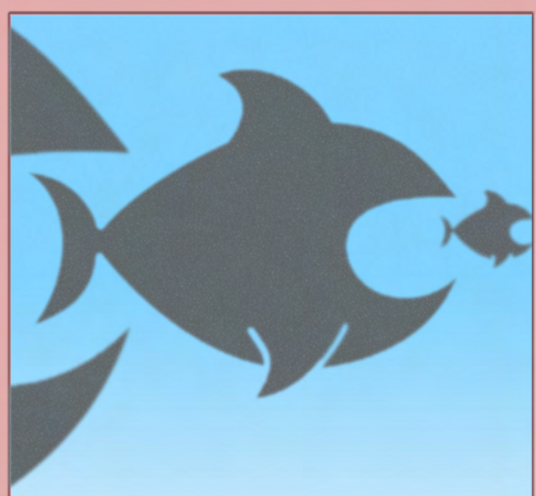
Icfai Business School
IBS CDC
Case Development Centre

CATALOGUE



List of Case Studies on

STRATEGY - III

(Industry Analysis; Managing in Troubled Times/Managing a Crisis; Market Entry Strategies; Mergers, Acquisitions and Takeovers)

IBS Case Development Centre

Industry Analysis

Fashion Industry: Can Asia Buck the Trend?

Well, how does one define fashion going global – When a Gucci or Armani is displayed on the fashion streets of Japan and China or when celebrities like Liz Hurley or Will Smith showcase themselves in an Asian outfit? The winds of global fashion industry are changing their course – no more do fashion winds move only from west to east but they blow from east to west too. Asian fashion, of late, has made its presence felt on the global fashion ramp. For centuries, western brands like Gucci, Versace, Armani and LVMH maintained their supremacy in the world of fashion. Innovation, rich designing, marketing expertise coupled with the presence of excellent fashion connoisseurs, enabled the western brands to command a premium over the years. In comparison, the Asian fashion industry, which is still in the nascent stage of growth, has been trying vigorously to position itself among the global players. Although oriental fashion is pulling huge crowds to its fashion weeks, the Asian fashion industry, despite talented designers and lean manufacturing processes, is failing to build a brand image in the high-end luxury segment. Factors like low brand value, lack of technical know-how, infrastructure and distribution networks have been hampering their growth opportunities globally.

This case study dwells upon the dynamics of the global fashion industry and the comparative position of the Asian fashion industry. The case study also analyses the challenges and threats to Asian fashion designers and brands from global players besides providing a scope to identify the ways in which Asian fashion industry can create an uncontested market space and make competition irrelevant.

Pedagogical Objectives

- To understand and analyse fashion industry dynamics in a flat world (market share, profit margins, value chain, etc.)
- To analyse the critical success factors for fashion industry and debate on whether they would change when the companies go global
- To understand the Asian fashion industry's capabilities and contrast them with the global fashion industry's critical success factors
- To debate on the essential requisites for any Asian fashion house to go global and the strategies they should follow to position themselves so as to successfully compete with the incumbents.

Industry	Fashion
Reference No.	INA0078
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Asia, Oriental, Fashion, Blue Ocean Strategy, SWOT Analysis, GAP Analysis , Japan, China, Europe, Retail, Gucci, Global, Brand, Apparel, Supply chain

CAFE Fuel Rules: Changing Auto Industry Dynamics in the US

In a move to increase fuel efficiency and to reduce gasoline usage for travel, a bill was passed by US Federal government raising the standards of Corporate Average Fuel Economy (CAFE) standards to 35 miles per gallon (mpg), to be achieved by 2020 from the current standards of 27.5 mpg for passenger cars and 22.2 mpg for trucks. US car manufacturers like GM, Ford and Chrysler were apprehensive of this decision as they were in doubt in achieving the proposed standard in 12 years. The automakers were left with two options – either make cars more expensive or make them smaller and less powerful. By upgrading their manufacturing processes and investing in expensive technology, they hoped to reach the standards set by the Act. It was also found that Japanese manufacturers like Honda or Toyota were closer to the proposed standards as compared to the 'Detroit 3' and European car manufacturers. On the other hand, fearing a rise in oil prices, consumers are looking for fuel efficient and compact cars. Consumers as well as market analysts presume that new CAFÉ standards can be met by 2020 which is in contradiction to the view of the automakers. The case attempts to profile the needs of consumers and expertise of auto-manufacturers, in the wake of new CAFÉ rules.

Pedagogical Objectives

- To comprehend the implications of environmental regulations on industry dynamics
- To understand the impact of CAFE bill on US customers and auto manufacturers
- To understand the prospects and challenges of US auto industry.

Industry	Auto Industry
Reference No.	INA0077C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

CAFÉ rules; Environmental Standards; Industry Analysis Case Studies; Big three; Detroit three; Japanese Automakers; Customer preference; Competitive environment; US Auto industry

The US Newspaper Industry at Crossroads?

The print newspaper industry of the US has been witnessing revenue decline since 2005. Decreasing circulations and consequently decreasing advertising revenue, due to the increasing popularity of digital media, is said to have affected the print medium. Many newspaper companies initiated several cost cutting efforts to cope up with the industry downtrend. The increasing online advertising revenue at the US newspaper websites put forth a notion that the industry will undergo a paradigm shift from the print medium to the online medium. Many analysts believed that the US newspaper organisations will retain their local franchises in print format, as it contributes significantly to their revenue. However, speculation is rife about the future of US print newspaper industry as the focus shifts to the online medium.

Pedagogical Objectives

- To analyse the increasing popularity of new media over the traditional media in the US
- To provide an overview of the US newspaper industry and the competitive scenario
- To analyse the various factors that affect the US print newspaper industry
- To analyse how the US print newspaper industry can hold its audience and increase its revenue.

Industry	Newspaper Publishing
Reference No.	INA0076B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

US Newspaper Industry; NAA; WAN; Digital Media; Ad spend; Classified ads; Consumer spectrum; Interactive marketing; New media; Internet advertising; Crossroads; Newspaper websites; Business models; Google; Yahoo

Indian Animation Industry: Roadblocks for Global Competitiveness

Since 2005, India witnessed an increase in the amount of work related to animation outsourced to India. Most of the companies that outsourced such work were from the Europe, US and also Asia. Though there has been an increase in the volume of

outsourced projects and co-production deals, the animation content in the form of movies and television content did not seem to entice the Indian audience. This cast doubts on the competitiveness of the Indian animation industry. This case study examines the various hurdles that Indian animation companies need to cross, not only to appeal to the local market but also to become globally competitive.

Pedagogical Objectives

The case study helps in understanding

- The growth of global animation industry
- Growth prospects of the Indian animation industry in relation to the worldwide markets
- Inadequacy of the Indian animation industry to compete globally.

Industry	Animation Industry
Reference No.	INA0075B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

India; Emerging economy; Animation; Global animation Industry; Indian animation Industry; Roadblocks; Developing nations; Financial News; Outsourcing; Intermediaries; Industry Analysis Case Study; MNCs; Animation outsourcing hub

Suzuki in India: The Growing Gearless Segment of Indian Two-Wheeler Market

The world's second largest manufacturer of two-wheelers – the Indian two-wheeler industry is broadly classified into three product segments – scooters, motorcycles and mopeds. During 1980, the de-licensing policy of Indian government allowed foreign companies to operate in Indian two-wheeler market through joint ventures (JV). Especially, the entry of Japanese companies changed the dynamics of Indian two-wheeler market by concentrating on customer aspirations, and embracing new technology. Banking on the opportunity, during 1982, Suzuki Motorcycle India Pvt. Ltd (Suzuki), a subsidiary of Suzuki Motor Corporation (SMC), entered the Indian two-wheeler market through a joint venture partnership with TVS Group, an Indian company, to manufacture motorcycles. Until 2000s, the motorcycles were more popular in Indian two-wheeler market. But the launch of gearless scooter 'Honda Activa' – a four-stroke scooter by Honda Motorcycle and Scooter India Pvt Ltd (HMSI) in 2001, changed the demand dynamics of Indian scooter segment. Since 2007, the gearless scooter segment has been growing as compared to motorcycles (14.4% to 2.17 million units). The demand for such scooters increased in Indian two-wheeler market due to improvement in product features, design and style; and was targeted to attract young college girls, housewives, and teenagers. Looking for growth, Suzuki launched gearless scooter 'Access 125' (Access) in the 100cc to 150cc segment to compete with its competitors like Honda, Kinetic, and Bajaj. But still, a segment of customers preferred motorcycles because of bigger wheels, better road grip, power, higher ground clearance, and low maintenance cost compared to scooters. The case facilitates discussion on whether Suzuki would be able to succeed in capturing these buyers mind space.

Pedagogical Objectives

- To examine the growth drivers and demand factors of Indian two-wheeler market
- To understand the importance of continuous innovation in two-wheeler market
- To study the impact of consumer behaviour in Indian two-wheeler industry
- To discuss whether the strategies adopted by Suzuki would help it succeed in shifting the consumer priorities from motorcycles to gearless scooters in India.

Industry	Automobile Industry
Reference No.	INA0074A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Indian Two-Wheeler Market; Industry Analysis Case Study; Transportation; Consumer Behaviour; Motorcycles; Gearless Scooters; Marketing Strategy; Joint Venture; Competition; Foreign Players; Product Innovation; Suzuki; Honda Motorcycle & Scooter India (P) Ltd.; Hero Honda; Bajaj Auto; Kinetic; LML

Compact Camera Grey Market in India: Nikon's Dilemma

Sensing the fast growth in the Indian camera market, Nikon Corporation, a Japan based camera brand, in 2007, decided to set up a subsidiary in India. Nikon was a late entrant and players like Sony, Canon, Kodak and Samsung had already established themselves as key players in the Indian market. To establish itself in the Indian market, Nikon had to compete with these established players. Apart from this, the presence of grey market was a serious concern for Nikon. Nikon's own products were widely being sold in the grey market at much lower prices. Whether Nikon would be able to successfully fight grey market issue in India was yet to be seen.

Pedagogical Objectives

- Dynamics of compact camera market in India
- Market entry strategies of Nikon in India
- Strategic implications of grey markets
- Nikon's strategies to fight grey markets.

Industry	Compact Camera Market
Reference No.	INA0073A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Nikon Corporation; Compact Camera Market in India; Grey Market; Compact Camera; Single Reflex Camera (SLR); Canon India; Kodak India; Nikon's Coolpix; Industry Analysis Case Study; Grey Market; Digital Cameras; Product cannibalisation; Brand Image; Brand Building

Indian Hotel Industry (A): The Competitive Dynamics

Fuelled by the country's booming economy, low-cost air carrier introduction and liberalisation of FDI norms that allow 100% foreign investment in real estate, the Indian hotel industry is currently seeing a boom. Demand for hotel accommodation has increased tremendously across India but the rooms' supply has seen an insignificant growth, causing staggering room rates and insufficient room availability. Inbound tour operators blame these as key deterrents that keep tourists from visiting the country. Moreover, with poorly facilitated airports, inadequate road infrastructure, high taxation levels and a bureaucratic visa processing system, India's hotel industry has serious challenges ahead. Significant investments in tourism infrastructure are essential for this industry to progress and ultimately achieve its potential.

Pedagogical Objectives

- To understand Indian hotel industry dynamics before and after the country's economic liberalisation and analyse the key success factors of the industry
- To examine the Indian hotel industry segmentation and contrast it with the country's economic development and room prices
- To highlight global hotel chain's growing presence in India and the various market entry strategies available for them to establish their presence in India

- To analyse Indian hotel industry's demand-supply mismatch, the reasons for it and the necessary steps to fill the gap.

Industry	Hospitality Industry
Reference No.	INA0072
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Indian Hotel Industry; Industry Segmentation; India's Economic Liberalisation; Industry Classification; SWOT Analysis of Indian Hotel Industry; Critical Success Factors; Challenges in the Indian Hotel Industry; Role of Government in Industry's Development; Industry Analysis Case Study; Taj and Oberoi Group of Hotels; Market Entry Strategies; Global Hotel Chains in India; Incredible India Campaign; Demand Supply Disparity

Emergence of China in the Global E-Commerce Market (B): Alibaba.com's Surge

Second in the two case series, this case portrays Alibaba.com, a portal that withstood the Chinese and emerged as a leader in a short span of 9 years. Launched in 1999, the portal targeted SMEs providing Business to Business (B2B) solutions and aggressively expanded the customer base by tailoring its offerings to various SMEs. Alibaba's web presence includes an international marketplace, which focuses on global importers and exporters, and a China marketplace focusing on domestic suppliers and buyers. Alibaba's business and operational patterns helped it to become the highest market valued firm. This enabled the company to be listed on the Hong Kong Stock Exchange in November 2007. And set its sights on global expansion, also offering more services to its domestic clients. Though hailed as a good strategy, as the incremental revenues will out do incremental costs by miles, it has its own risks. Company's success of the company depends on its ability to tailor itself to suite the needs of global diversities – not a mean task by any measure and not many portals could achieve in the past. This case enables analysis on the strategies, which the company has adopted in its initial stages to establish itself facing adverse conditions. How could Alibaba.com install faith in its customers in such a short span of time? What measures did the company take to overcome the resistance of the Chinese? Is the company too ambitious in its global plans? Can the company handle diverse needs of foreign and domestic customers? What measures should it take to succeed the complexities involved in global expansion? Which regions should it focus on?

Pedagogical Objectives

- To understand the dynamics of the Chinese B2B E-commerce market
- To analyse the business methodology of the Alibaba group
- To discuss the risks of online business, especially in global expansion
- To understand the importance of efficient and adequate business model in the growth of an online business.

Industry	E-Commerce
Reference No.	INA0071
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

E-commerce; Dynamics of online business; Alibaba.com; Internet commerce; Chinese electronic commerce; China in global e-eommerce; Digital economy; Critical success factors of e-commerce; Industry Analysis Case Study; Strategies of Alibaba.com; Internet economy

Emergence of China in the Global E-Commerce Market (A): Dragon Drags on Adaptation

One of the most popular economic stories in the last decade and half was the emergence of China as a formidable force in the global economy. With the growth booming at more than 10% per annum, all sectors of the Chinese economy got the required thrust, E-commerce being one of them. Internet penetration in the country registered dramatic surge, as the Chinese establishment eased regulations and foreign multinationals provided the required know-how along with necessary hardware. Once the infrastructure was in place, the Chinese business community was quick in embracing E-commerce. However, the common populace was not quick enough, being pulled back by many apprehensions – chief among them were lack of physical feel of the products and security (over privacy and payments) – ultimately E-commerce has not gained expected popularity. Albeit slowly, number of people purchasing online is picking up – much to the liking of Chinese e-commerce companies. This case study, the first in the two case series, enables a discussion on why e-commerce failed to attract Chinese public, though it had all the necessary ingredients. Why was Chinese public averse to online transactions? What strategies did the companies adopt to increase the popularity of E-commerce? How China was able to establish itself on global E-commerce market place?

Pedagogical Objectives

The case study is meant to understand the importance of electronic form of business and how it has changed the meaning of business over the decade. Specifically it can be used to:

- To understand the difference between Internet economy, electronic business and electronic commerce
- To discuss the significance of digital economy vis-a -vis traditional economy
- To understand the constituents of e-commerce business
- To analyse the critical success factors for the growth of e-commerce
- To debate the relevance of e-commerce business in China
- To understand the resulting business opportunities and challenges.

Industry	E-Commerce
Reference No.	INA0070
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

E-commerce; Dynamics of online business; Industry Analysis Case Study; Electronic global marketplace; Internet commerce; Chinese electronic commerce; China in global e-eommerce; Digital economy; Critical success factors of e-commerce; Opportunities and challenges of e-commerce; Internet economy; Old economy and New Economy

Luxury Brands in China: Profiting from Scale

China’s 1978 economic reforms helped boost its economic growth and in turn, the income levels there. China’s demography too changed - with thousands of millionaires and a growing middle class coming up. All this had an impact on the country’s luxury industry, whose growth is expected to jump from 1% in 2000 to 29% by 2015, making it the largest market for luxury brands. However, China is a complex cultural market.

Pedagogical Objectives

The case study helps students:

- Analyse the impact of China’s economic reforms
- Discuss the growing demand for luxury brands
- Assess Chinese consumer behaviour
- Discuss various strategies
- Analyse the challenges for players.

Industry	Luxury
Reference No.	INA0069
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Luxury Brands; Counterfeiting; Luxury Retailing; Tourism and Luxury Industry; Brand Image; L'Oreal; LVMH; Competition; Critical Success factors; Market Entry Strategies; Consumer Behaviour; Industry Analysis Case Study; Industry Dynamics; Brand Building; Challenges for Luxury Goods Companies

Google vs Baidu.com (C): The Battle for China's Internet Search Market

From being an emerging economy, China is a surging one and the number of its Internet users is swelling. With that, the number of companies offering search services there is also going up. Google, the preferred search engine in many countries beats its rival Yahoo! by a wide margin. Yet, in China - forecast to be the largest Internet market in the world - Google finds itself upstaged by a local rival, Baidu.com. China's cultural nuances seem to completely elude Google. The company to find a foothold in China, is however, leaving no stone unturned. It has opened an office in 2005, hiring a Chinese at the helm. The company is working to improve its sales force. Along with this, Google in China has launched a censored Chinese version of its site in 2006, which is a first for the company. This case, the third in the series, Google vs Baidu.com, details the Chinese online search landscape along with the major players. The focus is on the ongoing battle between Google and Baidu, and the reasons for their failure and success respectively. The case facilitates a discussion on the critical success factors for search engines and the need for localisation. The business dilemma of choosing between ethical behaviour and shareholder wealth creation is also briefly dealt with. The case finally dwells on whether Google, after making changes to its approach, will be able to succeed in China and what should be its plan of action.

Pedagogical Objectives

- The critical success factors for a search engine and whether these factors need to be localised
- The Chinese Internet search market and what makes it attractive to multinationals
- Why Google, otherwise the leading Internet search provider worldwide, is losing out in the Chinese market to a local player that has no presence overseas
- The business dilemma between ethical behaviour and what may be construed as foolishness by exiting a lucrative emerging market.

Industry	Internet Search & Navigation Services
Reference No.	INA0068
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Google; Baidu.com; China's Search Engine Market; Business Model; Industry Analysis Case Study; Globalisation and Localisation; CAGE Frame Work; Alliance Strategies; Acquisitions and Partnerships; Chinese Google; Government Business Environment; Internet Censorship; Online Advertising; International Business; Legal Environment and Regulations

Motorola in China (B): From 'Intended' to 'Emergent' Strategies

This case study is a sequel to Motorola in China (A): Dealing with an Evolutionary Industry Life Cycle. This case explains how Motorola tuned its strategies to emerging trends. Actually, by January 2003, its going was becoming tough in the Chinese market. Most of its invented strategies failed. Then it realised that its strategies can no longer neglect the market trends. Viability of these emergent strategies can be vividly discussed.

Pedagogical Objectives

- To analyse and discuss the causes of Motorola's failure in China's mobile phone market, in spite of having the First Mover Advantage
- To analyse whether its emergent strategies are workable and sustainable.

Industry	Telecommunications
Reference No.	INA0067
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Motorola; China Handset Market; Economic reforms in China; Mobile Phones; Motorola and Eastcom; Industry Analysis Case Study; Motorola and Nokia; Centrally planned economy; Industry Life Cycle; Intended Strategies; Emergent Strategies; First Mover Advantage; First Mover Disadvantages; Chinese Guanxi; Chinese Business Environment

Motorola in China (A): Dealing with an Evolutionary Industry Life Cycle

An industry's life cycle runs through four stages: introduction, growth, maturity and decline. In the first stage, companies prompt customers to buy the new product. Then the growth phase sees rapid market expansion and increasing competition, with the entry of new players. In these two phases, a lot of evolution (both in terms of products and markets) happens. Products undergo many changes with the application of new technologies, rising demands and varying choices of consumers. This case study sees how Motorola dealt with such evolution in an emerging market. Motorola was the first to enter the Chinese mobile phone market in 1987. So it was blessed with the First Mover Advantage for nearly 15 years. However, with the evolution of Chinese telecom industry, improvements in mobile networks there and entry of new competitors (local and foreign), Motorola began to lose its market share. But China became a crucial market for Motorola, as its western markets dried up.

Pedagogical Objectives

- To understand the evolution of China's mobile industry and the operating challenges
- To discuss and analyse strategy formulation in the evolutionary phase of an emerging market
- To discuss whether First Mover Advantage can guarantee success in the long run.

Industry	Telecommunications
Reference No.	INA0066
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Motorola; China Handset Market; Economic reforms in China; Mobile Phones; Motorola and Eastcom; Industry Analysis Case Study; Motorola and Nokia; Centrally planned economy; Industry Life Cycle; Intended Strategies; Emergent Strategies; First Mover Advantage; First Mover Disadvantages; Chinese Guanxi; Chinese Business Environment

China's Retail Industry (B): Consumer Behaviour and Competitive Responses

While case (A) enables an analysis of China's retail industry dynamics, case (B) provides scope for analysing Chinese consumer behavior (with specific reference to retailing). Using this analysis, students can decode the variety of competitor's responses Each one wants to their slice (a bigger one though) of the retail cake. Whose strategic moves are viable? Which company is better poised to tap China's retail potential? Since economic reforms in the 1980s, China's production and productivity rapidly grew, while average

consumption growth was slower. No doubt, consumers create a huge retail potential. But, do they have similar aspirations? So, what should companies assume? Do their assumptions mismatch consumer aspirations? More so, as the Chinese consumer tends to save more than spend, how can retailers get them to do the reverse?

Pedagogical Objectives

- To understand the (ever-) changing consumer behaviour in China and debate its effects on the way retail companies respond
- To juxtapose and analyse the obvious paradoxes in these responses (which can help better in converting adversities into advantages?)

Industry	Retail
Reference No.	INA0065
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Wal-Mart; Carrefour; Chinese Consumer Behaviour; Economic reforms in China; Centrally planned economy; Investment-led growth; Industry Analysis Case Study; Consumption-led growth; Organised retail industry; China's traditional retail industry; Re-balancing of the economic growth; Saving patterns in China; Consumption patterns in China

FOPP, UK's Music Retailer (A): Profiting from Positioning?

With the current trend of consumers exploring music online and supermarkets offering CDs at competitive prices, stand-alone music retailers face an uphill task to maintain real differentiation in the industry. The Fopp case series (A&B) track the positioning, the challenges and the growth dilemmas of Fopp - a music retailer with 105 stores spread across UK and Scotland. The company had been selling CDs, DVDs, books, and peripherals for about 25 years. Started in early 1980s, the retail chain has grown from a small corner shop to UK's third largest music retailer. What differentiates Fopp from its rivals is its positioning to reach Fifty Quid Bloke: the marketing name for people aged between 25 and 45, who are cash-rich and time-poor. A typical Fifty Quid Bloke is seen on a Friday afternoon buying piles of CDs, all worth £50, thereby giving the company more revenue per visitor. The company is said to have developed strong patronage with these music followers. Case A describes the dynamics of the music industry in general and UK's music retail industry in particular, and will trigger a discussion on Fopp's positioning strategy against the online music stores and supermarkets. When the giant retailers are struggling by selling all-things-to-all-people how could FOPP survive by selling just CDs, DVDs, books and gift items to one consumer segment? How long can the patronage in these dynamic times last? Now, when internet is posing the biggest threat to every other seller, can the company sustain? If yes, how long? If no, does the company need to change its business approach?

Pedagogical Objectives

- To understand unique business dynamics of music industry and also music retailing
- To analyse the critical success factors in the music retail industry
- To understand and relate consumer behavior in music retail industry to the target market selection.

Industry	Entertainment
Reference No.	INA0064
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Music Retailing; Customer Segmentation; Customer Targeting; Niche Marketing Fopp; Industry Analysis Case Study; Fifty Quid Bloke; Music Labels; Music Recorders; Universal Music Group; Sony BMG Music Entertainment; HMV; Customer Community; Music Industry; Positioning; Differentiation

China's Retail Industry (A): An Assessment of Potential and Challenges

The first of this three-part case series helps richly and deeply analyse a happening industry in China - retailing. Its competitive dynamics is the fine thread that runs through all the three cases. Now that China is on every global (MNC/TNC) company's growth agenda, the class can debate industry-specific dynamics as well as economy-wide factors. So bigger questions pop out. What is the "China Factor"? What does this mean to the companies operating or willing to operate in China? What should be their homework before entering China? What should be their strategic moves, while they are in China - strategy or tactics? With Chinese economy integrated into the global economy (since 1978 and more so from 2001 when it formally joined the WTO), its economic growth rate has hovered around 10%–12%. And that's very good news for all the major global corporations because there is huge demand there. However, this good news has a flip-side too: China's business terrain is bumpy for a variety of reasons. What are those reasons? Hard infrastructure and soft infrastructure are the prime suspects. But many more are embedded into this case series that can be unearthed with meticulous analysis. Retail industry is one among the many that saw intensified competition during the past decade, in China. Competition is not yet even because of huge untapped potential; so a discussion on Industry Life Cycle can ensue. It is for the players to strategise their moves and counter-moves, where value chain analysis would prove essential. Market entry strategies of Wal-Mart and Carrefour would make up for an interesting analysis.

Pedagogical Objectives

- To give a brief overview of retail industry's formats and the operational dynamics involved
- To understand the potential and attractiveness of China's retail industry
- To analyse the challenges of operating in China's retail industry because of its value chain
- To debate on the critical success factors in China's retail industry
- To analyse the market entry strategies of Wal-Mart and Carrefour and debate on their effectiveness.

Industry	Retail
Reference No.	INA0063
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Wal-Mart; Carrefour; Economic reforms in China; Retailing in China; Centralised supply chain system; Logistics and Supply Chain Management; Centrally planned economy; State-owned department stores; Dalian Dashang; China's traditional retail industry; Metro AG; Ito Yokado; Industry Analysis Case Study; Chinese Guanxi; Retail industry dynamics

Global Steel Industry: The Country Factor

The reconstruction of infrastructure across the world after the Second World War prompted steel industry rise sharply. Demand exceeded supply resulting high profitability which translated into capacity augmentation. But since 1970's the demand plummeted down, resulting over capacity and high cyclicality in the Industry. The industry regained from 2002 due to China's booming economy, higher economic developments in other BRIC (Brazil, Russia, India) countries, emergence of CEE (Central and Easter Europe) countries as rapidly developing economies and positive economic developments in Triad (Europe, USA and Japan) etc. Analysts were skeptical about the long term sustainability of the industry. The concern is vital for

the senior managers and the policy makers in the steel industry to understand the dynamics of this industry and to shape their strategies accordingly.

Pedagogical Objectives

- An outlook of global steel industry
- Factors affecting the demand and supply of the global steel industry
- The impact of China, BRIC, TRIAD and CEE economies on the global steel industry
- Opportunities and challenges for the players in the global steel industry.

Industry	Steel
Reference No.	INA0062K
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

CEE; TRIAD; Steel Production; BRIC; Value Chain; Arcelor-Mittal; Baosteel; Fragmentation; Industry Analysis Case Study; Downstream Production; Investment Trap; Global Steel Industry; Regional Champions; Niche Specialists; Global Player; Steel Cycle

US Housing Market: Waiting for Recovery

After experiencing a boom for a considerably long period, the US Real Estate started declining from early 2006. The number of new housing projects dropped from an annual rate of 1.535 million to 1.486 million. Meanwhile, the mortgage loans had reduced from a peak of 6.8% on average for a 30-year fixed loan in July to 6.24% in October 2006. The Federal rate remained unchanged at 5.25% from the month of August. There were speculations that the Federal Reserve could cut rates in the coming months if inflation remained under control and the economy flagged. This further slashed down the housing finance loans. All these triggered a recovery but the market so far had not shown any kind of bounce-back activities. Moreover, as the once-booming U.S. housing market came down in 2005-2006, economists debated whether this was a "soft" or "hard" landing and the impact this slowing would have on consumers' confidence and on the overall economy. This case captures both the up and down trends of the US housing sector. The case further explores the factors affecting the housing sector and whether there will be any recovery in the US housing market.

Pedagogical Objectives

- To discuss how the economic factors are related with the real estate market
- To understand the US real estate market
- To analyse the volatilities in the US real estate market
- To debate whether the US real estate market would recover after the downturn started in 2006.

Industry	Real Estate
Reference No.	INA0061K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

US real estate; United States housing bubble; Industry Analysis Case Study; Economic bubbles; Stock bubble; P/E (price-to-earnings) ratios for houses; National Association of Realtors; Speculation; House price index; Baby boomers; Downtrend in housing; Foreclosure; US mortgage rates; Stock vs house investment; Collapse in housing; Housing wealth

Kyoto Protocol and its effects on the carbon trading

Carbon Market, the new concept of trading Carbon dioxide (CO2) and other Greenhouse gas was much similar to the other trading markets of the world. This concept came into force with the implementation of the international treaty called Kyoto Protocol, which envisioned reduction of Greenhouse Gas emission in the world. The treaty was mainly applicable to the industrialized and developed countries of the world.

The first implementation period was 2007-2012 which enforced many countries and industries around the world to maintain their level of emissions. This also gave boost to carbon market around the world. This mechanism initiated major carbon exchange and market around the world.

The case highlights the major carbon trading markets around the world and the countries which would implement this treaty. The treaty was rejected by leading industrialized countries like US, Canada and Australia. It also faces some challenges, debate and criticism by environmental activist. Amidst the challenges and regulatory hindrances, the treaty promised to provide an initiative to prevent further global warming. The case ends on the debate whether Kyoto Protocol will achieve its vision by 2012.

Pedagogical Objectives

- To understand the concept of carbon trading and carbon markets
- To understand the international treaty , Kyoto protocol and its mission and vision
- To debate the ethical participation by developed and developing countries on humanitarians ground in carbon trading.

Industry	Carbon market
Reference No.	INA0060A
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Carbon dioxide; Greenhouse Gases; Industry Analysis Case Study; Kyoto Protocol; Carbon trading; Emission Trading; Global Warming; Climate Change; Annexure I countries; Annexure II countries; Assigned Amount Units; Emission Reduction Units; Chicago Climate Exchange(CCX); EU ETS; UK ETS; New south Wales market (NSW); Joint Implementation; Clean Development mechanism (CDM)

Chinese Automakers' International Drive

Following the footsteps of their Asian predecessors Japanese and South Korean automakers all major Chinese automakers like Geely, Cherry and other leading auto companies aspired to become global players. With the advantages of low cost production and government support, Chinese automakers primarily targeted US and European market to sell their cars and consequently become powerhouse in global automotive industry.

Nevertheless, Chinese automakers had many obstacles to overcome before selling cars in international markets. The image of poor quality, weak design and lack of distribution networks hindered the progress. Besides, the world automotive market was saturating and analysts opined that the growth prospects were better in China itself.

Pedagogical Objectives

- To discuss the global and Chinese automotive industry scenario
- To discuss international market entry barriers and strategies to overcome them
- To discuss challenges faced by Chinese automobile manufacturers in their quest to go global.

Industry	Automobile
Reference No.	INA0059A
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Chinese Automakers; China Cars; Industry Analysis Case Study; Automobile Industry; Globalisation; International Markets; Expansion Strategies; Shanghai Automotive (SAIC); First Automobile

Works (FAW); Dongfeng Motor Corporation; Geely Automobile; Chery Automobile; Challenges of globalisation; Exports; Low cost production

Emerging Destinations in Outsourcing: The Indian dilemma

As of 2006, India continued to remain an IT outsourcing powerhouse, with $17.7 billion revenue in software and IT services exports, compared with $3.6 billion for China and $1 billion for Russia, according to the trade organizations in each country. Also, India's outsourcing industry was still growing at a faster pace than that of Russia's and other outsourcing centers. But as labor costs and turnover rates began rising in India, companies started looking out for cheaper labor. As a result, many alternative outsourcing destinations emerged. Countries speaking European languages like Hungary, Czech Republic, Russia, Poland, Bulgaria and Romania were benefiting from the trend of 'nearshoring'. Moving IT operations into developing countries can pose big risks, such as language and cultural differences, geopolitical instability, and the risk of stolen intellectual property. India's outsourcing players needed to overcome major challenges to continue their growth and sustain their competitive advantage over other emerging outsourcing destinations. India needed to improve its infrastructure, maintain competitive labor costs and tackle the turnover rates of labor attrition. It had to concentrate more on new areas in outsourcing such as E-governance, Retail Services Outsourcing, Pharmaceutical Research, Financial Services and Healthcare.

The case outlines the changing global scenario of the outsourcing industry, emerging destinations and challenges faced by Indian outsourcing companies towards keeping competitive advantage and retaining business.

Pedagogical Objectives

- To introduce the students to the Outsourcing industry
- To highlight the various new destinations coming up in outsourcing
- Factors that constitute a successful outsourcing destination.

Industry	Business Process Outsourcing
Reference No.	INA0058C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Outsourcing; Nearshoring; Emerging destinations; Industry Analysis Case Study; Indian outsourcing industry; Chinese outsourcing industry; BPO sector; Offshoring

Organic Food Market in the US: The Wal-Mart Effect

In the wake of a rapidly growing market for organic products in the US, in March 2006, Wal-Mart, the world's biggest retail chain, announced that it would include more organic products in its grocery section. The management of Wal-Mart hoped to attract more and more customers to buy its organic items thereby promoting the consumption of organic products. While some analysts believed that it would increase environmental awareness among the consumers and prompt the farmers and supplier to adopt green practices, another set of analysts felt that Wal-Mart could use its market strength to exert pressure on farmers and suppliers to its own advantage.

The case starts with a short history of organic farming in the US and moves on to Wal-Mart discussing it business briefly. It then highlights Wal-Mart's business practices over the years and finally tries to raise a question regarding what could be the possible repercussions of Wal-Mart's entry into the organics.

Pedagogical Objectives

- To get an understanding of organic farming
- To analyse the impact of Wal-Mart's entry on the organic food market of the US
- To debate whether Wal-Mart's entry would drive suppliers to adopt organic farming or exert pressure on them for lower prices.

Industry	Organic Food
Reference No.	INA0057K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Wal-Mart; Organic food; Retailing; Organic farming; National Organic Programme (NOP); Supercentre; Sam's Club; Neighbourhood market; Grocery retailing; Industry Analysis Case Study; US farmers; Organic seal; Supermarket; Discount store; United Food & Commercial Workers

Air China and the Chinese Aviation Industry

By 2005, Air China was the only profitable carrier among the three major airlines in China. The other two, China Southern and China Eastern, were making losses. The low cost carriers also were struggling. By contrast, the Chinese aviation market had become the second-largest in the world after the US, carrying 138 million passengers in 2005. Apart from that, Chinese airlines ordered a large number of new aircrafts in 2005. Analysts felt that government interference in matters related operations was the main reason behind airlines' poor performance. Though government was reforming the airline industry to make the Chinese airlines more competitive, experts doubted Air China's ability to remain profitable in the long run. The case discusses in detail the evolution of China's aviation industry to its present form as well as government reforms. It also discusses Air China and its operations. The concluding section attempts to highlight the challenges that the Chinese aviation industry (particularly Air China) faces. It also tries to raise a question regarding the structure of the industry in future.

Pedagogical Objectives

- To understand the evolution of China's aviation industry
- To understand government reforms that shape the structure of the industry
- To discuss competitive dynamics of Chinese aviation industry
- To analyse the competitive advantages of Air China
- To analyse Air China's ability to sustain profitability in the long run.

Industry	Aviation
Reference No.	INA0056K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Air China; Chinese Aviation Industry; CAAC; CANC;Shanghai Airlines.

China's Auto Industry: The Emerging Trends

With China's entry in the WTO in December 2001, the domestic automobile industry witnessed a plethora of changes. Overall tariff and non-tariff barriers were reduced and the sector was opened up for FDIs. China rapidly emerged as the third-largest automobile market behind the US and Japan, with about 3.1 million new cars being sold in 2005. The Chinese auto industry was evolving gradually into a mature market with consumers becoming more aware of the differences between brands.

The case while providing a broad overview of the Chinese automobile industry, discusses the emerging trends in the industry as well as in the consumer behaviour.

Pedagogical Objectives

- To understand the dynamics of the Chinese automobile industry in the pre- and post-WTO era
- To understand the critical factors responsible for the emergence of Chinese automobiles as the leading brands, both in the domestic and international market
- To discuss the global impact of the increasing export capability of the Chinese automobile manufacturers
- To understand the changing dynamics of consumer psychographics in China.

Industry	Auto
Reference No.	INA0055K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

China; Auto Industry; Cherry; First auto works; GM; Toyota; Volkswagen.

Mittal's New Move: Capacity Expansion or Vertical Integration

In October 2005, Mittal Steel, the world's largest steel company, made a bid for KryvorizhStal Steel, the largest steel company of Ukraine. In the era, when consolidation and acquisition were common practices in the industry, Mittal Steel's new move would help it to consolidate its presence more aggressively. The acquisition was a key acquisition for Mittal Steel in Central Europe, as it provided the company with a large size low cost platform in a core and fast growing market. It also helped Mittal Steel to exercise control on the large iron ore reserves of the Ukrainian Steel major, which it planned to use in its expansion programme. In the steel industry, due to raw material shortage, the ownership of mines and long-term alliances with the raw material suppliers became a critical success factor for any company. The case study offers a scope for discussing the rationale of the acquisition in the recent global trends, the value chain of the industry and how Mittal Steel plans to leverage it. Students can also discuss how Mittal Steel can leverage the acquisition by strengthening its position in Central and Eastern Europe and areas close to China.

Pedagogical Objectives

- To discuss the trends, patterns of global steel industry and consolidation as a major strategy in fragmented steel industry globally
- To discuss acquisition of KryvorizhStal Steel, the largest steel company of Ukraine by Mittal Steel, potential synergies and problems associated with the acquisition
- To discuss how acquisition as a growth strategy help companies to consolidate in fragmented steel industry
- To discuss the concept of 'forward integration' and 'backward integration' in steel industry
- To discuss how alliance with raw material suppliers and ownership of mines help steel companies to have better control over the value chain of the industry
- To discuss value chain of the steel industry and steel making process.

Industry	Steel
Reference No.	INA0054K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Mittal Steel; CVRD; Riotinto; Kryvorizhstal; Backward Integration.

L.N. Mittal: Consolidating Presence Globally

Lakshmi Niwas Mittal (popularly known as LNM), also called the "Carnegie of Steel", built his steel empire by aggressively acquiring poorly performing steel plants at low prices in 14 countries across the globe, like Trinidad and Tobago, Kazakhstan, Romania, Germany, Poland, Canada and America, and turning them into money-making ventures. He is considered to be industry visionary, spotting trends much before his contemporaries and investing accordingly. In October 2004, Mittal acquired International Steel Group of the US for $4.5 billion and became the largest steel producer in the world, surpassing the world leader, Arcelor. The case study offers scope for discussion about the acquisition strategy, adopted by Mittal and how it helped him to become the market leader. It also provides information regarding the current and future levels of consolidation in the global steel industries, consolidation as a major strategy in the steel industry, steel industry value chain and the risks that companies like Mittal Steel, would encounter.

Pedagogical Objectives

- To understand the trends, dynamics of global steel industry
- To understand how consolidation act as growth strategy in global steel industry
- To understand how consolidation transform the globally fragmented steel industry into a consolidated one
- To understand how to make consolidation successful one, problems associated with successful making of a consolidation
- Acquisition as a key growth driver in global steel industry.

Industry	Steel
Reference No.	INA0053K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Mittal steel; consolidation; value chain; global steel industry.

Auto Component Industry: A New Perspective

According to a report by McKinsey and ACMA in 2004 Indian auto component industry was worth around $5 billion (Rs.25,000 crore) and was growing at the rate of 18% yearly. But industry experts felt that in auto component exports, India was far behind other developing countries. Indian companies did not have the scale of production to beat global companies. The Indian auto component industry was highly fragmented as most of the auto makers belonged to Tier IV and Tier III category. High fragmentation, low investments in R&D, low capability in high-end designing, manufacturing and development hindered Indian auto parts maker to move up the value chain. Global OEMs and Tier 1 suppliers were relocating their plants and set up R&D centers from US/Europe to India due to its low cost and skilled manpower. But the majority of Indian auto component firms belong to the lower tier of Industry value chain. Tier I manufacturers enjoyed advantages over Tier II and Tier III suppliers in getting orders with the help of their designing, manufacturing and development skills. Since Tier I suppliers got the order directly from auto makers it helped them to recover the investments quickly and enjoyed better profit margins. Indian manufacturers, mostly belong to Tier III and Tier IV category, lacked in high end designing, manufacturing and development skills. The case deals about how Indian auto components industry which is in the un-organised sector, could exploit its strengths, nullify its weaknesses and became the preferred sourcing partner of global OEMs ,by moving up the value chain of the industry.

Pedagogical Objectives

- To discuss in details about global and Indian auto component industry, trends and patterns of the industry
- To discuss the value chain of the auto component industry

- To discuss how small players from an industry can move up the value chain and became the key growth driver of the industry
- To discuss how joint venture, technical alliance, designing, development and management skills help small companies to move up the value chain
- To understand the structure of the industry.

Industry	Auto Component Industry
Reference No.	INA0052K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

OEM; Delphi Corp; Reverse Engineering; Tier 1; Backward Integration.

Automobile Industry in Russia: The Growth Potential and the Competitive Pressures

In 1991, the Soviet Union dissolved into different countries and the major country to emerge was Russia. As Russia started to liberalise, its economic policies changed and it gradually moved towards a market-driven economy. Incomes of Russian consumers are rising and they are demanding more choices. Amid this makeover, the Russian automobile industry, which of late was dominated by the state-owned players, is now witnessing a change. Automobile manufacturers around the globe are keen to set up manufacturing facilities in Russia-to serve the Russian market, and also export to different countries. Global players such as Toyota, Nissan, Renault, and Volkswagen plan to set up massive manufacturing facilities in Russia. So, as competition increases, Russian carmakers face numerous challenges to capture the market. State-owned companies like AvtoVaz have to gear up to withstand competition from foreign carmakers.

Pedagogical Objectives

- To discuss the evolution of the automobile industry - with special focus on cars
- To discuss the political and economic trends since the formation of the Russian federation
- To understand the Russian automobile industry and its growth potential
- To discuss the challenges and competitive pressures in the Russian car industry.

Industry	Automobile
Reference No.	INA0051
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Available

Keywords

Manufacturing industry; Avtovaz; Russian economy; Russian Political changes; Automobile industry; Volkswagen; Russian automobiles; Russian Consumer market; Car industry; Economic crisis; Liberlisation; Globalisation; Automobile manufacturing

The Viacom Split: Is it the Right Solution?

Viacom, the media conglomerate, has had a history of splitting into two units and remerging as one entity. In 1999 they became one, but in 2005, the Viacom Board decided to again divide the company. The split was structured in such a way that the existing company (Viacom) changed its name to CBS Corporation, while the new Viacom was a freshly founded spin-off company. The new CBS Corporation was actually the same company (Viacom) that was founded in 1986. The 1986 Viacom, in turn, was the successor to a previous company also known as Viacom and founded in 1971.

Industry watchers wondered about the advantages of the split. Founder Sumner Redstone had justified it stating emphatically that the days of the big conglomerates were over. The future would be interesting to see. Would the two companies evolve and grow into individual behemoths? Or would they again come together and become a single entity?

The case traces the history of Viacom from 1971 when the television syndication division of CBS Films was renamed VIACOM, from Video and Audio Communications. It highlights the acquisitions made over the years to expand operations and increase revenues, the entry of Sumner Redstone in 1986 when National Amusements bought over and reincorporated Viacom, the merger with CBS Corporation in 1999, and the separation into two companies again in January, 2006.

The case also discusses investors' apprehensions, the observations of analysts and industry watchers, the views of the Redstone family, the process of consolidation and growth, and the future of the two companies.

Pedagogical Objectives

- To study and analyse why the Viacom group merged and split over the years especially from 1970 onwards
- To enumerate and understand the pros and cons of division and re-merger, and the likely future progress of the two companies.

Industry	Media
Reference No.	INA0050C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

VIACOM; CBS Corporation; Split; Spin-off; Division; Stock price; Investors; Debt-burden; Strategy; Sumner Redstone; MTV; Networks; Paramount; Digital; Distribution; Consolidation; Growth.

Will the Three Pointed Star Regain its Lost Sheen

Mercedes was dodged by quality problems that eventually dented the brand's premium image and eroded its profits. The case profiles Mercedes' glorious past and details the reasons that led to the brand's lost sheen. It further outlines the new make over initiatives at Mercedes under the leadership of a new chief, Dieter Zetsche who had a proven turnaround track record. The case provides scope for discussion on strategies for retaining the premium image of a brand.

Pedagogical Objectives

- Helps the students to understand the concept of Branding
- Traces the turnaround strategies of Mercedes.

Industry	Automobile
Reference No.	INA0049C
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mercedes-Benz; DaimlerChrysler; Dieter Zetsche; Jurgen Schrempp; Mitsubishi; Eckhard Cordes; CORE; J.D. Power and Associates; Revamp.

