  
Bangalore Case  
Product #IMB355 (9 pages)

This case chronicles the evolution and challenges faced by LabourNet, an organization that was conceptualized as a social enterprise to create and enhance income opportunities for workers in the Indian urban informal sector—workers who are typically poor, exploited, and disenfranchised. LabourNet endeavored to establish linkages between informal-sector laborers and potential employers through an Internet-based portal and cellular phones, bringing about efficiency in the search process as well as reducing the role of intermediaries who typically exploited the laborers and reduced their shares of wages. Realizing that informal-sector laborers were mostly migrants from rural India who did not possess any proof of identity, LabourNet worked with banks and insurance companies to provide the registered laborers with proof of identity, insurance, bank accounts, and ATM facilities. Further, LabourNet provided the registered laborers with training so that they could command better prices for their services. However, LabourNet struggled to earn revenue and to become financially self-reliant because of difficulties in scaling
its operations and its inability to monetize the services that it provided, as well as its inability to command any price premium for its laborers from the markets. The case ends at a point where LabourNet had to decide its future course of action because the donor funds on which it was relying were becoming exhausted and LabourNet was unsure about the strategy it should adopt in order to create a business model that was both inclusive and financially sustainable.

The Cambodian National HIV/AIDS Program: Successful Scale-Up through innovation
Robert C. Wolcott, Alex Hurd, Stephanie Wolcott
Kellogg School of Management, Northwestern Case
Product #KEL606 (19 pages)

In January 2005, Dr. Mean Chhi Vun, director of the Cambodian National Center for HIV/AIDS, Dermatology, and STDs (NCHADS), needed to decide how to control the spread of HIV/AIDS and save the lives of thousands of Cambodians who were dying from it each year. In the seven years since Dr. Vun was appointed director, NCHADS had built an organization that was transparent and efficient, had implemented a nationwide 100% condom use program, had established a system that allowed individuals to voluntarily seek confidential counseling and testing, and had instituted a set of guidelines and procedures for staff at health facilities to refer HIV-positive patients to treatment clinics and link them with NGOs providing financial and psychosocial support. Now, however, Dr. Vun faced decisions about three initiatives that were critical to expanding care and treatment programs in his country. First, he needed to decide how to efficiently improve the national HIV/AIDS laboratory support infrastructure. Second, Dr. Vun needed to improve logistics and supply management in order to get the best prices and ensure that patients had access to lifesaving medicines. Finally, he needed to figure out how to provide sustainable care and treatment to the thousands of Cambodian children living with HIV/AIDS.

The Robin Hood Foundation
Alnoor Ebrahim, Catherine Ross
Harvard Business School Case
Product #310031 (24 pages)

Created by hedge fund and financial managers, the Robin Hood Foundation fights poverty through grants to nonprofit organizations. As the global financial crisis continues to impact the poor disproportionately, the foundation needs to ensure that its funds are being spent on the most effective poverty-fighting programs. The organization’s senior vice president, Michael Weinstein, has developed a benefit-cost (BC) approach to analyze the performance of program grants. How effective is the method? Is funding programs with the highest BC ratios a good way to fight poverty? In three or five years, how will Robin Hood know whether it is succeeding?

Wastewater Recycling: Public Relations for a Controversial Technology
Kenneth W. Shotts, Ashish Jhina, David W. Hoyt
Stanford University Case
Product #P73 (14 pages)

A reliable, safe supply of drinking water is essential to the survival of communities. In many places the water supply is under stress—a condition that is expected to get progressively more challenging in the future. There are several ways that municipalities can improve their drinking water supply, including conservation, purchases from external suppliers, desalination, and recycling. Recycling wastewater into potable water is attractive in many situations. However, this alternative has not always been successful. In some cases public opposition has defeated recycling plans, while public concerns have been successfully addressed in others. This case gives an overview of water supply issues and examples of successful and unsuccessful attempts to implement recycling programs. Programs in Singapore and Orange County, California, are profiled as examples of successful recycling efforts, while failures in San Diego, California, and Toowoomba, Australia, are described.

STRATEGY

A Tampa “Town Hall” Forum Goes Awry: Anatomy of a Public Meeting Fiasco
Pamela Varley, Archon Fung
Harvard Kennedy School Case
Product #HKS676 (8 pages)

This case describes a health care town hall meeting that was derailed by vocal protesters. The case was designed for a very specific teaching purpose: to discuss a variety of alternatives to the tried-and-true town hall meeting format that, the sponsoring professor believes, is not only quite vulnerable to disruption but is not a terribly effective or democratic way to involve the public in local decision making to begin with. Underlying the case is a belief that those who organize public engagements should be deliberate about: 1) the purposes of a public meeting: what a public meeting aims to do; 2) the strategy of recruiting participants: who participates; 3) the organization of discussion and decision making: and 4) the extent to which conclusions of the meeting will influence policy or public action. The case itself provides a lively starting point for the conversation by describing how a modest Tampa meeting about local health care was overtaken by opponents of national health care reform. The case also provides as context background about the decision by Democrats in 2009 to sponsor health care town hall meetings across the country in an effort to boost public support for health care reform—an effort that was subverted when the meetings became the target of large, vocal, anti-health care reform protesters.