US Automotive Supply Industry: The Chinese Threat

The US automotive supply industry, more than a century-old, produced vital components for the auto industry and employed nearly three times as many people as the auto industry itself. It was the backbone of the US auto sector and possessed a much larger machine-tool capacity. Over the years, the US auto supply industry went through tough times. A number of reasons were attributed to this. The industry was forced to cut prices by the US auto makers who were their main clients and being bound by contracts, the auto suppliers were forced to comply. There

was also a rise in raw materials, especially steel. The main players were also charged for accounting manipulations and they had to spend considerable resources to rectify the frauds. All this quickened the bankruptcy of a number of leading auto suppliers in the US.

In this background, there was a steady increase in the quantum of Chinese imports and they posed a threat to the US auto industry. The Chinese had a low wage advantage but did not possess the technological edge. Although industry experts said that the Chinese threat was exaggerated, if the US auto suppliers did not gear-up to meet competition, it was feared that they would face almost the same ills that the US auto sector was facing in the face of competition from Japanese and Korean auto makers.

The case allows for discussion on the future of the US auto supply industry in the face of competition from China. It also allows for discussion on the strategies that the Chinese should adopt to become a leading force in the global auto parts market.

Pedagogical Objectives

- To discuss the future of the US auto supply industry in the face of competition from China
- To discuss strategies that the Chinese should adopt to become a leading force in the global auto parts market.

Industry	Auto Supply Industry
Reference No.	INA0048C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Auto parts supply industry; Auto parts manufacturers; OEM suppliers; Big Three; Price cuts; Raw material costs; Accounting manipulations; Hedge fund operators; Chinese auto suppliers; Delphi; low-cost of labour; replacement market; R&D; Transplant automakers; bankruptcy.

Alibaba.com – Will it win China's search Engine Market?

Established in 1999, Alibaba.com had become the biggest online business-to-business (B2B) player in China. Its foray into other ecommerce activities like online auctions and online payments were also highly successful although they were in competition with world leaders like eBay. In October 2005, Alibaba and Yahoo! China signed a deal under which Alibaba would market the Yahoo! China brand in China. By this deal, Alibaba sought to establish itself in the search engine market and further consolidate its position in the ecommerce scene in China. The search engine market in China was dominated by a number of local and international players.

The case provides scope for discussion on whether Alibaba would emerge a winner in China's search engine market. It also provides scope to discuss if it could sustain its success or if its growth was only due to the inherent advantages of an emerging market.

Pedagogical Objectives

- To discuss strategies of a B2B company
- To discuss whether Alibaba would emerge a winner in China's search engine market.

Industry	B2B
Reference No.	INA0047C
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Alibaba; B2B; Chinese Internet market; Search market; Yahoo! China; ecommerce; Baidu; Google; Jack Ma; value addition; subscription; revenue model; entrepreneurship.

US AUTO INDUSTRY: HEADING TOWARDS A DEAD END?

The Big Three automakers General Motors, Ford and Chrysler (DaimlerChrysler AG) of the United States (US) dominated the US domestic auto market accounting for more than 70% of auto sales in 1998. However their market share took a nosedive in 2004, when they accounted for only 58.6% of sales with the Japanese automakers overtaking them.Declining market share and high inventories forced the Big Three to reduce assemblies in North America by 9% during the first half of 2005. They were also affected by an unfavorable operating environment caused by the continuous price war and some serious cost competitive issues like increasing legacy costs and frequent disputes with the UAW.

Under these circumstances, it was top be seen if the US auto industry was heading towards a dead end, or if it had a chance of a turnaround?

Pedagogical Objectives

- Issues faced by the US Auto Industry
- Challenges faced by the industry in entering new markets and new product categories.

Industry	Auto Industry
Reference No.	INA0046C
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

US Automobile Industry; General Motors (GM); Ford; DaimlerChrysler; Toyota; Hyundai; Japanese automobiles/cars; Korean automobiles/cars; UAW; legacy costs; The Big Three Automobile industry; Chinese cars; labour costs; bankruptcy.

Retailing in China: The Foreign Factor

China had become the economic powerhouse of the 21st century. The retail trade was another high growth area which saw the entry of many foreign consumer goods manufacturers into the Chinese market. China's retail market growth was first among the 12 leading countries in Asia. In 1978, the Chinese Government initiated the process of liberalisation which soon opened the door to globalisation in the country. The modern retail trade did not emerge until the middle of the 1990s when China made the transition from a planned economic system to a market driven one. Since 2002, after China's entry into the World Trade Organisation, many governmental restrictions on the retail trade were diluted or removed giving multinational retailers unprecedented freedom to establish wholly owned foreign enterprises (WOFEs) rather than operate through joint ventures. By 2006, at least 35 of the global top 50 retailers were operating in China. In 2005, total retail sales in China touched the US$755 billion mark. The high population density in the country had lured global retailers to set up shop and compete with a growing band of local operators. These retailers catered to an expanding middle-class of consumers expected to grow from 42 million in 2005 to 200 million by 2015. Over 1,000 new retailers had received approval, of which more than half were foreign investors. By 2006, there were over 1,000 foreign retailers in China compared to just 314 two years earlier. The case looks at the retail background in China and discusses: (1) the performance of retailers; (2) pricing and consumer behaviour; (3) the need for mergers and acquisitions which helped retailers expand their networks and increase bargaining power with suppliers; (4) the importance of proactive strategies to penetrate virgin markets especially in the rural areas; and (5) the significance of value-for-money retailing.

Pedagogical Objectives

- To understand the fragmented retail trade in China and the effect of the entry of international players into the Chinese market
- Help students appreciate the buying power of a growing middle-class of consumers on the Chinese economy and the need for local retailers to analyse

and learn from the strategies of the foreign entrants

- Study the need for focused marketing efforts by foreign companies to penetrate the rural sector.

Industry	Retail
Available at	www.ibscdc.orgwww.ecch.com
Reference No.	INA0045C 206-058-1
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

China; Retail trade; Consumer; World Trade Organization (WTO); Supermarket chains; Value-for-money; Globalisation; Wholly owned foreign enterprise (WOFE); Mergers and acquisitions (M&A); Retail sales; Households; Chain stores; Brand; Economic growth.

Boeing and Airbus: The Asian Challenge

Asia had always been a large, potential market for the two giants in the aviation industry, the American Boeing Corporation and the European Airbus Industries. The opening out of the third world to foreign investment with the advent of globalisation saw competition intensify between Boeing and Airbus to lead the Asian market. Dominating this market was imperative for both the major players in order to achieve the top rank in the aviation sector. In their bid to become the leading aircraft manufacturer in the world, both companies had introduced new products on a global scale, Airbus the A380 'Double-decker' and Boeing the 787 'Dreamliner'.

The case traces the background of Boeing and Airbus, some of the models flown and discusses the scope for penetration and consolidation in the Asia-Pacific region with special reference to the markets in China, Japan, India and Singapore.

Pedagogical Objective

- The need to cover and service emerging markets in order to attain the number one rank in the aviation industry.

Industry	Aircraft Industry
Reference No.	INA0044C
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Boeing; Airbus Industries; 787 Dreamliner; A380; Market leadership; Asia-Pacific; Airlines; Air India; Management strategy; Singapore Airlines; Air China; Japan Airlines; Business rivalry; Marketing; Strategies.

The Maturity in the Indian Wine Industry

Established in the mid-1980s, the Indian wine industry with a growth rate of 30% has been showing immense potential for growth. With some Indian brands winning awards at international wine competitions, Indian wines were increasingly being appreciated in the global market. However, despite the encouraging growth rate and the assiduous efforts being made by the local players and the government, can the industry live up to the promise of becoming a global entity?

The case traces the growth of the Indian wine industry, the various challenges faced by the nascent industry, the big players in the market and the efforts made by them to increase sales in both the domestic and global market.

Pedagogical Objectives

- The case outlines the growth of the Indian wine industry
- The case discusses the challenges faced by the Indian wine industry
- It also discusses the efforts made by them to increase sales.

Industry	Food and Beverages Industry
Reference No.	INA0043P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Viticulture; potential for growth; international wine markets; exports; imports; 'Old World' world wine producing countries; 'New world' world wine producing countries; major wine growing regions in India; other players; big players; marketing; promotional strategies; major hurdles; future prospects.

Indian Passenger Car Industry – Heading Where?

The Indian passenger car industry has shown unprecedented growth after the declaration of the new automobile policy by the Indian government in 1993. The industry has attracted most major global players to India and as a result the market has become fiercely competitive. There are about forty models with more than one-fifty variants of vehicles from thirteen manufacturers. The passenger car market is also undergoing structural changes on the demand and supply side. Car manufacturers are gearing up for capacity expansion, building a strong vendor base and revamping supply chains to face the future. In 2004-05, three of the thirteen manufacturers namely, Maruti Udyog, Hyundai and Tata Motors have commanded over 80% of the market share. The case discusses the developments and strategies of the three major players till 2005. It also discusses the future scenario of these players in light of several perspectives.

Pedagogical Objectives

- The case discusses the developments and strategies of the three major players, Maruti Udyog, Hyundai and Tata Motors till 2005
- It also discusses the future scenario of these players under several perspectives.

Industry	Automobiles
Reference No.	INA0042P
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Car segments; Pricing; Positioning; Market share; Vendor rationalisation; Cost; Competition; Consolidation; Fragmentation; Auto policy; Industry structure; Product portfolio; Strategy; Scale of operations.

Internationalization of Management Education in China

The emergence of China's new managerial class had positive and negative implications for US companies. On one side, China's massive market of 1.3 billion people seemed lucrative enough to be penetrated. It was presumed that the graduates of the nation's new MBA programmes would supply a steady stream of local talent with better in-depth knowledge of China, compared to their Western managers. On the other side, local companies empowered with western management ideas could put forward tougher deterrents for the multinational companies. Chinese companies could be in possession of the management know-how needed to go head to head with global giants. The concept of efficiency, productivity, profitability, and growth held vast potential to flare up China's already blistering economy, raise living standards, and transform the nation from a low-cost manufacturing center to a make-or-break battleground for the global economy.

So the Chinese B-school expansion had its positives and negatives for the US and Europe. Had the west thought of this? Were they too fast in creating Chinese competitors? The concept of MBA in US was almost 100 years old so, they were much more experienced and competent in MBA education. But, in 15 years, China had progressed in leaps n bounds as far as management education was concerned. In the years to come, it would be interesting

to observe whether China would be successful in creating world-class MBA programmes to challenge the strong holds of the Kelloggs, Whartons, and Harvards of the world. It seemed a long way to go, but it also seemed important for the top-ranked US. B-schools to take a note of the new Chinese scenario.

Pedagogical Objective

- To understand the implications of emergence of Chinese management schools on US companies.

Industry	Education
Reference No.	INA0041B
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Chinese B-Schools; Chinese MBA; US-China educational tie-ups; Symbiotic relationship; CEIBS; Tsinghua University; Executive MBA (EMBA); International MBA (IMBA); Management Education.

Corporatisation of the Indian Film Industry

The case attempts to explore the efforts of the industry and the government to corporatise the Indian film industry. The Indian film industry in 2005 was the largest producer of films in the world, but its global share of revenues accounted to just 1%. It was granted 'industry' status in 2000 and since then corporatisation had begun in the form of banks lending against film projects, film insurance, and emergence of multiplexes. The industry was no doubt set for growth, but was facing hurdles in the form of high entertainment tax, financing, piracy, poor distribution and lack of training schools. The government had initiated efforts to curb piracy, encourage co-production treaties with other countries and reduce entertainment tax. In spite of all this, industry insiders shrugged off corporatisation as a fad and suggested that the industry will continue to work the way it used to be.

Pedagogical Objectives

- To understand the structure and the business model of the Indian film industry
- To study the changes after corporatisation in the business model
- To analyse whether corporatisation can increase the revenues of the industry.

Industry	Entertainment/Film
Reference No.	INA0040B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Film Industry; Indian Film; Bollywood; Industry status; film insurance; film finance; corporatisation; Entertainment tax; Piracy; Film Exhibition; Film distribution; multiplexes.

Independence Air: Transformation from Regional Carrier to a Low Cost Carrier

For 14 years, Independence Air had operated as a regional carrier, under the name of Atlantic Coast Airlines (ACA). However, in June 2004, ACA was re-launched as a Low-Cost Carrier (LCC), "Independence Air" under its CEO and chairman Kerry Skeen (Skeen). The case discusses the steps taken by the management to transform the regional carrier to a LCC focusing on the operational, marketing and branding aspects. The case also focuses on the competitive landscape in the US airline industry.

Pedagogical Objectives

- The challenges that the airline might face transforming from a regional to a low cost carrier
- The feasibility of the model being used by Independence Air of using both smaller Regional Jets and larger Airbus to operate a low cost airline
- The strategy being employed by the airline to stimulate traffic in the regional and major cities
- The competitive challenges it might face from the low-cost and legacy carriers.

Industry	Airlines
Reference No.	INA0039B
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Independence Air; Atlantic Coast Airlines; Kerry Skeen; Hub; Regional Airline; Low-Cost Carrier; United Airlines; US Airways; Low-Cost Business Model; ICLUBS; IJETS; FLYI; Regional Jets; Transformation.

The Road from Mumbai to Pune

In April 2004, the Mumbai-Pune Expressway, India's first infrastructure project built to global standards, was sold to a private party, along with the Mumbai-Pune section of NH4, the only other existing link between two commercial hubs of India, Mumbai and Pune. The sales deal gives the private party the right to toll and maintain both the highways for 15 years. This deal adds one more controversy to a project already marred by numerous controversies over vital issues

Pedagogical Objective

- To understand the issues relating to public-private partnerships in infrastructure projects.

Industry	Infrastructure
Reference No.	INA0038B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Infrastructure; BOT(Build/Own/Transfer); Highway; Expressway; Contract; Public Private Partnership (PPP); Traffic; Road; Finance; Tolls; MSRDC.

Audi's Intended Acceleration

In late 1986, 'Audi AG' was accused by a popular television show for a flaw in the Audi 5000 sedan that caused the vehicle to accelerate instead of braking, thereby causing fatal accidents. The allegation was followed by a sharp decline in the sales of Audi cars in America and the company was nearly wiped out from the market. Although subsequent investigations proved that it was drivers' error that caused the accidents rather than vehicular malfunction, the damage had been inflicted on the company. Faced with the daunting task of rebuilding the company's image and re-capture lost market shares, Audi took a number of steps that revived its sales. By the end of 2004, Audi re-emerged as a strong player in the US luxury car market.

Pedagogical Objective

- To examine the steps taken by the company to revive its brand image.

Industry	Automobile manufacturing
Reference No.	INA0037B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Audi AG; Audi of America; World of Audi; New World of Audi; Unintended Acceleration; Sudden Acceleration; 60 Minutes; NHTSA; Audi 5000; Audi A6; US luxury car market; Luxury car manufacturers; Quattro; SUV; Trendsetter Programme.

Diesel Dilemma in the US

In 2004, diesel vehicles accounted for only 2% of the US auto market. In the US, diesel engines carried a bad image of being a 'dirty fuel'. Though diesel engines offered better

mileage they emitted more smog forming nitrogen oxides than gasoline engine which caused serious health problems. In order to bring back diesel in the US, several initiatives were taken by the federal government and the OEMs. In this regard, several regulations and standards were passed to reduce the diesel emission and to improve the quality of the diesel sold in the US. The case discusses about the difference between gasoline and diesel engines and reasons for the failure of diesel vehicles in the US. The case further highlights on the potential of diesel in the US market. The case also discusses about clean diesel and its acceptance in the US market.

Pedagogical Objectives

- The importance of global warming and its impact on the automobile industry
- The state of the automobile industry in the US market with specific reference to diesel vehicles
- The initiatives taken by the Original Equipment Manufacturers (OEMs) in order to bring back diesel in the US market
- Discuss the various regulation passed by the federal government to offer clean diesel
- Will diesel be able to shed its dirty image in the US market?

Industry	Automobile
Reference No.	INA0036B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Diesel Engine; Global Warming; Gasoline Engine; Original Equipment Manufacturers; Emission; Clean Diesel; Federal Regulations and Standards; Ford; GM; DaimlerChrysler; Miles per gallon; US car industry; Fuel efficiency; Miles traveled.

POSCO in 2004 – The World's Most Profitable Steel Maker

The case is set in the year 2004 and talks about POSCO, the South Korean steel maker that was the leading steel company in terms of profitability. The case starts with the evolution of the world steel industry, the major technology shift (Basic Oxygen Method to Electric Arc Furnace (EAF) Method) that changed the industry economics, and talks briefly about the evolving demand-supply conditions. By 2004, steel industry was considered old economy and steel was commoditised. The increasing competition from mini-mills (companies using the EAF technology to produce steel) left some of the major steel producers' operations unprofitable. As a result steel producers were resorting to various strategies, including consolidation, to sustain in the industry. The case describes how POSCO sustained and grew in such conditions, achieved its position of leadership and the strategies it adopted on its way. Specifically, the case talks about POSCO's product-market choices, technology initiatives, joint ventures, and its organisational structure. The case also briefly touches upon the challenges faced by POSCO in sustaining its position.

Pedagogical Objectives

- Discuss POSCO's advantages and disadvantages based on key success factors in steel industry in 2004
- Analyse POSCO's position vis-à-vis the other players in the industry
- Discuss if POSCO's strategies are replicable by other players in the industry
- Discuss the strategies for sustaining and improving POSCO's position in the industry
- Building competitive advantage in a commoditised industry such as steel.

Industry	Steel
Reference No.	INA0035B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Steel Industry; Mini-mills; Steel marketing technology; Finex technology; Technology innovations; Mass production; Location; advantage; Joint ventures and strategic partnerships; value added products; Centralised management; Steel consumers; Steel production; Raw material sources of steel; Iron ore; Scrap steel.

The Chinese Luxury Goods Industry in 2005

The case highlights the tremendous growth potential for the luxury goods market in China. The case also focuses on the luxury industry in 2005 and the top 3 players. The booming economy in China coupled with increasing disposable incomes of the Chinese is making China a market that cannot be missed out by the luxury goods players. But the luxury players have to face the problem of counterfeiting which has reached to the extent of contributing to China's GDP and supporting local economies. The luxury goods firms are in a dilemma, whether to enter the Chinese market and face the problem of counterfeiting or play safe by staying away from China and let go the opportunity of a strong potential market which is all set to be the No.1 in the near future

Pedagogical Objectives

- To analyse whether the luxury industry should enter China
- To analyse whether the presence of counterfeiting is a threat to the luxury goods industry.

Industry	Luxury Goods
Reference No.	INA0034B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Luxury Goods; China; Counterfeiting; Fake; Pirated; Country of Origin; Luxury Retailing; Market Potential; Tourism and Luxury Industry; Local Partnerships; Brand Image; LVMH. Gucci; Richmont; Yuan.

Future of Hybrid Cars in the US

In the recent years in the US, the prices of gasoline were increasing at an alarming rate and had reached a record high level of $2 per gallon in 2004 and the demand for gasoline was projected to average around 20.9 million barrels per day by the end of 2005. This created a lot of pressure on the consumers in general, and the automobile manufacturers in particular, to reduce the dependence on foreign oil. The manufacturers were forced to produce fuel efficient cars and advanced diesel and hybrid technology was considered as an alternative. The case discusses the anatomy of the hybrid cars and the issues for the success of the hybrid cars in the US. The case further highlights the challenges faced by hybrid cars in the US, for acceptance

Pedagogical Objectives

- This case can discuss where the US automobile industry is heading to. Will Hybrids out run the gasoline cars in the future?
- The increasing oil dependency of US and its impact on its economy
- How hybrids can mitigate the growing environmental pollution
- The challenges and strategies hybrid car makers have to face and pursue to sell more hybrids.

Industry	Automobile Industry
Reference No.	INA0033B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

US automobile industry; Hybrid cars in the US; Hybrid Anatomy; Oil dependance; Global Warming; Fuel Efficiency; Toyota

Prius; Zero Emission Vehicles; Advanced diesel; US auto Manufacturers; CAFÉ Standards; US environmental Protection Agency; Emission Levels; Ford; Honda Insight; DaimlerChrysler.

Gucci in 2005: On the Comeback Trail

The Italian company, Gucci was a small luxury leather goods store when started, in 1921. But in 2005, it has grown into a multi-brand conglomerate with a colorful past and a bright future to look forward to. Gucci is the third-largest luxury goods company in the world after Louis Vuitton Moet Hennesy (LVMH) of France and the Swiss group Richemont.

Owing to an economic slump and a series of other global events, Gucci along with other luxury goods companies saw a bad run in recent years. But since 2004, when Robert Polet has taken over as the CEO of the group, things have started looking up for the group. Polet has drawn up ambitious plans for the expansion of the company. Experts wondered whether the company will be able to bounce back as envisaged by Polet. Or are his plans too ambitious?

Pedagogical Objectives

- To discuss about the luxury goods industry
- To understand about the Chinese leather market
- To discuss about Gucci's performance under different leaders.

Industry	Luxury Goods Sector
Reference No.	INA0032B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Luxury goods industry; Gucci; LVMH; Richmont; Robert Polet; Mark Lee; Guccio Gucci; PPR; SARS; Fashion accessories; Luxury goods in Asia; Luxury goods in Asia; Luxury Goods in Europe; Slump in sales; Cosmetics; Jewelry.

The US Radio Industry

This case study takes a look at the technological changes that have happened in the US Radio Industry over the last century. It explains various phases of development in radio technology starting from the traditional AM/FM terrestrial radio to digital technologies like Satellite Radio, Internet radios and High Definition (HD) Radios. All these technologies had certain advantages as well as limitations associated with them. The case endeavours to raise a debate on which technology would come to dominate the US Radio Industry in the near future.

Pedagogical Objectives

- To discuss about the terrestrial and satellite radio
- To discuss about the developments in the US radio industry.

Industry	Radio Broadcasting
Reference No.	INA0031B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

US Radio Industry; Terrestrial Radio; Satelite Radio; Sirius Satelite Radio; Internet Radio Technology; Satelite Radio Technology; HD Radio Technology; Future of US Radio industry; Sirius vs XM; Hertz. National Association of Broadcasters; Federal Communications Commission; AM/FM radio.

Globalization of the Indian Film Industry: Reel or Real?

The Indian film industry is one of the largest industries in the world. Over the years it has witnessed considerable improvement in the art of film-making, distribution and exhibition as a result of globalisation and recent technological innovations. Such changes have led to the industry getting noticed by people in the west, especially Hollywood. This raises issues on the future of the industry in the international circuit and the challenges that are to be confronted to make it a reality.

Pedagogical Objectives

- To discuss about the trends in the Indian film industry
- To understand how globalisation has influenced a creative industry
- To understand how the growth in Bollywood is challenging Hollywood
- To understand the growth of India's entertainment industry in the world market.

Industry	Film
Reference No.	INA0030B
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Cinema; Film industry; Hollywood; Corporatisation; technical advancement; production collaborations; marketing; Bollywood; international awards; Indian dispora; globalisation; development; piracy; plagiarism; finance.

Are Hybrid Cars the Answer to Soaring Oil Prices in the US?

Rising Oil prices always raised global concern and alarm, both for the governments and also for the common man. But it meant something more for the US since they were the biggest importer and consumer of oil in the world. Economists forewarned that if the US doesn't wake up to this, the common man will be left with two options, feed their cars with oil or feed themselves with food. Nevertheless experts said that, those vehicles that run on alternate fuels like, hybrid cars could save the US from this predicament. Even though the hybrid car market in the US was in its nascent stage, the people concerned were very much optimistic that the cars of the future would be hybrids. This case discusses the perils and the panacea, to the problem that seriously affected the US.

Pedagogical Objective

- To discuss the need for hybrid cars in the US.

Industry	Automobile
Reference No.	INA0029B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Hybrid cars; oil; oil dependency; oil imports; automobile industry; Toyota; OPEC; oil price; Federal Reserve; Trade deficit; green house effect; environment pollution; mileage; fuel efficiency.

Drive-in Theaters in the US – On the comeback trail?

Once considered obsolete, drive-in theaters in the US are seen as a family-friendly alternative to multiplexes and other forms of commercialised entertainment. Once at the brink of extinction in the 1980s, drive-in theaters were on the path of revival. They reached their peak in the 1950s. With the advent of the cable TV and VCR coupled with the rising costs of real estate and a growing reputation of drive-ins as 'passion pits', the popularity of the drive-ins declined in the 1970s and 80s. The 1990s saw new flickering of life in the industry. Since 1990, about 40 new drive-ins sprung up, and 20 existing ones added new screens. By 2005, about 400 were in operation.

However, the greatest threat seemed to be the US government's decision to extend daylight savings time by a month each year as part of a sweeping new energy plan,

which would mean pushing the clock forward by an hour. From 2007, 48 US states would turn their clocks forward one hour in March, instead of April, and turn back in November instead of October. This would force families to head to a multiplex rather than keep their children awake for an extra hour. This would mean a huge loss for drive-in theaters. Does this spell doom to the drive-in theaters?

Pedagogical Objectives

- To discuss how drive-in theaters in the US can be an alternative for multiplexes and other entertainments
- To understand the role of US government in the success of drive-in theaters.

Industry	Entertainment/Movie
Reference No.	INA0028B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Drive-in theatre; Movie; Baby Boom; Films; Daylight saving Time; Camden; RCA; Concession Stand; AM/FM; Attendence; ticket; Frequency; Family; Comeback; Intermission ads.

South Africa's Telecom Industry: Neotel's Foray and the New Competitive Landscape

The South African telecom market had been the monopoly of the state controlled Telkom, which was the sole provider of fixed line telecommunication services. High tariff rates of Telkom hampered the nascent BPO industry, which the South African government was promoting to boost employment in the country. Under such circumstances, the telecom market in South Africa was deregulated and Neotel was launched in August 2006 as the Second National Operator (SNO), which is 51% owned by a consortium headed by India's Tata group. It is believed that Neotel would give stiff competition to Telkom, whose monopoly was characterised by high tariffs and delayed services. As Neotel is the first company to be launched after the liberalisation and deregulation of the telecom industry in South Africa, other African nations would be monitoring its progress as a prelude to liberalising their own telecom markets.

Pedagogical Objectives

- To understand the major forces shaping the telecommunication market in South Africa
- To analyse the impact of the launch of Neotel on the South African telecom industry
- To debate whether the advent of Neotel would bring true choice to South African telecom users who were dependant on a monopolistic service provider.

Industry	Telecommunications
Reference No.	INA0027
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Telecom industry in South Africa; Telkom; Telecom Tariffs in South Africa; Liberalisation of South African Telecom Industry; Fixed line telephony in South Africa; BPO Industry in South Africa; Second National Operator; Shareholding of Neotel; Telecom Tariffs and South African GDP Growth; Competitive Strategies of Neotel.

Reinsurance Industry in China: Opportunities and Threats for Foreign Reinsurers

In 1998, nine foreign reinsurers together did business of RMB 52 billion in China, which was mainly from the placement of the business in the international market by the Chinese insurers. By 2005, these nine foreign reinsurers were doing business to the tune of RMB 300 billion. China's accession to the World Trade Organisation (WTO), and the subsequent liberalisation of the insurance and reinsurance sectors, had ushered in vast business opportunities for foreign reinsurers in a market where China Re was the only major domestic player. But the business potential does not discount the threats and challenges for reinsurers.

Pedagogical Objectives

- To understand the concept of reinsurance and its importance
- To understand the dynamics of the reinsurance industry in China
- To discuss the business opportunities for foreign players in the reinsurance market in China
- To understand the various reinsurance products developed for the Chinese market
- To discuss the challenges and threats in operating in the Chinese reinsurance industry
- To discuss what foreign reinsurers are doing to mitigate these threats.

Industry	Reinsurance
Reference No.	INA0026
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Reinsurance; China's Reinsurance Market; Business Environment; Market Entry Strategies; Market Development; Risk Management; Reinsurance Products; Property and Casualty (P&C) Reinsurance; Life and Health (L&H) Reinsurance; China Re; Swiss Re; Munich Re; Cologne Re.

The Making of 'The Da Vinci Code': The Recipe for Blockbuster?

In 2006, The Da Vinci Code registered itself among those rare genre of films whose popularity have been found to be on par with the novels from which they have been adapted. By May 2006, The Da Vinci Code, a historical fiction written by Dan Brown, had achieved an all-time international best-seller status with 60.5 million print editions. The extensive research that went behind writing the book resulted in an absorbing concoction of fact and fiction. The book's sensational theme that Jesus Christ was married to Mary Magdalene and had sired a bloodline that still exists has been instrumental in its grabbing global readership across faiths. It is opined that the innovative promotional efforts by the publisher and the author have also been a major driving force behind the novel's phenomenal success.

Pedagogical Objectives

- To understand the factors that create a blockbuster out of a fictional novel
- To analyse the basic elements that contributed to the global success of The Da Vinci Code
- To debate whether controversies and criticisms are the perennial add-ons for any blockbuster novel or a movie based on it.

Industry	Entertainment Industry
Reference No.	INA0025
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

The Da Vinci Code; Dan Brown; Opus Dei; Hollywood Blockbusters; Leonardo Da Vinci; Oscars; Ben-Hur; Google; The Vatican; Mary Magdalene Robert Langdon; The Vitruvian Man; The Last Supper; Louvre; Sony Pictures.

Low Cost Carriers in India

The aviation industry in India underwent a major change in 1994, after the private operators were allowed to operate on scheduled routes. Although seven airlines began their operations soon, but only two

players survived. The case discusses in detail how the private airlines and the low-cost carriers are trying to tap the huge potential available for them in India. Finally, the case highlights the challenges faced by these new entrants.

The case includes a note on the low-cost airlines of US and UK.

Pedagogical Objectives

- To illustrate the success and growth of low-cost carriers in developed countries and India
- To discuss and understand Porter's 5 force analysis in LCC industry.

Industry	Aviation
Reference No.	INA0024A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Low-Cost Carriers; No frills airlines; Aviation Industry; Strategic Management; air travel in India; Core Competence; Competitive tariff; airline market potential; Indian Middle class; infrastructure; aircraft maintenance; aircraft fuel; Indian Airlines; Jet Airways; Air Deccan; Kingfisher Airlines; SpiceJet; GoAir.

China's Home Improvement Market: Should Home Depot Enter or Will it Have a Late-mover (Dis)advantage?

Since the mid-1990s, the home improvement market in China is growing rapidly. Besides housing reforms, rise in peoples' incomes, purchasing power and property investment encouraged private home ownership in China. Homeownership in China, which was non-existent two decades ago, has increased to 70% today. New homeowners have to fit up the basics like flooring, plumbing and furniture, as the houses are unfinished ones. This has encouraged consumers to engage in do-it-yourself (DIY) and home improvement/decorating activities. Coupled with this huge potential growth and market liberalization, China's home improvement market attracted many domestic and foreign home improvement retailers like IKEA and B&Q. China, with a population of 1.3 billion and a rapidly growing economy, has become an attractive market for many foreign companies. Atlanta-based Home Depot, the world's largest home improvement retailer, is weighing its China options: should it enter or not. Some analysts are sceptical about its late-mover disadvantage? Or does this delay help in shortening its learning curve and rise rapidly.

Pedagogical Objectives

- To understand the evolution of China's economic growth
- To debate on the inequalities between the geographical regions in China
- To analyse and understand the housing reforms in China
- To analyse China's home improvement market industry to understand the opportunities and challenges for home improvement retailers in China
- To debate whether Home Depot should enter China or not
- To discuss whether Home Depot's late entry would be an advantage or a disadvantage.

Industry	Home improvement Retailing
Reference No.	INA0023
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Foreign home improvement retailers in China; China's home improvement industry; Do-it-yourself (DIY) and buy-it-yourself (BIY); Late-mover disadvantage and first-mover advantage; Home Depot, B&Q and IKEA; China's housing reforms; China's economy; real estate; property market; Joint ventures/strategic alliances and partnerships; Market entry strategies; China's urban-rural divide; Orient Home, Homeway and Home Mart; Income disparity; GDP (gross domestic product) and purchasing power parity.

A Successful Cross-border Partnership in Pharmaceutical Industry: The Case of Roche-Chugai in Japan

After its early stage of development prior to the 1970s, the global pharmaceutical industry witnessed an accelerated growth due to huge investment in R&D, adoption of innovative technologies and the discovery of new drugs. Blockbuster drugs created multi-billion dollar companies called the Big Pharma that dominated the pharmaceutical industry, which was one of the most profitable industries in the world. However, at the turn of the 21st century, falling productivity of R&D investment and tough government regulations had resulted in scarcity of new drugs and spiraling new drug development costs. In addition, a slew of patent expiries, rising competition from generic drug manufacturers and declining consumer trust had created a difficult business environment. These conditions precipitated a trend of strategic alliances amidst pharma companies to control costs and ensure market positions. In 2001, Switzerland-based Roche Group merged its Japanese operations with one of Japan's leading pharma companies, Chugai. Despite the low success rate of cross-border alliances, with a Swiss parent company and a Japanese management team, the Roche-Chugai partnership successfully achieved the estimated R&D, revenue and cost synergies. The outlook for the company's future was also very bright.

Pedagogical Objectives

- To identify and discuss the strategic inflection points in the pharmaceutical industry
- To discuss the underlying reasons, which have spawned strategic alliances amongst competitors in the pharmaceutical industry
- To discuss the critical success factors in cross-border alliances
- To analyse the reasons for the success of the Roche-Chugai partnership in Japan and the factors that contribute to its sustainability.

Industry	Pharmaceuticals
Reference No.	INA0022
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global pharmaceutical industry; Business environment; Generic drug manufacturers; Pfizer Merck GSK (GlaxoSmithKline); Patent protection patent expiry; Clinical trials; New drug development process; Research and development investment, research and development productivity; Blockbuster drugs; Consumer behaviour; Promotional advertising expenditure; New chemical entity (NCE); Food and Drug Administration (FDA); Cross-border alliances; Mergers and acquisitions.

India's No-frills Airlines: No-profit Airlines?

Although the private sector laid the foundation of India's aviation industry with the setting up of Tata Air Lines in 1932, for a substantial period (1953-1994) the aviation industry had been highly regulated with abysmal government participation. However, subsequent deregulation of the industry in 1994 witnessed the entrance of private players. The Indian aviation industry evolved further with the entry of the No-frills or low-cost airlines in 2003 with the advent of Air Deccan. Other low-cost competitors too joined the fray, not only taking competition to a new level but also expanding the market as a whole. But certain domestic policies like higher aviation fuel charges and airport charges were hindering the low-cost airlines from

reducing prices or increasing profits. It remains to be seen as to how the Indian low-cost carriers would take on the challenge.

Pedagogical Objectives

- To discuss how the introduction of revolutionary business concepts in an industry affect the business prospects of traditional players
- To discuss the business and revenue model of low-cost airlines
- To discuss how the Indian low-cost airlines were competing to reduce costs and increase profits
- To discuss the challenges the Indian low-cost airlines face and debate on the possible solutions.

Industry	Indian Aviation Industry
Reference No.	INA0021
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Low-cost airlines; No frills airlines; Indian aviation industry; Air Deccan; Business model of low-cost carriers; Point-to-point; Hub-and-spoke; Full-service airlines; Business design for low-cost airlines; Cost structures; Internet-based distribution.

Japan's Private Banking Industry: The Competition

Although Japan is considered as one of the fastest growing markets for private banking in Asia, the concept of private banking was alien to the Japanese for many years. Citibank was the first financial institution that introduced private banking to the Japanese and played an important role in the development of private banking in the country. Following Citibank's success, many other financial institutions, both domestic and foreign, entered the industry. However, the private banking industry in Japan received a blow in the year 2005, when Citibank was issued a notice to close down its private banking operations in the country, for violating the rules and regulations of the Japanese financial systems regulator Financial Services Agency [FSA]. After Citibank pulled out of private banking in the country, the competition among the other financial institutions providing private banking services intensified. The economic reforms undertaken by the Japanese government also encouraged many financial institutions to provide private banking services to their clients. Analysts expect demand for private banking services in Japan to increase manifold in the coming years.

Pedagogical Objectives

- To understand the development of private banking industry in Japan
- To discuss the role of Citibank in the development of private banking in the country
- To discuss the competitive scenario in the private banking industry in Japan
- To discuss the opportunities available to various players present in the Japanese private banking industry, especially after the withdrawal of Citibank from the industry
- To debate whether various foreign and domestic financial institutions were taking the right step by taking increasing exposure to the private banking industry in Japan.

Industry	Private Banking
Reference No.	INA0020
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Private banking; Japan; Citibank; Competition; High net worth individuals; Government financial institutions; Postal savings system; Foreign banks; Japanese financial system; Reforms; Baby Boomers; Wealth management services.

Automobiles: Made in China, Sold in America?

China, with a vast skilled and low-cost labour force, has transformed itself into a hotbed of automobile manufacturing for both multinational and domestic companies. Chery, a state-owned carmaker, is one of the fastest growing domestic automobile manufacturers. Like a few of its domestic competitors, Chery also plans to export its cars to the developed markets, especially in the US. However, the traditional notion of American customers that 'Made in China' goods are of inferior quality, might affect Chery's prospects in the US.

Pedagogical Objectives

- To understand the dynamics of China's automobile market
- To discuss how the 'country as a brand' affects the sales of its products in foreign markets
- To discuss Chery's international expansion strategies and how it is making efforts to cope with the regulatory and technological challenges to establish its brand in the US market.

Industry	Automobile Manufacturing Industry
Reference No.	INA0019
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Foreign carmakers in China; China's automobile industry; Chinese automobile brands; China as an automobile manufacturing hub; Low-cost manufacturing countries; Localisation; High value added activities; Branding of 'Made in China' products; Expansion strategies of Chery; Country as brand; Challenges for Chinese carmakers.

India's Luxury Car Market: The Competition Heats Up

The impact of India's initiatives on economic liberalisation and globalisation (post 1991) was most apparent in the automotive sector. The economy was growing at 7% per annum and the information technology revolution in India had created a sizable professional class with huge purchasing power. Moreover, the new age Indian was becoming more comfortable with his riches and flagrant display of wealth, which ushered in opportunities for global luxury carmakers in India. Analysts estimate that the luxury car segment would be growing at a rate of 28% annually. More than 7,000 luxury cars were sold in India every year and nearly 20 global luxury brands were competing for the market share.

Pedagogical Objectives

- To highlight the strategies adopted by global luxury car markers for India
- To discuss the competitive scenario and the future of the luxury car market in India.

Industry	Automobile
Reference No.	INA0018
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Available

keywords

Indian luxury car market; Premium car manufacturer; Indian economy; Indian car industry; Quantitative restrictions; Economic liberalisation and globalisation; De-licensing of automotive sector; Consumer behaviour; Marketing strategies; Brand awareness; Dealer networks; Customs duty.

The Advent of Personalised Medicine: New Business Model for Pharmaceutical Companies?

The pharmaceutical industry's blockbuster business model seems to be fading off. Innovation is resulting in just a trickle of

new drugs, Big Pharma is losing its patents and lawsuits are shaking up the industry. In August 2005, a Texas jury ordered the US drug company Merck, to pay US$253 million (£141 million) to the wife of a triathlete who died after taking the firm's blockbuster Vioxx. That was only the first of thousands of lawsuits filed against Merck on the same charge, the situation of Merck can well be extrapolated to the industry. What went wrong with the Big Pharma? Are the problems self-inflicted? For too long the industry relied on a belief that a single drug can cure a particular ailment in all the affected people across the globe. This belief stands refuted by the genetic mapping and the research thereof. New findings suggest that every individual's reaction to a particular drug is unique, based on their unique genetic setup. Every disease has a number of variants, again based on genetic variations, and therefore demands unique medication called personalised medicine. Clearly, analysts say that the days of the mass model of drugs have come to an end.

Pedagogical Objectives

- To highlight the rise of personalised medicine
- To discuss whether the seasoned players in the pharmaceutical industry should adopt this, and the payoffs therewith.

Industry	Pharmaceuticals Manufacturers
Reference No.	INA0017
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Personalised medicine; Business model of pharmaceutical companies; Human Genome Project; DNA sequences; Big Pharma companies; Blockbuster drugs; Innovation in pharmaceutical companies; Research and development in pharmaceutical industry; Patents on blockbuster drugs; Pharmacology; Merck; Drug development process.

Low Cost Carriers in Mexico:Growth Prospects and Concerns

Mexico's flagship air carriers are Mexicana and Aeromexico. Though the two airlines controlled 80% of the Mexican market, since 2000, due to the high prices they charged, they started losing market share to other domestic and US airlines. In addition, many US low-cost carriers entered the Mexican aviation market and popularised the concept of low-cost air travel, which resulted in the rise in air passenger traffic in Mexico. To benefit from this growth, several new companies and existing Mexican airlines, including Mexicana started their own low-cost airlines. However owing to some concerns analysts are divided on the prospects of low cost carriers in Mexico.

Pedagogical Objectives

- To discuss the evolution of the Mexican airline industry over the decades, and the growth of low-cost carriers in the country
- To discuss the growth prospects and concerns for the low-cost airlines in Mexico.

Industry	Airlines
Reference No.	INA0016
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mexican airlines; Low-cost carrier; Code-sharing agreement; Mexicana; Restructuring plan; Breakeven; Aeromexico; Crossair; Loss-making routes; Incompetent managers and poor decisions; Market share; Structural problems; Growth strategies; Mexican airline industry; United airlines.

Global Pharma Industry: In Need of a New Business Model?

Once celebrated as the engine of modern medical innovation, pharmaceutical firms are lambasted for the low productivity of their research, their wasteful marketing and, above all, for the high prices that their products command. The drug companies defend their prices, and their profits, by citing the high cost of making new drugs, more than US$800 million. This infuriates critics, who argue that the firms could easily lower prices and find savings on promotions without touching their precious research and development budgets. To meet this end they propose a new business model for the pharma giants, which will focus on lowering marketing budgets and embracing innovative methods in dealing with high costs of drug making.

Pedagogical Objectives

- To discuss the pros and cons of the existing business model
- To discuss the essence of the proposed business model.

Industry	Pharmaceuticals
Reference No.	INA0015
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global Pharmaceutical Industry; Business model of drug companies; Drug industry; Big Pharma; Innovation in pharmaceuticals; Drug marketing; Advertising for drugs; Blockbuster drugs; Patent laws for drugs; Cost components of drug companies; Research and development in drug companies.

Mobile Information Technology and Communication Devices: The Energy Crisis

Mobile information and communication devices are instrumental in fulfilling the modern day needs of flexibility, mobility, communication and convergence. Conceding to the customer demands for more sophistication and convenience, the mobile device manufacturers are incorporating advanced features resulting in the emergence of mobile phones with camera, music player and colour screen, laptops and notebook computers with powerful microprocessors. But the technology of rechargeable batteries, required to power these features, is not progressing equally, thus creating a power gap. The insufficient power supply is gradually emerging as the Achilles' heel in the progress of the communications industry. The delay in development of other viable alternatives to meet this power gap is further worsening the situation, posing the threat of an energy crisis for the future that could lead to stagnation of advancements in mobile devices.

Pedagogical Objectives

- To highlight the technological advancements in the mobile information and communication devices, the evolution of rechargeable batteries that power the mobile devices, and the reasons for an impending energy crisis
- To discuss the viable measures to deal with the impending energy crisis.

Industry	Mobile Electronic Devices
Reference No.	INA0014
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mobile communication electronic devices; Mobile information technology devices; Energy sources for electronic devices; Battery technologies; Rechargeable batteries; Nickel metal cadmium batteries; Lithium ion polymer batteries; Fuel cell technology; Power-hungry mobile devices; New generation portable devices; Portable power sources; 3G (third generation) and 4G (fourth generation) communication technologies; Advanced features in electronics; Power gap and energy crisis; Battery technology innovation.

Pharma Majors in Developing Countries: An Extended Corporate Social Responsibility

The developing countries have always had a crisis when it came to disease and medicine. With twelve major infectious diseases afflicting them and non-availability of drugs, their woes worsened due to pharmaceutical neglect of developing countries. Questions arise as to whether the pharma giants of developed countries were actually serving the people in such poor countries, where diseases like HIV (Human Immunodeficiency Virus)/AIDS (Acquired Immune Deficiency Syndrome) and tuberculosis kill millions each day. Meanwhile the pharma majors were criticised for their profit-oriented business practices undermining social responsibility. In an effort to make drugs available, the governments of these countries took some initiatives, which led to reduction of prices of the patented drugs and the onset of generics in these markets.

Pedagogical Objectives

- To highlight social responsibility factor of the global giants and how crucial it can become for their survival in the future
- To discuss significance of the WTO's (World Trade Organisation) Doha declaration, which outlined the inclusion of compulsory licensing and parallel importing to serve the interests of the common man in such developing countries
- To discuss the various drug donation programmes, private-public partnerships and the price war initiated by the introduction of generics in the developing countries.

Industry	Pharmaceuticals
Reference No.	INA0013
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Social responsibility; Third World diseases and market; Drug patent regime; Intellectual property rights; Uruguay round of GATT (General Agreement of Trade and Tariffs); Pharmaceutical neglect; Pursuit of profit maximisation; NGO's (Non-governmental organisation) criticism against pharma giants; Doha Agreement; Lawsuits and governments; The social front.

France's Wine Industry: In Need of Better Marketing

In the early 21st century, the wine industry in France, an icon of French culture, has been passing through a troubled phase. The last four decades of the 20th century had seen per capita domestic consumption of wines reducing from 126 litres in 1960 to just 56 litres by 2000. The import of French wines in America and Britain had also reduced considerably since the mid-1990s. With a vast stock of unsold wines, the French wine industry was plagued by a huge financial crisis.

Pedagogical Objectives

- To highlight the myriad problems faced by the French wine industry
- To discuss the initiatives taken by the French government to bail out the industry from the crisis.

Industry	Wine
Reference No.	INA0012
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

France; French wine industry; Varietals; Appellations; Bordeaux; French wine export; Appellation d'Origine Controlee (AOC); Institut National des Appellations d'Origine (INAO); New world; Evin Law; Fermentation; Varietal labelling; Alcohol advertising; Industrial distillation of wines.

Global Automobile Industry: From Mass Production to Mass Customization

By the end of the 1990s, the global automobile industry began to see flaws in its much acclaimed mass production model. Henry Ford's mass production model brought about manufacturing excellence through economies of scale and cost efficiencies in automobile industry. However, with the changing market scenario, the 'Big Three of Detroit', along with other top manufacturers were feeling the pressure of meeting the sophisticated and ever-changing consumer preferences in the market. Consumers had become choosy about the color and styles of the models they purchased. Mass customisation-making cars to-order and operating in niches like environmental friendly cars are being considered as a possible solution to the problems that besiege the industry.

Pedagogical Objectives

- To highlight the shift from the mass production model to niche segments in the global automobile industry
- To discuss the initiatives taken by the big three of Detroit.

Industry	Automobile
Reference No.	INA0011
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Detroit big three; Mass production; Build-to-stock; Dell's mass customisation; Entry barrier; Economies of scale; General Motors buy-power; Fuel-efficient cars; Henry Ford; Alfred Sloan General Motors; End of Detroit; Zero inventory; e-Commerce; Five-day-car; Lean manufacturing.

The South African Car Industry: The Resurgence

The South African car industry has always attracted the major carmakers in the world since the 1920s. Although the industry managed to overcome the turmoil of the Great Depression and the Second World War, due to the Apartheid policy of its government, there was an international boycott of South African trade. After the new democratic government came to power in 1994, the country started taking initiatives to bring back its past glory as the car-manufacturing hub of Africa. By the end of 2000, the auto industry was contributing 5.4% to the GDP of South Africa.

Pedagogical Objectives

- To highlight the initiatives taken by the democratic South African government to reclaim the status of Africa's car-manufacturing hub
- To discuss the effects of such initiatives.

Industry	Automobile
Reference No.	INA0010
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

South Africa; Delta Motor Corporation; General Motors; Volkswagen; Ford; Mercedes Benz; Completely knocked down versions; Apartheid; United auto workers; Democratic Republic of South Africa; BMW; Nelson Mandela; Toyota; Nissan; Albert Wessels.

The Demise of Detroit: Why the Big Three Lost

Detroit's Big Three - 'General Motors', 'Ford' and 'Chrysler' reigned supreme in the US automobile market all through the 1960s and 1970s. But the Japanese, German and Korean car manufacturers, who gradually eroded the Big Three's US market in the 1980s, challenged their supremacy. The invasion started with the small-car segment and by the end of the 1990s, the SUV and the luxury car segments had also been captured. The Big Three had

underestimated their competition and failed to understand the pulse of the market. With its inflexible plants, high legacy costs and their looming labour problems, Detroit was in deep waters.

Pedagogical Objectives

- To highlight the gradual erosion of the Big Three's US market
- To discuss the reasons for such erosion.

Industry	Automobile
Reference No.	INA0009
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

General Motors; Ford; DaimlerChrysler; Toyota; Honda; BMW; Volkswagen; Detroit; Motown; United Automobile, Aerospace and Agricultural Implement Workers (UAW); Hyundai; Market share of Big Three; Big Three; The end of Detroit; US automobile industry.

Low-Cost Carriers in Asia

The concept of a Low-Cost Carrier (LCC), that got instant popularity in the US in 1970s, was adopted in Europe in the 1980s. Asia was a little slow in picking up the trend. The first LCC in Asia, the 'Orient Thai', started in the mid-1990s in Thailand, faced lot of problems as the government of Thailand saw it as a threat to its national carrier, 'Thai Airways International'. Subsequent deregulation of the domestic aviation industry in Thailand came as a breather for 'Orient Thai'. Following this example many other LCCs sprang up in different Asian countries like the 'Cebu Pacific Air' (Philippines), 'Air Asia' (Malayasia) and Deccan Air (India). Seeking to tap the potential of LCCs, even the national carriers jumped into the fray in 2003. In December 2003, Singapore Airlines (SIA) announced the launch of its forthcoming LCC – 'Tiger Airways'. Thai Airways was also planning to launch its own LCC , 'Nok Air', by mid-2004.

Pedagogical Objectives

- To highlight the emergence of low cost carriers in Asia
- To discuss the increased competition from the national carriers.

Industry	Airlines
Reference No.	INA0008
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Low-cost carriers (LCC); Asia; Malaysia; Philippines; Thailand; Singapore; India; AirAsia; Orient Thai; Tiger Airways; One-Two-Go; Anthony Fernandes; Udom Tantiprasongchai; Singapore Airlines; Air Deccan.

Japan's Tech Industry: The Comeback Trail

Japan's technology industry, which had been weak since the bursting of the IT bubble, has suddenly been rejuvenated. Earlier Japanese companies like Sony, Sanyo and Matsushita were considered to be the benchmark for tech goods worldwide. The recent development in other Asian countries like China, Korea and Taiwan had brought them at par with Japan. Companies like LG of Korea started giving tough competition to their Japanese counterparts. But the demand for Japanese electronics and other goods in recovering world markets had helped lift the economy out of a 10-year slump. Digital appliance products such as mobile phones and digital versatile disc (DVD) devices were propelling this movement.

Pedagogical Objective

- To highlight the effect of the technological industry on the Japanese economy.

Industry	IT
Reference No.	INA0007
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Japanese tech. industry; Japanese economy; South East Asian financial crisis; Japanese exports and imports; Southeast Asian countries; Lucky Goldstar (LG); Samsung; Digital appliances; Liquid crystal displays; Yen appreciation; Plasma TV; Sony; Matsushita; Sanyo; Semiconductor industry.

Indian Auto Components Industry

Contrary to popular perception that liberalisation stifles the growth of domestic manufacturers, Indian auto components industry has evolved to compete with global companies. During this process of evolution, the industry produced some of the world-class component manufacturers like Sundaram Fasteners and Bharat Forge Ltd. Not just domestic manufacturers, even global giants like Delphi and Visteon have set up their manufacturing bases in India. But the industry had its own challenges in terms of meeting quality norms, sound logistics and the like. These problems were further coupled by the fewer number of tier 1 suppliers. Analysts attributed the problems to the nascent state of the industry.

Pedagogical Objectives

- To highlight the growth of Indian auto components industry in the context of liberalisation
- To discuss the challenges faced by the industry.

Industry	Automobile and Transport
Reference No.	INA0006
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Low-cost auto components; Auto component makers; Maruti Udyog Limited; Mahindra & Mahindra; Phased manufacturing programme; Automotive Component Manufacturers Association (ACMA); Product liability clause; Tier 1 suppliers; Original equipment manufacturers.

India: An Automobile Hub in the Making

Forty years ago when Peter Drucker phrased the auto industry as the 'industry of industries', little did the carmakers know about outsourcing and technology sharing. Now, when most of the markets are brimming with competition from across the globe, carmakers had no option but to keep their costs low. In this context, Asia first emerged as a manufacturing hub with countries like India, South Korea and China becoming outsourcing destinations. The Indian context is particularly striking as the country opened its doors to foreign automakers only in 1992. After a little more than a decade, Indian automobile industry stood as a shining example of producing low-cost cars with international quality norms. From DaimlerChrysler to Ford to Hyundai, most of the global carmakers today see India as the global hub of car manufacturing and component outsourcing. Even indigenous carmakers like Tata Motors and Mahindra & Mahindra have made inroads into the global markets. Recently, Tata Motors reached an agreement with MG Rover of Britain to supply 100,000 of its 'Tata Indica' to Europe.

Pedagogical Objectives

- To highlight Asia's emergence as a manufacturing hub in the increasing competition and the pressure to keep the costs low
- To discuss the outsourcing in the Indian automobile Industry.

Industry	Automobile
Reference No.	INA0005
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Liberalisation; Foreign direct investment (FDI); Maruti Udyog Limited; Hyundai Motor India; Tata Motors; MG Rover; Auto ancillary industry; Original equipment manufacturers (OEMs); Export destinations; Product liability clause; DaimlerChrysler AG; Economic reforms; Outsourcing strategies; R&D gap; Delphi India

Big Pharma R&D: Is it worth spending?

Big Pharma like Pfizer, Glaxo and Novartis spend as much as $30 billion a year on R&D. But the number of new molecular entities resulting from such R&D spend is shrinking.

Pedagogical Objectives

- To highlight the decreasing number of new molecular entities
- To discuss the other challenges faced by today's Big Pharma.

Industry	Pharmaceuticals
Reference No.	INA0004
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Big pharma; R&D; Pfizer; Novartis; New molecular entities; Eli Lilly; Astrazeneca; Bristol-Myers Squibb; Sanofi-Synthelabo; Schering-Plough; Merck; Pharmaceutical; GlaxoSmithKline; USFDA; Drugs.

Cost Advantages of Low Cost Carriers in USA

In the1970s, the deregulation of the US domestic aviation gave rise to a new kind of airlines - the 'No-frills' or 'Low-Cost' carriers. The low-cost carriers had an entirely different business model from the regular or the traditional carriers. The first low-cost carrier to start operations was Southwest Airlines in 1971. Since the 1970s, the low-cost carriers have always clocked profits. Even in the aftermath of the September 11 terrorist attacks in the US, while traditional airlines had together lost $10 billion in 2002, Southwest earned $418 million for its 30th consecutive year. As the traditional airlines suffered from high operational costs for long, they also decided to enter the low-cost game to sustain their profits and to regain the market share they had ceded to their low cost counterparts. On April 15th 2003, Delta Airlines launched its low-cost arm, 'Song', followed by 'Ted' by United Airlines in late 2003.

Pedagogical Objectives

- To understand the low-cost carriers' business model
- To discuss the emerging scenarios in the American airline industry in the light of major carriers' entry into the low-cost arena.

Industry	Airline
Reference No.	INA0003
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Low-cost carriers in USA; Cost structure in aviation industry; Regular carriers in USA; Losses in the US aviation industry; Deregulations in the aviation industry; Hub and spoke system; Market share of low-cost carriers; Operating costs in the aviation industry; Business models of low-cost carriers; Southwest Airlines; On-line air ticket reservation; Cost-cutting measures at Delta Airlines; Cost-cutting measures at American Airlines; Song and Delta; Big carriers fighting back.

Transnational Alliances in Civil Aviation

Since its inception as a means of mass transport in the 1940s, the civil aviation industry worldwide has always been under stringent government regulations. Due to the fragmentation of the industry, it suffered from operational inefficiencies, financial losses and poor customer services. This led to changes in business models of the industry from time to time – deregulations in domestic aviation in many countries followed by strategic international alliances between major airlines of different nations. In September 2003, a new business model emerged when KLM (Royal Dutch Airlines) merged with Air France to mark the first merger of two national flagship carriers.

Pedagogical Objectives

- To highlight the need for change in the business model of the civil aviation industry
- To discuss the significance and effects of the new model.

Industry	Airline
Reference No.	INA0002
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Aviation alliances; Mergers in aviation industry; Regulations on airlines; Chicago convention, 1944; KLM-Air France merger; Code sharing agreements in aviation industry; First transatlantic alliance, 1993; SkyTeam; Hub and spoke system; Deregulations in the airline industry; Strategic alliances between airlines; Open skies; Aviation networks; Aviation industry after September 11, 2001; Consolidation of the aviation industry.

Mercedes-Benz: Quality Concerns

By the end of 1990s, Mercedes-Benz, the car that had been adored by Presidents and Popes for seven decades, was witnessing rising customer complaints regarding its quality. Mercedes, which ranked No.1 in the first 'Vehicle Dependability Survey' of J.D. Power and associates in 1990, saw its rank slipping to No.3 in 1999 and then to No.26 in 2003.

Pedagogical Objectives

- To discuss the reasons for the quality problems of Mercedes A-Class and M-class cars
- To discuss how in turn this affected the overall brand image of Mercedes.

Industry	Automobile
Reference No.	INA0001
Year of Pub.	2003
Teaching Note	Not Available
Struc. Assign.	Not Available

Keywords

Mercedes-Benz; History of Mercedes; Trademark of Mercedes; Quality ratings of Mercedes; JD Power; Quality problems at Mercedes; Firsts at Mercedes; Quality concerns at Mercedes; Quality checks at Mercedes; Vehicle dependability study; Initial quality rankings; Customer complaints at Mercedes; Suppliers of Mercedes in the US; Grievances about Mercedes; MCG Best.

Managing in Troubled Times/Managing a Crisis

'San Lu', The Chinese Milk Products Manufacturer's Product Failure: Managing the Crisis?

This case study's primary objective is to trigger a discussion on how to manage a crisis keeping in mind three very important facts: a) the crisis emanated from a product failure, b) the product is highly sensitive, i.e. it's a food item and c) when the company in question comes from China, which has recorded serial product failures. Since the 21st century, China has been known for its food crises ranging from fake milk powder and pet food to duck eggs and

toothpaste. In September 2008, the country witnessed another milk powder crisis that sickened and killed many babies. The case delves into the reasons for why the country is so prone to food crises. The latest crisis involved San Lu, one of the largest domestic dairy firms. In spite of being one of the largest and the most trusted dairy firms, San Lu's milk powder was found to be contaminated with an industrial chemical, melamine. Unfortunately, there were other 22 firms involved in the crisis. To manage the crisis, San Lu made a much delayed product recall and issued a public apology. However, are these measures sufficient to undo the damage and rebuild customer trust in a country where food safety is consumer's first priority and cutting back on dairy purchases is unavoidable? The case delves into the challenges that San Lu, the dairy industry and China would face in refurbishing its tainted image.

Pedagogical Objectives

- To understand and analyse the reasons for serial product failures and frequent food crises in China
- To analyse the San Lu milk crisis and understand the reasons behind it
- To explore the ways and means available for San Lu to manage the crisis in the short term as well as the long term.

Industry	Dairy industry
Reference No.	TRT0136
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Food supply chain, Crisis management, logistics, Brand image, Quality control, Regulatory system, Business ethics, Corporate Social Responsibility, Made in china, Corporate image, International trade

Vodafone (C): Sarin 'Follows' Pug

To quickly recoup from the growth crisis and capitalise on the fastest growing mobile market in India, Sarin found his desi routes through HTIL's bid. Third in the Vodafone case series, this case study presents Sarin's signature deal in clinching Hutchison Essar's majority stake. Not every day that one gets to control a big player in a highly regulated and competitive environment. Thereby, Vodafone's acquisition of controlling stake in Hutchison Essar was very crucial for its growth in emerging markets. The case study highlights Sarin's strategic efforts in establishing its presence in India like rebranding initiatives to increase its brand awareness through massive promotional campaigns, infrastructure sharing with other network operators and others that are exclusively focused on reaching the low-end customer segments. However, Sarin decides to quit the company leaving his successor, Vittorio Colao, with a pile of unfinished businesses. Given the scenario, can Vodafone succeed in the Indian market amid stiff competition from large family-run companies like Bharti, Reliance and Tata groups? Can its growth in Indian market compensate for its stalled growth in Europe? What are the challenges Colao would face in the future?

Pedagogical Objectives

- To justify Vodafone's decision to acquire controlling stake in Hutchison Essar
- To evaluate Vodafone's strategies to win the Indian customers
- To examine Vodafone's rebranding strategies in India
- To emphasise Vodafone's successful performance in Indian markets
- To analyse the growing competition and other challenges to Vodafone in India
- To examine Sarin's exit from the company and potential challenges for his successor
- To suggest how Vodafone can gain sustainable competitive edge in developing countries like India.

Industry	Telecommunication
Reference No.	TRT0135
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mobile; Hutchison Essar; Rebranding; Managing in Troubled Times Case Studies; Vodafone; Acquisition; Infrastructure; Bundling; 3G; GSM; CDMA; Spectrum; Tariff; Wars; MVNOs; Vittorio Colao; DoT; COAI; and TRAI

Vodafone (B): Sarin Finds His Desi Routes?

Stalled growth in major markets amid declining profitability could no longer justify Vodafone's investments in acquisitions. Hence, the new CEO, Arun Sarin's immediate task in hand was to integrate the far-flung empire. A sequel to the case study, Vodafone (A): Sarin Gets Stumped!, this case study emphasises Vodafone's foray into emerging markets like Turkey, Romania, Africa and India. At a time, when Vodafone was eager to make a mark in India – world's fastest-growing mobile market – Hutchison Telecommunications International Ltd. (HTIL) offered to sell off its majority stake in Hutchison Essar. With a backdrop of a chronology on Indian telecommunications industry and Hutchison Essar's presence in India, the case study highlights Vodafone's dilemma in joining the race for HTIL bid. Should it wait for increasing its minority stake in India's leading telecom operator, Bharti AirTel or join the race for HTIL's bid? Amid this situation, it remains to see whether the Indian-born CEO routes Vodafone's new growth map to his home country or find out a new way to flourish in the market.

Pedagogical Objectives

- To discuss the intricacies of operating in an emerging market
- To examine Vodafone's foray into emerging markets and its way of handling the challenges
- To discuss the development trends in the Indian telecom industry and its growth potential
- To examine the growth strategies of Hutch in India
- To analyse whether Sarin's Indian nativity would help him chart Vodafone's new growth map in India
- To resolve Vodafone's dilemma – whether to bid for HTIL offer or to wait for further stake in Bharti AirTel.

Industry	Telecommunication
Reference No.	TRT0134
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Vodafone; Emerging Markets; Cost Reduction; Monopoly; Telecom Circles; Licensing Agreements; BSNL; MTNL; Managing in Troubled Times Case Studies; VSNL; Bharti AirTel; Reliance; Hutchison; Market Entry; ARPU

Vodafone (A): Sarin Gets Stumped!

Vodafone, one of the leading wireless companies was lurching in losses – biggest ever in the European corporate history – owing to its legacy of expensive buyouts, ill-timed exits and its own strategic flaws. At a time when rivals were moving towards convergence of Information, Communications and Technology, Vodafone's mobile-only approach was a spectacular failure. Aggressive expansions amid growing market saturation, struggling unit and failure to make a mark in the US, brought Vodafone's growth engine to a halt. Amid such situations of crisis, Arun Sarin succeeded Christopher Gent. Given the

scenario, is the shine wearing off for Vodafone? What challenges do Sarin face? Can he revive the company back to its glory days? Where should Vodafone look for growth now?

Pedagogical Objectives

- To discuss the intricacies of intensifying competition in the telecom industry and ways to gain competitive edge over others
- To discuss the role of mergers and acquisitions as an important strategy for aggressive growth plans, particularly in the case of international expansions
- To discuss the success story of Vodafone in the global telecom industry and identify the factors that has stalled its growth in its major European markets
- To examine the leadership traits of Gent and Sarin during situations of crisis as well as growth opportunities
- To identify the various challenges faced by Sarin in carving out a successful growth path for Vodafone
- To suggest different options for Vodafone's sustainable growth in matured markets.

Industry	Telecommunication
Reference No.	TRT0133
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Telecom; Convergence; Europe; Consolidation; 1G; 2G; 3G; GSM and CDMA; Value Chain; Market Penetration; Competitive Advantage; Expansions; Managing in Troubled Times Case Studies; Acquisitions; MVNO; Takeover; Leadership; Arun Sarin

Nokia (A): A Stable Player in a Turbulent Industry

With an estimated global market volume of 1.15 million units in 2007, the mobile handset industry is the largest consumer electronics market in the world. However, from 2008, growth has slowed down for the industry that till now has enjoyed a double digit growth. Added to the woes is the increase in demand for low-priced handsets, which means lower margins for the handset manufacturers. Nokia is a dominant industry player and has held the top position since 1998, after upstaging Motorola. The company till now has managed to stay ahead of rivals. Now, with Samsung challenging Nokia in the low-cost handset market, there is impending saturation as the industry matures and margins are expected to go down. In such a scenario how can Nokia maintain its competitiveness and stay ahead of its competitors? This case study is the first in a two part series on Nokia and provides a thorough outlook on the mobile handset industry and the changes therein. It details the changes in the mobile handset value chain and then enables a discussion on what do these changes imply for the incumbent players. The discussion centres on what have been Nokia's strengths and based on the industry analysis, what are the opportunities and threats to the company. Based on this, what should be Nokia's strategy and what course of action should the company take to maintain its competitiveness?

Pedagogical Objectives

- To understand the telecom industry based on Michael Porter's Five Forces analysis
- To analyse the emerging trends in the telecom industry and the critical success factors for the handset makers
- To understand the changes in the mobile handset value chain and the evolving product concept and its significance for the incumbent players
- To understand the strategies that Nokia, the industry leader, should follow to maintain its competitiveness.

Industry	Telecom
Reference No.	TRT0132
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mobile; Success; Value Chain; Segmentation; Total Product; Industry Analysis; Scenario Analysis; Porter; Nokia; SWOT; Competitive Advantage; Managing in Troubled Times Case Studies; Growth; Theodore Levitt; Samsung; Motorola

How Goldman Sachs Survived the US Mortgage Crisis

The massive financial cataclysm triggered by the US subprime mortgage lending during the year 2006 forced many leading mortgage lenders in the US to close their operations and file for bankruptcy. It also resulted in the investment banks, engaged in securitising subprime loans into marketable securities, running the risk of insolvency. Hit by the market turbulence, leading global investment banks, including Lehman Brothers, Merrill Lynch, Citigroup, UBS, Bear Stearns and Morgan Stanley, registered a total loss of $136 billion in 2007 for their subprime exposures. However, Goldman Sachs Group Inc., one of the world's largest investment banks, reported net earnings of $11.6 billion in 2007 despite the credit turmoil. This case facilitates discussion on how meticulously Goldman has averted the crisis and reported revenues amidst the massive mortgage melt-down.

Pedagogical Objectives

- To trace out the reasons behind the US mortgage crisis
- To analyse the impact of the crisis on Global financial market
- To discuss Goldman Sachs' pro-active strategies in mitigating the market risks and reporting profits.

Industry	Banking
Reference No.	TRT0131C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Goldman Sachs; Investment Banks in the US; Mortgage Crisis; Sub-prime crisis; US housing market; Securitisation; Mortgage-backed securities (MBS); Collateralised Debt Obligation (CDO); Collateralised Mortgage Obligation (CMO); Credit Crunch; Special Purpose Vehicle; Troubled Times Case Studies; Pass-Through-Certificates (PTCs); Poor Credit Rating; Short selling; Credit-default Swaps

Will the Red Envelopes at Netflix get Obsolete?

Since the time it was launhed till the present (2008), Netflix has been the leading player in the online video rental market. Its revolutionary business model heightened the industry competition. But, with the movie download service launched by powerhouses like Apple and Amazon, industry veterans speculated about the certainty of Netflix to retain its market position. It was felt that, if Netflix did not experiment with the movie download technology, it might end up losing its position in the industry ladder. Finally, in late 2007, Netflix entered into the movie download market. It differentiated its offering through a technology called streaming movies. This technology did not turnout to be a big hit as it was not feasible for offline viewing and on high definition screens. In order to make-up for its drawbacks, Netflix partnered with LG Electronics in early 2008. Netflix's founder, Reed Hastings stated that the firm also had similar partnership plans with few other companies in the digital landscape. Reed expects that the Netflix-LG partnership will help the firm rectify its shortcomings in streaming movies technology. Analysts on the other hand are skeptical about the success of the technology and feel that in the longrun it might lead to shrinking of Netflix's core service of DVD-by-mail. It remains to be seen if the technology convergence at

Icfai Business School IBS CDC Case Development Centre

Netflix will succeed and render its red envelopes obsolete.

Pedagogical Objectives

The case study helps the students to analyse and understand:

- The importance of innovation (technology convergence) in the success of Netflix through years
- How Netflix gained popularity with its DVD-by-mail service
- The future of Netflix's idea to partner with firms in the digital landscape.

Industry	Online DVD rental Industry
Reference No.	TRT0130B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Red Envelopes; Netflix; Amazon; Apple; DVD-by-mail; technology convergence; Reed Hastings; Netflix-LG deal; moviedownload service; streaming movies; innovation; online DVD rentals; subscription based business model; pay-per rental; late fees

Unrest at Volkswagen: Who Takes the Decisions?

For decades Volkswagen, Europe's largest carmaker, had enjoyed a reputation for having one of Germany's most highly-developed systems of labor/management co-operation, with managers involving employee representatives in crucial decisions. Germany's co-determination law, under which VW functioned, started out conceptually as a law to ensure a balance between the interests of management and labor in the company but had morphed into an insidious alliance aimed at "keeping appearances", "being the favorite" and "not rocking the boat". CEOs and top managers depended on votes from labor representatives to be reappointed. Instead of making tough decisions on restructuring or job cuts, VW managers were inclined to delay or avoid change and instead curry favor with union bosses sitting on their boards, often to the detriment of the company. And with the resignation of Bernd Pischetsrieder, the chief executive of VW it seemed that life in Germany for corporate bosses seemed to have become treacherous. Pischetsrieder was forced out after lengthy struggles with Ferdinand K Piech VW's Chairman and chief of the company's supervisory board and a highly influential figure (being the grandson of Ferdinand Porsche). Piech had an agenda of his own and Pischetsrieder was caught between aggressive investors and VW's set of problem. VW had been hobbled by anemic sales, deteriorating quality, and unnaturally close relationships between management and employee leaders. Piech, a powerful shareholder with his "Faustian pact" was all out to get his way. Despite having hired groomed and nurtured Pischetsrieder (to streamline the company in the face of withering global competition) to take his place at VW when he himself moved up as the Chairman of the supervisory Board, he axed him. Before being forced to resign Pischetsrieder was given a five year extension till 2012. Volkswagen shares dropped as investors took in the depth of problems facing the company. There was unrest at VW. Was there more to be read between the lines of Pischetsreider's resignation? Was there an undue union influence at Volkswagen? Who took the decisions?

Pedagogical Objectives

- To understand the dynamics of corporate governance, by evaluating its merits and demerits and the impact on managerial behaviour in German automobile companies
- To evaluate the importance of shareholder and stakeholder-oriented governance systems
- To evaluate the various management styles adopted in automobile companies
- To discuss and understand the impact of executive intelligence on business leaders.

Industry	Automobile Industry
Reference No.	TRT0129B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

system of cross-holding;industrial co-determination; company-centric management; inflexible workforce; history of intransigent leaders; union bureaucracy; co-opted with insiders; state ownership; dynamics of corporate governance in VW; managerial behaviour in VW; Ferdinand Piech; Volkswagen's supervisory board, shareholder/stakeholder-oriented governance; Unrest and organisational instability at VW; impact of executive intelligence

Trouble at Starbucks: Will the Visionary Founder Howard Schultz be Able to Transform the Company?

US based Starbucks Corp. (Starbucks), world's largest chain of coffee houses has become one of the most admired brands worldwide under the leadership of its visionary founder Howard Schultz (Schultz). However, after Schultz's departure as CEO, Starbucks' focus on rapid store expansion has wrought many troubles for the company. The company has experienced declining customer traffic and slow down in sales in their core domestic market. In an effort to cope up with the situation, Starbucks announced the return of Schultz as the CEO who laid out plans to transform the company and bring it back to its success path. The case study highlights the problems of Starbucks and facilitates discussion on whether Schultz's return as a leader can take Starbucks towards recovery or not.

Pedagogical Objectives

- To understand entrepreneurial leadership
- To analyse the hindrances of rapid expansion
- To analyse leadership change in troubled time of the company.

Industry	Specialty Retailing/Beverages
Reference No.	TRT0128A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Starbucks Corp., Speciality Coffee Industry; Howard Schultz; Leadership Change; Turnaround; Transformation; Return of Founder; Managing in Troubled Times Case Study; International Expansion; McDonald's; Dunkin' Donuts; Brand Building; The Starbucks Experience; Entrepreneurial Leadership; Transformational Plans; Transformational Initiatives

Motorola – Losing its 'Razr's' Edge

Motorola, world's second largest player in Cellular Industry, gained a significant market share in 2004 backed by its successful products and managed to sustain growth for a while with new versions and derivatives of Razr, one of its most successful cell phone models. However, the company failed to develop innovative products that could replicate Razr's success and lost out to its competitors who developed innovative products. The case outlines the dynamics of the global mobile phone/cellular Industry, Motorola's earlier turnaround, its earlier success with Razr phone, causes for its decline in phone/ cellular industry, its initiatives to stem the decline and its new growth strategy.

Pedagogical Objectives

- The dynamics of global cellular industry
- Importance of product innovation in cell phone industry
- How innovation helped Motorola gain an edge over its competitors

- The reasons behind marketing failures of Motorola's 'Razr' phone.

Industry	Telecom
Reference No.	TRT0127P
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Motorola's Decline; Telecom Industry; Motorola Razr; Managing in Troubled Times Case Study; Handset Market; CEO Edward Zander; Razr's Rise; Razr's Decline; New strategy of Motorola

Image Crisis at BP

BP, the London-based oil company is one of the six global energy super majors with interests in exploration, production refining and marketing of oil, gas, power and renewables. In 2006, BP suffered a series of mishaps that tarnished its image. Among the mishaps were pipeline corrosion at Prudhoe Bay in Alaska leading to oil leakage, a civil complaint filed against BP for manipulating the propane market and a gas oil leakage in the port of Long Beach, California. All these mishaps and scandals had an adverse impact on BP's reputation. Analysts were skeptical if BP would resurrect its stained image.

Pedagogical Objectives

- The dynamics of the oil industry
- The crisis management strategy at BP
- The importance of crisis management on the brand image of companies.

Industry	Energy and Utilities
Reference No.	TRT0126P
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Energy; BP; crisis management; oil spills; Texas refinery; Managing in Troubled Times Case Study; Helios; green image; reputation crisis

Mattel's Product Recalls (B): Managing the Crisis

A sequel to Mattel's Product Recalls (A): The Chinese Imbroglio this case study deals with Mattel's series of recalls in August-September 2007, just before the peak holiday-selling season. It highlights the media and public onslaught, the initial blame-game between Mattel and the Chinese manufacturers, its CEO, Robert Eckert's public apology and his personal handling of the crisis. What is interesting to discuss here is that with a significant impact on Mattel's reputation and sales during Christmas season, how would it regain its lost consumer trust? With majority of its toy production coming from China, how would Eckert revive the tainted image of China-made products?

Pedagogical Objectives

- To analyse Mattel's method of crisis-handling
- To understand the role of public relations and media, as an effective tool in communicating the recall information
- To examine the role of leadership in managing the crisis
- To identify effective ways of handling such crisis.

Industry	Toy Industry
Reference No.	TRT0125
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Robert Eckert; Public Apology; Design Related Recalls; Manufacturing Related Recalls; Safety Check and Quality Control Systems; Media and Public Relations in Handling Crisis; Renaissance of 'Made in USA'; Tainted 'Made in China' Image; Crisis Management; Role of Leadership in Managing Crisis; Managing in Troubled Times Case Study; Recall Impact on Reputation and Performance

Mattel's Product Recalls (A): The Chinese Imbroglio

The case study tracks Mattel's history of liability accusations and product recalls, for more than two decades. It was regularly clashing with regulatory agencies like CPSC, regarding disclosure of existing or potential hazards in some of its toys. Amid such circumstances, Mattel was once again accused of defective toys - owing to design, as well as, manufacturing flaws in August 2007. In fact, industries across the globe witnessed a spate of recalls of China-made products that included every thing from pet food and toothpaste to clothes and toys. What then should Mattel do to handle the crisis? How can it successfully leverage on China's cost-efficient production, without affecting its reputation and profitability?

Pedagogical Objectives

- To discuss Mattel's emergence as the world's premier toy-maker
- To critically examine the reasons behind Mattel's product recalls for more than two decades
- To identify the problems in outsourcing manufacturing operations to suppliers in low-cost countries
- To suggest different ways of handling Mattel's crisis.

Industry	Toy Industry
Reference No.	TRT0124
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Liability Accusations; Consumer Product Safety Commission (CPSC); Tainted 'Made in China' image; Barbie; Fisher Price; Hot Wheels; Age Compression; Shorter Product Lifecycles; Supply Chain Issues; Outsourcing Manufacturing Operations; Toy sales in Holiday Shopping Season; Robert Eckert; Managing in Troubled Times Case Study; Lead Contamination in Surface Paint; Design Flaws; Crisis Management

Microsoft: Struggling in China?

Since entering into China, Microsoft struggled for gaining market share and make profits in the mainland. The problem it seemed was not with its brand, as everyone was using Microsoft's Operating System (OS). The problem was that of piracy. Microsoft tried various ways to get the government to crack down on piracy, but instead the government supported Linux, the low-cost competitor of Microsoft's Windows. Linux's presence and the lack of Government support left Microsoft in a weak position in China. The case study also highlights various initiatives taken by Microsoft in China to strengthen its position in the growing Chinese software market. It also focuses on the measures taken by the company to develop strong relationships with the Chinese government.

Pedagogical Objectives

The case has been structured to comprehend and explore:

- The dynamics of the Chinese market
- The challenges faced by MNCs in developing economies
- Analyse strategies adopted by Microsoft in China.

Industry	Software
Reference No.	TRT0123B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Piracy; MNCs; Linux; Chinese market; Gaunxi; local partners; ZTE telecommunication; developing economies; Price; Managing in Troubled Times Case Study; operating system; Mao Zendong; Deng Xeoping; Deregulation; integration

Troubled Carmaker Chrysler (B): Can Robert Nardelli Resurrect the Company?

One of the leading private equity firms, Cerberus Capital Management, L.P. (Cerberus), acquired American auto icon Chrysler, amidst its turnaround efforts. Cerberus agreed to keep Chrysler's management intact, but surprisingly, replaced the chairman and CEO, Thomas LaSorda with Robert (Bob) Nardelli in August 2007. Cerberus' logic behind hiring Bob Nardelli, a former General Electric (GE) high ranking executive and former CEO of The Home Depot Inc., was that he could bring a fresh perspective to privately held Chrysler with his result-driven aggressive leadership and proven track record of successful turnarounds. However, Bob Nardelli's functioning at Home Depot had been criticised despite achieving increase in sales. Nardelli had to leave Home Depot in the wake of sliding stock price, anger over his hefty pay and problems with employees and shareholders. Bob Nardelli's controversial background, lack of experience in the automobile business and manage-through-fear style could make or break the already troubled Chrysler.

Pedagogical Objectives

- To discuss the leadership change at Chrysler
- To analyse whether the highly autocratic leader Bob Nardelli is the right leader for Chrysler or not and can he resurrect Chrysler's past glory?

Industry	Automobile
Reference No.	TRT0122A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Chrysler; American Auto Industry; Cerebrus Capital Management; Private Equity Firms; Turnaround; Takeover; UAW; International Expansion; Robert (Bob) Nardelli; Thomas (Tom) LaSorda; Leadership Change; General Electric (GE); Home Depot Inc.; Managing in Troubled Times Case Study; Leadership Styles; Autocratic Leadership

Troubled Carmaker Chrysler (A): Can Cerberus be its Holy Grail?

The decade old merger of German automaker Daimler Benz AG and American auto icon Chrysler Corp. ended in May 2007, when in an unprecedented auto deal, majority stake was acquired by New York based private equity firm Cerberus Capital Management, L.P. Hailed as 'the merger made in heaven', the deal between Daimler and Chrysler turned out to be a complete failure. Changing trends of US auto industry, huge legacy of health-care cost, shift in consumer demand, increasing fuel prices and competition from Asian carmakers are some of the factors saddling down Chrysler. At the time of takeover Chrysler was already in the midst of a turnaround plan that includes the elimination of 13,000 jobs and a huge investment for new improved product offering to meet shifting consumer demand.

Pedagogical Objectives

- To analyse the private holding of Chrysler, its consequences and issues for its new parent, Cerberus
- To discuss on what possible strategies can Cerberus adopt for Chrysler and would this private equity firm be able to turnaround the distressed Chrysler and be its holy grail?

Industry	Automobile
Reference No.	TRT0121A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Chrysler; Daimler Benz AG; Automobile Industry; American Auto Industry; Big Three; Cerebrus Capital Management; Private Equity; Challenge for Chrysler and Cerebrus; Asian Automakers; Private Equity Firms; Turnaround; Takeover; UAW; International Expansion; Mergers and cquisitions

Air Deccan (B): The Captain, The Baron and The Unknown

As a sequel to "Air Deccan (A): The Captain's Cocktail", this case study explores the options to revive Air Deccan - particularly the fund-raising initiatives. It highlights Air Deccan's search for a financial, as well as a strategic, investor - without diluting its low-cost image and vision of reaching the common man. Given the various international and domestic contenders bidding for a 26% equity stake in Air Deccan, participants can debate on who would make a better investor-partner for Air Deccan - considering each one's possible synergies and adversities.

Pedagogical Objectives

- To identify the right investor-partner for Air Deccan's equity investment - in the light of its vision, cash crunch, cost complexities and operational inefficiencies
- To help solve Air Deccan's dilemma in choosing the right investor-partner
- To assess whether fund-raising from private corporate investor is desirable at this stage of operation.

Industry	Aviation
Reference No.	TRT0120
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Kingfisher Airlines; UB Group; Vijay Mallya; Anil Dhirubhai Ambani Group (ADAG); Texas Pacific Group (TPG); Irelandia Investments; Equity dilution; Fund raising; Financial and strategic investor; Vision alignment and cultural fit; Competition; Premium value carrier; Managing in Troubled Times Case Study; Cash depletion; Low cost model

Air Deccan (A): The Captain's Cocktail

The case study tracks the journey of Air Deccan, a pioneer low-cost carrier (LCC) in the Indian skies since 2003. With a passion for reaching out to the common man and a vision of making every Indian fly, Captain G. R. Gopinath built Air Deccan - blending his experience in aviation with an emotional connection to reach down into the society. Despite its initial success in revolutionising Indian civil aviation with its significantly lower fares, Air Deccan was mired in continuous losses - owing to technical and operational snags, coupled with aggressive expansions. The expansion came in for a scathing attack from various quarters including airline industry experts in India. Thereby, given the cost complexities, industrial constraints and competitive scenario in the Indian aviation industry, can Air Deccan revive its profitability with relentless low fares and sustain competition in the long run?

Pedagogical Objectives

- To discuss Air Deccan's business model as an LCC in the Indian civil aviation
- To identify the factors that led to Air Deccan's losses and analyse whether they are controllable or not
- To critically examine the value chain and cost structure of Air Deccan's operations
- To analyse the options for Air Deccan's survival, amid financial crunch and operational inefficiencies.

Industry	Aviation
Reference No.	TRT0119
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Icfai Business School IBS CDC Case Development Centre

Keywords

Low-cost Carriers (LCCs); No-frills service; Managing in Troubled Times Case Study; Traditional Network Carriers; Global Civil Aviation; Profitability vs Expansions; Value Chain Analysis; Load factor and capacity utilisation; Operational efficiencies; Cost structure analysis; Price wars; Financial crunch; Competition; Business model; Industrial constraints; G.R. Gopinath

3 UK's Profitability and Regulation Concerns: Can its CEO, Kevin Russell Pull it off?

3G UK Limited (3 UK), a group company of global conglomerate Hutchison Whampoa Limited, forayed into UK mobile telecom market in 2003 - by rolling out first 3G services there. However, it couldn't make profits – in spite of having no competition in 3G services. Later, Ofcom, UK's telecom regulatory authority, ordered to cut termination charges by 45%. But 3 UK was till then a net payer of termination charges. This order, company sources fear, would further worsen the bottom-line and so they are appealing against the order. Kevin Russell, appointed as the new CEO in early 2007, has his hands full – in steering the company through its regulatory battles and staying closer to its advantages. Can he pull it off or would his plans misfire?

Debates can rage whether 3 UK can grow on its first mover advantage as the first 3G operator, or will it languish as a late entrant into the market dominated by 2G operators. Even the role of regulations in the company's profitability can be discussed.

Pedagogical Objectives

- To discuss the critical success factors in the telecom industry
- To analyse UK telecom industry's competitive dynamics
- To understand first-mover and late-mover advantages and disadvantages in the telecom sector.

Industry	Telecom
Reference No.	TRT0118
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Third generation mobile companies; 3G cellular communications; 3G communications in UK; Hutchison Whampoa Limited; 3 UK; Managing in Troubled Times Case Study; Cellular operators in UK; Mobile communications in UK; Regulatory authorities in UK telecom; Structure of the UK telecom industry; Evolution of UK's telecom industry; Privatisation of British Telecom

Taco Bell and the Ecoli Crisis

Taco Bell, a subsidiary of Yum Brands Inc is a leading Mexican style fast food restaurant chain and one of the best performing brands of Yum. An e-coli outbreak has hit Taco Bell restaurants in November 2006, affecting people in six US states. Taco Bell is now left with a major damage control challenge of convincing its customers that its restaurants are safe to eat even as the cause of the outbreak remains a mystery.

The case outlines the damage control strategies adopted by Taco Bell restaurants to regain market share and retain its customers in the wake of its ecoli outbreak incident. It focuses on the company's crisis management and repercussions of the outbreak.

Pedagogical Objectives

- To discuss the dynamics of crisis management
- To analyse the crisis management strategy adopted by Taco Bell in the wake of ecoli outbreak at its restaurants.

Industry	Fast Food Industry
Reference No.	TRT0117P
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Crises Management; Public Relation; Taco Bell; Yum; Brands; Managing in Troubled Times Case Study; Brand Reputation; Damage control

Kraft Foods: Arresting Fall in Growth Rate

Kraft is the second largest manufacturer of packaged foods in the US. It has several brands which contribute over $1 billion dollar each to revenues of Kraft. Kraft was registering below the target growth in sales in 2006. To arrest the fall in the growth rate, Kraft's C.E.O. Irene Rosenfeld (Rosenfeld) was launching several initiatives.

The case discusses these initiatives and also discusses Kraft's earlier problems and initiatives to overcome these problems, US food industry, future potential for growth of Kraft.

Pedagogical Objectives

- To anlayse the dynamics of the US food industry
- To discuss Kraft's early growth strategy and its following decline
- To discuss Kraft's revival strategy.

Industry	Food & Beverage Industry
Reference No.	TRT0116P
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

US food industry; Managing in Troubled Times Case Study; Kraft Cheese; Oscar Mayer; Philadephia; Jacobs; Cool Whip; Orea; Itene Rosenfeld

Sony's Battery Recall: Troubled Times at Sony

In August 2006, Dell Inc. and Apple Computer Inc. announced the recall of about 6 million lithium-ion batteries fitted in their laptop computers and sold throughout the world. The companies said that the faulty batteries made by Sony Corporation could overheat and, in rare cases, catch fire. Sony acknowledged the problem and offered to assist the companies by sharing a part of the recall costs. Later, other notebook manufacturers also recalled Sony-made batteries taking the count to around 9.6 million batteries. Analysts expected that the recall would cost Sony approximately $500 million. They also opined that the recall came at a time when Sony was busy turning around its loss-making consumer electronics division. While the investors were panicked by the cost burden, analysts raised questions about Sony's product quality.

The case deals with how Sony responded and handled the massive battery recall. It also highlights the corrective measures taken by Sony to overcome the problems and save its reputation.

Pedagogical Objectives

- To get an idea of the global rechargeable battery market as well as Sony's battery business
- To understand what triggered the massive battery recall and its implications on Sony
- To assess the steps taken by Sony to manage the entire recall process
- To debate whether Sony would be able to overcome the problem and save its reputation.

Industry	Consumer Electronics
Reference No.	TRT0115K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Sony battery recall; Lithium-ion battery; Global battery market; Global battery manufacturers; Managing in Troubled Times Case Study; US battery supply and demand; Demand for secondary battery; Market share of notebook vendors; Financial implications on Sony; Battery overheating; Recall cost; Sony consumer electronics; Playstation3; Global voluntary replacement programme

Apple Computer: Grappling with Challenges

In the second half of 2006, Apple computer Inc. (Apple) was engulfed in controversies. At first, some irregularities were revealed in stock options grants made between 1997 and 2001, creating a furore among Apple shareholders. Secondly, in August, it announced the recall of 1.8 million batteries fitted in its laptops, saying that the batteries could, in rare cases, overheat and burst into fire. Though Apple said that the recall would not have any financial impact on the company, the announcement panicked the customers as well as shareholders. While the company was busy settling both the issues, analysts wondered how Apple was going to save its reputation with customers and calm the shareholders.

The case deals with the problems that Apple is facing and the steps taken by the company to overcome them.

Pedagogical Objectives

- To discuss the problems facing Apple Computer
- To analyse the accounting and financial implications arising out of the problems
- To understand the corrective measures taken by Apple Computer to overcome the problems
- To debate whether Apple would be able to win customer as well as shareholder confidence.