China Merchants Bank in Transition
F. Warren McFarlan, Guoqing Chen, Ziqian Zhao
Tsinghua University Case
Product #TU0017 (25 pages)

This case depicts China Merchants Bank’s second strategic transformation. In the ‘90s, China Merchants Bank creatively introduced an all-in-one card and an all-in-one-net based on IT systems and a network, enabling it to expand nationwide. By successfully entering the emerging credit card industry, the bank confirmed its retail banking strategy in 2004, followed by its great success in occupying one-third of the credit card market share. The market share-driven strategy didn’t last
forever. Recognizing business environment changes, the company changed its strategy focus to profit-driven in 2009. It’s the second time that information technology enabled business success.

Choosing the United States
Michael E. Porter, Jan W. Rivkin
Harvard Business Review Article
Product #R1203F (13 pages)

A location decision is in many respects a referendum on a nation’s competitiveness. When a company decides, say, to build a new plant in China rather than in the United States, it is effectively voting on the question of which country can best enable its success in the global marketplace. Over the past three decades business activities have become increasingly mobile, and more and more countries have become viable contenders for them. But new data—including the results of an unprecedented survey of 10,000 Harvard Business School alumni—suggests that the U.S. is not winning its appropriate share of location decisions, even for high-value business activities such as R&D that it has traditionally been able to attract. In part this is because U.S. policy makers are not addressing weaknesses in the national business environment. There are also problems at the corporate level: many location decisions are incremental shifts of activities offshore; imagine a bucket with many small pinholes.

As the commercial real estate market began to crash in early 1990, heavily exposed banks like Citibank and Chase Manhattan were left largely undercapitalized. John Reed, Citibank chairman and CEO, was caught off guard by the sudden market plunge. While Reed struggled to maintain the capital reserve of his bank, further weaknesses within Citi began to emerge. In addition to missing the coming of the real estate crisis, Citi had poorly managed internal operations, overvalued acquisitions, and grown heavy from organizational excess. The poor management left Citi in the care of federal regulators, worried about the bank’s solvency. The case examines the roots of these problems and the steps taken by Reed to return the bank to a well-managed and stable institution.

Citibank: Weathering the Commercial Real Estate Crisis of the Early 1990s
Julie M. Wulf, Ian McKown Cornell
Harvard Business School Case
Product #712446 (17 pages)

Ebay, Inc., and Amazon.com (A)
Ramon Casadesus-Masanell, Anant Thaker
Harvard Business School Case
Product #712405 (18 pages)
B Case Available

This case has been designed to explore strategic interactions among organizations with different business models. The case considers how a competitor successfully challenged the incumbent in a platform market defined by strong network effects and high switching costs. The case allows students to assess the advantages and disadvantages of Ebay’s platform business model in comparison to Amazon’s retail business model; evaluate business model performance when value loops of two industry players interact; analyze how Amazon expanded its business model and overcame barriers to entry in a platform market that generates winner-take-all effects for first movers; discuss how ebay can respond to the new competitive dynamic, exploring both tactical and strategic interactions; and assess the strategic implications of ebay’s 2011 acquisition of GSI Commerce.

Haier in India: Building Presence in a Mass Market Beyond China
Nikhil Celly, Penny Lau
University of Hong Kong Case
Product #HKU978 (19 pages)

For Chinese corporation Haier Inc., the biggest seller of major appliances in the world, entering India as an emerging market multinational is like having a double-edged sword. Its global presence gives it credibility to offer more sophisticated products that warrant a premium price, but Indian consumers have yet to develop the willingness to embrace its China-made, high-priced products. Seven years into its Indian business endeavors, sales remained sluggish and market share minimal. The company then undertook a swift change in pricing strategies and overhauled its marketing infrastructure to save its market. The case provides an overview of the situation and lends a discussion of marketing and localization strategies of emerging market multinationals in India. It also gives insights into the challenges these multinational corporations face. The case also
explores issues of product offerings, brand communication, pricing strategies, market capture, and latecomer disadvantages. The comparison between Haier’s behaviors in India and other markets also points to the level of localization/globalization the company adopts across markets.

**iPierian**
Robert Chess, Sara Rosenthal
Stanford University Case
Product #E393 (26 pages)

The iPierian case profiles a start-up biotechnology company leveraging the recent development of induced pluripotent stem cells (iPSCs)—adult stem cells that have been reprogrammed to a “pluripotent” state whereby they can differentiate into approximately 200 different cell types in the body. The science in this field is in the nascent stages, but the pace of change is rapid as new discoveries are made and as companies devise applications for the technology. iPierian has established itself as an early leader in the space by creating a consistent way to create high volumes of high-quality iPSCs and subsequently differentiate those cells into motor neurons. The company must decide between three major directions—tools, drugs, and development of therapeutics—in which it can steer the business and continue to develop its technology. iPierian must also make this decision in the context of the role of large pharmaceutical players in the industry with which it can either partner or potentially compete against in the race to find successful applications for iPSC technology.

**One Game to Rule Them All: “Lord of the Rings Online” and the MMO Market**
Hanna Halaburda, William Collis, Rob McKeon, Ivan Nausieda
Harvard Business School Case
Product #712434 (8 pages)

Turbine, Inc., is releasing a massively multiplayer online (MMO) game, *Lord of the Rings Online*, based on the popular film trilogy. The firm’s CEO needs to consider market conditions and game characteristics to build a business model for the game, decide which type of consumers to target—the hardcore gamers or the casual gamers—and form the optimal pricing scheme. One particular challenge he needs to face is that there is a domi-
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