Industry	Personal Computers
Reference No.	TRT0114K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Apple Computer; Apple battery recall; Stock options; Li-Ion Battery; Backdating; Managing in Troubled Times Case Study; CPSC (Consumer Product Safety Commission); Notebook market share; Dell; Sony; Rechargeable lithium battery; Laptop computer; Steve Jobs; iPod; Securities and Exchange Commission

MySpace and Lifestyle Media: Critical Issues

With 82% of the market share in its category, MySpace was the leading social networking website where people could share photos, music, videos and other interests with a growing network of mutual friends. MySpace helped users create a virtual world where people could communicate and socialise through their membership profiles without actually meeting them in reality. The rise of MySpace exemplified the emergence of lifestyle media as the most sought-after communication medium, particularly among the teenagers. Lifestyle media had evolved as a combination of personalised media experience, empowering consumers to utilise their productive, leisure and social time around converged media experiences.

The case, while providing an overview of MySpace and lifestyle media as a whole, underscored the meteoric rise of the social networking websites and its impact on the society.

Pedagogical Objectives

- To discuss the emergence of lifestyle media and its business perspective
- To understand the evolution of MySpace and its pitfalls
- To analyse whether MySpace would able to sustain its popularity in the long run.

Industry	Internet Content Provider
Reference No.	TRT0113K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Myspace; Lifestyle media; Social networking website; Friendster; FriendSpace; Convergence; Millennials; MySpace Music; MySpace Records; Rupert Murdoch; On-line advertising; Viral marketing; Video content; Mass media; Managing in Troubled Times Case Study; Sexual assault

Japanese Motorcycles: Facing Challenges in China

Despite controlling over 50% of the global market, with a cumulative world production of 38.9 million units in 2005, leading Japanese motorcycle manufacturers like Honda, Yamaha and Suzuki, failed to have a considerable market share in China – the biggest motorcycle market in the world. Local brands in China controlled over two-thirds of the market and foreign brands were continuously outdone on price. The Japanese bike manufacturers also faced stiff competition from pirated bikes, whose designs and manufacturing patterns were identical to the Japanese brands.

The case, while providing an overview of the Chinese motorcycle industry, discusses the broad challenges faced by the Japanese motorcycle manufacturers in China.

Pedagogical Objectives

- To discuss about the China's motor cycle industry
- To understand the restrictions imposed on Chinese motorcycle market
- To discuss the challenges faced by Japanese bike manufacturers in the Chinese market
- To debate on the survival strategy for the Japanese manufacturers in the Chinese market.

Industry	Motorcycle
Reference No.	TRT0112K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

China's motorcycle industry; Honda; Yamaha; Suzuki; Vehicular restriction; Tariff barriers; Piracy; Modularisation strategy; Managing in Troubled Times Case Study; Open architecture; Joint venture; World Trade Organisation (WTO); Intellectual property rights (IPR)

Airbus's A380: Stalled on the Runway

The global civil aviation market was a duopoly between Boeing and Airbus and the competition was featured by bitter rivalry among these two companies. Though, both the companies predicted almost same growth of the civil aviation market during 2005-2010, two companies had contrasting view for the future nature of the growth. While Boeing was a protagonist of fragmentation in network and 'point-to-point traffic' concept and therefore, supported the development of smaller aircraft, Airbus favored the 'hub-and-spoke' model of operation, network consolidation and believed in the concept of larger aircraft. Airbus projected a demand of 1144 super jumbos by 2020 while Boeing predicted a demand of 320 super jumbos. In 2000, Airbus announced 'Project A380' to develop the largest commercial aircraft with an investment of $13 billion. The aircraft was positioned against Boeing's 747 models in super jumbo category, and the company planned to airborne first A380 within 2005. The model was highly acknowledged by leading commercial airlines operators, like, Emirates and Singapore Airlines. But the company failed to deliver the aircraft on

IBS CDC Icfai Business School Case Development Centre

the stipulated date and when on 3rd October 2006, the company announced a further delay of six months leading airlines operators felt bad about the company. Leading airline operators like, Singapore Airlines cancelled the order for A380 and opted for alternatives. As a consequence of the delay of A380, Boeing marketed aggressively for its 747-8 model, which the company planned to launch by 2007. A few Airlines, like, Emirates, cancelled the order for A380 and opted 747-8 of Boeing. This case gives a glimpse of global civil aerospace market, the trends, competitive fight between two competing aircraft manufacturers and two competing models from two manufacturers. This case also provides an insight about why Airbus lacked in project management skills, why it failed to meet the deadline of the delivery of its A380 model, airlines operators reaction about the delay, how Airbus planned to make over the image, strategy adopted by Boeing to leverage the delay of Airbus and the future scenario of global civil aerospace market.

Pedagogical Objectives

- To understand the market dynamics of civil aerospace industry
- To analyse competitive position of Airbus vis a vis Boeing
- To discuss the importance of project management in company's overall strategy.

Industry	Aircraft Manufacturing
Reference No.	TRT0111K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Boeing; Airbus; Hub-and-spoke; Point-to-point; Project A380; Global civil aviation market; Global civil aerospace market; Bombardier; Managing in Troubled Times Case Study; EADS (European Aeronautic Defence and Space Company); Airlines operators; Boeing Dreamliner; Emirates; Singapore Airlines; BAE Systems plc; Original Equipment Manufacturers (OEMs)

Wal-Mart's Struggle in Japan

In the 1980s, the Japanese retail market was dominated by local players like Daiei, Aeon and Ito-Yokado. The Japanese government started to encourage foreign trade and foreign retailers. With the entry of these retailers, the domestic retailers witnessed decline in their sales. To protect the interests of the local players, Large Scale Retail Store Law (LSRSL) was amended by the Japanese government in the late 1980s which restricted the entry and expansion of foreign retailers in Japan. In the 1990s, when the LSRSL was amended to encourage foreign trade in Japan, a few players like Carrefour and Costco to enter Japan. To encourage more foreign investment, the Japanese government abolished the LSRSL in 1998 and a few companies like Wal-Mart and Tesco started studying the Japanese market to make an entry into Japan. In 2002, Wal-Mart entered Japan through an alliance with a local player, Seiyu. In spite of Wal-Mart's efforts, it witnessed loss consecutively from the time it entered the Japanese market. It was pointed out that the decline was due to its low pricing strategy which proved ineffective in Japan. Seiyu's ineffective management was also cited as another reason for Wal-Mart's downfall in Japan. To strengthen its position as a leading retailer, Wal-Mart implemented several strategies. It increased its investment in Seiyu to more than 50% and made the local player a subsidiary of Wal-Mart. The retailer also implemented several inventory management practices and attempted to streamline their supply chain operations. In 2006, to succeed in the Japanese retail market, Wal-Mart decided to introduce both high and low priced items as its popular selling strategy 'Everyday Low Pricing' did not seem to take off.. Despite Wal-Mart's attempts, it remained to be seen whether the giant retailer would succeed in Japan or make an exit like it did in Germany and South Korea.

Pedagogical Objectives

- Wal-Mart's strategies to enter the Japanese retail Industry
- Wal-Mart's Inventory management and supply chain management practices
- Wal-Mart's sales strategies through high priced and low priced products.

Industry	Retail
Reference No.	TRT0110B
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Japan; Retail; EDLP; LowPrice; Rollback; Seiyu; Daiei; Aeon; SMART; Managing in Troubled Times Case Study; Supplier; Japnese Consumers; Discount; Inventory

Vodafone: Losing Connectivity in Japan

Vodafone Group Plc is the world's leading mobile telecommunications company with a total market capitalization of approximately UK £72 billion in 2006. Vodafone entered the Japanese market in 1999 through the acquisition of J-Phone and went on become the second largest wireless telecom company in Japan. But eventually it could not retain the position in the Japanese market. It was felt that Vodafone lagged behind its competitors in introducing new technology or services in the Japanese market. By 2005, Vodafone in Japan had lost a substantial number of customers to its competitors, who were offering superior handset features and services. Vodafone seemed at a loss to gain a foothold in the Japanese market and finally, in 2005, it sold its Japanese mobile business Softbank.

Industry experts attempted to analyse the reasons for Vodafone's exit from Japan. In this context analysts debated that Vodafone failed to understand the competition and the Japanese market and hence made an exit which could have been avoided. It was felt that Vodafone would have to re-evaluate its global strategy.

Pedagogical Objectives

- To understand Vodafone's global strategy
- To gain an insight into the competitive environment of the Japanese telecom market
- To analyse the reasons for Vodafone's exit from Japan
- To consider the strategies that Vodafone should have adopted to remain in the market.

Industry	Telecommunications
Reference No.	TRT0109B
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Vodafone; Japan Telecom Company; Softbank; Racal Telecom Limited; DoCoMo; Sarin; KDDI; Ripplewood Holdings; Managing in Troubled Times Case Study; Robin Hearn; Global Strategy; Ovum; 'bigger is better' strategy; traditional market; Telecom; Christopher Gent

Problems Galore at Dell: Signs of a Downfall?

Since 2001 Dell had been the undisputable leader in the US PC market. Dell had been so enamored with its PC business that it failed to notice what its competitors pursued. Dell failed to innovate while IBM and others turned to consulting and development. IBM sold out its PC business to Lenovo since it realized that PC manufacturing did not fit into their core business agenda. Later it seemed that Dell developed a streak of complacency in its attitude. PC market saturation in the US and other developed economies, along with investor impatience, fierce competition and product quality deterioration saw Dell missing its expectations in 2006. Their entry into portable music players and PDAs did not strike much luck since Apple's iPods outsold every other brands in the US

IBS CDC Icfai Business School Case Development Centre

market. This case discusses the problems that Dell faced and what Dell has to do in order to avoid a downfall.

Pedagogical Objectives

- To understand the US PC market
- To understand Dell's strategy of selling PC's
- To understand problems for Dell's growth in recent times.

Industry	PC Industry
Reference No.	TRT0108B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Personal Computers; Dell; PC Direct Selling; US PC industry; LINUX; Microsoft; IBM; Lenovo; Managing in Troubled Times Case Study; Chinese computer market; laptop explosion; AMD; product quality decline; Product recalls; Michael Dell

Dell's Recall of Batteries: Would it Taint Dell's Image?

Dell, one of the largest PC makers in the world, on 14th August, 2006 recalled 4.1 million notebook batteries. The recalled batteries were manufactured by Sony Corp., Japan. The batteries were defective and Dell felt it best to recall and replace the batteries free for all affected customers. Dell was a proprietary parts manufacturer. This recall which was the third such was Dell's nemesis. Dell's customer perceptions and its after sales service had much to be desired. Confidence in Dell's notebooks remained a big question mark when the third incident occurred and the company seemed not to have taken action or the action that was to be taken of returning the faulty batteries were seen by some as a dilute method of appeasing customers as they expected a company like Dell to double check their quality especially since the batteries were outsourced. Dell with its unique marketing philosophy of not retailing their products needed to have double insurance as far as winning and retaining customers were concerned.

Dell had recalled batteries in 2001 and in 2005. Dell seemed to know what exactly was wrong with its batteries, but behaved like an ostrich and buried its head in the mud and continued to market the same batteries. The recalled batteries were expected to cost at least $246 million to Dell. Sony agreed to share a part of the cost. The financial aspect was one part of the recall but unquantifiable was the reputation of the company that went along with the recall. While people would buy products for the brand name and what it represented it would be rare if one remembered all components of the products. The recall hence had a longer lasting negative impact on Dell rather than Sony.

Sony though willing to lend a hand financially also stated that it did not have the manufacturing capacity to produce so many batteries within the time required for its replacement. This meant that an outsourced contract was being sub-contracted to yet another supplier. What would happen to the customer? The average customer had already lost confidence in Dell, with new batteries not necessarily manufactured by Sony but some unknown manufacturer how did Dell propose to satisfy its customers on quality and more important how did it propose to attractive new clientele.

How would Dell handle this crisis? What would happen to Dell's image and reputation with the recall? And would Dell and Sony continue their relationship after this third fiasco?

Pedagogical Objectives

- To discuss about the world PC market
- To understand Dell Inc as the largest PC makers in the world and its competitive strategy
- To analyse the impact of Dell's recall of its batteries on its image and reputation.

Industry	Hardware Industry
Reference No.	TRT0107B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Dell Inc.; Sony Corp.; Largest Battery recall; Notebooks; Lithium-ion Batteries; Consumer electronics; Consumer Product Safety Commission; Managing in Troubled Times Case Study; Faulty Batteries; Hardware Industry; Burnt Laptops; Crisis management

Altria: The American Tobacco Giant's Troubled Portfolio

New York based Altria Group Inc.(ALG), the parent of the world's second largest consumer packaged-food company Kraft Foods, was a leading Food and Tobacco Conglomerate. In addition to Kraft Foods, ALG's portfolio of operating companies included Philip Morris International, Philip Morris USA-producers of the world's popular Marlboro brand of cigarette and also had a financial services division Philip Morris Capital Corporation. Altia Group was known as Philip Morris Companies and changed its name to Altria in the year 2003, which was considered to be an effort of image change or a mere PR campaign by several analysts. Since its acquisition of Kraft Foods in 1988, Altria was accused of using its Food division to hide its tobacco negatives.

Kraft Foods' performance was declining and Altria announced the possibility of spinning off Kraft in 2004 and was planning to restructure its operations since then. Kraft Foods was also contemplating to be independent of its tobacco tainted parent Altria Group Inc which had 88% of its stake. ALG alike many other tobacco giants faced large amount of tobacco litigations for long and was waiting for its legal liabilities to be cleared before proceeding with any restructuring. In 2006, ALG had favorable rulings for its three major tobacco cases and some analysts expected an announcement of Kraft spin-off as the legal environment seemed to be improving. But Altria did not proceed with Kraft spin-off as according to the company still huge legal risk existed for the company. The case talks about the corporate portfolio structure of ALG and the challenges that the conglomerate faced like increasing health consciousness, government regulations, excise taxes and tobacco litigations.

Pedagogical Objectives

- To discuss Altria as a corporate and its entities
- To understand the legal liabilities involved for tobacco companies
- To discuss the importance of corporate restructuring
- To understand the importance of right mix of companies in a corporate portfolio
- To understand the role of a corporate parent in managing its portfolio and restructuring.

Industry	Tobacco & Food Conglomerate
Reference No.	TRT0106A
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Kraft Foods; Altria; Food and Beverage Company; Tobacco Company; Tobacco litigations; Corporate Restructuring; Corporate Portfolio Management; Reasons for troubles at Kraft Foods; Reasons for Spin-off of Kraft Foods; Tobacco Liabilities for Altria; Managing in Troubled Times Case Study; Lawsuits for Altria; Liabilities to Tobacco Companies; Ethical Issues for Tobacco Companies; Philip Morris International; Philip Morris USA; Philip Morris Capital Corporation; Second Largest Consumer Packaged-goods Company; Marlboro; Cigarettes

Crisis Management – The Jet Blue Way

In February, 2007 JetBlue, a leading low-cost airline of US cancelled around 1096 flights in a week leaving hundreds of passengers and aircraft grounded due to an ice storm and enormous operational shortcomings. During the ice storm when most other airlines responded by canceling more flights earlier, JetBlue did not follow the same path. It did not cancel the flights well in advance and as a result, thousands of passengers ended up trapped at New York's John F. Kennedy International Airport, the hub of its operations. While other airlines took just a day or two to get back to the schedule, JetBlue took a week and affected around 130,000 passengers.

The flight delays, cancellations and ambiguity in operations caused customer dissatisfaction and affected its brand image. However, JetBlue aggressively put in efforts to mange the crisis and regain customers' trust. The Founder and CEO of JetBlue, David Neeleman apologized in public and tried to convince people, investors and customers that the airline would recover. JetBlue announced to reimburse 130,000 passengers which would cost it more than $30 billion. After the crisis, to restore is stained reputation the company introduced "customer bill of rights", the first of its kind in the industry.

The case discusses about the crisis management and issues highlighting JetBlue's tactics to manage the crisis and restore its corporate image. The case also talks about Neeleman's leadership in crisis management.

Pedagogical Objectives

- To discuss crisis management at JetBlue
- To understand the role of leadership in times of crisis.

Industry	Aviation
Reference No.	TRT0105A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Managing in Troubled Times Case Study; Jet Blue; Low-cost carriers (LCCs); Issues and crisis at JetBlue; Crisis Management; Leadership; David Neeleman; Brand Image; Brand Building; Regaining Corporate Image; Customer Bill of Rights; Customer Satisfaction; Aviation Industry in US; Business model of LCCs

Airbus: Flying through Turbulence

In 2006, Airbus booked 824 new orders for aircraft, representing a 44% market share at a value of $75.1 billion. Unable to commence supply of A380, a futuristic double decked jet, it suffered 34 order cancellations. With two years behind schedule and $2 billion over budget on the project, Airbus also faced a revenue loss of $6.6 billion, which could make the company financially extinct. The case describes the events which led to the delay. The first was the fuselage wiring issue which was caused by the different software versions used by Airbus' German and French engineers. Wake vortexes, the air tornadoes developed by an aircraft behind it, was very powerful in the case of an A380, because of its huge size and four high thrust engines. The ICAO, recommendation that additional nautical miles be used to separate other aircraft and A380, was a blow to Airbus, since already strained airports could not offer additional space to an A380, which cancelled its benefit of carrying passengers almost twice that of its nearest rival B 747.

The case describes the political turmoil regarding the Airbus' restructuring plan 'Power8'. 10,000 job cuts, hiving off six manufacturing plants spread over three countries and cost cutting are few measures which Airbus planned to implement hoping to revive its fortunes, amidst stiff opposition from participating governments and labor unions.

Pedagogical Objectives

- Project Management and Product Development Cycle
- Dynamics in Aviation Industry
- Political and Social factors in Business environment.

Industry	Aviation – Aircraft Manufacturing
Reference No.	TRT0104C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Airbus A380; Boeing 787 Dreamliner; Catia V5 CAD Software; Wake Vortex of A380; Managing in Troubled Times Case Study; ICAO recommendations on A380; EADS; A380 order cancellations; Power8 Restructuring plan; Long haul aircraft

Archies - Time to Reinvent

Greeting cards have become a part of the cultural and social life of people worldwide. In India, people send cards on the eve of festivals and occasions such as Diwali, Holi, Pongal, Durgatsov, Christmas, and New Year etc. The social expression industry has grown to 12 billion in number and US$ 14 billion in revenue worldwide by 2004. But currently, the greeting cards industry is facing new challenges. People no longer search for hours for greeting cards that suit the occasion and the personality of the recipient, or write warmly worded personalised messages on each card and post them. People simply send an SMS (short message service) from their cell phones. Or they log onto the Internet, visit greeting cards websites and send e-greetings to their beloved. The number of people who prefer to shop for greeting cards is declining. To stay relevant, Archies has to attract customers and retain them. What can Archies do to reverse this trend of declining sales?

Pedagogical Objectives

- To discuss the segmentation-targeting-positioning strategy followed in strategic marketing management
- To discuss the diversification strategy and strategy of entering into new segments
- To discuss how innovation plays a key factor in strategic marketing management
- To discuss the trends and patterns of social expression industry in India
- To discuss how technology played a key differentiator in the marketing game
- To discuss the concept of niche marketing.

Industry	Social Expression
Reference No.	TRT0103K
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Archies; Anil Moolchandani; Greeting card industry; Jagdish Moolchandani; Managing in Troubled Times Case Study; Archies Greetings and Gifts Ltd; Disney character; Retail Disney; e-Greetings; Indian social expression industry; Heart warmers; Distribution network; Brand equity

Airbus A380 Delay: What Went Wrong?

After Airbus announced a delay in the deliveries of its forthcoming A380, the biggest passenger jet ever made, in June 2006, it raised an alarm for the aviation world, especially for the customers of A380. Prior to this, in 2005, the European plane manufacturer had already extended its delivery schedule by six months. The company cited some production issues as reason for the delay. However, industry watchers suspected that there was more to the story than mere production issues. While the panicked customers were considering claiming compensation for the delay (some even were planning to cancel

the orders), analysts wondered what caused the crisis and how Airbus was going to overcome it. Some also believed that the crisis at Airbus was a golden opportunity for Boeing to regain its leadership position.

The case tries to highlight Airbus' problems and raises a question regarding how it could sort out its problems. It also discusses about Boeing's ability to capitalise on the opportunity.

Pedagogical Objectives

- To understand the reasons that caused delay in launching the new aircraft A380
- To understand the implications of delay in launching new products and the complexities involved therein
- To know in detail about the development of A380, the world's largest passenger aircraft
- To assess how Airbus planned to deal with the situation.

Industry	Aviation
Reference No.	TRT0102K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

747-8; A380; Hub&Spoke; Point to point; Freighter; Inter continental.

Coca-Cola – Struggling in Germany

In late 2004 and early 2005, Coca Cola Co. (Coke), the leading soft drinks manufacturer in the world, faced a massive decline in sales in Germany due to the impact of the newly enacted Recycling Law. The company was forced to make use of recyclable bottles, abandoning its trademark packaging as well as to alter its distribution system in Germany in order to make a turnaround in the country.

The case, while highlighting the challenges faced by Coke in Germany, also focuses on the initiatives taken by the company to restore its former position in the German market.

Pedagogical Objectives

- To understand the structure and competitive forces in the German soft drinks industry
- To understand the regulatory framework in Germany and the challenges faced by soft-drinks manufacturers due to strict German Recycling Law
- To discuss the turnaround strategies of Coca-Cola, with reference to the German market
- To discuss the localisation strategy of Coca-Cola with modifications to its global marketing-mix variables.

Industry	Carbonated Beverages
Reference No.	TRT0101K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Coca-Cola; Germany; German Recycling Law; Store brand; Discounters.

GM in 2005: Facing Challenges in North America

In the face of intense competition from its Japanese rivals such as Toyota and Honda, GM was losing its market share in North America. Analysts pointed out a number of reasons for the downslide. GM's health care benefit costs for existing employees and the legacy costs, in terms of pensions for retirees, were steadily increasing. Skyrocketing gasoline prices caused a decline in the demand for GM's gas guzzling Sports Utility Vehicles (SUVs) and trucks. The share prices, which were more than US$80 even five years back, came down and were hovering around US$28 to US$30 on the New York Stock Exchange, by March 2005. In April 2005, GM posted a net loss of US$1.1 billion for the first quarter, the biggest quarterly loss since 1992, when the company almost went bankrupt. The Case discussed causes for the problems in detail and analyzed the possibilities of GM's turnaround.

Pedagogical Objectives

- To understand the concept of generic competitive strategies
- To understand the structure of Auto manufacturing industry
- To analyse competitive strategies along with industry life cycle with reference to GM.

Industry	Auto Manufacturing
Reference No.	TRT0100K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

GM; Automobile Industry in US; Ford; Toyota; SUV; Cost Competitiveness.

Wal-Mart's Withdrawal from South Korea

In May 2006, Wal-Mart, world's largest retailer announced its exit from South Korea selling its 16 stores to Shinsegae Co., the country's top discount chain for 825 billion won ($882 million), subject to approval from South Korean regulators. Wal-Mart said that its decision to withdraw from South Korea was in keeping with its global growth strategy to expand in markets where they could realise the desired economies of scale. Wal-Mart's performance in the South Korean market which was considered highly competitive and demanding had not been encouraging. Analysts blamed Wal-Mart's failure to localise as the main reason for its exit. They argued that Wal-Mart had not tailored its stores and offerings to suit the needs of the Korean consumer. Analysts wondered why the world's largest retailer, with annual total sales of $312.4 billion, as of January 2006 and serving more than 175 million customers weekly in 15 countries worldwide decided to pull out of a growing economy like South Korea.

While the majority blamed Wal-Mart's failure to localise its strategies as the reason for the debacle many felt that the environment in South Korea was not conducive to foreign brands. Hardly a month before Wal-Mart's announcement, Carrefour of France, world's second-largest retailer quit the South Korean market. Many international brands like Nokia, Nestlé and Google, struggled in the South Korean market. While analysing the reason for its withdrawal, experts felt that Wal-Mart should use this failure to its advantage in other Asian economies like Japan and China. How it would do this was to be seen. The case offers scope for discussion on localisation strategies to be adopted by retailers in overseas markets and the impact of failure to localise.

Pedagogical Objectives

- To teach localisation strategies
- To discuss the outcome of a company's failure to understand and tailor localised strategies.

Industry	Retail
Reference No.	TRT0099C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Wal-Mart; Localisation strategy; South Korea; Asian markets; Consumer behaviour; E-Mart; Shinsegae; Samsung Tesco HomePlus; Retail Industry; Multinational brands; Trade Unions; Carrefour Korea; Competitive Markets.

Canon Digital Cameras: Will it Continue to Click?

The case describes the challenges that the Canon digital camera business faces. The case aims at providing discussion points

regarding Canon's present strategies and what more can it do to improve its market position. The case traces the growth of the digital camera industry and reasons for retardation of the growth. It also intends to raise debate on the growing camera phone industry and its impact on the digital camera business as a whole. It also highlights Canon's strengths in the digital business and the areas from where is it facing competition. The case is designed to help understand the digital camera industry, Canon's position as a camera manufacturer, competition faced by Canon and impact of its strategies on its business.

Pedagogical Objectives

- To help understand the digital camera industry
- To discuss Canon's position as a camera manufacturer
- To discuss competition faced by Canon and impact of its strategies on its business.

Industry	Consumer Electronics-Digital Cameras
Reference No.	TRT0098C
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Canon; Cameras; Digital cameras; Digital imaging camera phones; Mobile/ Cellphones; Cellphone cameras; Global digital camera market; Canon strategies; Film cameras; Fujio Mitarai Sony; Kodak; consumer electronics; Digital Slrs.

Dell's Direct Model: Change of Direction?

The launch of IBM's Personal Computer (PC) in 1981, was a boon to the PC industry. During the following years, both the PC hardware and software markets flourished. Dell was one of the many start-ups which entered the market during this period of high growth. Since its inception, Dell adopted a business model which was contrary to the established norms of the industry. The company bypassed traditional distribution channels and sold PCs directly to customers. This helped the company to save on costs like reseller margins and high inventories. While the industry followed a 'build-to-forecast' approach, Dell followed a 'build-to-order' model. Established players believed in vertical integration whereas Dell 'virtually' integrated itself by building close relationships with its suppliers and customers. The result was that Dell experienced stupendous growth during the 1990s. In the year 2001, the company became the world's largest PC manufacturer, based on the number of PCs shipped.

While Dell's competitors struggled to keep up with Dell's low-cost PCs and efficient supply chain, Dell progressed from strength to strength. But with the turn of the 21st century, the fortunes of the industry players seemed to change. Dell's growth rate started declining. Changing elements in the business environment like the maturing US market, resurgence of HP and Apple Computer, rise of low-cost Asian players like Lenovo and Acer, and high growth in the household demand for PCs, a segment where Dell was not focused, led the company to miss earnings and sales projection several times during 2005-2006. Dell's apparent inability to successfully respond to these environmental changes, led the market experts to doubt whether Dell's revered business model was equipped to provide Dell with a competitive advantage in the long-term.

Pedagogical Objectives

- To discuss the evolution of the PC industry
- To analyse the traditional business model adopted by the PC industry vis-à-vis Dell's business model and business philosophy
- To discuss Dell's culture and its effects thereof
- To analyse the internal and external factors that affected Dell's growth in the 21st century
- To discuss the strategy adopted by Dell in response to its problems and its effectiveness.

Industry	Personal Computers
Reference No.	TRT0097
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Business model innovation; PC industry evolution; Michael Dell; Kevin Rollins; Direct to consumer business model; Customer segmentation; Organisation culture; Business philosophy; Strategic inflection points; IBM; HP; Apple Computer; Lenovo; Acer; Competitive strategy; Growth strategy.

YKK – Countering the Counterfeit Dragon

YKK is the largest manufacturer of zippers and fastening products in the world. The company though remains almost unknown because of the nature of its product which forms a very small part of the final product. This case discusses the brand YKK, its operations, and the counterfeit problem faced by the company. Counterfeiting became a serious problem for YKK since it caused financial losses and also adversely affected its brand image. The case focuses on the measures undertaken by YKK to prevent counterfeiting and increase the awareness of its brand.

Pedagogical Objectives

- To discuss the counterfeit problems faced by YKK and the effects it had on the company's finances
- To discuss the strategies adopted by YKK to overcome the problem and spread awareness about its brand.

Industry	Zipper Manufacturing
Reference No.	TRT0096P
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

YKK; Zipper manufacturing industry; Counterfeit zippers; Japan; Zipper; Fastening products.

Maytag: In Need of Repair

Maytag Corporation, a $1.4 billion company is ranked fifth in the home and commercial appliance business. It has a long history of producing high quality products and owned famous brands like Hoover vacuum cleaner, Admiral, Magic Chef, Jenn-Air and Amana. However in 2005, it suffered a loss of $75 million in the fourth quarter and its market share fell by 55%. The case study discusses the reasons behind the fall of Maytag, rising competition in the home appliance market and Maytag's attempts to make a comeback.

Pedagogical Objectives

- To discuss the dynamics of the US consumer durable market
- To discuss the factors leading to decline of Maytag
- To discuss Maytag's strategies to make a comeback.

Industry	Consumer Durable Industry
Reference No.	TRT0095P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Maytag; Maytag's deadline; US consumer durable market; Neptune drying centre; Accellis oven; De'Longhi; Dyson; Lowe; Try-out stores; Amana appliances; Sport utility vacuum; Steam Vac; Ripplewood holdings; Whirlpool-Maytag tieup; Hoover vacuum cleaners.

Kraft: Deromedi's Dilemma

When Roger Deromedi (Deromedi) is brought on board as Kraft's CEO in December 2003, all Kraft's flagship businesses – cheese, biscuits, cold cuts, and coffee – are losing market share and sales volumes. Kraft, the icon of Oreo and Mac and Cheese innovation, has not launched a significant new brand since DiGiorno pizza in 1995. Deromedi has introduced a series of initiatives hoping to arrest falling profits. He is reinventing the brand portfolio and divesting laggard and peripheral product lines that account for less than 5% of total revenues and concentrating on blockbuster brands that are or can be market leaders in their categories worldwide. He has narrowed Kraft's thrust to four core areas: coffee, cheese and dairy. To transform the portfolio, Kraft accelerates the shift towards growing categories and geographies where it can leverage its sustainable competitive advantages and scale. The October 2004 launch of the Tassimo is expected to give Kraft a chance to prove that it can be more than just a commodity broker.

Pedagogical Objective

- The case highlights how once considered a 'category captain', Kraft's acquisition strategy, brand extension strategy and its product portfolio management has stagnated its growth.

Industry	Food and Beverage
Reference No.	TRT0094P
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Market leadership; Growth; Turn-around.

Keeping Swissair in the Air

Swissair was an award winning European airline owned by SAir group. This case presents the history of Swissair and the issues that resulted in its downfall. The strategies adopted by Swissair have been presented in the case.

Pedagogical Objectives

- To discuss the dynamics of the commercial aviation industry
- To understand the factors leading to collapse of Swissair
- To discuss the attempts made by Swissair to make a turnaround.

Industry	Airlines
Reference No.	TRT0093P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Swissair; Commercial aviation sector; Swissair's bankruptcy; Swissair's business strategy; Effects of liberalisation on Swissair; Swissair's turnaround; European economic area; Alcazar project; Hunter strategy; Qualiflyer alliance; Hub and spoke; Crossair.

Jet Blue: Too much Turbulence

Established in 1999, JetBlue was a low cost start-up airline. After the 9/11 terrorist attacks while the airline industry suffered losses and struggled to survive in the tough business environment, JetBlue continued to grow and gain market share due to its innovative marketing strategies. However, in 2005 JetBlue's profits were under pressure as it registered its first ever losses in the fourth quarter. This case study, while highlighting the formation and growth of JetBlue against the backdrop of the September 9/11 attacks, offers the scope to discuss the situation of the US aviation industry and JetBlue's strategy for a turnaround.

Pedagogical Objectives

- To discuss the dynamics of the low-cost airlines in the US
- To understand JetBlue's low-cost business model
- To discuss the market factors affecting low-cost airlines.

Industry	Airline Sector
Reference No.	TRT0092P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

JetBlue; Commercial aviation sector; JetBlue's low-cost business strategy; JetBlue's losses; Aviation industry scenario; Increasing fuel costs; JetBlue's turnaround strategy; Fuel hedging; Embraer; TrueBlue frequent flyer programme; Rockwell Collins guidance system.

Ford: Built for the Road Ahead

In 2004, with the entry of Japanese, Chinese and Asian automakers into the US automobile market, the Big Three-GM, Ford and Chrysler experienced a decline in their market share and sales. Their warranty and pension costs had increased and consumers complained of low quality parts used in their vehicles. GM and Ford were downsizing their work force to compensate over their lost sales. The year 2005 turned out to be a major shake-up for Ford as it had to recall about 6 million vehicles to rectify defects. Though key players like GM, Toyota and Chrysler recalled their vehicles to revamp defects, Ford recalled its vehicles 17 times .

Ford had quality problems in the past years, but in 2005, it was facing a crisis of confidence. The National Highway Traffic Safety Administration was grilling Ford for details of problems in Ford vehicles that had resulted in fire accidents in the Middle East, South America, and Southeast Asia. In order to regain its position in the US automobile market, Ford planned to revitalise its brands and to improve the quality of its vehicles. It also planned to introduce low cost models in segments where the auto makers had been largely absent. With the entry of automakers like Chery and Geely, into the US automobile market, apart from local competitors like GM and Chrysler, would Ford regain its credibility in US market in the near future?

Pedagogical Objectives

- To understand how Big Three in the US automobile industry dominated the market
- To understand how deterioration in quality affected Ford
- To analyse the turnaround strategies of Ford.

Industry	Automobile
Reference No.	TRT0091B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Quality; Big Three; Accident rate; Suppliers; Turnaround; Layoff; Closure of factories; Toyota; Recall of vehicles.

New York in 2004: Recovering from 9/11?

New York, probably the best known city in the world, was devastated by the terrorist attack on its symbol, the World Trade Center on September 11th 2001. With the city already under recession, the attacks compounded the misery. Apart from the economic impact, the trauma resulting from the attacks caused a severe health and environmental problems. Questions were raised about the city's ability to cope up with such tragedy.

But on the eve of September 11th 2004, things seemed to have turned around. The economy was picking up. Long standing problems of New York were being addresses. But question marks remained over issues like disaster preparedness, co-ordination among agencies, etc. The case highlights the journey of New York's recovery and the challenges that are yet to be addressed.

Pedagogical Objectives

- Disaster management in cities
- Consequences arising out of disasters of such magnitude and how administration can best respond to it
- Disaster recovery
- Issues relating to urban society
- Management of city economy.

Industry	Urban Management
Reference No.	TRT0090B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Crisis management; Urban economics; Disaster management; Urban planning; Disaster recovery; Disaster Impact Assessment; Environmental impact assessment; Urban healthcare; Disasters and trauma; Co-ordination among government agencies; Urban security; Public Policy; Urban project management; Government response and disasters; Economy and terrorism.

Coca Cola in Germany (Part A) Challenges due to Deposit Law

The focus of the case is on the German operations of the Coca-Cola Company. The company had pioneered the carbonated soft drink market in Germany and had dominated the market throughout its 70 years of operations. But problems began to crop up in early 2000. Coca-Cola had initiated consolidation of its bottlers in order to improve its global supply chain management. In Germany, the company initiated the same by 2001 and planned to complete the process by the end of 2003. But the introduction of the deposit law had a negative impact on the German Beverages and bottling industry. This also affected Coca-Cola's German operations. As a result its market share started decreasing. In 2004, the new CEO, Neville Isdell, took charge and began to evaluate the options available to improve the situation

Pedagogical Objectives

- To discuss why sales declined in Coca-Cola's German subsidiary
- To discuss the Deposit Law
- To discuss the options left before Coca-Cola in increasing the sales and countering Deposit Law.

Industry	Beverage
Reference No.	TRT0089B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Coca-Cola; Coke; Coca-Cola in Germany; German; Deposit Law; Consolidation of bottlers; Sandy Allen; German Nationwide Recycling system; Waste Management in Germany; Pepsi Co.; Hard discounters in Germany; Local German beverages; PET bottles; Refillable bottles; Carbonated drinks; Non-corbonated drinks.

Starbucks: Turbulence in its Overseas Market

Starbucks was a leading coffee giant, expanding the company globally. Since 2003, Starbucks had to face problems due to anti-Americanism in its overseas market. Moreover stiff competition in the market posed a big challenge to Starbucks. Starbucks is trying to overcome all of these problems Will Starbucks succeed in its attempts?

Pedagogical Objectives

- To discuss about the effect of anti-Americanism globally
- To understand the problems faced by Starbucks in the global market.

Industry	Beverage
Reference No.	TRT0088B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Starbucks; Overseas market; Anti-Americanism; Stiff competition; Strategy; Future-plan; Mergers; Football; Brands; Olympic games.

Starbucks In France: Teething Problems

In 2005, Starbucks was the largest specialty coffee shop chain in the world. In 35 years of its operation, Starbucks emerged as the world's leading retailer, roaster, and brand of specialty coffee with coffeehouses in North America, Middle East, Europe, Latin America and the Pacific Rim. The company had outlets in more than 10,000 locations around the world by the end of 2005.

The coffee multinational initially operated in various locations of North America, starting its business in the US in 1971. In 1996, Starbucks started its international ventures as the US market reached saturation by that time. It entered the Asian market first. After receiving encouraging responses in Asia, Starbucks entered Europe in 1998. In 2004, the coffee chain reached Paris in France. France, being the birthplace of café society, already had several well-established and reputed coffee chains. Moreover, the café culture of France was much different from the culture Starbucks was known for. Hence analysts questioned whether Starbucks was aware of the risk it was taking by entering into France and challenging the origin of café society.

Pedagogical Objectives

- To highlight the need for adapting to the culture of a country to flourish in business
- To understand the coffee culture in France.

Industry	Beverage/Coffee
Reference No.	TRT0087B
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Starbucks; French coffee culture; Howard; Schultz; Gourment coffee; Expresso bar; Cappuccino; Coffee beverage; Seattle; French coffee Market; Starbucks experience; Italain Caffee; Arabica bean; Hear Music; No smoking policy.

Hong Kong Disneyland: Appeasing the Dragon?

In 2005, The Walt Disney Company (Disney), the No.2 media and entertainment company in the world, opened its first theme park in China, the 'Hong Kong Disneyland' in Hong Kong.

Hong Kong Disneyland is the American group's third international amusement park, the other two being Tokyo Disneyland and Disneyland Paris. In 1992, when Euro Disney (later Disneyland Paris) was opened in France, the French critics termed it as an American cultural invasion and the locals stayed away from it. Finally, Disney made the park more culturally acceptable to the local visitors and the park became Europe's most visited place.

So, in 2005, when the Hong Kong Disneyland came up, Disney made sure that it would be a feel-like-home experience for the Hong Kong and Mainland China visitors. The company wanted to avoid the mistake it made in its European foray. Also, as the Hong Kong Government, known to be very conservative, has a controlling stake, Disney had to make some modest concessions to local customs. But analysts questioned whether Disney would be able to transport the magic of Disneyland brand to Hong Kong Disneyland. It tried hard to make the park culturally acceptable to the Hong Kong and Mainland China population. But in this attempt, will the aura and magic of Disneyland be lost?

Pedagogical Objectives

- To discuss about the specialty of Disney Land
- To understand about Hong Kong Disneyland
- To highlight the need for adaptability on entering a new market.

Industry	Entertainment Amusement Park
Reference No.	TRT0086B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Disneyland; Hong Kong; DisneyTheme Parks; China; Feng Shui; Robert Iger; Dragon; Entertainment; Attendance; Rides; Culture; Amusement Park; Disneyland Resort; Mickey Mouse.

Obesity: Fading McDonalds' Image

Since 2002, McDonalds was targeted for the soaring obesity and other health related issues. Negative propaganda highlighting the deterioration in its food quality of McDonalds ruined its image as the most lovable brand in the US. In 2006, in order to get away from negative publicity and to regain its lost reputation and sales, McDonalds included nutritional information in all its fast-food packaging and also started the McDonalds' Global Moms Panel. It had plans to advertise aggressively about its high-quality food and also to revamp 100 of its restaurants according to the changing needs of its customers. Though McDonalds was confident of regaining its image, analysts argued that midst its challenges, it would take a long time for the company to reclaim its lost aura.

Pedagogical Objectives

- To discuss how the fast food industry in the US was affected by health related issues
- To understand how McDonalds managed to achieve growth through its strategies.

Industry	Fast Food Industry
Reference No.	TRT0085B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

McDonald's; Obesity; Fast food industry; Wendys; Burger King; Market leadership; lack of quality; Eroding image; Plan to win.

Coca-Cola in Japan: From Role Model to Role Reversal

The Coca-Cola Company's Japanese operation, Coca-Cola (Japan) Co. Ltd. (CCJC), was considered to be a role model for the company's other global operations. CCJC also contributed to one-fifth of The Coca-Cola Company's annual profits. However, the situation started changing from 2002, with a decline in the sales volume of CCJC. Since the beginning of 2006, a number of steps have been initiated by the management of CCJC to turn the fortunes of the company around.

Pedagogical Objectives

- To discuss why CCJC was considered to be a role model for The Coca-Cola Company's other global operations
- To analyse the factors responsible for the decline in the fortunes of CCJC
- To understand the strategies undertaken by the company management to turn the fortunes of CCJC around
- To debate whether CCJC would be able recover its position as a role model for The Coca-Cola Company's other global operations.

Industry	Beverages
Reference No.	TRT0084
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Coca-Cola (Japan) Co. Ltd.; Role model; Marketing strategies for Japanese; Market; Japanese beverage market; Market trends; Cultural Disparities; Role reversal; Georgia marketing campaign; Management changes; Population of Baby Boomers; Japanese culture; Innovative health products; Strengthening Georgia coffee brand; Expanding tea portfolio.

Olympus in 2006

Tokyo based, Olympus was the world's fourth best selling digital camera manufacturer after Canon Inc., Sony Corp. and Eastman Kodak. Olympus also manufactured medical endoscopes and dominated the medical industry with market share of 70%.

The digital camera business suffered from steep price falls, slow industry growth and the increasing popularity of camera phones. In March 2005, Olympus suffered a net loss of ¥11.8 billion compared to a net income of ¥33.6 billion in 2004, largely due to the poor performance of the digital camera segment of the imaging business.

Olympus faced various challenges to grab market share, make profits and to innovate the product in a statutory market for its sustenance. Apart from cheap cameras from China, camera phones added more woes to Olympus. In spite of a having a long history of operating in the camera industry, Olympus wasn't able to sustain the industry and rival pressure. Experts opined that Olympus should engage in contract manufacturing (to China), strengthen its R&D rigorous or let down its business and concentrate on medical endoscopes.

Pedagogical Objectives

- To study the competitive scenario of Olympus
- To study the challenges faced by Olympus
- To analyse the future prospects of Olympus.

Industry	Digital Photography
Reference No.	TRT0083A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Olympus Inc.; Digital photography; Olympus Corp.; Olympus imaging; Digital cameras; Camera phones; Canon; Sony; Eastman Kodak; Digital SLR; industry decline.

Pitney Bowes in 2006

Pitney Bowes (Pitney) which controlled 60% of the worldwide postage-meter market and 80% of the US market ever since, it was authorised by postal authorities in 1920, to rent postage meters, had dominated the business. But in 1959, the US Department of Justice challenged Pitney's monopoly. And by 1964, Pitney was facing sixteen competitors in the market. It gradually fell apart faced with competition. Fred Allen's leadership put Pitney back into business and George Harvey, who succeeded Allen, consolidated adopting new technologies and products. Now Pitney provided office technologies and services that helped companies gain efficiencies and capitalise on opportunities. Pitney's solutions included a wide range of mailing and document technologies, efficiency management services and one-to-one management expertise.

Unlike other businesses the postal industry was changing dramatically. It was driven by technological, social and regulatory changes. The competition intensified with each passing day and market segments began to fragment. As the postal business changed, operators responded by reshaping their businesses. New technologies altered the established industry standards and market liberalisation opened the way for

new competitors. There was a significant shift in what was once sent by physical mail to other media such as financial prospectuses were now posted on Internet than sent by mail.

Pitney was in the final stage of a major makeover, turning from an old-fashioned US postal meter company into a cutting-edge global solution provider of integrated mail and document management systems and services. Michael J. Critelli, a 57 year old Harvard Law School graduate who became CEO in 1996, had grown Pitney through quiet effective leadership had a daunting task to put a modern stamp on Pitney's 85-year old business.

Pedagogical Objectives

- To discuss the challenges and opportunities in store for the world postage system
- To understand the concept of peripheral vision of corporate leaders
- To illustrate change management, 360 degrees turnaround, re-branding strategies, quiet leadership, restructuring etc.

Industry	Business Equipment
Reference No.	TRT0082A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Peripheral vision; Postal meters; Franking; Stamps; Document technologies; Office solutions; Fax machines; Business communication; e-mail; Snail mail; Quiet leadership; Mail; Postal reform; Digital stamps; USPS; 360 degrees; Mail-sorting; Re-branding; Restructuring; World; Global postal systems; Document delivery.

Time Warner: Dick Parson's Dilemma

Time Warner had interests in publishing, cable systems, filmed entertainment, interactive services and television networks. It owned a collection of brands like America Online (AOL), Time Inc., Home Box Office (HBO), New Line Cinema, Turner Broadcasting System, Warner Bros. Entertainment and Time Warner Cable all under one roof.

In 2000, Time Warner merged with AOL. It was called 'historic' as it brought together an online service company and a media and entertainment services provider. With the merger, Time Warner's stocks went up by 39%, $25.31 to $90.06 in 2000. The deal represented a major change in Time Warner's approach to become a Net player. But the value of AOL had dropped from its $200 billion high, since its merger with Time Warner. Though AOL was the gateway to the Internet for many Americans through the mid 1990s, of late the rise of high-speed Internet access from telecommunication companies and cable companies had shrunk its user base.

Moreover, Carl Icahn, the billionaire investor who had 3% share in the company had been putting pressure on Time Warner to split the company. He accused the Time Warner board of not taking enough steps to enhance shareholder value.

Pedagogical Objectives

- To discuss the impact of a single share holder on the entire company
- To discuss the future of Time Warner
- To analyse the growth dilemma faced by Time Warner.

Industry	Media Conglomerate
Reference No.	TRT0081A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Leadership; Carl Icahn; AOL-Time Warner Merger; Media and entertainment; ISP; Internet Business Dick Parson; Online services; Shareholders value; American Online; Time Warner; Strategy.

Trouble at Tiffany in Japan

The internationally renowned jewelry company, Tiffany had been facing problems in their second largest market, Japan, since 2002. After performing commendably even during the times of deep economic recession in Japan, Tiffany's sales in Japan was slipping since the last couple of years, while other jewelry retailers were flourishing.

The case explores the probable reasons for Tiffany not performing as per their expectation. Tiffany's core customers had remained the affluent class, but to attract younger and less affluent customers, it also introduced and promoted less expensive products which had tarnished its elite image. Their retailing strategy of opening majority stores in department stores through which traffic of their target customers was decreasing, had backfired. Tiffany's principal strategy in Japan had been to focus on their expensive bridal jewelry especially traditional engagement rings. With changes in the Japanese traditions, preferences of Japanese consumers and with the aging of the Japanese population their strategy has turned questionable. Managing the fluctuation in the Yen-Dollar exchange rate, also became a matter of concern.

Pedagogical Objectives

- To analyse the Japanese jewelry market and discuss the reasons for Tiffany's troubles in Japan
- To suggest strategies that Tiffany should formulate to regain its position in Japan
- To recognise the opportunities and challenges in store for a global jewelry retailer.

Industry	Jewelry Retail
Reference No.	TRT0080A
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Tiffany; Mitsukoshi; Wholesaling; Retailing; Retailing strategy; Japan recession; Japanese jewelry market; Japanese consumer; Segmenting; Targeting; Positioning; Currency fluctuation; New Product introduction; Expansion strategy; Competition; Consumer Behavior; Baby Boomers; Product management.

NBC Universal Inc.: Managing in Troubled Times

NBC Universal (NBCU) dominated US television from the 1970s till 2004 with its highly popular serials like Friends, Cheers, Seinfeld and Frasier. However, due to its failure to offer new entertaining shows since 2005, the company witnessed a decline in its viewership and was ranked fourth behind its competitors like FOX, ABC and CBS networks. In December 2005, NBCU made major changes in its top-level management and appointed Jeff Zucker as the CEO. It also planned to market its new shows through digital technology to reclaim its leadership position.

Pedagogical Objectives

- To understand the dynamics of the US television market and the critical success factors in that market
- To analyse the reasons behind the loss of viewership of NBCU
- To debate whether Jeff Zucker's revival strategies would help NBCU to reclaim its leadership in US television.

Industry	Television
Reference No.	TRT0079
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

American Television Industry; Nielsen Television Ratings; Friends; HANA; Ivillage; GE's Imagination Breakthrough; Jeff Zucker; Turnaround Strategies; Webisodes; Martha Stewart.

Yahoo!: Challenges in its Online Entertainment Ventures

With growth in the global entertainment and media industry, many Internet companies are making efforts to increase their presence in diversified online businesses like digital entertainment. Yahoo!, one of the leading web portals providing a variety of services like online chat, online music and online sports, also ventured into the online media business by forming the Yahoo! Media Group in January 2005. To offer its users different television programs on the Internet, Yahoo! Media Group partnered with Hollywood and other media companies like Mark Burnett Productions to launch reality shows like The Runner and Wow House. However, these programmes had to be shelved due to declining viewership. Besides, Yahoo! faces tough competition from AOL, MSN and Google in online media business.

Pedagogical Objectives

- To understand the importance of new technologies in converging traditional media like the radio and television with emerging medium like the Internet
- To analyse Yahoo!'s gradual expansion into the online media business amidst competition from Google, MSN and Time Warner/AOL
- To discuss the initiatives of Lloyd Braun to enable Yahoo! Grab a bigger market share in the global online media business
- To focus on the inherent challenges an Internet company has to face when it tries to foray into online media business and competes against well established television companies.

Industry	Internet Search and Navigation Services
Reference No.	TRT0078
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

On-line entertainment industry; Yahoo!'s business model; Yahoo!'s products and services; Media companies in the US; Brand advertising of Internet companies; Yahoo!'s diversified growth; Google; Microsoft; Time Warner; America Online; The US film industry; Turnaround strategies of Yahoo!

Temasek Holdings, The Singapore Government's Investment Agency: The Troubled Strategy?

Temasek Holdings was a Government Linked Corporation (GLC), owned directly by Singapore's finance ministry - its sole shareholder. Temasek, like the other GLCs of Singapore, had played a vital role in the country's spectacular economic development. Saturation in the local economy resulted in Temasek to look beyond the borders and invest globally. However, Temasek's government-linked factor was coming in the way of its investment strategy.

Pedagogical Objectives

- To discuss, the evolution and role of Government Linked Companies in Singapore's economic development
- To discuss, Temasek's investment strategy
- To discuss the problems that Temasek is facing regarding its global investment strategy and their causes
- To discuss, Temasek's strategy of turning itself around to face the challenge and possibilities of success.

Industry	Financial Services
Reference No.	TRT0077
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Available

keywords

Temasek Holdings; State supported capitalism in Singapore; Entrepot economy; State supported model of development; Government linked corporations; Manufacturing sector's share of Gross Domestic Product (GDP); Singapore Inc.; Policy of regionalisation; Temasek's investment strategy; Strategic development; Corporate development; Capital resources management; Building up corporate behemoths; Divestments; Return on investments.

Dell's Business Model: Is it Time to Reinvent?

Dell Inc. has become the world's largest PC manufacturer through its direct selling business model. Despite criticism and skepticism about its business model, it has enabled the company to revive and reinforce its market leadership on different occasions. However, during FY 2005-2006, Dell missed its own revenue projections for two consecutive quarters. This has raised concern among analysts about the viability of Dell's business model in the maturing PC industry and whether Dell would be able to sustain its sales growth.

Pedagogical Objectives

- To understand the direct selling model of Dell and identify the key drivers of the model that have enabled Dell to become the leader in the global PC industry
- To discuss the limitations associated with Dell's direct selling model
- To analyse the possible reasons behind Dell missing its revenue forecasts
- In the light of impending challenges, to debate whether it is time for Dell to reinvent its business model.

Industry	Personal Computers
Reference No.	TRT0076
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Competitive scenario of the global personal computer (PC) market; Dell's direct selling model; Dell's strategies to keep costs low; Dell's business model vis a vis other PC makers; Growth of Dell; Dell's business challenges; Dell's logistics management; Dell's supplier management; Dell's support centres across the globe; Dell's leadership in the global PC industry; Dell's competition with Lenovo; Dell's business strategy for retail customers.

Cendant Corp., the Travel and Real Estate Conglomerate: Troubles and Responses

In 1998, Cendant Corporation, a US-based travel and real estate conglomerate was hit by one of the largest accounting frauds in the US history and its stock value dropped by $14 billion in a day. The company was forced to pay $3.2 billion to its shareholders on account of this fraud. The company also faced challenges ranging from low returns from expensive acquisitions and allegations of huge compensation to its CEO, to its being undervalued and its ineffective share buybacks. To resurrect itself from such troubles, Cendant realigned its businesses and divested its non-core assets and split up into four separate companies with each company specialising in one of Cendant's business lines – hospitality, real estate, travel booking and car rental.

Pedagogical Objectives

- To understand the growth strategies of a company that has diverse businesses under its brand
- To discuss the aftermath of the disclosure of the accounting fraud on Cendant and how it underwent a restructuring to regain its lost ground
- To highlight the core competencies of Cendant and how the company realigned its different businesses based on these strengths
- To debate whether the responses are strategic in nature or are mere reactions.

Industry	Residential Real Estate Brokerage
Reference No.	TRT0075
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

CENTURY 21; Coldwell banker; Vehicle rental and mortgage services; Real estate services; Hospitality services; Travel distribution services; CUC International Inc.; Hospitality Franchise Systems Inc. (HFS); Wright Express Corporation; Hebdo Mag International; National Leisure Group; The Harpur Group Ltd.; ebookers; Gullivers Travel Associates.

Perils of Going Global: WPP's Italian Imbroglio

Since its inception in 1985 under the stewardship of Sir Martin Sorrell, WPP, the world's second largest advertising conglomerate, has rapidly expanded through acquisitions and partnerships. It has 2,000 offices in 106 countries and employs 100,000 people. However, its continuous expansion and globalisation under a centralised management structure led to a loss of control over the entire group. One such instance was the dismissal of the Italian country head, Marco Benatti, who was fired due to allegations of fraud and other financial discrepancies, and a subsequent investigation was launched in WPP's Italian arm.

Pedagogical Objectives

- To understand the growth strategies of WPP in the global advertising and marketing industry
- To discuss the managerial problems in a rapidly expanding global company with a centralised management.

Industry	Advertising and Marketing
Reference No.	TRT0074
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Wire and plastic products; Advertising and marketing services; Global advertising companies; WPP's problems in Italy; Sir Martin Sorrell; Marco Benatti; Mediaclub Italy; Grey Global; Management problems in global companies; Ogilvy & Mather; Specialised and interactive communication services; Investigations into WPP Italy.

Paramount Pictures' Troubled Times: Can Someone Script a Turnaround?

Paramount Pictures, founded in 1912 as Famous Players Film Company, is the last of the major US film studios to be located in Hollywood. The studio has an illustrious history of delivering some of the greatest hits in Hollywood like The Ten Commandments, Roman Holiday, The Godfather series, Mission Impossible and Titanic. Since 2000, the absence of blockbusters has hit its finances. Adding to its financial woes is the alleged link-up of its chairman and CEO, Brad Grey with Anthony Pellicano, a former private investigator, who was arrested on charges of illegal wiretapping and racketeering in early 2006. Despite the acquisition of a promising film studio like DreamWorks SKG, the future of Paramount Pictures is still uncertain.

Pedagogical Objectives

- To understand the evolution of the movie business in the US, from the studio era to Hollywood in the 21st century
- To discuss the strategic initiatives taken by Paramount Pictures to boost its financial health
- To debate whether a major studio like Paramount can survive in the business which is being increasingly characterised by small studios making small-budget movies to cater to niche audiences.

Industry	Motion Picture Production and Distribution
Reference No.	TRT0073
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Famous players; Adolph Zukor; MajesticMountain; Paramount antitrust case; SIMPP (Society of Independent Motion Picture Producers); Viacom Inc.; The Paramount Library; Anthony Pellicano; Brad Grey; DreamWorks SKG; CBS Corporation; Mission Impossible III; George Soros; Tom Cruise.

Takafumi Horie and Livedoor: An Opportunist or a Victim?

In sharp contrast to the genteel, dark-suit wearing Japanese business elite, Takafumi Horie (Horie), the CEO of Livedoor, was flamboyant and informal. Horie symbolised the new generation of Japanese entrepreneurs who dared to challenge the status quo in the conservative business community. His rapid rise to fame largely, because of his acquisition spree, had shocked many. Greater was the reaction when he was arrested on charges of falsifying financial statements of the company.

Pedagogical Objectives

- To discuss the rise of Takafumi Horie and his style of operations
- To compare the operations of the traditional Japanese companies as compared to that of Livedoor
- To discuss whether Horie became a victim because of his flamboyant lifestyle when experts agree that a large number of companies are engaged in similar illegal activities like Livedoor
- To discuss the impact of Livedoor scandal on the Japanese financial market.

Industry	Information Technology Services
Reference No.	TRT0072
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Livedoor; Entrepreneurship; Takafumi Horie; Charismatic leadership; Corporate scandal; Financial scandal; Effect of scandal on financial markets; New generation of Japanese entrepreneurs; Stock split; Poison pills; Livin' on the edge.

PepsiCo's New Challenge: Transformation into a Health Food Company

In early 2002, the growing concern about health and obesity among Americans was taking its toll on fast food chains and companies. PepsiCo was among the first few companies that tried to refurbish its image as a health foods company. PepsiCo initiated a series of efforts by partnering with reputed physicians and reviewing the entire product line.

Pedagogical Objectives

- To discuss the series of initiatives that PepsiCo has undertaken to transform itself into a health foods company
- To discuss how an industry came under fire due to the rising concern about obesity and health.

Industry	Beverages
Reference No.	TRT0071
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

PepsiCo; Health foods; Good for you; Better for you; Fun for you; Steve Reinemund; Food industry and obesity; Dr. Kenneth Cooper; Dr. Dean Ornish; Trans

fats; Health food company; Pepsi edge; Green dot; Tropicana; The Quaker Oats Company.

Japan Airlines Corporation: Brand Building Strategies

Established after the Second World War, Japan Airlines evolved into Japan's leading air carrier in a highly regulated environment. After liberalisation of the Japanese airlines industry in 1987, Japan Airlines suffered losses due to a tough business environment and inherent inefficiencies. Its merger with Japan Air System created Japan Airlines Corporation (JAL), which became one of the world's leading air carriers. However, in 2005 a series of safety lapses in JAL planes severely damaged customer confidence in the airline and the company received a first-ever operational improvement order from Japan's Transport Ministry.

Pedagogical Objectives

- To highlight the formation and growth of JAL against the backdrop of the Japanese airlines industry
- To discuss its brand building strategies to win back customer confidence.

Industry	Airlines
Reference No.	TRT0070
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Japan Airlines; Japan Airlines Corporation; Japan Air System; All Nippon Airways; Toshiyuki Shinmachi; Japanese airlines industry; Civil Aviation Law; Japan Airlines Company Limited Law; Brand building strategies; Building customer confidence; Deregulation liberalisation; Brand image; Ministry of Land, Infrastructure and Transport.

GM's Growing Troubles: Labour Driven or Market Driven?

General Motors (GM), which maintained its number one position in Fortune magazine's annual 500 list over the years, is into losses worth $1.6 billion in third quarter of 2005 mainly due to losses at its North American operations. The GM management cited rising healthcare and labour costs as major reasons for losses. But, the United Auto Workers (UAW) feels that vehicle design, product development and foreign competition are the major reasons for company's losses. The opposing positions between the two (GM and UAM) had hindered negotiations concerning reduction of healthcare costs, job cuts, outsourcing and sub-contracting. Finally on October 17th 2005, GM announced its deal with the UAW, which agreed to reduce its healthcare costs for retirees by $15 billion and its annual employee healthcare expenses by $3 billion a year. Other than reducing costs, GM has also planned to increase revenue by refocusing on sales, marketing and development of new models.

Pedagogical Objectives

- To highlight the reasons for the recent losses at the North American operations of GM
- To discuss the deal entered into by GM and UAM and the effects of the deal.

Industry	Automobile Manufacturing
Reference No.	TRT0069
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

General Motors; Rick Wagoner; Labour cost; Legacy cost; Global auto motor industry; American auto motor industry; United Auto Workers (UAW); Healthcare costs; Competition; Car models; Sports utility vehicles (SUVs); Ron Gettelfinger; Delphi; Detroit; Low-cost manufacturers

eBay Celebrating Tenth Anniversary: The Challenges Ahead

On June 23rd 2005, eBay, the world's largest on-line auctioneering company, celebrated its 10th anniversary. The company, which started its operations with the trade of candy dispensers, became a world leader in on-line business through its innovative business model and consistent performance. While the company's management feels it is just the beginning of the success story, many industry experts opine that the sector is heating up with the entry of other Internet heavyweights like Yahoo!, Amazon, and Google, resulting in several challenges for eBay.

Pedagogical Objectives

- To trace the evolution of eBay into an on-line business giant
- To highlight eBay's business model, its competitive advantage and the growth strategies adopted by eBay
- To discuss the future opportunities and challenges for eBay.

Industry	Internet Auctions
Reference No.	TRT0068
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Growth strategy; Triple A's - Acquisition; Activation; Activity; World's on-line marketplace; Pierre Omidyar; Meg Whitman; e-Commerce; Reputation management system; Paypal Kijiji; Zero inventory system; Yahoo!; Microsoft; Google; Competitive strategies; Froogle; Alibaba; EachNet; Peer-to-peer networks; Business model.

Nissan in America: The Troubled Strategy

After a turnaround that is worthy of being called a miracle, Nissan saw its sales slipping in the very important US market and lost a considerable market share. Lack of new models is said to have hampered the sales growth. The next model will be released in late 2006, by March of that year Nissan would have spent a year without releasing a new model – something unusual in the hypercompetitive automobile industry, where new models, at best, or variations in the old models, at worst, are common place. It is noted that by the time Nissan comes out with a new car, its market share would have fallen beyond recovery. Chief executive officer Carlos Ghosn, often referred to as the 'golden boy' of the automobile industry, is confident and advocates that there is no problem that cannot be solved by a good car. He might be right, indeed he has revived the fortunes of debt ridden Nissan by introducing two dozen new models since 1999. However, pessimists would say 'miracles do not work often'.

Pedagogical Objective

- To highlight the strategies adopted by Carlos Ghosn to revive Nissan.

Industry	Automobile
Reference No.	TRT0067
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Automobile industry in the US; Nissan; Nissan in America; Carlos Ghosn; Nissan's strategy in the US; Carlos Ghosn's strategy.

The American Institute of Certified Public Accountants (AICPA): A Decade of Challenge and Change

By the turn of the 21st century, due to a series of accounting scandals in companies like Enron and Worldcom in the US, Federal Public Policy makers felt that the American Institute of Certified Public Accountants' (AICPA's) authority to set accounting

standards and their enforcement should be transferred to a government empowered body. Subsequently, the Sarbanes-Oxley Act established the Public Company Accounting Oversight Board (PCAOB), which has jurisdiction over every area of CPA practice in relation to public companies. However, for the majority of practising CPA's, who serve privately held business and individuals, AICPA retains its authority to set accounting standards, enforce professional ethics and monitor the quality of the firm practices. Since 2003, AICPA has begun many initiatives, which include programmes that would help in implementing the Sarbanes-Oxley Act and rebuild investor confidence.

Pedagogical Objectives

- To highlight the growth of AICPA
- To discuss the institution's challenges against the backdrop of major accounting scandals that have rocked corporate America.

Industry	Membership Organisations
Reference No.	TRT0066
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

American Institute of Certified Public Accountants (AICPA); Growth strategies; Sarbanes-Oxley Act; Security laws; Oversight Board; Financial Accounting Standards Board (FASB); Generally accepted accounting principles (GAAP); Generally accepted auditing standards (GAAS); Public Company Accounting Oversight Board (PCAOB); Accounting Scandals; Enron; Accounting Standards Board; Securities Exchange Commission (SEC); Challenges for AICPA.

Diageo: World's Largest Spirits Company in Troubled Times

In 2003, Diageo, the world's largest producer of alcoholic drinks, was involved in a controversy over its alleged role in ruining the age-old reputation of the global Scotch Whisky Industry. This was followed by the decline in the sales of its Ready to Drink (RTD) beverages in the US and a sluggish economic growth in Europe, its major market. Besides this it also started witnessing stiff competition from other global giants like the Pernod Ricard-Allied Domecq alliance, William Grant's and Chivas Regal.

Pedagogical Objectives

- To highlight the business hurdles being faced by Diageo
- To discuss the strategies adopted by it to retain its number 1 position in the world.

Industry	Distilleries
Reference No.	TRT0065
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Diageo; European economy; US dollar decline; Consumer taste; Restructuring plan; Troubled times; Mergers and acquisitions; Pernod Ricard; Competition; Competitive advantage; Marketing and innovation; Diversification; Weak demand; Taxes; Future of Diageo.

Troubled Times at Morgan Stanley: Strategic Missteps of Philip J. Purcell?

Philip J. Purcell took over as the chief executive officer (CEO) of Morgan Stanley in 1997. Dean Witter Discover & Co. was merged with Morgan Stanley in the same year. Although initially the company recorded robust performance, post 2000 the performance started deteriorating and the critics accused Purcell's strategic missteps as the reason. As a result, Purcell had to step down as the CEO of the company on June 13th 2005. But his supporters were of the opinion that his strategies would have been successful eventually and he was merely a victim of circumstances.

Pedagogical Objective

- To discuss the challenges faced by Philips J Purcell in turning around the fortunes of the company.

Industry	Capital Market
Reference No.	TRT0064
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Morgan Stanley; Philip J. Purcell; Strategic missteps; Discover credit card; Investment bank; Group of 8; Retail brokerage; Asset management; Spin-off; Cultural differences; Consumer–corporate conglomerate; Dean Witter Discover & Co.; Financial supermarket.

EADS: The Boardroom Battle at Europe's Aerospace Giant

European Aeronautic Defence and Space Company NV (EADS), Europe's largest and the world's second largest aerospace firm, has plans to venture into the US defence industry, which is dominated by US companies. Despite doing well on the business front, EADS is mired in a boardroom battle, which stems from its unique organisational structure. With the German and French shareholders failing to come to a consensus on the future management structure of EADS, many strategic decisions of the company have been put on hold.

Pedagogical Objectives

- To highlight the power struggle within the EADS board
- To discuss how conflicting national interests in a company with dual command, might hamper its business prospects.

Industry	Commercial Aircraft Manufacturing
Reference No.	TRT0063
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global aerospace and defence business; Global commercial aircraft manufacturers; Strategic partnerships in the defence industry; European aerospace and defence manufacturers; Ownership structure of European Aeronautic Defence and Space Company NV (EADS); Relationships between principal shareholders of EADS; Voting rights at EADS board; Conflicting national interests at EADS board; Future business plans of EADS; Transnational ownerships and mergers; State ownership in European defence manufacturers; Multinational ownership and leadership struggles; Franco-German alliance in aerospace and defence manufacturing; Dual-command structure at EADS.

BSkyB: Troubled Times

In June 2005, the European Commission (EC) passed a directive that proposed to put an end to British Sky Broadcasting's (BSkyB) exclusive rights over telecasting of FA Premier League football matches. The Commission proposed to split 20%-50% of the rights with another buyer at the next contract renewal due in 2007. Sentanta Sports, a Dublin-based Irish TV group, is vying for a part of the broadcasting rights to strengthen its portfolio of sport rights in and outside of Ireland. Analysts believe that the loss of exclusive rights of BSkyB will reduce the earnings of the clubs in the FA Premier League and may also lead to the bankruptcy of some clubs. On the other hand, some analysts have opined that loss in exclusivity by BSkyB would lead to a greater number of games being aired on 'free-to-air' television benefiting fans across the UK.

Pedagogical Objectives

- To highlight the different strategies adopted by BSkyB in the wake of the directive by the EC

- To discuss the challenges that James Murdoch, chief executive of BSkyB faces in trying to retain viewership and maintain the company's position in the competitive broadcasting market.

Industry	Direct Broadcast Service Providers
Reference No.	TRT0062
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

BSkyB; European Commission; Setanta Sports; FA Premier League; UK; Personal video recorder; Competition law; Pay-per-view; Segmented pricing strategy; Customer churn rate; Sky Mobile; IPTV (TV over Internet protocol); HDTV (High Definition Television); English Cricket Board (ECB); Digital television.

The Reliance Group Split-up: What Went Wrong with the Indian Conglomerate?

The Reliance Group, controlled and managed by the Ambani family, is India's largest business house. Started in 1958, Reliance grew from a small trading company to a conglomerate with major interests in petroleum, petrochemicals, power, finance and telecom industries, under the leadership of Dhirubhai Ambani and his sons Mukesh and Anil. After the death of Dhirubhai, who was believed to have died intestate, the elder son, Mukesh assumed control of the family-owned business. Within two years, a major ownership battle for the control of Reliance between the two brothers came to light. With both brothers hurling accusations at each other the image of Reliance suffered until their mother, Kokilaben Ambani, effected a settlement.

Pedagogical Objective

- To highlight the growth of Reliance group and the impact of split-up of Reliance Group on the financials and growth.

Industry	Not Applicable
Reference No.	TRT0061
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Reliance group split-up; Dhirubhai Mukesh Anil Ambani; Reliance Industries Limited (RIL); Indian Petrochemicals Limited (IPCL); Reliance Energy Limited (REL); Reliance Capital Limited (RCL); Reliance Infocomm (RIC); Petroleum Petrochemicals; Ownership and control issues; Corporate governance and transparency; Family-owned business enterprise; Indian conglomerate; Vimal Hazira Jamnagar Naroda; Diversification strategies; Largest petroleum refinery.

Walgreen Co.: The US Drugstore Chain's Survival Strategies against the Drug Wars

Founded by Charles Walgreen in 1901, Walgreen grew to become the largest drugstore chain of the US, by 2005. Ever since its inception, Walgreen had expanded by opening new retail pharmacy stores and by 2005 it operated over 4,800 stores in the US. Though Walgreen had grown to become the largest chain of drug stores, it had to face many challenges from the mail order operators since the mid 1990s. The competition from the mail order operators had almost changed the business model of the retail pharmacy stores. The customers of Walgreen started purchasing their daily medical requirements, on-line from the Internet sites operated by the mail order pharmacies (also known as the Pharmacy Benefit Managers). To retain its customers, Walgreen started its own on-line drugstore called www.walgreen.com in 2000. Further in 2003, Walgreen initiated the Advantage90 programme providing its customers the choice of purchasing from the retail stores as well as from the on-line sites.

Pedagogical Objective

- To discuss the growth strategies of Walgreen to deal with the challenges faced by it in adopting its business model according to changing industry trends.

Industry	Drug Retailing
Reference No.	TRT0060
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Walgreen Co.; Charles Walgreen; Organic Growth; Largest drugstore chain; Competition from mail order system; On-line drugstore; Pharmacy benefit managers; Advantage90 programme.

CNN, The World's First 24-hour News Channel's 25th Year: The Challenging Times

Cable News Network (CNN) is the world's first ever 24-hour news channel launched by Ted Turner in 1980. Until Rupert Murdoch introduced Fox Channel in 1996, CNN dominated the cable news market with its around the clock news broadcasting. Apart from a decline in the viewership, the competition from Fox Channel brought to light various factors that CNN overlooked in its broadcasting. Biased reporting, a little-varied portfolio of programmes and an inclination towards marketing rather than reporting quality, all made CNN vulnerable to competition.

Pedagogical Objectives

- To highlight growth strategies of CNN over the years and the challenges it faces from rival channels
- To discuss how CNN is dealing with the competition especially from Fox news channel by initiating changes to its programming and reporting style.

Industry	Television Cable, Pay and Broadcast Networks
Reference No.	TRT0059
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cable News Network (CNN); Competition among 24-hour news channels; Ted Turner; Fox Channel; Rupert Murdoch; Conservative and Liberal audience; Innovations in broadcasting; Biased programs; Image transformation; CNN's competitive strategies.

Amtrak: America's Passenger Rail Service Getting out of Track?

Amtrak was started in 1971 by the US government to provide high quality intercity railroad passenger transportation at economical rates. Although Amtrak was expected to achieve operational self-sufficiency by 1973 without the US government subsidy, the company continued to receive federal subsidies, which amounted to $29 billion by 2004. In mid-2005, the US government introduced a bill in the Congress titled the Passenger Rail Investment Reform Act, which intended to privatise Amtrak. However, certain lobbies in the US Congress are opposing the bill.

Pedagogical Objectives

- To highlight the challenges faced by Amtrak
- To discuss the implications of privatising a passenger railroad, which has been losing $1 billion every year since the early 1990s.

Industry	Intercity Passenger Railroads
Reference No.	TRT0058
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

National Railroad Passenger Corporation; National monopoly; Amtrak's operational self-sufficiency; Passenger Rail Investment Reform Act; Privatisation of Amtrak; American aviation industry; American automobile industry; Interstate Commerce Commission; Intercity passenger railroads; Passenger network; Federal subsidies; Fastest mode of transportation; Global privatisation of railroads; Railpax

US Postal Service: Threats and Challenges

By 2004, the United States Postal Service (USPS) had established a network of 37,000 post offices across the nation. Through various cost cutting initiatives and supply chain improvements, USPS reduced its debt from $11.3 billion (in 2001) to $1.8 billion in 2004. However, with increasing usage of the Internet for personal and business correspondences, the first class mail service, which represents more than half of the USPS revenues, has been declining. Besides, increasing competition from private courier companies accompanied by a potential workforce crisis and rise in expenses has forced USPS to reduce its costs even further by adopting the latest technologies to provide faster and more cost efficient services.

Pedagogical Objective

- To highlight the challenges faced by USPS to survive and retain its market share.

Industry	Postal Services
Reference No.	TRT0057
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Available

keywords

Postal Service in US; Automation techniques in postal service; Customer Services at USPS (US Postal Service); On-line postal services; First class mail; Automated postal centres; Cost control measures at USPS; Federal Express; Workforce crisis at USPS; Threats from the Internet; Bureaucracy in US government; US Postal Reorganisation Act of 1970.

Siebel Systems, Inc.: Troubles and Turnaround Efforts

Siebel Systems Inc. was one of the fastest growing companies in the information technology industry. It was known for its ability to provide software solutions for Customer Relationship Management (CRM) and Sales Force Automation (SFA). But the global economic slowdown in 2000 brought a spate of troubles for the company, from which it seemed hard to emerge. As the company kept reporting dismal performance year after year since 2002, concurrently the management was also making efforts to stop the losses and achieve a turnaround. As part of the turnaround effort, a new Chief Executive Officer, Michael Lawrie, was appointed to revive the fortunes of the company. But before he could completely implement his strategies, in a sudden move, he was replaced with George Shaheen. The continuous losses, ongoing turnaround efforts and the sudden change of leadership at the helm raised questions about the health of the company and its future prospects.

Pedagogical Objective

- To highlight turnaround efforts and strategies adopted by Siebel Systems Inc.

Industry	Information Technology Services
Reference No.	TRT0056
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Siebel Systems Inc.; Information technology services; Business processing outsourcing services; Turnaround strategies; Restructuring plan; Michael Lawrie and George Shaheen; Customer Relationship Management (CRM); Tom Siebel; Sales Force Automation (SFA); Incompetent managers and poor decisions; Troubled times and leadership change; Oracle; SAP; IBM; Salesforce.com; Computer services and software; Turnaround specialist; Divestments and spin-offs.

Wal-Mart in Germany: The Retailing Challenges

By the end of 2004, Wal-Mart had a marginal presence in Germany with 2% in the retail food market. Even with 91 supercentres, Wal-Mart was facing problems trying to integrate its operations in Germany and was also finding it difficult to adapt itself to the local culture. Besides, strict government regulations in the retail sector were hampering its expansion.

Pedagogical Objective

- To highlight the strategies adopted by Wal-Mart to overcome the retailing challenges in Germany.

Industry	Discount and Variety Retail
Reference No.	TRT0055
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Wal-Mart; Germany; Retail industry; Hypermarket; Kay Hafner; Every Day Low Pricing (EDLP); Interspar; Zoning regulations; Culture clashes; Restrictive shopping hours; Supply chain and distribution system; German retail laws and regulations; Wertkauf; Merchandise vendors.

MG Rover: The Fall of an Iconic Brand – The Blame Game Continues

MG Rover was once Britain's biggest car manufacturer in terms of volume, producing more than half a million cars annually. Established in 1906, the company experienced many setbacks in the form of ownership changes, industrial relation problems, low production and financial constraints, which finally led to the downfall of the company. While some analysts held BMW, the owner of MG Rover between 1994 and 2000, responsible for the downfall, the others blamed the government for not rising to the situation on time when BMW sold the company to Phoenix Venture Holdings. The management of Phoenix Venture Holdings headed by ex-chief executive officer of MG Rover, John Towers, faced criticism for utilising the funds available at MG Rover to fulfill their personal financial requirements.

Pedagogical Objective

- To discuss the options available at MG Rover to avoid the fiasco.

Industry	Automobile
Reference No.	TRT0054
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Rover Group; Longbridge factory; Ownership changes; Phoenix Venture Holdings; Job cuts; The Mini brand; Bankruptcy; Labour problems; John Towers; Tony Blair; Shanghai Automotive Industry Corporation.

American Car-parts Firms' Growing Troubles: Delphi Leads the Way

The world's largest auto parts maker, Delphi Corporation, announced in March 2005 that it had overstated its profits by $166 million and cash flows by $447 million over a period of six years since 1999. The accounting irregularities came to the fore at the time when Delphi was already mired in other problems related to an increase in

commodity prices like steel, a decrease in production by Ford, DaimlerChrysler and GM, as well as increased competition from foreign players.

Pedagogical Objectives

- To highlight the challenges faced by the US car-parts industry
- To discuss Delphi's problems and its future course of action under difficult business circumstances.

Industry	Auto-Parts Manufacturing
Reference No.	TRT0053
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Delphi; US car-parts industry; Autosuppliers; USA; Auto parts; Accounting; Outsourcing; Foreign auto parts suppliers; Big Three; Ford; General Motors; Auto parts manufacturers; Steel price; Commodity price.

Swiss International Airlines: Revival Plan to Yield Break even?

Swiss International Air Lines (SWISS), the new national carrier of Switzerland was formed in 2002, through the merger of bankrupt former national carrier SwissAir and a regional carrier CrossAir. The company's several attempts to reposition itself failed. In 2004, the airline's membership in the Oneworld Alliance and a partnership agreement with British Airways went sour aggravating the company's troubles. Also, the airline is yet to break even since its inception. Hence, in early 2005, SWISS announced a restructuring plan aimed at ending its troubles and posting a net profit by 2006.

Pedagogical Objective

- To highlight the reasons behind the continuous losses and failure of SWISS International Airlines alliance with British and other airlines.

Industry	Commercial Aviation and Airlines
Reference No.	TRT0052
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Swiss International Air Lines (SWISS); Oneworld Alliance; Code-sharing agreement; British Airways; Restructuring plan; Breakeven; Swiss national air carrier; Crossair; Loss-making routes; Incompetent managers and poor decisions; High cost airline and low cost airline; Structural problems and cultural clashes; Deutsche Lufthansa AG; Lufthansa-SWISS merger; Future of SWISS.

Marsh & McLennan: The Troubled Insurance Broker

Marsh & McLennan (Marsh), the world's largest insurance brokerage company was mired in an insurance scandal in 2004. It was alleged by New York Attorney General Eliot Spitzer, that it had been involved in unethical and illegal practices to benefit its favourite clients through rigging of insurance bids in their favour, manipulating prices of their insurance products and that it received extra commissions for those favours. These allegations and the consequent investigation by the attorney general had a profound impact on the company. It witnessed the erosion of its market capitalisation by nearly 50%, a decrease in earnings, downgrading by international rating agencies and resignation of the chief executive officer (CEO). The entire US insurance industry came under the scrutiny of investigators and law enforcers. To protect the company from its falling reputation, the company appointed a new CEO Michael Cherkasky who took up the task of reformation by an $850 million settlement of the scandal, a change of business model, elimination of unlawful practices, and measures to maintain transparency and better compliance. But the company still faces several other tougher challenges for the future.

Pedagogical Objective

- To highlight the flaws in the US insurance industry, which led to a major scandal, and its impact on the insurance industry.

Industry	Insurance
Reference No.	TRT0051
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Marsh and McLennan Companies; Insurance brokerage firm; New York attorney general, Eliott Spitzer; Michael Cherkasky and Jeffrey Greenberg; American insurance regulatory system; Insurance bid rigging; Price manipulating and fixing; US SMART (State Modernisation and Regulatory Transparency) Act; Insurance scandal and probe; Corporate transparency; Conflict of interests and investor confidence; Fraud and anti-competitive activities; Secretive culture; Corporate governance; American insurance industry.

Ente Nazionale Idrocarburi (ENI): Succession Battle at the Italian Oil Giant

Ente Nazionale Idrocarburi (ENI) an Italian state-owned company dealing primarily in oil and natural gas under Enrico Mattei, the founder of ENI, diversified into businesses such as electricity, engineering, construction and petrochemicals. After his sudden death in 1962, the company was mired in financial and operational struggles and in 1992, Franco Bernabe, a strong supporter of privatisation was appointed as chief executive officer. Under his leadership ENI not only became a joint stock company but also showed profits. Vittorio Mincato succeeded Bernabe in 1998 and he turned ENI into the world's sixth biggest oil producer, in terms of market capitalisation. With his term coming to an end in May 2005, speculations about the succession plans is doing rounds in the industry circles. Owing to the government's 30% stake in ENI, Silvio Berlusconi, Italy's prime minister was also in search for a replacement to Vittorio. Moreover, though Vittorio announced that he was expecting a term extension, many within the industry circles voted against him.

Pedagogical Objectives

- To highlight the impact of political influence on the management as well as the company's operations that led to financial problems at ENI
- To discuss how privatisation efforts and freeing the company from political influence helped the company to emerge as one of the leading oil producers in the world
- To discuss the possible impact of succession plan on the future of ENI.

Industry	Oil and Natural Gas
Reference No.	TRT0050
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Succession plans; Privatisation; Government intervention; Vittorio Mincato; Political influence.

Vonage – The Pioneer in VOIP Telephone Services: Future Challenges

US-based Vonage is the pioneer in the Voice Over Internet Protocol (VOIP) telephone services. Through innovative services and promotion, it emerged as the leading player in the industry. But the increasing popularity of Internet services brought major telecom, cable, and Internet

companies into the VOIP market, creating future growth challenges for Vonage. This case provides insights into the VOIP technology, industry trends and the competitive strategies of various players in the fast expanding VOIP market.

Pedagogical Objectives

- To discuss the future trends in VOIP industry
- To highlight the challenges faced by Vonage to retain its leading position in the VOIP telephone services.

Industry	Telecom Services
Reference No.	TRT0049
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Vonage; Voice over Internet Protocol (VOIP); Diversification; AT&T; Comcast; Cable Vision; US telecom industry; Skype; Net2Phone and Delta Three; Business and revenue model; Cable and telecom giants; Telecom and Internet infrastructure; Verizon; Internet phone industry; Wi-Fi (wireless fidelity) technology.

Troubled Times at Perrier

In the mid-1980s, Perrier was the world's best selling mineral water brand. In February 1990, after the detection of contamination in its bottled water, the brand was almost ruined. Nestle bought Perrier in 1992. After several unsuccessful attempts to restructure the company, in March 2004, Nestle announced that Perrier was not profitable enough and proposed voluntary retirement for some of its workers. Perrier's powerful labour union, CGT (Confederation Generale du Travail), opposed the proposal and refused to accept job cuts. Nestle threatened to sell off Perrier or move production elsewhere. With the Nestle management and the CGT at loggerheads, the French finance minister had to intervene to settle the dispute.

Pedagogical Objective

- To highlight the problems of Perrier and possible actions required to revive the company.

Industry	Water and Ice
Reference No	TRT0048
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Perrier; Nestle; Mineral water; Bottled water; CGT (Confederation Generale du Travail); Labour relations; Nestle Waters France; French mineral water industry; Contamination; 35-hour workweek; French labour laws; Green bottle; Naturally sparkling.

Mobile Phone Industry's Safety Concerns: Managing Troubled Times

Since the introduction of mobile phones in the early 1980s, there have been concerns regarding the effects of the use of mobile phones on human health. There were allegations that the microwave radiation used to transmit conversations between base stations and mobile phone handsets could lead to health problems such as fatigue, reduced concentration and cataracts among others. Although, there was no concrete evidence that mobile phones posed a threat to human health, researchers warned people to take a cautious approach to the use of mobile phones. Meanwhile, mobile phone manufacturers initiated efforts to counter the health fears.

Pedagogical Objective

- To highlight the efforts initiated by mobile phone manufacturers to mitigate the fears about the health risks associated with the use of mobile phones.

Industry	Telecommunications Equipments
Reference No.	TRT0047
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mobile phone industry; Health issues; Mobile phone industry's safety concerns; Microwave radiation; Health risks and mobile phones; Mobile phone base stations; Mobile Manufacturers Forum; Electromagnetic radiation; Mobile Operators Association; World Health Organisation; Initiatives by mobile phone manufacturers; Specific absorption rates of mobile phones; Radiation levels of mobile phones; Mobile Telecommunications Health Research programme.

Vodafone: Losing Connectivity in Japan?

By January 2005, Vodafone in Japan had lost 59,000 customers to its competitors, who were offering superior handset features and services. This prompted Vodafone to re-organise its management structure by recruiting a new president who had in-depth knowledge of the Japanese market and also planned to offer handsets that were tailor-made for the Japanese customers.

Pedagogical Objective

- To discuss the challenges faced by Vodafone in Japan.

Industry	Wireless Network Operators
Reference No.	TRT0046
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Vodafone; Japan; Vodafone KK; 3G mobile handsets; Japan Telecom; J-Phone; Shamail; W-CDMA; NTT DoCoMo; KDDI; Bill Morrow; Mobile industry; Anti-spam; High Speed Downlink Packet Access (HSDPA); Vodafone Live!

Troubled Times at Unilever

After the failure of the five-year 'Path to Growth' programme that aimed at 5% to 6% annual growth, Unilever's pre-tax profit declined from £4.5 billion in 2003 to £2.8 billion in 2004. The loss of £255 million in the fourth quarter of 2004 was the company's first quarterly loss since 2000. This led to the abandonment of its 75-year old dual chairmen structure and paved the way for unification of the bi-national company.

Pedagogical Objective

- To discuss the challenges faced by Unilever to retain its market share.

Industry	Personal Care Products
Reference No.	TRT0045
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Unilever; Troubled times; Personal care products; Path to growth strategy; Consumer goods industry; Pricing power; Bureaucracy; Twin board structure; Management team; Performance targets; Procter and Gamble (P&G); Slim Fast; Restructuring; Cost cutting; Supermarket chains.

Pfizer: Dearth of New Products and Future Challenges

By the turn of the 21st century, despite investing $7 billion a year on R&D, Pfizer has been witnessing constant decline in its productivity. Since 2001, Pfizer's shares have declined by 45% to $25 a share. Analysts estimate flat earnings for Pfizer in 2005 and 1.5% annual decline in its sales through 2010. Under such circumstances, Pfizer has initiated a comprehensive review of its business and the company is expected to undergo a major restructuring in 2005.

Pedagogical Objectives

- To highlight the challenges faced by Pfizer
- To discuss the future strategies Pfizer would adopt to retain its market position.

Industry	Pharmaceuticals Manufacturers
Reference No.	TRT0044
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Pfizer; Pharmaceutical industry; Innovations; Blockbuster drugs; Acquisitions; Licensing; Regulatory measures; Research and development; Lipitor; Food and Drug Administration; Patent expiration; Generic competitors; Ranbaxy Laboratories Limited; Restructuring; Decentralisation.

Unocal's Embattled Strategy: A Soft Takeover Target?

Until the end of 2004, US-based energy company, Unocal Corporation, was trailing behind its peers in share price, production and net income per barrel. But, on January 6th 2005, its share price jumped by 10% when rumours spread about its probable acquisition by China National Offshore Oil Corporation (CNOOC), a leading energy company in China. The company had faced environmental problems, was accused of human rights abuses and also failed to meet its production targets.

Pedagogical Objective

- To discuss the problems faced by Unocal that makes it a potential takeover target.

Industry	Oil and Gas Refining, Marketing and Distribution
Reference No.	TRT0043
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Unocal; China National Offshore Oil Corporation (CNOOC); Takeover; Energy companies; Oil and natural gas company; Global demand for oil and natural gas; Consolidation in oil industry; Environmental problems; Human rights violations; China's oil imports; Acquisition.

Telstra's Growing Troubles: Is Privatization the Solution?

Telstra, the Australian state-owned telecommunications and information services company, offers fixed and mobile phone services, and Internet access. A failed international venture led to a billion dollar write down resulting in losses and debts for the company. Rising costs and regulatory issues added to its troubles. In order to reduce its debts and turn the company around, the Australian government decided to privatise it. Besides enabling the students to discuss the reasons for Telstra's troubles, this case also triggers discussion on the pros and cons of privatising Telstra and the possible alternatives to turnaround the company.

Pedagogical Objective

- To highlight the Pros and cons of privatising Telstra and its impact on the company.

Industry	Telecommunications Equipment
Reference No.	TRT0042
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Telstra Corporation; Privatisation; Diversification; Restructuring; Regional telecommunications inquiry; REACH; Pacific Century Cyber Works (PCCW); Voice over internet protocol (VOIP); Wholesale voice; Data and internet connectivity services; Next Generation Cost Reduction phase III (NGCR III); Australian telecom industry; Management turmoil; Sensis – directory business; Rising debts and operating costs; Telstra mobile satellite.

Nortel Networks: The Canadian Telecommunications Equipment Giant's Accounting Controversies

The management of Canada-based Nortel Networks Corporation, one of the largest telecommunications equipment companies in the world, was forced to restructure due to the Internet bubble bursting. However when it appeared that the company was able to come out of the downturn in its business by 2003, disaster struck the company again in early 2004, when it announced that it would be re-stating its financial statements for the years 1998 to 2003.

Pedagogical Objectives

- To discuss the reasons behind re-statements of financials between the years 1998 to 2003
- To highlight the impact of accounting controversies on the Nortel's future growth prospects.

Industry	Telecommunications Equipment
Reference No.	TRT0041
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Nortel Networks Corporation; Accounting mis-statements; Financial re-statement; Telecommunications equipment maker; John Roth; Frank Dunn; Controversial bonus plan; Return to profitability; William A 'Bill' Owens; Chief of ethics; Audit Committee of the Board of Directors; Bell Telephone Canada; Public and private telecom networks; Regulatory investigations; Securities and Exchange Commission (SEC).

General Motors in Europe: The Challenging Times

General Motors Europe (GME), the European division of the world's largest automobile manufacturer General Motors, started reporting protracted losses and declining market share from 1999 due to the weak European market. New liberalised car dealership rules, an unsuccessful restructuring plan, a failed alliance with Fiat Auto and the growing dominance of the Asian carmakers further worsened the situation. GME's position slid from second to fifth in the European market. In 2004, to save the ailing European division from further decline, its new chairman Frederick Henderson, formulated a restructuring plan focusing on reduction of costs, plant capacities, downsizing and integration of functional departments. But according to the industry analysts the task of restructuring is likely to be tough and the layoffs expensive, with weak markets for the next two years.

Pedagogical Objective

- To discuss the efficacy of the restructuring plans for General Motors in Europe.

Industry	Sugar
Reference No.	TRT0040
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

General Motors Europe; Fiat Auto SPA; European automotive industry; Frederick Henderson; Layoffs and plant closures; European automobile makers; Asian automakers; European economic recession; Project Olympia; EU (European Union) automobile dealerships regulations; Adam Opel AG; Competitive strategies; Acquisitions and mergers.

Chuck Prince's Biggest Challenge: Saving Citi's Reputation

Citigroup, formed in 1999 by a merger of Traveler's Group and Citicorp, is the largest financial services conglomerate in the world worth $100 billion in stock equity. Under the leadership of its erstwhile CEO, Sanford I Weill, Citi acquired a reputation for emphasising on the bottom-line and pursuing aggressive sales practices to that end. In the process Citi's reputation took a beating when a series of charges were filed against it accusing it of fraudulent practices. In 200, Weill stepped down as the CEO, paving the way for Citi old-timer Charles Prince, who took upon himself the task of delivering profits and growth 'responsibly and honestly'. But two incidents in mid-2004 showed that the task was incomplete.

Pedagogical Objectives

- To examine the nature and causes of Citi's regulatory and reputation problems and the efforts made by Weill and Prince to ensure that Citi's size and diversity does not influence its business practices
- To discuss the dilemmas of businesses to delicately balance the ever-increasing expectations of Wall Street in terms of financial performance and ensuring high ethical standards
- To discuss how companies with diverse but related divisions can avoid conflicts of interest. The case also provides information to assess Prince's strategies to curb unacceptable business practices at Citi.

Industry	Financial Services
Reference No.	TRT0039
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Citigroup; Traveller's Group; Sandy Weill; Sanford Weill; Chuck Prince; Citigroup's culture; Predatory lending; Associates first capital; Eliot Spitzer; Commercial bribery; Citigroup's business practices initiatives; Corporate governance; Citi's London bond desk; Citi troubles in Japan.

Merck: A Future Laggard in the Global Pharmaceutical Industry?

Merck, voted as America's most admired company by Fortune for seven consecutive years (between 1986 and 1993), was facing a host of problems by 2003. Known for its pioneering research in the pharmaceutical industry in the past, Merck had introduced only six drugs between 2001 and 2003. The company's sales have also declined taking it to number three position in the global pharmaceutical industry. Its net income fell for two consecutive years 2002 and 2003 and it had to lay off 4,400 employees in 2003, the biggest ever in its 117 year history.

Pedagogical Objectives

- To discuss the reasons behind Merck's decline
- To discuss how competitive Merck can be in future.

Industry	Pharmaceutical Manufacturer
Reference No.	TRT0038
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Blockbuster drugs; 'Me-too' drugs; Contract research organisations; Prescription benefits management; In-house research; Drug development and clinical trials; Generic manufacturers.

Havas: Troubled Times at French Advertising Giant

By 2004, the advertising industry worldwide was in a consolidation phase as was felt that only the integrated global agencies would remain profitable, following the economic downturn in the new millenium. For Havas, the largest adverstising agency in France, trouble ensued in 2004 when it lost a bid to acquire Grey Global Inc. (the seventh largest in the world) as its last effort to stay independent.

Pedagogical Objectives

- To discuss the reasons for the weak financial health of Havas
- To discuss the strategies adopted by the company to maintain its position in the global advertising industry.

Industry	Advertising & Marketing
Reference No.	TRT0037
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global advertising and communications business; GreyGlobal Inc.; Young & Rubicam; History of Havas; Five year financial summary of Havas; Organisational structure of Havas; Market share of global advertising agencies; Geographical distribution of revenues for Havas Group.

Converium: The Swiss Reinsurer's Troubled Times

Switzerland based Converium Holdings, the ninth largest reinsurance company in the world, found itself in financial difficulty due to the massive losses incurred by its North American subsidiary in the aftermath of the 9/11 terrorist attacks in 2001. After revealing its losses, Converium undertook a reserve strengthening exercise, the magnitude of which shocked the reinsurance industry. In response, both Converium's share price and investor ratings tumbled jeopardising its existence.

Pedagogical Objectives

- To discuss the position of Converium and the various alternatives available to deal with the crisis
- To discuss the future of Converium as a viable entity.

Industry	Insurance Services
Reference No.	TRT0036
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Converium Holdings; Zurich Financial Services; Reinsurance; Weak investment market; Spin-off; IPO; American Depository Share; Underwriting; Green Shoe option; Retrocessional stop-loss policy; Reserves strengthening; Runoff; Rights issue; Renewals; Securit.

Troubled Times at AT&T

AT&T, a 125-year-old company that pioneered telecommunications in the US, suddenly seems to have moved away from its core business. After its exit from wireless business in the US in 2004, the introduction of VOIP (Voice Over Internet Protocol) coupled with the deregulation of the US telecom industry is threatening to reduce the company's revenues from long distance calls by 20% per year.

Pedagogical Objective

- To discuss the troubles faced by AT&T in a matured industry that is witnessing reduced price margins, increased competition and ever-changing technologies.

Industry	Telecommunications
Reference No.	TRT0035
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

US telecommunication industry; Telecom industry value chain; Federal

Communication Chain; Baby Bells; Long distance carrier; Acquisitions and join ventures of AT&T; Price competition; Over capacity and changing technologies; Financials of AT&T; AT&T Wireless and Cingular; Voice Over Internet Protocol (VOIP).

Mitsukoshi: The Japanese Retailer's Troubled Times

Mitsukoshi, started in 1673, runs around a dozen department stores and about 100 smaller stores in Japan and around 20 outlets in major European, North American and Asian cities. By the 1960s, it had become the best-stocked and prestigious department store, but since the mid-1970s, Mitsukoshi has been marred by decades of management problems and a struggling economy.

Pedagogical Objectives

- To discuss how Mitsukoshi lost its share to other retailers like supermarkets, superstores and discount stores
- To discuss the strategies adopted by Mitsukoshi to respond to Japan's sluggish economy and consumers' changing behaviour
- To discuss how the company was restructuring to avoid further troubles.

Industry	Retailing
Reference No.	TRT0034
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mitsukoshi; Department store; Retailing; Restructuring; Economy bubble; Consumer price index; Supermarket; Superstore; Discount store; Japan's economy; Japanese retail stores.

Miramax: A Victim of Interpersonal Conflict?

Started in 1979 by the Weinstein brothers to buy and release foreign and independent films, Miramax Film Corp. was acquired by Disney in 1993. Over the years, Miramax released hits like Pulp Fiction and Shakespeare in Love, but relations between Harvey Weinstein and Disney's CEO Michael Eisner had been deteriorating. Miramax's decision to fund Fahrenheit 9/11, a controversial documentary, against Eisner's wishes strained the relationship further. The current contract between the Weinsteins and Disney is to be renegotiated in 2005, but differences over financial performance, control and compensation raised uncertainty over Miramax's future. Eisner's announcement of his departure from Disney fuelled the uncertainty.

Pedagogical Objectives

- To discuss the changing dynamics of the relationship between Miramax and Disney
- To discuss the impact of interpersonal conflicts between the leaders of the organisations
- To discuss the possible results of the renegotiations in 2005.

Industry	Entertainment
Reference No.	TRT0033
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Harvey Weinstein; Bob Weinstein; Miramax Film Corp.; Disney; Michael Eisner; Dimension films; Independent cinema; Oscar marketing; Fahrenheit 9/11; Interpersonal conflicts between leaders.

Hewlett-Packard: Losing the HP Way

Hewlett-Packard, started in 1938 by two electrical engineers Bill Hewlett and Dave Packard, had grown from a small electronic instruments company into one of the global leaders in information technology products and services by the end of the 20th century. The 'HP Way', a unique people-focused, consensus-driven work culture initiated by the founders had been the driving force of its growth. But the culture had been losing its effectiveness due to the changing profile of the company and the dynamics of global competition. The new CEO (chief executive officer) Carly Fiorina, who took over the reins of the company in 1999, made radical changes in the 'HP Way' to rebuild the company, shifting the focus from employees to customers. The merger with another leading player, Compaq, further diluted the culture.

Pedagogical Objective

- To discuss the restructuring strategies formulated by the new CEO to save the company, her reasons for deviation from the 'HP Way', and the benefits and losses of the change as debated by the analysts.

Industry	Computer Products and Services
Reference No.	TRT0032
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Hewlett-Packard (HP); PC manufacturer; The HP Way; Computer products; Strategy council; Imaging and printing; Management by walking around; HP and Compaq merger; Competitive differentiation; Corporate proxy battle; Decentralisation; Restructuring programme; Enterprise and storage business; Cost savings; Core competencies.

Microsoft's Biggest Threat: Microsoft's Success

By the end of the 1990s, Microsoft seemed to be experiencing a crisis. As a major part of its revenues came from Windows and Office, Microsoft was busy making incremental improvements and persuading customers to buy upgrades. As a result, it missed several opportunities of growth in other areas. On top of it all, came the security threats, antitrust lawsuits and Linux open source software raising questions about the growth prospects of the company.

Pedagogical Objectives

- To discuss the major success factors of Microsoft in the PC software industry
- To discuss the threats and opportunities for the company in the future
- To discuss how the company's success and its strong foothold in the operating system and office management software, with its flagship Windows and Office suite, was considered to be hindering its growth.
- To discuss the growth strategies of the company after Steve Ballmer took over as CEO.

Industry	Software
Reference No.	TRT0031
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Microsoft's monopoly; Steve Ballmer; Entry barrier; Windows; Office Suite; Patents; The Internet tidal wave; Microsoft's cash cows; Cost economies; Linux threat; Theory of increasing returns; Upgrades to Windows; Microsoft innovations; Microsoft matures; Saturation in PC market.

Euro Disney: Failed Americanism?

Euro Disney SCA, the subsidiary of Walt Disney Co., the No.2 media conglomerate in the world, opened its first theme park under the name Euro Disney in 1992 in France. Assuming that the success of its universal appeal in Florida, California and Japan would work again, Disney replicated the same formula of fantasy and magic

kingdoms in Europe. However, in France it faced huge resistance with the French likening it to an imperialism of American multinationals on the country. Considering it a threat to their culture, the French press and intellectuals strongly opposed its entry and called it a 'cultural Chernobyl'. As Euro Disney tried to recover from the troubles by reworking on the details inside the park, revamping food, rides and the price structure for the international market, many observers still believed that the cultural inadvertence still remained a threat for the company's long-term survival in the country.

Pedagogical Objectives

- To discuss how the overlooking of cultural differences and language barriers while pursuing internationalisation, hampers business
- To discuss the importance of customisation in internationalisation of business, especially in the entertainment business because of the strong link between culture of the country and entertainment.

Industry	Amusement Parks, Arcades and Attractions
Reference No.	TRT0030
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cultural differences; Globalisation; Euro Disney SCA; Walt Disney in France; American stereotype; McDonalisation in France; Cultural Chernobyl; Euro Disney parks; Disneyland Paris; Language barriers.

AstraZeneca's Crestor: Challenges in the US Market

London-based drug maker, AstraZeneca, is the fourth largest in the world and second largest in Europe. When the company announced its plans to enter the cholesterol-lowering drugs segment (also called statins) with Crestor in the US, it received mixed responses from the industry and analysts. Though a lucrative segment, the sensitivity attached to statins' safety and usage was of particular concern to AstraZeneca. The drug faced a further setback after the European regulators demanded a labelling change and a reputed medical journal raised doubts about Crestor's safety. This only complicated Crestor's strategy as the established players, Pfizer and Merck, took advantage of the negative sentiment.

Pedagogical Objectives

- To discuss the challenges faced by AstraZeneca in the process of taking the drug to market
- To discuss the competitive scenario that prevailed at the time of Crestor's introduction
- To discuss the promotional and marketing initiatives of the companies involved.

Industry	Pharmaceuticals
Reference No.	TRT0029
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

AstraZeneca; Cholesterol-lowering drugs (statins); Blockbuster drugs; Crestor; Lipitor; Baycol controversy; Negative sentiments; Pfizer's marketing; Merck's Zocor; Bristol-Myers Squibb's Pravachol; Marketing budgets; FDA approvals (Federal Drug Administration); Merck's Vytorin; The Lancet; Clinical tests.

Telecom Italia: Troubled Times in Brazil

The Rome-based telecommunications company, Telecom Italia Group had grown from a loss-making state-owned telecoms firm to Italy's largest fixed-line operator and No.1 wireless provider. Although the company was the market leader in Italy, the revenues of the company had almost been flat. After the privatisation of the company in 1997, it experienced problems on different fronts. When Marco Tronchetti Provera was appointed as the chairman in 2001, his efforts put the company on the path to profits. Although the company posted profits in 2003, the company began to face other problems. The company pinned its hopes for growth on the Brazilian market, which was the largest market for Telecom Italia outside Italy. However, its long-drawn battle with Brazil Telecom and Kroll Inc. slowed its expansion plans in Brazil.

Pedagogical Objectives

- To discuss the troubles faced by Telecom Italia after its privatisation
- To discuss the legal battles that the company faced in Brazil, the stakes for the company and the challenges it is facing in Brazil.

Industry	Telecommunications Services
Reference No.	TRT0028
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Telecom Italia; Telecom Italia in Brazil; Roberto Colaninno; Marco Tronchetti Provera; Telecom Italia Mobile; Olivetti; Pirelli; Edizione Holding; Benetton Group; Brasil Telecom; CVC (Citibank Venture Capital); opportunity; Opportunity asset management; Kroll; JP Morgan Chase.

Uniqlo Retail Stores in Japan: Turning Challenges into Opportunities

Fast Retailing Co., owner of Uniqlo apparel stores has revolutionised the Japanese retailing market through its low price strategy. It kept costs low by bypassing Japan's archaic distribution system and effectively making use of the low-cost manufacturing facilities in China. However with competitors replicating its low-cost strategy it was time for Uniqlo to devise ways to remain at the top. The focus began to shift from 'high quality low price' to 'high quality, low price and more variety'. The company also had to deal with resistance from Japanese textile industry associations against cheap imports from Japan.

Pedagogical Objectives

- To discuss the complexities of retailing in Japan, how Uniqlo tasted success by deviating from the traditional way of distribution, and how the company employed a low cost strategy to succeed in the price sensitive market, during the economic downturn
- To discuss the major challenges that are ahead for Uniqlo and how the company is turning challenges into opportunities for its business.

Industry	Retailing
Reference No.	TRT0027
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Fast Retailing Co.; Uniqlo; Retailing in Japan; Distribution system in Japan; Outsourcing to China; Speciality retailer of private label apparel; Merchandising; Transitional safeguard; Victim of its own success.

Formula One and Ecclestone: The Powershift?

Since its inception in the 1950s, Formula One is called the soap opera of the sports world; the exotic locations, huge amounts of money, and famous faces made it unique compared to most other world sports. In the late 1960s, Bernard Charles Ecclestone, a used-car dealer sensed a great opportunity to make money by getting involved in the administration of Formula One. Gradually, in the early 1980s, he began acquiring control of the racing series' broadcasting and merchandising rights, which resulted in huge profits for him. In

due course, Ecclestone emerged as the most important person in Formula One racing, as he owned major stakes in some key subsidiaries of Formula One. However, the car manufacturers such as Fiat, Mercedes and BMW, who financed Formula One teams, felt that Ecclestone diverted too much revenue to his own holdings while Formula One's popularity was declining. Consequently the carmakers decided to abandon the Formula One series and planned to start a new auto-racing series.

Pedagogical Objective

- To discuss the financial dominance of Bernard Charles Ecclestone in Formula One, the initiatives taken by car manufacturers to start a rival auto-racing series and the threat to Ecclestone's dominance.

Industry	International Sports
Reference No.	TRT0026
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Formula One; Bernard Charles Ecclestone; Formula One Constructors Association; Federation Internationale de L'automobile; Max Rufus Mosley; Commission Sportive Internationale; Allsopp; Parker & Marsh; Commercial rights; TV rights; Broadcasting rights; Formula One Management Limited; Concorde agreement; Formula One promotions and administration; SLEC (SLavica ECclestone); Grand Prix World Championship.

United Airlines' Growing Troubles: Looking for Solutions

United Airlines of the US, the second largest airline company in the world, has been witnessing problems since the early 1990s. Its financial situation deteriorated by the turn of the 21st century due to rising operational costs against declining revenues, which eventually led to its filing for bankruptcy in December 2002.

Pedagogical Objective

- To discuss the myriad problems of United Airlines and its efforts to emerge from its bankruptcy.

Industry	Airlines
Available at	www.ibscdc.orgwww.ecch.com
	Reference No. TRT0025
	304-424-1
Year of Pub.	2004
Teaching Note	Not Available
	Struc.Assig. Not Available

keywords

Domestic airlines in the US; Transpacific Route Case (1969); Airline Deregulation Act (1978) of the US; ESOP (Employee Stock Ownership Plan); Air Transport Stabilisation Board (ATSB) of the US; Top ten airlines in the world; Hubs of United Airlines; Bankruptcy filing of United Airlines; Restructuring efforts at United Airlines; 401(k) defined contribution plan.

Succession Battles at Viacom

Viacom is the holding company of CBS (Columbia Broadcasting System) networks, Paramount Pictures, MTV (Music Television) and other media ventures and one of the top three media companies in the world in terms of its $27 billion turnover and scope of operations. Viacom's president and COO (chief operating officer) Mel Karmazin, who built Infinity Radio and CBS, before the CBS mega-merger with Viacom, resigned abruptly from his post. The chairman and CEO (chief executive officer) of Viacom, 80-year-old media mogul Sumner Redstone, who controlled 70% of the company's stock took charge of the company, appointed two executives to share Karmazin's responsibility and designated them as likely successors when he stepped down after three years.

Pedagogical Objectives

- To discuss the difference in the personalities of Redstone and Karmazin and the disparity of their vision for the company
- To discuss the dynamics of succession in companies that have one controlling shareholder, and the effect of top management's personal vision and attitudes
- To discuss the clash between innovation and cost control, between expanding the company and enhancing shareholder value and a power struggle between two powerful and successful self-made personalities.

Industry	Media and Entertainment
Reference No.	TRT0024
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Viacom; Sumner Redstone; Mel Karmazin; CBS (Columbia Broadcasting System); Infinity; Leadership style; Top management succession; Creativity; Advertising; Television; Radio.

Stanley Ho's Gambling Empire: End of a Monopoly?

Stanley Ho exploited a 40-year gambling monopoly in Macau to emerge as one of the wealthiest and most influential men in Asia. Ho used his advantage to spread his sphere of activities to every major industry in Macau. In 2001, when Ho's gambling monopoly expired and gambling licenses were awarded to two more companies, Ho faced competition from world-class adversaries.

Pedagogical Objectives

- To discuss Ho's rise to the status of 'the king of gambling' and the challenges that confront him and his gambling business
- To discuss whether the liberalisation of Macau's gambling industry will spell the end for Ho's empire or enable Ho to earn more money through diverse businesses.

Industry	Gambling Resorts and Casinos
Reference No.	TRT0023
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Stanley Ho; Winnie Ho; Gambling and casinos in Macao; Competitive growth strategy; Government granted monopoly; State monopoly or coercive monopoly; Money laundering and triads; Sociedade de Turismo e Diversoes de Macau (STDM); Tourism industry in Macau; Las Vegas Sands and the Sands Macau casino; Business ethics; Las Vegas of the Orient; Henry Fok Ying-Tung; Entrepreneurship.

Mitsubishi Product Recall: A Self-made Scandal?

In a growing automobile market, Mitsubishi Motor Corporation was losing ground very badly. A series of scandals involving the company's attempt to hide customer complaints on products and subsequent product recalls had tarnished Mitsubishi's brand image. A financial crunch, no new innovative models and tough competition were pushing Mitsubishi towards bankruptcy.

Pedagogical Objectives

- To analyse the impact of quality problems and the recalls on the company's brand image
- To evaluate the company's options to turnaround its fortune.

Industry	Automobile
Reference No.	TRT0022
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mitsubishi Motor Corporation; Product recalls; Toyota; Honda; Automobile industry; DaimlerChrysler; Competitive

strategies; Restructuring strategy; Yoichiro Okazaki; Turnaround; Corporate social responsibility; Growth strategies; Corporate ethics; Alliances and partnership.

Regal Entertainment Group: Managing Troubled Times

In the 1990s, the movie chains in the US had spent billions on the construction of megaplexes. While the costs per screen rose fourfold, the audiences in the theatres did not increase proportionately. In the early 2000, most of the movie theatres were uneconomical and were on the verge of bankruptcy. Taking advantage of the situation, Denver-based billionaire Philip Anschutz acquired the three struggling theatre chains – United Artists Theatres, Regal Cinemas, and Edwards Cinemas at a very low price. He combined the assets of the three companies to form a single entity – Regal Entertainment Group.

Pedagogical Objective

- To discuss the strategies taken up by Philip Anschutz to refurbish a chain of bankrupt theatre chains into the largest theatre chain in the US.

Industry	Movie Theatres
Reference No.	TRT0021
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Regal Entertainment Group; United Artists Theatres; Regal Cinemas; Edwards Cinemas; Philip Anschutz; Bankrupt movie chains; Movie chains; Oaktree Capital Management; Digital projection; Regal Cinemedia; Kurt Hall; Michael Campbell; Live concerts; Dividends; Theatre chains.

Alitalia: The Airline in Trouble

The long-drawn crisis at Italy's national airline, Alitalia, started during the mid-1990s, when the low-cost revolution invaded Europe. Even as the airline was fending off threats from the low-cost carriers, the September 11 attacks followed by the SARS outbreak and the war in Iraq was sounding a death-knell to Alitalia. Twice the Italian government ferried the deteriorating airline out of bankruptcy – in 1997 and in 2002. But, when the bankruptcy woes came back in 2004, the European Commission opposed the government's move for a third bailout, raising serious doubts about the airline's survival.

Pedagogical Objectives

- To discuss how Alitalia, in spite of two bailouts, slipped to the verge of bankruptcy owing to pressures from low-cost carriers and unions
- To discuss the new industrial plan jointly developed by the government, Alitalia and the unions.

Industry	Airlines
Reference No.	TRT0020
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Industry-Academia rapport; UCSF fundamental research; Alitalia; Low-cost airlines; Ryanair; Alitalia team; Alitalia Express; European Commission; The bailout; Trade union problems; Industrial plan; Restructuring; Giancarlo Cimoli; Job cuts; Fintecna; Finmeccanica; Business plan.

The Low-carb Trend: Death Knell for American Pasta Companies?

The popularity of low-carb diets has led to a decrease in the consumption of certain food categories like pasta and bread. Pasta makers in America saw sales decreasing by 7% in the first quarter of 2004. In America, while some companies like Dakota Growers and American Italian Pasta have taken steps towards creating low-carb versions of their pasta brands, others are waiting for what they call a 'fad' to pass out.

Pedagogical Objective

- To highlight the problems faced by American Pasta companies to invest in product development.

Industry	Food
Reference No.	TRT0019
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Pasta makers under attack; The low carbohydrate craze; Atkins diet; Impact of low carbohydrate foods on pasta makers; Gearing up for an uncertain future; Outlook for pasta makers.

Marks and Spencer: The Downfall and Leadership Vacuum

By the turn of the 21st century, Marks and Spencer, the iconic British retailer, had become vulnerable to hostile takeovers with its ever-falling share prices and low profit margins. Even as recently as 1997-1998, it was in competition with Wal-Mart to become the most profitable retail chain in the world. However, it witnessed reverse fortune the following year when it announced a 42% decline in its profits and from then on profits kept on downsliding. The inward looking culture of the company and the absence of a strong leadership were blamed for its poor performance.

Pedagogical Objective

- To discuss the reasons behind the rapid decline of Marks and Spencer that has left it struggling for its existence.

Industry	Department Stores
Reference No.	TRT0018
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Marks and Spencer; British retailers; Retail industry in Britain; Sir Richard Greenbury; Philip Green; Leadership in retail industry; Troubled times at Marks and Spencer; St. Michael; Marks and Spencer apparel stores; Marks and Spencer food stores; Floor management in retail stores; Boardroom battles in Marks and Spencer; Decision making process in departmental stores; Conservative culture in retailing; Supply chain management in Marks and Spencer.

Krispy Kreme Doughnuts: The Troubled Times

Krispy Kreme Doughnuts has satisfied US consumers with its delicious offerings of doughnuts for over a half a century. But when its customers started becoming health conscious, thanks to the low carbohydrate craze, Krispy Kreme was forced to change its strategies and perform the trick again, this time with less sugar. Krispy Kreme's future is now on a very fine balance; even one grain of sugar can tip the scale against it.

Pedagogical Objective

- To discuss the troubled times at Krispy Kreme and its strategies for a profitable future.

Industry	Speciality Eateries
Reference No.	TRT0017
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Krispy Kreme; Doughnuts; Low carbohydrate diet; Troubled times; Doughnut theatre; Beatrice Foods Company; Montana Mills; Share price; Nutrition facts; History of doughnuts; Market for doughnuts in the US; Traditional advertisement of doughnuts; Low carbohydrate craze in the US.

Home Depot: Nardelli's Challenge

During the early 2000s, Home Depot chairman and CEO, Robert Nardelli (Nardelli), was under immense pressure as the company's growth rate had dropped below 20%, compared to its historic compound annual growth rate of over 25%. To that effect, he had chalked out an elaborate plan to revive growth in late 2001, which, if properly executed, would make Home Depot a $100 billion company by 2005 from $45.7 billion in revenues in 2000 (this meant a yearly growth rate of about 15%-18%). Following the implementation of the plan, the company grew by 17% in 2001, 9% in 2002 and 11% in 2003.

Pedagogical Objectives

- To discuss the problems faced by Home Depot chairman, Nardelli
- To discuss Nardelli's plans to boost growth and the efficacy of his plans
- To discuss the pros and cons of having an entrepreneurial style of corporate culture
- To discuss the importance of customer service in creating a competitive edge in a retail format
- To discuss Nardelli's plan to focus on services in addition to selling of hardware and whether this style is similar to that of General Electrics (GE's) and would it succeed in the retail format.

Industry	Home Improvement and Hardware Retail
Reference No.	TRT0016
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Home Depot - Robert Nardelli's challenge; Growth strategy; Store formats; Warehousing; Retailing; Customer service; Globalisation; Home improvement retail; Maintenance warehouse; Georgia lighting; Apex Supply; Home Depot learning centres; Human resources; National Blinds and Wallpaper; Competitive strategy; EXPO Design Centre stores; Landscape supply stores.

WH Smith Plc.: The British Retailer in Trouble

Established in 1792, WH Smith PLC (WHSmith) is a leading book retailer in Great Britain. Its main businesses include retailing, news distribution and publishing. For over two centuries, book lovers have thronged its stores in search of bestsellers, hard-to-find classics and a wide range of magazines. Its stores at airports and train stations provide reading material for the travellers. In recent years, the increase in competition from supermarkets and specialist retailers has caused a decline in WHSmith's fortunes.

Pedagogical Objectives

- To discuss WHSmith's various problems and the causes of those problems
- To discuss various strategies for the reversal in WHSmith's fortunes.

Industry	Retailing
Reference No.	TRT0015
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

WH Smith PLC.; British retailing industry; News distribution; Publishing; Pension liabilities; School book funding crisis; Hodder Headline; Kate Swann; Retailing and distribution; Retail business; Turnaround strategy; WH Smith stores; Travel retail business; Net book agreement; Price controls; Newspaper; Magazine wholesaler.

Hyundai in USA: The Quality Rides

Hyundai, which forayed into the US car market in the mid-1980s, always had an image of a low quality carmaker. From the beginning, it had failed to live up to the quality expectations of the Americans. Hyundai's cars were bought only as a last resort and the company used to feature at the bottom of most of the quality surveys. The situation changed dramatically after Chung Mong Koo took over as the CEO of Hyundai in 1999.

Pedagogical Objective

- To discuss the initiatives taken by Chung Mong to build break the image of Hyundai as a low quality car marker.

Industry	Auto Manufacturing
Reference No.	TRT0014
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Hyundai Motor Company; Honda; JD Powers initial quality study; Toyota; Six sigma campaign in Hyundai; Santa Fe; Hyundai's quality problems in USA; Hyundai's quality rating improvement; Hyundai's sales in USA; Hyundai's quality initiatives; Excel sub-compact.

Costco: The Leader's Challenges

Since its inception in 1983, Costco has been the leader in the warehouse club category of retailing. It has been growing steadily under the leadership of CEO, James Sinegal. According to analysts some of Costco's policies like running no frills stores and selling a limited range of products contributed to its growth. However, its leadership is being challenged by Sam's Club, Wal-Mart's own warehouse club. Costco's average annual sales per store are greater than that of Sam's Club. But Sam's has more stores worldwide. A rejuvenated management team under CEO Kevin Turner is cutting costs and improving the performance of Sam's stores. As a division of Wal-Mart, it is expected to get merchandise at cheaper prices than Costco. Already weakened by price wars, Costco faces a formidable competitor in Sam's Club.

Pedagogical Objective

- To discuss the challenges faced by Costco when competing against Sam's Club, who is part of a corporate giant, Wal-Mart.

Industry	Retailing
Reference No.	TRT0013
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Costco; Competition from Sam's Club; James Sinegal; Warehouse clubs; Sol Price; Jeffrey Brotman; Kirkland Signature; Discount retailing; Small business buyers; Bill Dreher; No frills stores.

LSG Sky Chefs: Managing in Troubled Times

In 2003, LSG Sky Chefs, a wholly-owned subsidiary of the German carrier Deutsche Lufthansa (AG), was the world leader in the airline catering industry. LSG derived its revenues from the US and international airlines that have no flight kitchens of their own. However, after the September 11 terrorist attacks, the airline industry witnessed a severe financial crisis due to the decrease in the number of passengers. This severely affected LSG Sky Chefs and other airline catering companies as many airlines cancelled complimentary meal services as part of their cost cutting strategies. Adding to the company's woes, the Severe Anti-inflammatory Respiratory syndrome (SARS) disease in Asia and the wars on Afghanistan and Iraq further worsened the situation.

Pedagogical Objectives

- To discuss LSG's efforts to recover from the slump in the business post September 11

- To discuss whether the new initiatives 'buy-on-board' and 'in-flight cafe' that were considered as a shift from the old paradigm where the foodservice was dictated by what airlines could afford, would yield results.

Industry	Airline Catering
Reference No.	TRT0012
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

LSG Sky Chefs; Lufthansa; Airline catering; Buy-on-board; In-flight cafe; In-flight management; Chef Solutions; Airport gastronomy; Onex Corporation; Dobbs International; LSG Holding.

Infrastructure Development Finance Corporation: The Controlling Battles

Infrastructure Development Finance Corporation (IDFC) is the largest private sector development financial institution (DFI) in India. Post liberalisation of the banking sector, IDFC was created as a vehicle to channel private sector capital into commercially viable infrastructure projects. Since its inception it had many credits, including that of being a DFI with zero non-performing assets (NPAs). However, there was wide spread criticism that its lending operations had been too conservative and thus had failed to fulfill the infrastructure needs of the country. This raised curtains to the series of controlling battles made by the pro and anti nationalist activists to gain control over the new-age development bank.

Pedagogical Objective

- To discuss the various reasons that compel IDFC to be nationalised.

Industry	Banking and Financial Services
Reference No.	TRT0011
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Nationalisation; Private capital; Development financial institutions; Non-performing assets; Infrastructure Development Finance Corporation (IDFC); Long-term finance; Reserve Bank of India; Long-term operational funds; Statutory liquidity ratio; Reverse merger; Privatisation; Indian commercial banking structure; New-age development bank; Refinancing; Flexi-bonds.

IDBI: An Ailing Goliath

Since the late 1990s, the Industrial Development Bank of India (IDBI), which was set up in the early 1960s by the government of India as a development Finance Institution (DFI), has been finding it difficult to sustain its core function of industrial financing. Despite being the tenth largest development bank in the world, it is witnessing eroding profitability, loss of top rated corporate clients and attrition of its top management.

Pedagogical Objective

- To discuss the possible options being considered by IDBI and the government of India to revive the financial behemoth.

Industry	Development Finance Institution
Reference No.	TRT0010
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Development finance institution; Non-performing assets of the Industrial Development Bank of India (IDBI); Universal banking; Industrial Development Bank of India (IDBI); Industrial Credit and Investment Corporation of India; Liberalisation of the Indian economy; Banking sector reforms in India; Banking companies; Non-banking financial institutions; Reverse Merger; Commercial banks in India; Unit Trust of India (UTI); IDBI bank; Stock Holding Corporation of India; Federation of Indian Chambers of Commerce and Industry.

Troubled Times at Diageo

Diageo was formed in December 1997 through the merger of Guinness and Grand Metropolitan, the then leaders in the global liquor business. By 2003, Diageo had become the world's largest scotch whisky manufacturer with its world famous brands like Smirnoff, Johnie Walker, Guinness and Bailey's. It had operations in 180 countries with a global workforce of 62,000 employees. However by late 2003, it was alleged that Diageo was misleading consumers by marketing vatted malt under the Cardhu label, which was supposed to be a single malt whisky.

Pedagogical Objective

- To understand the intricacies and dynamics of the scotch whisky industry.

Industry	Distillers
Reference No.	TRT0009
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Diageo; Cardhu; Scotch whisky; Speyside distillery; Malt whisky; Single malt whisky; Pure malt whisky; Guinness; Vatted malt whisky; Scotch whisky association; William Grant and Sons; Smirnoff; Distilleries in Scotland; Aeneas Coffey; Seagram.

Poland Spring: Managing in Troubled Times

Since 1845, Poland Spring had been marketing its bottled water as the original spring water from 'the protected and pristine sources of Maine' in the US. After being acquired by Nestle Waters North America Inc. (NWNA) in 1992, Poland Spring continued to contribute significantly to NWNA's revenues in North America despite facing controversies regarding the authenticity of its spring water. Class action lawsuits were filed against it in 2002 based on allegations that Poland Spring had been deceiving its customers by marketing its bottled water as spring water, when the original spring, from where the company claimed to tap its water, had dried up 35 years ago.

Pedagogical Objective

- To enable readers to understand how the company, with its long-standing history, is battling its way through the allegations.

Industry	Beverages
Reference No.	TRT0008
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Nestle; Spring water; Maine; USA; Nestle Waters North America Incorporated (NWNA); Beverages; Poland Spring; Mineral water; Borehole; Ricker family; Food and Drug Administration; Major players in the US bottled water industry; Jan Schlichtmann; Natural catchment; Bottlers.

Challenging Times of Japan Tobacco

By 2003, Japan Tobacco (JT), the largest tobacco company in Japan and the world's third largest, had been facing challenging times. Since the late 1990s, due to a decrease in the number of smokers in Japan over rising health concerns, toughened tobacco regulations and economic recession in Japan, the company saw a dip in its domestic sales revenue. Its domestic market share also declined from 77.1% in 1998 to 72.7% in 2003. Another major concern for the company was the forthcoming expiry of its license

agreement with Philip Morris in 2005. As the agreement had allowed JT to manufacture and market 'Marlboro', one of the most famous brands of Phillip Morris in Japan, the expiry of the agreement was believed to adversely affect JT's domestic sales and revenue. To sustain its market share and fend off foreign competitors in its domestic market, JT went ahead to launch many new cigarette brands in Japan in 2003 and early 2004.

Pedagogical Objective

- To discuss whether the initiatives taken by JT would keep it ahead of its competitors or not.

Industry	Cigarettes and Tobacco Products
Reference No.	TRT0007
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Japan Tobacco Incorporated; Japan Tobacco and Salt Public Corporation; Japan Tobacco International; Marlboro; Tobacco business law; Japan tobacco law; Global flagship brand; Japan tobacco's domestic business; Phillip Morris; RJR Nabisco; Mild Seven; Lucia; Katshunhiko Honda; Japan tobacco's challenges; Japan tobacco's brands.

Yoshinoya: Managing in Troubled Times

By 2003, 'Yoshinoya D&C Co. Ltd.', (Yoshinoya), which started as a small restaurant in Tokyo in 1899, had transformed into a global fast food chain. It was famous for its beef bowl and had 1,156 restaurants in the US, Japan, Singapore, Taiwan, Hong Kong and China. It was also planning to expand into Asia and Australia. However, due to the report of mad cow disease in the US in December 2003, Yoshinoya faced a major crisis, as 99% of its beef was imported from the US. Despite the ban, Yoshinoya announced that it would continue to use US beef for its products till the stocks lasted.

Pedagogical Objective

- To discuss the strategy adopted by Yoshinoya to tide over the crisis of mad cow disease in the US.

Industry	Food Retailing
Reference No.	TRT0006
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Yoshinoya; Mad cow disease; US beef; Beef bowl; Bovine Spongiform Encephalopathy (BSE); Prions; vCJD; McDonald's; Australian beef; Japanese beef imports; Major exporters of beef in the world; Foot and mouth disease; Sukivaki; Kyotaru sushi shops.

Kodak: Fading Moments in Digital Photography

In conventional photography, Eastman Kodak Company is synonymous with photo-films and development. The company, which was a market leader, lost its command over the market due to the rise of digital cameras in 1997. While on one hand, Kodak had to deal with new competitors like Sony, Hewlett-Packard and Canon who emerged as strong contenders for leadership in digital photographic equipment, on the other hand, it had to protect its turf in traditional photography where Fuji Photo Film Co., waged a price war. To win back its lost market share, Kodak's the then chairman, George M.C. Fisher, came out with a string of initiatives to meet the requirements of digital photography market.

Pedagogical Objectives

- To discuss how large-scale changes in the technology can catch even the market leaders unawares and result in a downward spiral
- To analyse Kodak's initiatives to regain its supremacy in the photography industry against the backdrop of digitisation of photography
- To discuss whether the initiatives of Kodak's former chairman, George M.C. Fisher, and his successor Daniel A. Carp would lead the company out of trouble.

Industry	Photographic Equipment Manufacturer
Reference No.	TRT0005
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Nintendo; Sony; Microsoft; GameCube; GameBoy; GameBoy Advance; PlayStation; XBox; Gaming market; Nintendo's struggles in gaming market; Video games; Technology; Genre trends in gaming market; Satoru Iwata.

Gaming Market: Nintendo's Struggles

Nintendo Co. Ltd., a pioneer and one of the leading producers of video games in the world, rose to fame in 1989 after it introduced the first-ever portable handheld gaming device called GameBoy. After producing a series of video games, the company's products attained a cult status among pre-teens. However, the company that heralded the gaming revolution in the 1980s and 1990s, had to face severe competition from Sony and Microsoft. In spite of being an early entrant, Nintendo struggled to maintain its leadership at the turn of the millennium and hoped to combat the competition with the release of GameCube.

Pedagogical Objectives

- To discuss how Nintendo can combat the competition it encountered in the video games market, especially from Sony's PlayStation and Microsoft's Xbox
- To understand how the gaming market assumed prominence in the 1990s and how dominance of the established players like Nintendo came under threat with the entry of new competitors that sensed a big opportunity in the growing market for video games.

Industry	Electronic Gaming Products
Reference No.	TRT0004
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Nintendo; Sony; Microsoft; GameCube; GameBoy; GameBoy Advance; PlayStation; XBox; Gaming market; Nintendo's struggles in gaming market; Video games; Technology; Genre trends in gaming market; Satoru Iwata.

Motorola's Lost Opportunities

Motorola that was once a dominant force in the communication equipment market seems more like a laggard than a leader. The company blew up some golden opportunities when it misread consumer tastes, alienated telecom companies and faltered in bringing new products to the market at the right time. Troubles escalated for the company in recent years and it lost its lead in the handset business to Finland-based Nokia. Christopher Galvin, the grandson of Motorola's founder Paul V. Galvin was criticised for his hands-off approach and not taking timely action to put the company back on track. The company's constant struggle led to the resignation of Chris Galvin in late 2003. Edward J. Zander, former president of Sun Microsystems replaced Chris Galvin amidst investors' expectation to regain the company's past glory.

Pedagogical Objectives

- To discuss reasons for Motorola's slide from leadership position in the handset market and to understand how, in spite of pioneering technologies in the

handset market, the company lost so many opportunities of growth

- To discuss the need for companies to understand the fast paced changes in the market and change the course of action to suit the changing market dynamics.

Industry	Wireless Telephone Handsets
Reference No.	TRT0003
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Motorola's lost opportunities; Competition in handset market; Chris Galvin's management style; Nokia; Spinoff of semiconductor product segment; Chris Galvin's resignation; Edward J. Zander.

Bailout of LG Card Company

Since 1999, South Korea had been encouraging the usage of credit cards in order to improve tax collections and also to achieve a rapid economic growth. LG Card Company took advantage of the favourable environment and pursued aggressive marketing and financing policies. However, financial leverage turned out to be a double-edged sword – good in good times and very bad in bad times. Rising credit card delinquencies coupled with a slowdown in economic growth did the undoing for credit card companies in general and LG Card company in particular. The company had a shy with bankruptcy twice but was saved due to government intervention.

Pedagogical Objective

- To discuss whether the Korean government's action was justified and whether the LG Card bailout is a financially prudent decision.

Industry	Financial Services
Reference No.	TRT0002
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Bailout of LG (Lucky Goldstar) credit card company; Financial leverage; Lucky Goldstar (LG) company; Bankruptcy; Credit card market; Asset backed securities; Financial supervisory service; Net interest spread; Household debt; BC card; Kookmin card; Samsung card; Delinquency; Korean Development Bank, Woori Bank; Kim Jin Pyo and Lee Duk Hoon.

Troubled Times at Air Canada

Air Canada, which had remained Canada's dominant airline since 1930s, found itself in deep financial trouble with an income loss of $828 million in 2002. Events like the SARS outbreak in late 2002, coupled with the Iraq war in 2003, aggravated the financial difficulties of the cash starved airline. On April 1st 2003, with an outstanding debt of $12 billion, Air Canada announced that it had filed for protection under the 'Companies' Creditors Arrangement Act' (CCAA) to facilitate its operational, commercial, financial and corporate restructuring. In late 2003, when Air Canada was in desperate need of cash inflow to come out of its bankruptcy, Victor Li, a wealthy businessman from Hong Kong bought a 31% stake in the airline through his company, Trinity Time Investments, for $650 million. Although Victor Li's involvement in Air Canada was looked upon with suspicion by many, Air Canada welcomed it as a necessary step to rejuvenate its beleaguered business.

Pedagogical Objective

- To discuss how Air Canada transformed from being Canada's dominant airline to become a cash-starved and beleaguered business.

Industry	Airlines
Reference No.	TRT0001
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Canadian Airways; Trans-Canada Air (TCA); Canadian Airlines; The National Research Council of Canada (CNR); Air Canada; Onex Corporation; PWA; Free market problem; Deregulation of Canada's aviation sector; Companies' Creditors Arrangement Act (CCAA); Canadian Auto Workers (CAW); Canadian Union of Public Employees (CUPE); GE Capital; Victor Li; Trinity Time Investments.

Market Entry Strategies

Cisco in Emerging Markets (B): Looking Beyond China and India

A sequel to the case study 'Cisco in Emerging Markets (A): Market Entry Strategies in China and India'. This case study delves into Cisco Systems' (Cisco's) market entry strategies in emerging markets, other then India and China.

Cisco, the major beneficiary of the Internet revolution and telecom deregulation in emerging markets in the 1990s, provided most of the equipment needed to create networks. The company stayed ahead of its time by acquiring companies to enter into new product markets and even before the demand in the developed markets saturated, it realised the importance of the emerging markets. The company, has since a long time not only been chasing opportunities in emerging markets but also started separate reporting divisions to better concentrate on the opportunities there. Cisco has been following a strategy that enables it to expand in these markets and ensures developing relationships with the government, businesses and also its competitors. Cisco has been witnessing significant increase in its revenues from emerging markets. However, now, the company is feeling the pressure of the global slowdown because of the US Financial Crisis (2008) as the demand orders from emerging markets started declining. Adding to its woes, the number of competitors are also increasing and encroaching upon its turf.

Pedagogical Objectives

- To examine the potential of emerging markets for Cisco's core business
- To elucidate and analyse Cisco's market entry strategies in emerging markets
- To identify the challenges ahead for Cisco.

Industry	Networking Hardware Equipments
Reference No.	MES0101
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Cisco System Inc., India, Networking equipment, Expansion, Low-cost engineering resources, Internet market, Market Entry Strategies, Going Global, Emerging Markets, Deregulation of telecom industry, Small and Medium Businesses (SMB's)

Cisco in Emerging Markets (A): Market Entry Strategies in China and India

The first case in the series on Cisco Systems' (Cisco's) growth strategies in emerging markets, it details Cisco's entry strategies and its subsequent growth in China and India. In 2008, the Asia-Pacific region emerged as an important destination for many foreign companies, especially for Cisco, a maker of networking equipment for the Internet and Telecom, due to the rapid growth of China and India.

The company, after initially focusing on the US and Western European markets, had started tapping the emerging markets for further growth avenues. China and India were identified as important markets by Cisco. As these countries were witnessing an increase in the number of Internet users, mobile phone subscribers and demand for networking equipment in different sectors,

Cisco started investing heavily. However, Cisco had to change its strategy and adapt to the diverse and local conditions of these markets to succeed.

New rivals that could upstage Cisco by providing cheaper or more technologically advanced equipment posed as a threat to Cisco, which had initially enjoyed unhindered growth. Coupled with this, the company also faced the looming threat of a decline in demand caused by a slowdown in the global economy.

Pedagogical Objectives

- To examine Cisco's growth through acquisitions and innovations
- To compare and contrast Cisco's market entry strategies in India and China
- To debate on the sustainability of Cisco's position in the networking equipment market and identify the challenges ahead.Media and Entertainment

Industry	Networking Hardware Equipments
Reference No.	MES0100
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Cisco System Inc., India, Networking equipment, Expansion, Low-cost engineering resources, Internet market, Market Entry Strategies, Going Global, Emerging Markets, Deregulation of telecom industry, Small and Medium Businesses (SMB's)

Turner-Miditech's Planned Launch of 'Real' Channel in India: Will it Succeed?

In the backdrop of Indian entertainment and media industry, the case study delves into the intricacies of Indian television market, particularly the General Entertainment Channels (GECs). While many factors changed the market dynamics of the industry, increase in the number of GECs redefined the role of competition. Each channel vied for more viewership, offering a variety of content to include everything from fiction and mythology to reality shows, music and movies. However, inability to change according to changing consumer psyche made GECs lose their market dominance to other emerging genres of specific content – news, lifestyle channels, and 'only music and movie' channels.

Amid this competitive and challenging scenario, on January 21st 2009, Real Global Broadcasting (RGB), a 50:50 joint venture between Alva Brothers' Miditech and Turner International announced the proposed launch of a new Hindi GEC 'Real' in March 2009. The case study debates on various issues concerning the launch of this channel: the timing of Real's launch vis-a -vis the prevailing economic downturn and industry lifecycle. Does niche positioning work for a GEC? How Real can win over established players like STAR Plus and emerging ones like Colors and NDTV Imagine?

Pedagogical Objectives

- To examine the nature of business for a GEC and identify its critical success factors
- To discuss the need for a unique value proposition and right Segmentation, Targeting and Positioning (STP) strategies to win over entrenched players in the GEC market
- To examine Real's launch in the GEC market and its strategies to compete with established players as well as new entrants
- To compare and contrast Real's positioning and marketing strategies with those of other GECs in the Indian entertainment and media industry
- To debate on the possibilities of success for Real in the cluttered Hindi GEC market and to identify the challenges ahead.

Industry	Media and Entertainment
Reference No.	MES0099
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Product Launch, Market Entry Strategy, Entertainment and Media industry in India, Alva Brothers, Sunil Lulla, General Entertainment Channels (GECs), Lifestyle Channels – NDTV Good Times, STAR Plus, Zee, Sony, 9x, NDTV Imagine and Colors, Reality shows, Gross Rating Points (GRPs), Distinct positioning, Competitive clutter, Target group – 'neo Indians', Differentiated content, Real Global Broadcasting (RGB)

China Europe International Business School (CEIBS): Going Global

Following the economic boom in the 1990s, China demanded its business managers to lead its economic growth. Many Chinese B-schools offering MBA and EMBA programmes have mushroomed during the years. However, many of them simply copied western styles and failed to produce skilled business managers who can understand the local market, its needs and problems. The void was filled when China Europe International Business School (CEIBS), a joint venture between Chinese Ministry of Foreign Trade and Economic Cooperation and the European Commission emerged to become Asia's top B-school and world's 11th best B-school in a span of 14 years. The only other B-school that could make it to the FT Global-20 B-schools within a much shorter time is Hyderabad-based Indian School of Business. What factors contributed to CEIBS reckoning in global best B-schools? What did it do differently that catapulted it to the Ivy league of B-schools? The case study also explores, why after establishing itself as a sought after B-school in China, CEIBS is going global, when very few of the top B-schools are doing so? Why among all other countries, CEIBS set up its first overseas campus in Ghana? And above all, whether CEIBS, which established itself as a China-centric B-school with an international flavour, can replicate its success in a foreign land?

Pedagogical Objectives

- To understand what are the critical success factors of a B-school in the light of challenges that B-schools are constantly facing
- To understand the factors that helped CEIBS in becoming one of the top-20 global B-schools in a short span
- To explore why CEIBS is going global, when very few of the top B-schools have done so
- To analyse whether CEIBS would be able to replicate its success in a foreign land.

Industry	Education
Reference No.	MES0098
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

MBA; B-Schools; China; Emerging; Success; Globalisation; Market Entry Strategies Case Studies; Ghana; Managers; Executive; Ranking; Positioning; Branding

McDonald's in China

McDonald's, the leading US fast food retailer, entered China in 1990 by opening its first restaurant in Shenzhen. As of March 2008, there were more than 800 McDonald's restaurants across China. Yum! Brands, the main competitor for McDonald's had already established its presence in China before McDonald's and was the leader in the Chinese fast food market. McDonald's had launched several initiatives in China to adapt to local needs and tastes in order to overtake Yum Brands. It plans to open more than 1000 restaurants in China before the Beijing 2008 Olympic Games. It is also focusing on opening more drive-thru restaurants in China. As one of the top official sponsors

for the 2008 Beijing XXVIX Olympics, McDonald's is counting on a high-profile presence in Beijing to build its brands in the mainland and to win favor among the Chinese consumers. McDonald's hopes that the Olympics will bring in new customers and will give it a competitive edge over Yum! Brands. How the fast food scenario in China will evolve, remains to be seen.

Pedagogical Objectives

- To analyse the fast food industry in China
- To analyse the market entry strategies of McDonald's in China
- To analyse the competitive advantage of Yum! Brands over McDonald's in China
- To analyse consolidation strategies adopted by McDonald's to take on the leaders Yum! brands in China.

Industry	Fast Food Industry
Reference No.	MES0097C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

McDonald's; Market saturation; Yum! Brands; First drive-thru restaurant; China Petroleum &Chemical Corporation; Beijing Olympics; McDonald's Champion Kids; Chinese Fast Food industry; Market Entry Strategies Case Studies; Franchising Model; long-term strategy

Pond's Foray into the Premium Segment – Will the 'Miracle' Work?

HUL's Talc brand – Pond's - has moved up on premium imagery. In March 2007, it launched its Age Miracle range in the premium skin care anti-ageing category. Earlier, HUL had tried to enter the premium skin care segment by extending its Fair & Lovely (FAL) franchise, without much success. The Indian skincare market has been growing at around 16% a year, out of which the anti-ageing products market accounts for close to INR 1 billion in sales. Anti-ageing skin care market is growing at a rate of 40% in India. As it now felt that the market is ripe enough, Pond's entered the premium skin segment. It had to bear large promotional costs to succeed against the stiff competition from other players in this segment. Whether Pond's can overcome its 'mass' image and make a mark in the premium segment remains to be seen.

Pedagogical Objectives

- To analyse the market for premium skin care products in India
- To analyse the mass brand image of Pond's
- To analyse Pond's entry into the premium product range
- To analyse the issues and challenges for Pond's to succeed in the premium segment.

Industry	FMCG
Reference No.	MES0096C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Hindustan Unilever Limited; HUL; Market Entry Strategies Case Studies; Ponds; Mass Market; Premium Skincare Segment; Ponds Age miracle Range; P&G Olay Total Effects; masstige; Price Sensitive Indian Market; Anti-ageing

Mattel in China: 'The Outsourcing and the Recall'

Mattel Inc, USA is the world's biggest toy maker and is ranked 406th in the Fortune 500 in 2007. Some of the renowned brands like Barbie, Hot Wheels, Matchbox and Fisher-Price are from the house of Mattel. Mattel used outsourcing as a major tool in its value chain management with China becoming a favoured destination. However, on August 14th 2007, Mattel recalled nearly 4,36,000 toys that were manufactured in China. This was the second major recall by Mattel of its toys that contained impermissible levels of lead. Mattel recalled 20 million toys manufactured in China twice in a span of two weeks. Mattel was criticized for not having tight quality control procedures in its supply chain of subcontractors. Although Mattel was known for having in place a sophisticated inspection and testing system at many of its factories in China, it could not avoid a quality scam. Mattel undertook many measures to undo the damage and it remained to be seen if it could regain the trust of its consumers. The case details Mattel's recall of its toys and the impact of the same on its brand image.

Pedagogical Objectives

- To understand the concept of outsourcing and its rationale
- To analyse the importance of outsourcing in value chain management
- To analyse the significance of quality maintenance and supervision during outsourcing.

Industry	Toy Industry
Reference No.	MES0095C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mattel; Barbie; Fisher-Price; Outsourcing; Value Chain Management; Toy industry; Crisis management; Market Entry Strategies; Case Studies; Production capabilities

Reliance Branded Jewellery Retail Outlets: Will it Succeed?

Reliance Retail, one of the biggest retail industries in India forayed into branded jewellery and introduced its brand 'Reliance Jewel'. The main objective of the company is to compete with the established branded jewellery players, especially Tata's Tanishq. To reach the No.1 position in the branded jewellery market, the company plans to promote jewellery retailing in a big way by establishing more branded jewellery retail outlets within 2 to 3 years.

Pedagogical Objectives

- To understand the dynamics of Indian retail jewellery market
- To study the critical success factors of Indian branded jewellery market
- To discuss the challenges faced by Reliance from the competitors, especially Tata's Tanishq
- To analyse the future prospects of Reliance.

Industry	Branded Jewelry
Reference No.	MES0094B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Gems and Jewellery in India; Branded Jewellery Market in India; Reliance entry into Jewellery Business; Reliance forayed into Jewellery stores; History of India's leading jewellery brand; Tata Tanishq achievement; Marketing Strategy of Tata Tanishq; Reliance jewels to compete Tanishq; Future plans of Tata Tanishq; Timex entry into jewellery; Reliance jewels plans to reach No.1 position; Market Entry Strategies Case Study; Tanishq as a first mover; Reliance as a late mover

Porsche's Expansion in India: A Catch 22 Situation?

The automobile industry of India was at a tipping point with the emergence of the small car segment in 2007. The domestic and international car makers eyed India whose economy had reported a consistent growth of 9% in the past three years. The middle class market attracted many but

according to future estimates, the strongest growth would come from the 'Top of the Pyramid'. The super luxury car segment presented excellent opportunities for marketers. Porsche AG with global sales of €7,367.9 million for the year 2006-2007, planned to expand its subsidiary, Porsche Cars India Private Limited's (Porsche) presence in the luxury car segment. But in the wake of the expansion plans would it lose exclusivity, and how would Porsche maintain its exclusivity in the emerging Indian economy remained to be seen. The case thus helps to understand how Indians look at luxury and facilitates the discussion about how Iconic brands can maintain exclusivity in an emerging economy like India.

Pedagogical Objectives

- To understand the dynamics of the Indian automobile industry
- To understand how Indians look at luxury
- To analyse how brands become Icons
- To analyse whether a trade off is possible between exclusivity and profitability in the luxury segment.

Industry	Automobile Industry
Reference No.	MES0093A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Automobile industry India; Auto consumerism; Experiential marketing; Emotional branding; India's affluent space; Luxury market India; Super luxury cars India; Brand Icons; Exclusivity; Porsche AG; Indian auto consumer; Market Entry Strategies Case Study; Luxury marquee's India

Microfinance in India: The Case of ICICI Bank

Since its entry into Indian microfinance sector in 2001, ICICI Bank, one of the largest private sector banks in India achieved remarkable progress in its portfolio. Instead of the conventional branch-banking model, it opted to differentiate it operational model, to foray into rural markets to tap lucrative opportunities in the Indian microfinance sector. Apart from basic microfinance services, it planned to offer various financial products like weather insurance, health insurance, remittance services and commodity derivatives to rural masses. But, it faced stiff competition from commercial and other foreign banks, which were determined to boost their presence in the Indian microfinance sector. Apart from that, the bank faced major challenges like information irregularity, inability of poor people to offer collaterals and lack of details of credit history. The case facilitates discussion on whether ICICI Bank will able to sustain its partnership model as the Indian microfinance sector becomes lucrative.

Pedagogical Objectives

- To assess the opportunities and challenges in Indian microfinance sector
- To understand evolution of 'SHGs-Bank Linkage' programme in Indian microfinance sector
- To evaluate growth and feasibility ICICI Bank's "Partnership Model"
- To assess competitive scenario shaping up for ICICI Bank and it impacts.

Industry	Financial Services
Reference No.	MES0092A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Microfinance; Microfinance in India; Market Entry Strategies Case Study; ICICI Bank; SHGs-Bank Linkage Program; IRDP; NABARD; Regional Rural Banks; Entry Level Strategy; Bank of Madura (BoM); Partnership Model; Microfinance Institution in India; SHARE Microfin Ltd; Grameen Foundation; Centre for Microfinance Research; Institute for Financial Management Research

JetBlue Founder David Neeleman's LCC in Brazil: The Conundrum of New Venture Development

Entrepreneur David Neeleman (Neeleman), founder of the US based successful low-cost carrier (LCC), JetBlue Airways Corp. (JetBlue), after stepping down as JetBlue's chief executive officer in February 2008, announced the creation of a low-cost carrier in Brazil to tap the nation's expanding appetite for flying. Neeleman planned the carrier to start flying by early 2009. Neeleman saw plenty of opportunities in the booming Brazilian economy where air travel had been expanding annually at a double-digit pace. However, the Brazilian market, having infrastructural issues and being dominated by two airlines; Transportes Aereas Meridional (TAM) and GOL Linhas Areas Inteligentes S.A. (GOL), that together commanded more than 90% of domestic airline market, presented a tough situation for the entrepreneur. The case, highlighting the Brazilian airline industry scenario, in view of Neeleman's new LCC, provides a scope to analyse the strategies, opportunities, and challenges of a new venture development for an entrepreneur.

Pedagogical Objectives

- To understand Corporate Entrepreneurship
- New Venture Development : Opportunities and Challenges for an Entrepreneur
- To analyse Strategies for New Venture Development.

Industry	Airline Industry
Reference No.	MES0091A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

David Neeleman; JetBlue; Entrepreneurship; Azul; TAM; GOL; Brazilian Airline Industry; Low-cost Carrier (LCC); Entrepreneurial Leadership; Brand Building; New Venture Development; Duopoly; Five Forces Analysis; Market Entry Strategies Case Study; SWOT analysis

Google's Orkut in Brazil: What's So Social About It?

Social network advertising is forecasted to reach $3.6 billion by 2011. There are a number of companies cashing in on this trend. Google, the biggest search engine company, launched its social networking site Orkut in 2004. The site was not successful in the US. However, became immensely popular in Latin America, particularly Brazil, where almost 70% of Internet users were Orkut users. Soon, Google was plagued by allegations that Orkut communities of neo-Nazis, anti-socials and racists were being formed. It was being used to spread child pornography, paedophilia and for Internet trafficking. Google was asked to hand over user data to Brazilian authorities for identifying the perpetrators. Google refused to do so. As a result, criminal charges were filed against Google's head of Brazilian operations and a fine was levied on Google for each day of non-compliance. Google eventually cooperated with the authorities. Its woes however did not end here. When Google introduced advertising on Orkut, there were reports that ads were appearing alongside illegal content. With no way to monetise Orkut and the never-ending controversies, will Google be tempted to cut its losses and shut down Orkut in Brazil? This case study talks about the growth of social networking sites, particularly on Orkut's operations in Brazil. The issue of whether user information should be shared with the legal authorities forms the core of the discussion. Should Internet companies hand over user data when demanded? Does their compliance mean breach of user trust? If they refuse, termination of services is likely, then how do companies achieve the

goal of wealth maximisation? How can Internet companies best combine the interests of their users, advertisers and authorities, while ensuring that revenues keep flowing in?

Pedagogical Objectives

The case is structured to let the students analyse and understand:

- The characteristics of social networking sites and the reasons behind their popularity
- Importance of scrutinising a country before offering a product there
- Social networking sites' dilemma - whether to share user information with the legal authorities or refuse and risk getting shut down?

Industry	Internet Search & Navigation Services
Reference No.	MES0090
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Google; Baidu.com; China's Search Engine Market; Business Model; Globalisation and Localisation; CAGE Frame Work; Alliance Strategies; Acquisitions and Partnerships; Chinese Google; Government Business Environment; Internet Censorship; Online Advertising; Market Entry Strategies Case Study; International Business; Legal Environment and Regulations

Google vs Baidu.com (B): Google's Country Experiences

At the heart of Google's worldwide success is its PageRank technology and its online advertising model. After success in its home country, the US, Google has expanded to international markets including countries in Europe and the Asia-Pacific. Has Google been successful in all the countries it entered? What has been Google's experience in these countries? What are the key insights? This case, the second in the series, Google vs Baidu.com, looks at Google's meteoric rise worldwide and the reasons for its global success. The focus is on Google's operations in France, Germany and Japan. Google's foray into these countries though successful is also marked by the threat of impending competition from a new adversary - the government sponsored national search engines. The case details the reasons for and the initiatives of the respective governments to challenge Google's stronghold and market dominance. What are the ramifications of the government initiatives succeeding for Google and what does it need to do to ensure its continued dominance? The case questions whether there is a serious challenge or is it only a passing phase in the search giant's growth.

Pedagogical Objectives

The case is structured to let the students analyse and understand:

- A search engine's business model in general and that of Google in particular
- Should a business model be adapted, when entering a foreign market?
- How should Google respond to competition from the governments in France, Germany and Japan?

Industry	Internet Search & Navigation Services
Reference No.	MES0089
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Google; Baidu.com; China's Search Engine Market; Business Model; Globalisation and Localisation; CAGE Frame Work; Alliance Strategies; Acquisitions and Partnerships; Chinese Google; Government Business Environment; Internet Censorship; Online Advertising; Market Entry Strategies Case Study; International Business; Legal Environment and Regulations

McDonald's in Russia

McDonald's - a name easily digested by commons and celebrities alike, in the developed nations - has been trying hard to serve developing nations. It would be a mistake if one assumes it is out to better the living standards in the second world. Rather, McDonald's stalled growth in developed nations led its foray into emerging markets. The case study chronicles McDonald's entry into Russia and how it set up its outlets, leaping over Russian brand of communism. After its first Russian outlet opened in 1990, McDonald's leveraged the Russian's love for American food and gradually strengthened its presence. But its growth was restrained - due to Russian bureaucracy as well as a behavioural shift from bigger-in-size to better-in-customer-reach. How should McDonald's deal with its dilemmas in Russia? What are its growth options there? Should it be wary of store expansions or spread across Russia?

Pedagogical Objectives

- To examine the characteristic features of emerging markets, particularly Russia
- To analyse the political, economic and social conditions in Russia and identify areas in which the nation differs from other developed countries
- To understand and compare McDonald's business model, both globally and in Russia
- To examine the food consumption trends and consumer behaviour in the Russian fast food segment
- To analyse the reasons behind McDonald's cautious growth in Russia and suggest ways to gain sizeable market share there.

Industry	Fast Food Retailing
Reference No.	MES0088
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Fast food; Russian economy; Collapse of the Soviet Union; Economic reforms; Liberalisation; privatisation & globalisation; Ruble inconvertibility; George Cohon; Khamzat Khasbulatov; Russian financial crisis and its impact; Russian bureaucracy and communism; Market Entry Strategies Case Study; McDonald's flawed expansion strategy; McComplex; Competition from local and global rivals; Growth plans for McDonald's in Russia; McDonaldl's at Pushkin Square

Wal-Mart in India: Can it be the Messiah of Indian Farmers?

ndia was among the top producers of vegetables and fruits, but 30%-40% of the produce was wasted due to poor storage and handling facilities. The potential of agri-business in India attracted many domestic and multinational players. Wal-Mart, the American retailer with net sales of $344,992 million in 2007 planned to start its operations in India and formed a joint venture with Bharti Enterprises (Bharti). Bharti was one of the leading business groups in India with interests in telecom, agribusiness, insurance, and retail with market capitalisation of INR 1519 billion. Wal-Mart planned to invest in back end technology and replicate its global supply chain model in India. But analysts were skeptical about Wal-Mart's entry into India, as the company was known for its aggressive attitude towards its suppliers. Anti MNC activists were concerned about the social disruptions that the company would cause in the retail sector. The case details the controversies and challenges that Wal-Mart might face and facilitates discussion on whether Wal-Mart can establish itself in India.

Pedagogical Objectives

- To understand the dynamics of agriculture produce and food retailing in emerging countries like India

- To discuss the possible factors of agrarian crisis in India
- To analyse the food supply chain in India
- To analyse the logistics and supply chain management strengths of Wal-Mart
- To analyse opportunities and challenges for a multi national retailer in an emerging economy like India.

Industry	Retailing
Reference No.	MES0087A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Agrarian Crisis; Supply Chain; Food Retailing India; Agribusiness Opportunities; Agriculture produce; Agriculture Marketing; Consumer Behaviour; Agriculture Credit; Wal-Mart; Wal-Mart in China; RFID; Rural Supply Chain in India; Indo-US Initiative; Market Entry Strategies Case Study; Food Processing in India; Consumer Spending in India

Nokia: The Brand and its Future in India

The cellular phone market in India has been recording significant growth since the late 1990s and is the fastest growing in the world. Nokia, the world leader in cellular phone communications entered India in 1995. Since then the Nokia brand has been steadily growing and has gained wide acceptance in the Indian market. India is the third largest market for Nokia, in terms of its net sales as of 2006. Nokia is one of the most trusted brands in India and leads other cellular phone brands in terms of market share, advertising and customer service. The innovative technologies, user-friendly features and affordable prices contributed to Nokia's success in India. The case facilitates discussion on Nokia's brand building strategies in India. It also allows for discussion on the future of the Nokia brand and the cellular market in India.

Pedagogical Objectives

- To analyse the role of brand image in sustaining market leadership
- To analyse the competitive scenario in the cellular market in India
- To discuss the strategies of Nokia in India
- To analyse the localisation strategy of Nokia as a major tool for gaining market leadership
- To analyse the future of the Nokia brand in India.

Industry	Mobile Phone
Reference No.	MES0086C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Nokia; Branding; Cellular Phone Market; Marketing Strategy; Market Leadership; Localisation Strategy; Advertising Strategy; Brand Image; Market Entry Strategies Case Study; Competition

Harley-Davidson: Market Entry Strategies in India

Global automobile companies have lined up Indian roads taking advantage of the economic prosperity of the country. Harley-Davidson, the most iconic US motorcycle manufacturer is a prospective entrant into the Indian market. Earlier, Harley-Davidson bikes were restrained from entering India due to stringent emission norms and high import duties. The emission norms were relaxed as part of a trade agreement between the US and India on April 13th 2007. However, the large bikes are haunted by high import tariffs in India that double the original price of the bikes. Further Harley-Davidson bikes also face competition from its Japanese counterparts who already have businesses in India. Although the Indian government offers different market entry options for foreign firms, Harley-Davidson has announced that it will enter India only through the import route. How and when Harley-Davidson will enter India is to be seen.

Pedagogical Objectives

- To understand the motorcycle market in India
- To discuss Harley-Davidson's brand identity and its scope in the Indian market
- To understand different market entry strategies allowed in India
- To discuss the market entry strategies to be adopted by Harley-Davidson in India.

Industry	Motorcycle
Reference No.	MES0085C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Harley-Davidson; Motorcycle Industry in India; Cult Brand; Market Entry Strategies Case Study; Consumer Behaviour; Business Strategy; Developing Economy; Business Environment; Localisation Strategies

Barclays' Entry into India: Strategies and Prospects

Barclays Bank PLC (Barclays) had been providing financial services to the global community for 300 years. It was operating in India since the late 1970s as an investment banker. In 2006-2007, Barclays chose to enter the retail banking sector in India.The Indian banking sector was on a high due to the increased purchasing power of Indians coupled with higher interest rates. Many foreign bankers were willing to expand in India as the economy was growing at a rate of over 8% per annum. India offered ample opportunities in corporate banking, small-and-medium size enterprises, retail banking, consumer finance and micro finance. A large number of foreign banks focused only on corporate banking whereas analysts opined that the real opportunity lay in retail banking and consumer finance. In this context it would be relevant to analyse Barclays' entry strategies into India as also the growth prospects of foreign banks in developing countries.

Pedagogical Objectives

- Banking operations by a global bank
- Regulatory framework for foreign banks in India
- Operational strategies used by Barclays bank to expand in India
- To study the challenges and prospects of foreign banks in India.

Industry	Banking
Reference No.	MES0084C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Global Bank; Barclays Bank; Foreign banks in India; Entry strategies; Market Entry Strategies Case Study; M&A in Banking sector; Future challenges

Walt Disney Co. (B): Disney in India

Although Disney entered India much before any other player in 1993, it failed to capitalise on its First Mover Advantage. This was mainly because of its failed partnership with K. K. Modi Group. After its partnership ended, it reentered India in 2004 with television business. Within 3 years, the company was successful in establishing its presence in the country. It later on introduced its other divisions, excluding theme parks. However, with the presence of strong competition, it has not been able to derive what it expected. However, Disney plans to become the leading entertainment brand in India

through localising its products. To what extent would it be successful? - is the question that can be answered only in the coming years.

Pedagogical Objectives

- To analyse the factors forcing globalisation and the need to globalise, especially for entertainment companies
- To know the importance of emerging markets and the need for MNCs to rethink their marketing models for these markets
- To discuss the initial problems Disney faced after re-entering India and the strategies it adopted to tackle this
- To discuss the challenges for Disney in the coming years.

Industry	Media and Entertainment
Reference No.	MES0083
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Walt Disney; Mickey and Mini Mouse; Donald Duck and Goofy; Animation; Theme Parks and Resorts; Growth Strategies; Michael D. Eisner; Robert A. Iger; Emerging Markets; Globalisation and Localisation; Disneyland; Toon Disney vs POGO; Market Entry Strategies Case Study; Animax

Walt Disney Co. (A): The Emerging Markets Strategy

With little opportunities left in its domestic media and entertainment market, Walt Disney began looking outside for new growth avenues. After Robert Iger (Iger) became CEO in 2005, Disney's global focus increased. The plan is now to derive half of its profits from overseas markets. For this, Iger has been emphasising mostly on emerging markets particularly China and India. There are equal opportunities and challenges in emerging markets for the global players. Understanding and overcoming the challenges would help players to extract most from the opportunities. Even Disney, which initially stumbled, is now making the most from the opportunities that exist in the emerging markets like China, Russia and India by adopting various strategies.

Pedagogical Objectives

The case study helps to analyse and understand:

- Importance of emerging markets
- Opportunities and challenges for the players in emerging markets
- Disney's market entry strategies
- Lessons from Disney's success and failures.

Industry	Media and Entertainment
Reference No.	MES0082
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Walt Disney; Mickey and Mini Mouse; Market Entry Strategies Case Study; Donald Duck and Goofy; Animation; Theme Parks and Resorts; Growth Strategies; Michael D. Eisner; Robert A. Iger; Emerging Markets; Globalisation and Localisation; Disneyland

Vespa's Entry Strategies for the US Market

The Piaggio Group, one of the world's top two-wheeler manufacturers introduced its brand, Vespa, in the US market during 1950. But Vespa had to be pulled out of the market because of stringent emission standards. In 2000, Piaggio re-launched Vespa in the US market which was better and fuel-efficient. As scooters were gaining popularity around this time in the US and sales rising, Piaggio felt that it was not an opportunity to be missed. It went ahead implementing several strategies to strengthen its presence in the market but faced a big challenge in combating rising safety concerns regarding scooters.

Pedagogical Objectives

- To study the market for scooters in the US
- To examine the reasons of Vespa behind reentering the US market
- To study the market entry strategies of Vespa
- To elucidate the safety concerns regarding scooters and understand Vespa's measures to respond to them
- To study the branding challenges that a multinational company faces on entering diverse cultures.

Industry	Automobile-Two Wheeler
Reference No.	MES0081B
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Vespa; Piaggio; US market; Two Wheeler; Vespanomics; Aprilia; Moto Guzzi; Lifestyle Brand; Scooter; Market Entry Strategies Case Study; ET2; ET4; Safety; Utility Vehicle; Economy

L'Oreal in India: Marketing Middle Class Consumers with Premium Prices?

India, in recent years, has emerged as one of the hot destinations for global cosmetics players. Overseas players like Unilever, Procter & Gamble and L'Oreal dominate the industry through targeting the growing middle class. Players like Hindustan Unilever Limited (Unilever's Indian subsidiary), Procter & Gamble target their customers with mid prices; while L'Oreal Indiais targeting them with premium prices. This strategy helped L'Oreal to breakeven the sales and then record a huge increase in its profits. But considering the increasing competition and price sensitiveness among the Indians, it has to be seen how long can L'Oreal continue this success?

Pedagogical Objectives

- To analyse the opportunities and challenges for cosmetics players in emerging markets
- To understand and analyse the Indian cosmetics industry and the changing consumer behaviour
- To discuss the business model adopted by the players, particularly the multinationals
- To analyse the reasons for L'Oreal's initial strategy failure in India
- To discuss L'Oreal's revised strategy of targeting middle-class with premium price and its success.

Industry	Cosmetics
Reference No.	MES0080
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Emerging markets; Indian cosmetics industry; Cosmetics players; Customer segmentation; Indian middle-class consumers; Consumer behaviour; Market Entry Strategies Case Study; MNCs business model; L'Oreal India and strategies; Moving away from brand image; Mass vs premium product strategy in emerging markets

Standard Chartered Bank in South Korea

The case discusses the mega-merger of one of the leading banks in the world - London based Standard Chartered Bank, with South Korea's seventh largest bank - Korea First Bank. The merger resulted in the creation of one of the largest banks in South Korea-SC Jeil Eun Haeng (SC First Bank). After providing a brief note on the structure and recent trends in the South Korean banking industry, this case also provides a detailed

commentary on the two banks. The case discusses the rationale behind the merger and the benefits which the two companies were expecting from it. The case then goes on to explain the merger deal in detail. It finally discusses the possible challenges which the merger could face in the near future.

Pedagogical Objectives

- To discuss the Korean banking industry
- To understand the core competence of both the banks
- To analyse the possible synergies of the merger.

Industry	Banking
Reference No.	MES0079K
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Standard Chartered; Korea First Bank; SC Jeil Eun Haeng (SC First Bank); Acquisition was largest foreign direct investment; Asian Financial Crisis (1997); Market Entry Strategies Case Study; The Korean Banking Industry; Standard Chartered Bank in South Korea; Forex Management; Merger synergies; Commercial banking; Priority banking; Retail banking; Mervyn Davis

Dell's Entry into Gaming PC: The Decision Dilemma

Dell, the world's leader in PC industry, reaped the benefits of its unique business model of customization and direct sales. The company registered double digit growth in its two-and-half decades of existence. During 2004-05, the company failed to maintain its expected growth and the sales declined. The company faced challenges due to the saturation of the US consumer PC market, increasing competition and declining price of PCs. The company identified a niche market of gaming PC with prospective growth potential. There were very few and small players in the market of gaming PC. The company was in a decision dilemma whether to enter into the gaming PC market or not. If it enters, then what would be its branding and marketing strategy? The case discusses in details the about Dell's inception, its growth and challenges. It also gives a detailed outlook about the US PC market. Then the case provides description of the gaming PC market with respect to players in the market and their positioning, consumer behaviour, recent trends and future prospect. The students can discuss whether Dell will enter into the gaming PC market or not and if the company enters, what will be its value proposition, branding strategy and marketing strategies?

Pedagogical Objectives

- To discuss about the history and growth of Dell
- To discuss about Dell's unique business model
- To discuss the major players in the gaming PC market
- To assess how Dell targeted the niche segment of the gaming PC industry
- To argue whether Dell would succeed in this new initiative.

Industry	Personal Computers
Reference No.	MES0078K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Dell; Personal computer (PC); Consumer PC segment; Gaming PC; US PC market; Repositioning; Market Entry Strategies Case Study; Direct sales model; Customisation; Product strategy; Pricing strategy; Promotional strategy; Branding; Value proposition; Cannibalisation; Target market

IKEA: Re-entering The Land of Rising Sun

IKEA, the Swedish home furnishing company entered into Japanese home furnishing industry during the decade of 80s. However, during that time, the company failed to mark its presence in Japanese home furnishing industry. Analysts commented that, since the company failed to adapt the localization strategy it failed. In 2006, the company again plans to make an entry in Japan. Though, this time the company plans to stress upon the localization strategy. The company modified its furniture and other home furnishing items to suite the taste and preference of the Japanese audience. This case discusses in details about the marketing strategy adopted by IKEA to make a successful entry in Japan. It also covers the 4Ps of marketing and segmentation-targeting-positioning strategy adopted by the company.

Pedagogical Objectives

- To understand the importance of localisation strategy in the context of IKEA's failure venture in Japan
- To discuss the market dynamics of furniture Industry in Japan during 2006
- To analyse IKEA's STP strategy.

Industry	Home Furnishing
Reference No.	MES0077K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

IKEA; Japanese home furnishing industry; Market Entry Strategies Case Study; Product; Price; Place; Promotion; Distribution; Positioning; Targeting; Segmentation; Otsuka Kagu; Localisation strategy; The IKEA concept; Home furnishing retailing

United Parcel Service: Expanding in China

United Parcel Service (UPS), an American based express delivery service provider, was one of the worlds largest. It planned to expand aggressively into China particularly after the latter's entry into the World Trade Organization (WTO) in the year 2001. UPS increased its flights to and from Chinese cities, built more infrastructure and established stronger brand presence in the country. It also opened UPS Express centers in several Chinese cities to strengthen its package drop-off and pickup services. UPS had started its operations in China in 1988. However, FedEx had entered China in 1984 and DHL had commenced business in China even earlier in 1980. Both these companies had a significant lead over UPS. Among global integrators, UPS had a market share of only 11% in China as against DHL's 51% and FedEx's 28%. Nonetheless, UPS decided to invest heavily in China, in view of the potential that it offered. The Chinese economy was growing at a rapid pace and there was also phenomenal increase in the country's international trade, thereby providing huge business opportunity for a logistics company. In spite of stiff competition from FedEx and DHL, UPS aimed to strengthen its hold on the logistics market there. At the same time, UPS was losing market share in its home base in the US. Can the business growth in China make up for the decline faced in the home market?

Pedagogical Objectives

- To discuss about the courier industry in China
- To understand the competition in the Chinese courier and parcel industry
- To discuss about the entry and expansion of UPS in China.

Industry	Courier/Parcel Industry
Reference No.	MES0076B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Courier industry; Competition; United Parcel Service; Courier Service; Express Parcel Service; Geographic Expansion; Expansion into China; Market Entry

Strategies Case Study; Fedex in China; DHL in China; Courier Business in China; Multinational courier companies in China; UPS in China; UPS Express Stores

Success of IBM in India

In 1991, the Indian government started relaxing the foreign investment norms and this encouraged foreign IT companies like Electronic Data System (EDS), Hewlett-Packard (HP) and International Business Machines Corporation (IBM) to enter India. Among these, IBM, a multinational computer technology corporation had shown keen interest in establishing itself in the Indian market. Till 2001, IBM witnessed slow growth and started experiencing gain since 2002. In 2005, to compete with the Indian software giants like Wipro, Infosys and Tata Consultancy Services, IBM adopted the Global Delivery Model and with other foreign companies like Accenture, Intel and AMD planning to invest heavily in India, IBM decided to invest $6 million to start several initiatives that would serve to fulfill its vision of becoming a globally integrated company. With the Indian software giants dominating the IT sector and with the entry of other foreign software companies, analysts were skeptical about IBM's success. Would IBM succeed in its endeavors?

Pedagogical Objectives

- To understand the impact of relaxing of FDI norms by the Indian Government
- IBM's experience in the Indian markets
- Adoption of Global Delivery model by IBM
- IBM's strategies to succeed in the Indian markets.

Industry	IT Industry
Reference No.	MES0075B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

IBM; Global Delivery Services; Global Delivery Model; e-governance; competition; Market Entry Strategies Case Study; On Demand Model; growth strategy; Intel; TSIL; entry of MNCs

Smart Fortwo's Entry into the US.: Smart Move?

In 2005, DaimlerChrysler was the world's fifth largest automotive group. DaimlerChrysler was a unique and prominent company in the global automotive industry. It had a product portfolio that ranged from small cars to sports cars and luxury sedans, and from versatile vans and heavy duty trucks to comfortable coaches. DaimlerChrysler AG was formed in 1998 by the merger of 'Daimler-Benz AG' (Germany) and 'Chrysler Corporation' (USA). Thus, DaimlerChrysler had a tradition of more than one hundred years, featuring the pioneering achievements in automotive engineering by both of its predecessor companies.

On 28th June, 2006, DaimlerChrysler announced that its unique and urban-friendly, fuel-efficient, subcompact 'Smart brand (Smart)' would enter the U.S. market. The company redesigned its original model 'Smart Fortwo' and informed that the new generation Fortwo would be available in the U.S. in three models from 2007. Americans, in general, did not like small cars as they were doubtful about the safety features of such cars. However, since 2003-2004, due to a continuous hike in US gasoline prices, there was a declining sale of the large SUVs and pickups. Hence, the company felt that it was the right time to bring its Smart cars to the United States. But, the US market was already flooded with fuel-efficient subcompact cars like Toyota Scion and BMW Mini Cooper. Some of them also had their US dealer network in place. Further, three Japanese subcompact cars were expected to enter the US market by 2006-2007. They were low-priced compared to the Smart brand cars. Therefore industry observers were skeptical about Smart's success in the US.

Pedagogical Objectives

- To understand the global automotive industry
- To understand the US automotive industry
- To understand the challenges in the US automotive industry
- To analyse whether 'Smart' will be a success in US.

Industry	Automotive Industry
Reference No.	MES0074B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Daimler Chrysler; Smart Fortwo; Mercedes Car Group; Market Entry Strategies Case Study; Automotive Industry; Swatch; Subcompact car; NAIAS; US car market; Daimler-Benz AG; Chrysler Corporation; Fuel-efficeint car; Small car; Eco-friendly car; Two-seater car; Gasoline price in USA

Cairn Energy – What Would Cairn's Strategy in India be?

Cairn Energy was an independent oil exploration and Production Company in UK. Led by its maverick Chief Executive Sir Bill Gammell, the company sold its holdings in the North Sea and focused on buying and developing oil acreages in South Asia. Cairn shot into the limelight when after a decade of drilling and exploring it hit big in Rajasthan, India in 2006. What would Cairn's strategy in India be?

Pedagogical Objectives

- To understand oil exploration industry in UK
- To understand oil exploration industry in South Asia
- Cairn Energy's oil exploration strategies in India.

Industry	Oil and gas
Reference No.	MES0073B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Cairn Energy; Petroleum sector; Energy sector; Energy in Bangladesh; Oil in Rajasthan; Sir Bill Gammell; NELP; UK based Independent Oil Company; Sangu reserves; Rajasthan oil reserves; Market Entry Strategies Case Study; Edinburgh; Scotland based-i&P Company

BenQ Corporation: Entering the Branded Cell Phone Market in China

The case focuses on BenQ Corporation, a US$3.2 billion Taiwan-based company. By 2001 BenQ had become the largest contract manufacturer of mobile handsets. However, in 2002 the company decided to move away from contract manufacturing and launched branded products. As part of this strategy, in 2004 the company launched branded mobile handsets in China, which was the fastest growing and the most competitive handset market globally. The case gives in-depth information on the characteristics and nature of the Chinese handset market, the various competitors and their strategies. The case simultaneously highlights the market entry strategies used by BenQ.

Pedagogical Objectives

- The steps taken by BenQ to move from being a contract manufacturer to a brand manufacturer
- A comparison of BenQ's strategy with Samsung's
- The nature and characteristics of the Chinese handset market
- The segmentation, targeting and positioning strategy used by the various mobile handset vendors

- The strategy employed by BenQ to enter the mobile handsets market in China.

Industry	Mobile Handset
Reference No.	MES0072B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

BenQ Corporation; Branded cell phone market in China; KY Lee; Contract manufacturer; Branded players; Chinese handset market; Market entry strategies; Market Entry Strategies Case Study; Acer Peripherals; Motorola; Nokia; Ningbo Bird; Samsung; Global system for mobile communication (GSM) segment; Code division multiple access (CDMA) segment; Original equipment manufacturer; original design manufacturer

Vodafone's Branding Dilemma in India

In mid February 2007, Vodafone Group Plc. (Vodafone), one of the leading global telecommunication companies acquired 67% stake in Hutchison Essar, one of the leading telecom operator in India, which provided its services under the brand name, Hutch. Speculation mounted whether Vodafone would retain the existing brand or re-brand it. Many analysts opined that if Vodafone replaces the Hutch brand with its own, the move could backfire, because 'Hutch' was well established and most admired brand in the Indian telecom sector.

The case details about corporate rebranding dilemma faced by Vodafone in Indian telecom market.

Pedagogical Objectives

- To understand corporate rebranding strategies
- To study the brand transition strategies adopted by Vodafone globally
- To understand brand positioning of Hutch in India
- To study the challenges involved in rebranding in merger or an acquisition.

Industry	Telecommunication
Reference No.	MES0071A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Vodafone; India; Hutch; Market Entry Strategies Case Study; Brand Transition; Brand Promotional Strategies; Brand Dilution; Indian Telecom Sector; Brand Differentiation; Vodafone's Global Branding Strategy; Brand Attributes; Vodafone in Czech Republic; Vodafone in Turkey; Vodafone in Italy; Vodafone in Japan; Dual Branding Strategy; Branding dilemma

Vodafone's Strategic Move in Indian Telecom Market

Vodafone was one of the world's leading mobile telecommunication companies with interest in voice and data communications. Seeing an opportunity in India, where telecom sector was rated as the fastest-growing wireless market in the world, Vodafone acquired a 10% stake in Bharti Televentures Ltd (BTVL) in 2005. When Hutchison Whampoa Ltd (HWL), a Hong Kong based Telecommunication company declared its intentions to sell its stake in Hutchison Essar, a leading telecom player only Vodafone had publicly shown its interest in acquiring the stake. In February 2007, it acquired 67% stake in Hutchison Essar Ltd. According to analysts, the acquisition of HWL's stake would give Vodafone a considerable access to rapidly growing Indian telecom market. But, Vodafone faced many challenges in acquiring stake in HWL. The major concern was the valuation aspect of Hutchison Essar Ltd. In the recent past, Vodafone had spent nearly $300 billion in acquisitions which had led to decline in the shareholder's confidence. It also faced stiff competition to acquire stake in Hutchison Essar Ltd. from other bidders like Reliance Communications, Hinduja Group and Essar Group. Vodafone approached Essar to remain its local partner on which Essar's decision was pending.

The case details about the shifting strategy of Vodafone to target emerging markets like India. It also details about the opportunities and challenges in the Indian telecom market.

Pedagogical Objectives

- To understand the Indian telecom market
- To understand the market entry strategy adopted by Vodafone
- To study the merger and acquisition as growth strategy
- To understand the competitive scenario in Indian telecom market.

Industry	Telecommunication
Reference No.	MES0070A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Vodafone; Vodafone in India; Inorganic Growth strategy; Competitive Scenario; New Product Segment; Market Entry Strategies Case Study; Government Policy; Hutchison Whampoa Ltd.; Hutchison Essar Ltd.; Valuation Aspects; Indian Telecom Sector; GSM Players; Telecom Regulatory Authority of India (TRAI); Bharti Televentures Ltd. (BTVL); Cheung Kong (Holdings) Limited; 2G and 3G Services

Starbucks Coffee Company: The Indian Dilemma

In 2006, the US based Starbucks Coffee Company, with over 11,000 stores in 36 countries was the No. 1 specialty coffee company in the world. Every week over 40 million customers visited Starbucks coffeehouses. After phenomenal success in the US, and revolutionizing specialty coffee culture, Starbucks undertook international expansion and popularized its specialty coffee worldwide. In the 1990s, Starbucks concentrated its expansion efforts mainly in Asia. The initial pages of the case delineate the origin and growth of Starbucks as a company and a super brand and the strategies adopted by it.

In 2002, Starbucks announced that it was planning to enter India. Later it postponed its entry as it had entered China recently and was facing problems in Japan. In 2003, there was news again that Starbucks was reviving its plans to enter India. In 2004, Starbucks officials visited India but according to sources they returned unconvinced as they could not crystallize on an appropriate partner for its entry. In mid 2006, Starbucks announced that they were all set to offer the 'Starbucks experience' to Indians in the next 18 months. The case explores India as the next destination for Starbucks and provides an industry analysis of the Indian coffee industry. It attempts at initiating a debate that whether Starbucks should enter India or not. If it should, then its entry strategy, differentiation strategy and long term strategy for India may be identified. The challenges that India may present for Starbucks and how should it cope up with, can also be discussed. The case is targeted at management students and can be taken up in their Strategic and General Management curriculum.

Pedagogical Objectives

- To analyse Starbucks as a company
- To analyse the Indian coffee industry and India as a potential destination for Starbucks
- To discuss the entry strategies for Starbucks in India
- To discuss the opportunities and challenges that Starbucks could face in India.

Industry	Specialty Retailing/Beverages
Reference No.	MES0069A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Starbucks; Howard Schultz; Seattle; Japan; China; India; specialty coffee instant coffee; coffee culture; third place concept; differentiation; spoke and hub strategy; Market Entry Strategies Case Study; word-of-mouth promotions; emerging economy; retail environment; Foreign Direct Investment; industry analysis; beverage market; tea; market entry strategy; differentiation strategy; second mover advantage; entry dilemma; joint venture; competitive scenario; market structure; market development; Starbucks experience; lifestyle marketing

Bharti Wal-Mart Tie-up: Opportunities and Challenges

The Indian retail scene was abuzz with activity. With A T Kearney listing India as the topmost in market attractiveness, many foreign retailers were looking to enter India. Wal-Mart, the world renowned retailer had tied-up with Bharti Enterprises Ltd. a leading telecom company in India. While many synergies were expected out of the deal, the Indian retail scene had its share of challenges.

The case outlines the areas of opportunities and challenges that the Indian retail scene offered. It provides scope for the student to understand the dynamics of the Indian retail scene and facilitates debate on the future of Indian retail. It also allows for discussion on whether the Bharti Wal-Mart combine would win the race in the Indian Retail market.

Pedagogical Objectives

- To discuss the challenges faced by foreign retailers in emerging markets like India
- To discuss the issues and opportunities in the Indian Retail Scene.

Industry	Retailing
Reference No.	MES0068C
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Bharti; Wal-Mart; Indian Retail; Retail Industry; Competition in Indian Retail Sector; Market Entry Strategies Case Study; Tie-up; Store formats; FDI in Retail; Real Estate; Supply Chain and Sourcing; Consumer Behavior; Synergies; Market attractiveness; mom-and-pop shops; Buying behavior

McDonald’s in Asia: Opportunities and Challenges

McDonald’s was concentrating on its business in Asia mainly- Japan, China and India. These areas were touted to be prospective areas for McDonald's expansion in the decade ahead. McDonald's had tried to localise its strategies in these areas with reasonable success. However, to achieve increased returns from these areas, it had to overcome challenges like competition, menu innovations etc. In this background, it was to be seen if McDonald's could increase its share in the Asian market and what it should do to achieve this.

The case brings out the strategies adopted by McDonald's in its markets in China, Japan and India and the challenges in each of these markets. The case allows the student to appreciate the localisation strategies adopted by McDonald's and also to discuss the future of McDonald's in Asia. The case would be suitable to teach modules in International marketing with specific reference to localisation strategies.

Pedagogical Objectives

- To understand the globalisation of an international fast food brand
- Localisation issues in Asian markets.

Industry	Fast Food Industry
Reference No.	MES0067C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

McDonald’s; Strategy; Fast food outlets; Market Entry Strategies Case Study; Branding; Redesigning; Menu change; Drive thrust

Tesco's Entry Strategies in US

The London based retailer giant, Tesco made its entry into US, by opening "Fresh & Easy" format convenience stores at Arizona. Anticipating this move, Warren Buffet, the second richest person in the world, bought shares of the company in 2006 and its market value went up. Berkshire Hathaway invested $1419.59 million in Tesco's expansion projects. It had the ability to roll out multiple formats and adapt to the local tastes of consumers. It was able to maintain its leadership in UK, by pushing Wal-Mart ASDA to third position, in terms of market share. Tesco had undertaken meticulous research about US retail market and preemptively acquired real estate for its retail operations at important locations. For independent and niche retailers, the growth of Tesco would be a great challenge and they would eventually need innovation and customer segmentation strategies to survive. But for Tesco, US was new turf where there were more than 50 convenience store chains. 7-eleven and Famima,, which have already established convenience store chains in US.

Pedagogical Objectives

- The case study will familiarize the students with
- US retail industry and the concept of convenience stores
- Tescoâ•™s customer retention and market entry strategies
- Factors which lead to the success of a retailer.

Industry	Consumer Electronics Industry
Reference No.	MES0066C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Tesco; Wal-Mart; 7-Eleven; Food Retail; Market Entry Strategies Case Study; Convenience Store; Territorial radio; Terry Leahy; Famima; Fresh & Easy; ASDA; Tesco Metro; Warren Buffet; Tesco' Steering Wheel; Tesco Express; tesco.com

Retail market in Vietnam-Challenges and Opportunities

Vietnam was considered to be a potential retail market and one of the leading markets in Asia. According to A.T. Kearney's Global Retail Development Index (GRDI) 2006, the Vietnamese retail market was found to be attractive for the foreign players to invest in the country. The Vietnamese retail market already had some foreign retailers in their market. Despite the attractiveness, the market posed a number of challenges to the foreign retailers entering the Vietnamese market. The regulations on foreign direct investment (FDI) in Vietnam acted as barriers for the foreign retailers to enter the Vietnamese market. The domestic retailers were also threatened by the entry of the global players. The Vietnamese government had taken a number of initiatives to help the domestic players.

In this background it was to be seen how the Vietnamese retailer market would evolve. The case study gives scope for discussion on the challenges facing the foreign retailers and their chances for succeeding in the market. The case study also gives emphasis on the challenges facing the domestic retailers and the strategies adopted by them to compete with the global retailers.

Pedagogical Objectives

- Retail market environment in Vietnam
- Challenges facing the foreign retailers in entering the new market Incubator-incubatee relationship
- Competitive measures taken by the domestic retailers along with the

IBS CDC Icfai Business School Case Development Centre

Vietnamese government to succeed in the market.

Industry	Retail
Reference No.	MES0065C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Retail Market; Supermarkets; Vietnam; Consumer Behaviour; FDI in Vietnamese Retail; Market attractiveness; Competition in Vietnamese retail industry; Retailers in Vietnam; Retailers Strategies; Market Entry Strategies Case Study; Strategies in retail market; Foreign retailers in Vietnam; Challenges in Vietnamese retail industry; Entry strategies of Foreign retailers; Growth prospects in Vietnam

Yahoo! China: Challenges

Yahoo! China released a statement that their President Xie Wen, (Xie) had resigned, only 42 days after he joined the company. This development was just the latest in a series of problems that Yahoo! had faced in China. In the past, Yahoo! China had encountered many hurdles- from regulatory troubles to problems in localization. Yahoo! China was struggling in the Chinese search market. Xie wanted to try a Web 2.0 strategy of addressing the huge demand for user-generated content but Jerry Yang, cofounder Yahoo!, wanted to stick to the company's portal model and was unimpressed by Xie's strategy. This led to a divide in top management and ended in Xie's resignation.

Yahoo! China had tried management changes, outsourcing, and local tie-ups to establish itself in China, but none of them yielded any results.Yahoo! was one of the first U.S. Internet companies to move into China. In 1999, it entered China by launching a Chinese website, cn.yahoo.com and tied up with a local company through a strategic partnership with Beijing Founder Electronics Co Ltd, a leading information products maker in China, to tap the emerging on-line advertisement market. Yahoo! China faced immense competition from local portals like Sina.com, Sohu.com and Netease.com, who had already won the loyalty of Chinese Net users. By 2003, these three players were thriving while Yahoo! China was struggling to come up. Yahoo! China could not make an impact on the Chinese internet market as it did not localize its strategies. So the company changed directions and purchased a popular local search company, 3721.com, for $120 million. This move did not yield much result and so Yahoo! China tried the new strategy of outsourcing that promised to solve its problem. It decided to team up with a local player who could understand China better. Yahoo! China sold its China operations to Alibaba, the leading B2B Chinese portal. Although Alibaba had achieved significant success in the Chinese e-commerce market, the deal did not yield significant increase in traffic. The main issue the case tries to highlight is how Yahoo! China will face increasing competition in the search engine market in China.

Pedagogical Objectives

- To introduce the students to the Internet industry in China
- To highlight the various stages of Yahoo and challenges faced in China
- To throw light on the various players in Chinese Internet market.

Industry	Internet and Online Business
Reference No.	MES0064C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Yahoo!; Yahoo! China; Internet in China; Market Entry Strategies Case Study; Alibaba Baidu.com; Competition; Marketing; Strategy; Emerging markets; Jack Ma; Jerry Yang; Google; search market in China

Harley-Davidson's Foray in China

In the first half of 2006, Harley-Davidson (H-D), an icon of the motorcycle industry, decided to set up its first outlet in China, one of the largest manufacturers in the world. With this decision, H-D aimed to establish its presence in the country, amidst various tariff and non-tariff barriers. The advent of the dealership was also set to discourage illicit smuggling of bikes and protect the brand identity of the products from piracy.

The case, while providing an overview of the Chinese motorcycle industry and its various roadblocks, discusses the entry strategies of H-D.

Pedagogical Objectives

- To understand the competitive forces in the Chinese motorcycle industry
- To discuss the various tariff, non-tariff and other government restrictions that reduced foreign competition in China
- To discuss the entry strategy of Harley-Davidson in the Chinese market
- To critically analyse the effects of piracy and counterfeit goods on Harley-Davidson's brand image and its strategy to counter it
- To discuss the impact of WTO on the Chinese motorcycle industry.

Industry	Motorcyle Manufacturing
Reference No.	MES0063K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Harley Davidson; Chinese motorcycle market; Honda; Yamaha.

Dr. Reddy's Laboratories, the Leading Indian Pharmaceutical Company, in Europe: The Inorganic Growth Strategy

In February 2006, the Indian pharmaceutical company, Dr. Reddy's Laboratories Limited (DRL), announced that it would acquire the Germany's fourth largest generic pharmaceutical, betapharm. The deal was settled at US$570 million. After the US, Europe was the second largest pharma market with Germany as its largest constituent. Moreover, worldwide it was the third-largest generic market. The market trends showed that generics had a better market potential over their branded counterparts. In addition, the European generic market proved to be more lucrative than the US market because it had less of governmental rules directed towards drug approvals and marketing.

The case analyses the synergies and possible challenges of such an acquisition and discusses the inorganic growth strategy of DRL that was aimed at penetration into the German and subsequently the European generic market. It also provides a brief overview of the two companies.

Pedagogical Objectives

- To discuss DRL's inorganic strategies by which it aimed to penetrate into the world's fourth largest generic market, Germany and subsequently the European generic market
- To discuss the possible synergies and challenges of the acquisition.

Industry	Pharmaceutical
Reference No.	MES0062K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Dr Reddy's Lab; Drug market in Europe; Generics; Patent policy; R&D.

Virgin: Entering the Indian Skies

The low-cost airline was a phenomenon world wide and was increasing steadily. In

the mature aviation market of the US and Europe, the low cost airlines business model was successful. But in the country like India, where aviation market was still at the nascent stage, the success of the low-cost business model was a debatable issue. After the liberalisation in 1991, the Indian sky experienced the entry of a few private as well as foreign players in the low-cost aviation business. Virgin Blue, which was a part of Richard Branson's Virgin group, was successful in the low-cost aviation business in the skies of Australia, New Zealand and South Africa and entered the Indian sky. The case discussed in detail the low-cost business model of the aviation industry its target markets and challenges. Finally, the case highlighted the challenges faced by Virgin Blue in the fiercely competitive Indian aviation industry. Besides, it examined whether the company could replicate its successful business model in India. The case included a detailed note on the Indian civil aviation industry, covering the profile of the major players, low-cost business model followed by other low-cost airlines in the Indian aviation industry. It also elaborated on India's civil aviation policy and the statutory requirements to be fulfilled by a company, to enter and operate in the industry.

Pedagogical Objectives

- To give a glimpse about the Indian aviation industry
- To discuss in details how Low Cost Airlines (LCA) act as a key differentiator in Indian aviation industry
- To discuss the segmentation-targeting-positioning aspect in aviation industry.
- The 4Ps of marketing and its application in Indian aviation industry
- The market entry strategy adopted by a new player to enter into a competitive market, problems associated with entry into new market and how to overcome the problems.

Industry	Airlines
Reference No.	MES0061K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Virgin; Indian aviation Industry; Indian Airlines; Jet Airlines; Sahara Airlines.

China: Disney's New Destination

In 2000, the Walt Disney Corporation opened its Disneyland in Hong Kong, which, within a few years, became the most popular tourist destination. Earlier, the company had opened a Disneyland in Paris (France), but it was not successful. The analysts attributed this failure to the cultural miss match. Thus, while setting up the Hong Kong Disneyland, the company gave proper emphasis on localisation strategy. The case gives a proper description about the entry strategy adopted by Disney and offers a scope for discussing its success and failure. The case will also help the students to discuss about the success and failure of the growth strategy adopted by the company and how it has planned to leverage its localisation strategy.

Pedagogical Objectives

- To discuss the market entry strategy in entertainment industry
- To discuss the concept of localisation strategy
- To discuss the key success factors into the success and failure in entering into a new market
- To discuss the success and failure of growth strategy
- To discuss how companies plan to leverage its localisation strategy and can integrate it with entry strategy and growth strategy.

Industry	Entertainment
Reference No.	MES0060K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

China, Disney; Entertainment park.

Yellow Tail: The Aussie Champion in the US Wine Market

Yellow Tail, an Australian wine brand became a top seller in a short span of five years in the competitive US wine market. With an innovative label and competitive pricing, Yellow Tail created a niche of its own in the market. The case provides a background note on the US and the Australian wine markets and the strategy that Yellow Tail adopted to reach its present status in the wine market.

Pedagogical Objectives

To understand:

- Strategy of success of a new brand in an established market
- Niche marketing.

Industry	Food and Beverages
Reference No.	MES0059C
Year of Pub.	2005
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Yellow Tail; US; Australia; Wine; John Casella; John Soutter; Carramar Estate; New South Wales; Chardonnay; Merlot; Cabernet Sauvignon; W.J.Deutsch&Sons; Distribution.

Viacom in China

Viacom Inc., currently split as Viacom Inc., and CBS Corp. forayed into China in 1995. By 2005, the company brought to the Chinese audience, its world-class entertainment programmes meant for kids and youth. However, the company, like other foreign companies, had to face the government regulations that kept changing from time to time. The case chronicles the company background, the diverse channels it used to make progress and the challenges it had to face in China in the wake of fresh regulations and cultural hurdles.

Pedagogical Objectives

To understand:

- The media business in China
- Challenges faced by Viacom in China due to regulations and cultural hurdles.

Industry	Media	
Available at	www.ibscdc.org	www.ecch.com
Reference No.	MES0058C	306-212-1
Year of Pub.	2006	
Teaching Note	Not Available	
Struc.Assign.	Not Available	

Keywords

Viacom; MTV; Nickelodeon; Paramount; Sumner Redstone; China; SARFT; SMG; Regulations.

Hollywood's Foray into China

China was seen as a potential movie market. Yet the Government's restrictions on the release of foreign films hampered their prospects in the Chinese movie market. However, the growing popularity of Chinese films in the international market, China's liberalised foreign investment policies post its WTO entry and low production costs attracted the attention of Hollywood studios. The case details the background of the Chinese film industry and the impact made by the Government's foreign investment policies on the Chinese film exhibition industry and the movie market. It also covers the strategies adopted by the Hollywood studios to capitalise on the Chinese movie market.

Pedagogical Objectives

To understand

- Movie Market business in China
- Foreign investment policies of Chinese Govt regarding film industry in China

- Strategies adopted by Hollywood studios to capitalise the Chinese market.

Industry	Entertainment
Reference No.	MES0057C
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

China, Foreign films; Cultural Revolution; United States; Hollywood; WTO; Warner Bros; Wanda Group; Sony and China Film Group.

Achieving Success in China: Starbucks' Strategies and Challenges

Starbucks, the world's leading retailer, roaster and brand of specialty coffee opened its first store in China in 1999. Despite initial scepticism about the entry of a coffee brand in a traditional tea drinking nation, Starbucks was well-received in China and had established its presence there. It was rapidly expanding and announced that it looked to China as the largest market outside the US. Although Starbucks was confident of its growth there, it faced some challenges. Following its entry, a number of imitators which tried to replicate all the features of the Starbucks stores had opened. A number of international players also operated and planned to expand their presence in China. Revenues from its Chinese operations were not significant since Starbucks operated mainly through partnerships and licensees. Marketing analysts wondered if the initial success of Starbucks in China could be sustained.

The case facilitates discussion on (1) Entry strategies adopted by an established brand while entering an emerging market (2) Localisation strategies of Starbucks (3) Sustaining and increasing profits from its Chinese operations.

Pedagogical Objectives

- Entry strategies adopted by an established brand while entering an emerging market
- Localisation strategies of Starbucks
- Sustaining and increasing profits from its Chinese operations.

Industry	Coffee Chain
Reference No.	MES0056C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Starbucks; China; Speciality Coffee Retailer; Entry Strategy; Localisation Strategy; Partnerships; Store Location; Store Operations; Store Design; Consumer Behaviour; Trademark; Intellectual Property Rights; Chinese Coffee Consumption; Tea industry in China; Expansion strategy.

Geely: The Chinese Car's American Venture

Geely Automobile Holding Co. Ltd. (Geely), the Chinese automaker decided to enter the US auto market by 2008. In pursuit of this ambition and to make a mark internationally, Geely participated in two of the five major international auto shows, namely, the Frankfurt International Motor Show in September 2005, followed by the North American International Auto Show in January 2006 at Detroit.

Automobile industry analysts felt that the major challenge for Geely would be to conform to the quality standards of the American market. Geely said that it was aware of the high-quality, safety and emission standards of the US market and reported that it was taking the necessary steps in this regard. Geely would also have to compete with the established players in the US Auto industry. The US Auto industry was itself under threat from the foreign automakers, as the Japanese and Korean brands had eaten into the market share of Ford and GM. Under these circumstances, it was to be seen if Geely with relatively low-priced cars would succeed in its US venture.

The case allows for discussion on the challenges faced by the Chinese car to enter the US market and the strategies adopted by them to compete with the established players there. It also offers scope for discussion on issues faced by the Chinese car relating to the low-quality perception that the American consumers had towards Chinese cars.

Pedagogical Objectives

To discuss:

- Entry strategies of a new foreign player in a mature market
- Strategies for successful market launch
- Strategies to counter negative consumer perceptions
- Counter measures to be adopted by existing established players in the market.

Industry	Auto Industry
Reference No.	MES0055C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Geely; China; Automobile Industry; Li Shufu; Chinese cars; US Auto Market; Economy cars; International Auto shows; Sedans; US venture; Global Strategies; Global entry; business expansion; Korean automakers; US Testing standards.

Reliance Infocomm's Teething Troubles – A

This is the first of a two-case series. Considering the boom in the mobile telephony market in India, Reliance Industries, India's biggest business house makes a foray into the Telecom and Information Technology sector. Reliance launches its services as Reliance Infocomm and offers a bouquet of services like mobile and fixed line telephony, broadband, national and international long distance services, data services and a wide range of value-added services. Reliance Infocomm's launch is widely awaited by the public as it is expected to bring about a revolution in the mobile telephony market. The service looks promising with its innovative technology, features and low prices. As Reliance Infocomm is launched across the country, top officials are confident of its success. The market reality though is something different. The company faces teething troubles and market response is disappointing. Infocomm management wonders if they can turn the disappointment in to a success.

Pedagogical Objectives

- To discuss the launch of Reliance group in the telecom sector and the initial problems that it faced
- To briefly discuss the Indian cellular telephony market scenario and existing players.

Industry	Telecom
Reference No.	MES0054P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Reliance Infocomm; Telecom sector; Infocomm Rollout; Teething Troubles; Dhirubhai Ambani Entrepreneurs; CDMA; Cellular Telephony.

Chinese Flavoured KFC

Kentucky Fried Chicken Corp. (KFC) is a division of the Kentucky (Louisville) based global fast food franchiser YUM! Brands Inc. In 2005, KFC was America's No.1 fast food chicken chain and world's most popular chicken restaurant chain. KFC had expanded globally but in China the company had been a pioneer in the foreign fast food sector. KFC adapted itself to China and became China's largest quick-service restaurant brand. Rivals like McDonald's

were following KFC's strategies. The case discusses KFC's strategies in China.

Pedagogical Objectives

- To discuss the fast food market scenario in China
- To discuss KFC's localisation strategy of tailoring its menu, décor and appearance in China and its success.

Industry	Food Industry
Reference No.	MES0053P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

KFC; Yum! Brands Inc.; KFC in China; Localisation Strategy; Fast Food in China; KFC's Strategies.

Geely: The Tyro in the US market

In 2005, the US automobile market was dominated by the 'Big Seven'. These major players in were ramping up production, and were developing innovative models to claim their market positions. Toyota, one among the Big Seven, experienced a steady increase in its market share. Witnessing the success of Toyota, a few Chinese automakers had plans of entering the US automobile market. Geely, a private Chinese automaker had exported its cars to almost 30 countries in Asia, the Middle East and Eastern Europe. To expand further, Geely expected to market its cars in the US by 2008. As Geely was a greenhorn in the US automobile market, analysts were sceptical whether Geely would sustain and achieve success in the US automobile market.

Pedagogical Objectives

- To understand about the US automobile market
- To discuss about the problems which a new entrant into the US automobile market will face.

Industry	Automotive
Reference No.	MES0052B
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Geely; US automobile market; Big Three; Big Seven; Chery; virtual gorilla strategy; CK-7151; John Harmer; US Safety Standards; confined test market.

eBay's Asian Adventures

The online internet market in Asia started taking shape by the turn of 21st century as the internet population started rising across various countries of Asia. Online auction giant eBay, after its successful business execution in US and European countries eyed opportunities in Asian markets. This case talks about how eBay initiated its business in Asian countries. First, it started its operations in Japanese market where it failed and quickly shifted focus on other upcoming Asian markets, mainly on China. Before entering into China, it tested various Asian online auction markets and zeroed in on specific strategy to tap China's online auction market. The company also expected to expand its reach in many other Asian countries.

Pedagogical Objectives

- eBay's growth and expansion strategies
- Emerging trend of online auction market in Asia
- The online auction market scenarios in various Asian countries
- Facts and Fallacies of Asian online auction market
- Future of eBay in Asia.

Industry	Online auction Industry
Reference No.	MES0051B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

eBay's Asian Adventures; Online Auction market; Internet Population of Asia;Internet usage in Asia; eBay Business model; Pierre Omidyar; Margaret Meg Whitman; Stephanie Tilenius Bo Shao; Each Net; Internet Auction Co. Ltd (IAC); Neocom Technology; Yahoo!; Google; Taobao.com; lpai.com.

METRO Cash and Carry – Exploring the Chinese Markets

In 2004, China, with a population of 1.3 billion was one of the world's largest retail markets. With the liberalisation of the Chinese economy in 1992 and its subsequent entry into WTO in 2001, the Chinese retail market saw the entry of many global retailers. Metro Cash and Carry was the third-largest retailer in Europe and the fourth largest in the world, with annual sales of •56.4 billion (US$68.9 billion) in 2004 with around 2,300 outlets in 28 countries. It entered the Chinese market in 1996 and faced competition from other global retailers like Wal-Mart and Carrefour. This case discusses in detail the Chinese retail and wholesale market after liberalisation. Further the case discusses the operations, distribution and merchandizing strategies of Metro Cash and Carry in China along with its growth strategies.

Pedagogical Objectives

- The state of the Chinese wholesale and retail setup before and after liberalisation
- Impact of WTO on the local and global retailers operating in China
- Metro's entry strategy in foreign markets
- Metro Cash and Carry's operations in China
- Metro's expansion strategies in China
- Challenges faced by Metro Cash and Carry with the entry of other global players in China.

Industry	Wholesale
Reference No.	MES0050B
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Metro Cash and Carry; German Distributor in India; Foreign Investment Promotion Board; Foreign Direct Investment; Indian Distribution Set-up; Indian Wholesale Industry; Indian Retail Industry; Organised Retailing; Global Players in India; Membership Cards; Government of India; Wal-Mart.

Amazon's foray into e-grocery market: Successful Venture?

Amazon.com is a leading online book selling retailer. It has diversified into different products lines. It witnessed its first profit in 2002 and continued to do so till 2004. In 2005, Amazon.com profit slumped. In 2006, to overcome its loss and to expand further, it has entered into the online grocery business. But analysts have mixed opinions about its success. Will Amazon.com witness the same success as in book selling business?

Pedagogical Objectives

- To understand how Amazon witnessed growth as an online retailer
- To discuss the fate of Amazon in the e-grocery market.

Industry	Retail
Reference No.	MES0049B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Amazon.com; Online selling; e-grocery; Books; Competitors; Business model; Internet Book Shop; Customers; Products; Barnes & Noble; Book store; Walmart; Dot-com bubble; Webvan; internet retailers.

Intel's Foray into Rural India

In March 2006, Intel, the world's largest chipmaker and leading computer manufacturer, officially launched an innovative PC platform known as "Community PC", exclusively designed to meet the needs of the people in rural India. For the effective implementation of this community PC programme, Intel started another programme called "Jaagruti" (Awakening) under which the community PCs were deployed in internet kiosks common in Indian villages with the support of businesses, government, educational institutions, online services and ISP. The "community PC" and "Jaagruti" were part of Intel's World Ahead Program, an initiative that aimed at enhancing lives by accelerating access to technology for everyone, anywhere in the world. The program also aimed at tapping other emerging markets like China, Brazil, Russia, South America and African countries.

Though Intel was positive, analysts wondered whether, Intel's strategy of rural penetration through such endeavours would be successful.

Pedagogical Objective

- To help appreciate the role of creativity, both and in terms of product innovation and marketing.

Industry	Information
Reference No.	MES0048B
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Intel; Community PC; World Ahead Program; Jaagruti; India; Internet; Kiosks; Rural; Ethnography; Literacy; Village; Language; Weather; Technology; Discover.

Wal-Mart in India

Wal-Mart Stores Inc. (Wal-Mart) was the world's largest retailer. It had ventured into international operations in mid-1990s. Hailing from a developed country like the US it had to struggle in Asia's developing markets to maintain its corporate philosophy of 'every day low prices'. There were other cultural and local adaptations that it made to capture the market.

India being the second-largest populous country in the world was emerging as the hottest destination for retail ndustry. But India had still not opened its retail sector for Foreign Direct Investment. Wal-Mart was eyeing this market for some time now.

The case describes Wal-Mart's Asian experiences in China and Japan and how Wal-Mart can apply its learning's to the Indian market. Indian retail Industry is covered in-depth. The case ends on the discussion of what strategies Wal-Mart should use to enter India and whether once entered it would be successful?

Pedagogical Objectives

- To understand the political, legal, social and economical environment of India and its regulation for FDI
- To understand the nature and structure of retail industry in India
- To know the functional and operational aspects of a giant retail organisation like Wal-Mart
- To discuss the country experiences of Wal-Mart particularly in Asia (Japan and China) and the implications of entering one more Asian country India
- To derive a best fir between Wal-Mart and India
- To discuss the entry strategies available to Wal-Mart and followed by Wal-Mart in different countries
- To debate on the right entry strategy for Wal-Mart for entering India.

Industry	Global Retail
Reference No.	MES0047A
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Retailing; Indian Retail; Entry strategies; Foreign Direct Investment in India; Regulatory environment; Political; Legal and Social environment; Globalisation; Growth Strategy; Competition; Market leader; Wal-Mart; India; localisation.

Will China emerge as the second home for Danfoss?

Danfoss Inc. was one of the largest industrial components manufacturing companies in Denmark. It engaged in manufacturing of refrigeration controls, motion controls, compressors, thermostats for household appliances. It had manufacturing facilities in four continents, branches and distributors in more than 100 countries and employed 17,000 employees across the world and reached global sales figures of •2.2 billion in 2004.

After attaining the market leadership in Denmark, Danfoss ventured into Chinese market in 1995 and by 2005 it invested around $100 million. Initially Danfoss catered to high and medium end segments in China. Gradually Danfoss identified the immense opportunity available in the lower end segments and in 2006 decided to employ local engineers and engage in production of customised products for the lower end segment customers.

Pedagogical Objectives

- To study the entry strategies undertaken by Danfoss in China
- To discuss the challenges ahead of Danfoss in its strategy to tap low-end segments
- To discuss the growth strategies followed by Danfoss in China
- To analyse the future prospects of Danfoss in China.

Industry	Industrial Components
Reference No.	MES0046A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Danfoss, Industrial components; Market expansion; International venture; Refrigeration industry; Motion Controls; Wuqing; Jorgen Clausen; Low-end products; cultural integration; customisation of technology.

Wal-Mart's China Experience

Wal-Mart evolved as the retailing giant of the world in the 21st century. The strategy of "Every Day Low Price" has been its core competence in beating the competition. It grew at a consistently higher rate through out its existence, until in mid 1990s, when it faced growth crises. Wal-Mart decided to look for newer markets and Wal-Mart International division evolved. Today it operates in 10 countries including United States.

In 1996, it entered China, which was becoming the powerhouse of Asia. The strategic partnership between China and Wal-Mart created a gamut of opportunity for growth for China as well as for Wal-Mart.

The case talks about the localisation strategy of Wal-Mart by penetrating in China and adapting to its local culture. The issues faced by Wal-Mart related to the Distribution, Unions, Technology and Financial systems in China, and how it worked to convert these hurdles into opportunities. China opened its retailing industry for foreign investors fully in December 2004. Even after nine years of existence in the China market, among foreign retail chains Wal-Mart ranked second and in domestic market it did not even rank amongst the top ten. The experts have predicted that the Chinese middle class who drives the retailing market is going to expand to 400 to 500 million people by 2015. In order to capture this massive market potential Wal-Mart is gearing up to understand and adapt to Chinese market.

Pedagogical Objectives

- To discuss and understand the international expansion strategies
- To understand retail industry structure of China
- To discuss the entry strategies to China
- To analyse the operating strategies and growth strategies followed by Wal-Mart in China
- To understand the 'glocalisation' strategy and its impact in Chinese market
- To discuss the issues like cultural adaptation, localisation and operating in a fragmented retail market.

Industry	Retailing
Reference No.	MES0045A
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Penetration Strategy; Globalisation; Out Sourcing; Retailing; Supply Chain Management; Distribution; Localisation; Cultural Adaptation; Glocalisation.

China's Luxury Retailing Industry: Saks Inc.'s Market Entry Strategies

Since its economic reforms in 1978, increasing purchasing power in China coupled with growth in private consumption and growing awareness of luxury goods have fuelled the growth of the market for luxury products in the country. It is estimated that by 2015, China would surpass the US and Japan as the largest luxury market in the world. To cash in on such growth potential, Saks, one of the leading high-end luxury department chains from the US is planning to foray into China.

Pedagogical Objectives

- To discuss and debate the impact of economic reforms in China on luxury retailing in the country
- To understand the success factors in China's luxury retailing industry
- To discuss the market entry strategy of Saks in China.

Industry	Luxury Retailing
Reference No.	MES0044
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

China's luxury retailing industry; China's consumer behaviour; Saks Inc.; Market entry strategies; Late movers' advantage and disadvantage; Purchasing power; Gross Domestic Product (GDP) and consumption; Competition; Cosmetics and personal care products; Joint venture, partnership and alliance; Roosevelt China Investments Corporation; Proctor & Gamble (P&G); Giorgios Armani; L'Oreal; Shiseido; Department stores

IKEA in Japan: The Market Re-entry Strategies

In April 2006, IKEA, the world's largest furniture retailer, forayed into Japan by opening its second-largest store outside Sweden. The opening of the store marked the re-entry of IKEA into the Japanese market after an unsuccessful 12 years stint between 1974 and 1986. Although the company has planned to 'act local' by customising its offerings according to Japanese preferences, it still expects to face several challenges from the Japanese customers who are known to be inconsistent and unpredictable, and have forced many a foreign retailer to exit from Japan.

Pedagogical Objectives

- To discuss the need for global companies to understand consumer needs and preferences in each of their markets and adapt their offerings accordingly
- To understand the dynamics of the Japanese retail and home improvement market
- To analyse the reasons behind IKEA's failure in Japan in its first entry (1974-1986) and the factors that encouraged it to re-enter the Japanese market with the ensuing challenges
- To debate whether IKEA, which is known for its standard offerings across the globe at the lowest price, would be able to win fastidious Japanese customers through customised offerings.

Industry	Home Furnishings & Housewares Retail
Reference No.	MES0043
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Japanese retail market; Japanese home improvement market; IKEA's first time failure in Japan; Consumer behaviour in Japan; Foreign retailers in Japan; Japanese furniture retailers; Japanese real estate market; IKEA as a cult brand; Low price strategies of IKEA; IKEA's growth strategies in Japan; Japan's economic growth.

BBH: The Russian Venture of the UK Brewer, Scottish and Newcastle

Maturity, stagnation and decline in beer consumption in Western Europe and North America forced Scottish & Newcastle, an UK Brewer, to foray into the emerging Russian market by forming Baltic Beverage Holding (BBH), a 50:50 joint venture with Carlsberg Breweries, a prominent Danish brewer. BBH rode on the wave of rising disposable income of the Russians, coupled with a shift from vodka to beer drinking, to become the leader in the Russian brewing industry with a market share of 36%. However, it is opined that the company would be facing a challenging future given the forecasted decrease in beer consumption in Russia after 2008 and government regulations like ban on TV advertisements of beer to contain juvenile alcoholism.

Pedagogical Objectives

- To discuss the emergence, growth and forecasted maturity of the Russian beer market
- To discuss the market entry and growth strategies adopted by BBH in the Russian beer market.

Industry	Brewers
Reference No.	MES0042
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Available

keywords

Russian beer market; Consolidation of Russian beer market; Scottish & Newcastle; Carlsberg Breweries; Baltika Breweries; Market entry strategies; Growth strategies; Inorganic growth strategies; Statistics on consumption of beer in world; Arsenalnoye; Baltika; Baltika No.7; Baltika No.5.

Walt Disney Company in China

The Chinese film industry was a highly regulated industry until China's entry into the World Trade Organisation in 2001. China, with a population of 1.3 billion and a rapidly growing economy, has become an attractive market for all global media and entertainment companies. Walt Disney Company, the second-largest media and entertainment company in the world, forayed into China following the maturity of its American and European markets. In addition to marketing its consumer products, Walt Disney plans to introduce theme parks, and live shows, as well as producing and distributing movies.

Pedagogical Objectives

- To highlight Walt Disney's market entry strategies in China

- To discuss the company's ability to succeed in a country where its brand has little presence and where bureaucracy and red-tapism are rampant.

Industry	Media
Reference No.	MES0041
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Time Warner; Warner China film; Sony Pictures Entertainment; Columbia. TriStar Motion Picture Group; News Corp's Inc.; Viacom Inc; Entertainment business in China; Hong Kong Disneyland; Shanghai Disneyland; Growth strategies; Expansion strategies; Market entry strategies; MTV (Music Television); ESPN (Entertainment and Sports Programming Network); Film industry in China.

Starbucks in Ireland

In 1996, Starbucks Corporation, world's No.1 speciality coffee retailer from the US, started expanding into international markets due to saturation in its domestic market. After entering into Asia, in 1998, Starbucks forayed into Europe and steadily captured major markets like Spain, Greece, Germany, Austria and the UK. Following its success in the key markets of Europe, in 2005, Starbucks ventured into Ireland to gain a sizeable market share by simultaneously opening a number of outlets.

Pedagogical Objectives

- To discuss the possibility of success of Starbuck's business model in a highly competitive market like Ireland
- To analyse the reasons underlying Starbuck's success in three different continents.

Industry	Speciality Eateries
Reference No.	MES0040
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

International expansion strategies; International management; Competition; Competitive strategies; Market entry strategies; Acquisitions; Global coffee markets; Growth strategies; Brand building; Costa Coffee.

Costa Coffee in India

In September 2005, British coffee retail chain Costa Coffee, as part of its international expansion, launched its outlet in New Delhi, India. Costa became the first international coffee chain to start operations in India. Costa Coffee also plans to enter the wholesale coffee business in India and aims to open 300 outlets, through its franchises by 2008. The changing lifestyle patterns of the Indian middle class families and an increase in their disposable income has also attracted other foreign players such as Barnie, Starbucks and Gloria Jean. Costa Coffee is also expected to face stiff competition from domestic players including Cafe Coffee Day and Barista, who are embarking on a rapid expansion plan across the country.

Pedagogical Objectives

- To understand the competitive landscape in which coffee retail chains in India operate
- To discuss the rationale behind Costa Coffee's entry into India and the strategies adopted by it to strengthen its presence in the Indian coffee chain market.

Industry	Coffee
Reference No.	MES0039
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Costa Coffee; Starbucks; Market entry strategy; Competitive strategy; Coffee retail chains; Cafe coffee day; Barista; Gloria Jean; Asia; Barnie; Call centres in India; Coffee consumption in India; Whitbread plc.; Nestle; Tata Coffee.

Cisco in India: India as a Resource to India as a Market

Cisco Systems Inc., the worldwide leader in networking equipment, entered India to take advantage of the low-cost engineering resources available in the country. However, the company realised the tremendous potential of India as a market for its products and started incorporating strategies to become the No.1 supplier of networking equipments there.

Pedagogical Objectives

- To provide an insight as to how Cisco started viewing India as a market for its products rather than as a source of low-cost resources
- To discuss whether Cisco was following the right strategies for its operations in India.

Industry	Telecom Networking
Reference No.	MES0038
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cisco System Inc.; India; Networking equipment; Cisco Systems India Pvt. Ltd.; Expansion; Low-cost engineering resources; Internet market in India; Global engineering development centre; Research and development; Deregulation of telecom industry; Outsourcing industry; Small and Medium Businesses (SMB's).

Burger King in China

The rapidly developing fast food market in China resulted in Burger King opening its first outlet in the country in June 2005. The company was planning to expand its operations in China and was confident that it would be able to make its China venture a success. However, critics were of the opinion that Burger King would not find the going easy because of a large number of competitors in the Chinese fast food industry.

Pedagogical Objectives

- To provide an insight into the fast food industry in China
- To discuss the market entry strategies of Burger King in China and whether it would make its venture in China a success.

Industry	Fast Food
Reference No.	MES0037
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Burger King; Fast food industry in China; Kentucky Fried Chicken; McDonald's; Expansion; Globalisation; Transformation of society; Disposable income; Fragmented market; Franchise model; Competitive challenges.

Toyota in France

The Japanese carmaker Toyota, the second-largest car manufacturing company, entered France in 1971 as part of its global expansion strategy. Initially, it imported cars from Japan. After the lifting of import restrictions in 1998, it set up a manufacturing unit at Valenciennes, in Northern France, and generated 2,000 jobs. The company implemented 'just-in-time' techniques and *kaizen* to improve its plant efficiency. Toyota became successful in France with the increase in sales of its cars like Yaris, Corolla, Avensis and Prius. But as demand for the cars increased, it started facing competition from Mercedes, BMW, and Audi.

The first column starts with a continuation of an earlier entry, so the Toyota case title isn't on this page.

Pedagogical Objective

- To discuss entry strategies of Toyota in France and the strategies adopted by the company to compete with big local players like Renault, Volkswagen, and BMW in order to gain a substantial market share.

Industry	Automobile and Transport
Reference No.	MES0036
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Toyota; France; Growth strategies; Acquisitions; Car industry; Compaq; Expansion; Europe; Competition; SUV's (Sport Utility Vehicles); Japanese car companies; Market shares.

Goldman Sachs in Japan

Goldman Sachs, the leading investment bank in the world, entered Japan in 1969. The economic reforms initiated by the government of Japan in 1996, following the collapse of the bubble economy, helped foreign investment banks to establish themselves in the country. Goldman Sachs took the opportunity and quickly became the leading foreign investment bank in the country. In spite of criticism from various groups in Japan for its role in some controversial deals, the investment bank continued with its expansion activities in the country and has been an active buyer and seller of loss-making Japanese companies. However, Goldman Sachs' activities in the country were criticised by various quarters in Japan. They alleged that the investment bank was functioning more like a private-equity firm rather than as an investment bank.

Pedagogical Objectives

- To provide an insight into: (1) the investment-banking scenario in Japan; (2) the growth of Goldman Sachs in Japan; and (3) the strategies being adopted by the investment bank
- To discuss whether Goldman Sachs was adopting the right strategies for growing its business in Japan.

Industry	Investment Banking
Reference No.	MES0035
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Goldman Sachs; Investment banking in Japan; Bubble economy; Deregulation; Mergers and acquisitions; Principal underwriter; Government of Japan; Conflict of interests; Financial Services Agency (FSA); Tax evasion; Finncially weak companies; Economic downturn; Restructuring of business; Private equity firm; Vulture investor.

FedEx in China

In July 2005 Federal Express Corporation (FedEx) announced the closure of its Asian hub at Subic Bay, in the Philippines and the creation of its Asian hub at Guangzhou, in southern China. This new hub would provide FedEx with easy access to the Pearl Delta River, which is the manufacturing and economic centre of China. This proposal came at a time when China had signed a historic aviation deal with the US, that provided 11 weekly flights between the two countries. In addition, airfreight from China is expected to grow by 10% annually until around 2025. However, the high growth in the airfreight market in China has also attracted other major players like United Parcel Services (UPS) and DHL. FedEx also faces competition from the state-owned postal services, China Post, which is vying for a share of the airfreight market by revamping its overnight express and second day delivery services. Further still, despite China's entry into the World Trade Organisation in December 2001, China has some complex customs procedures. Inadequate transportation infrastructure is another major concern.

Pedagogical Objective

- To discuss the market entry strategies of FedEx in China and the challenges faced by the company to grow and compete in China's complex business environment.

Industry	Express Delivery Services
Reference No.	MES0034
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Federal Express Corporation (FedEx); China; Market entry strategy; Growth strategy; DHL;United Parcel Services (UPS); World Trade Organisation; Asia; Express-delivery companies; Airfreight market in Asia; China post.

UBS in China: The Renaissance

In the early 21st century, China's banking sector was affected by large incidents of non-performing loans, and a prolonged bear market had sapped the profits of a majority of its securities brokerages. To revitalise the country's financial markets and prepare them for the opening up of the economy in 2006 (as per China's World Trade Organisation obligations), the government allowed greater access to select foreign players through the mechanism of Qualified Foreign Institutional Investors (QFII). In 2003, Switzerland-based UBS AG became the first QFII. In 2005, UBS became the first foreign company to acquire management control of a Chinese securities brokerage.

Pedagogical Objectives

- To study the evolution of Chinese financial markets and the growth of UBS as a leading foreign player in these markets
- To discuss whether UBS would prove to be the impetus needed to accelerate the growth of China's underdeveloped financial sector.

Industry	Banking and Financial Services
Reference No.	MES0033
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

UBS; China; Accession World Trade Organisation; Financial markets; Banking sector; Capital markets; Securities; People's Bank of China (PBC); Non-Performing Loans (NPL's); Shanghai Stock Exchange; China Securities Regulatory Commission; Qualified Foreign Institutional Investors (QFII); Beijing securities; State owned enterprise.

Renault in Romania:Prospects and Challenges

Sluggish growth in the Western European automobile market forced the French carmaker Renault to enter the growing market of Central and Eastern Europe. As part of its strategy for the Central and Eastern European regions, Renault decided to launch its low-cost car, the Logan. To leverage on low costs, Romania was selected as the manufacturing base for the production of the Logan. The success of the Logan prompted Renault to launch the car in other markets by expanding its operations in Romania. However, critics were of the opinion that Renault would not be able to continue producing the Logan model at low costs for long.

Pedagogical Objectives

- To analyse the advantages that Romania provides as a manufacturing base for automobile companies and Renault's operations in Romania
- To discuss whether Renault would be able to sustain its low-cost manufacturing advantage in the future.

Industry	Automobile
Reference No.	MES0032
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Renault SA; Automobile Dacia SA; Central and Eastern Europe; Logan; Low-cost operations; Automobile industry in Romania; Highly skilled cheap labour; Manufacturing base; Low-cost car; Export strategy.

Honda in China

Since the establishment of its first automobile manufacturing unit in 1998, Honda became the third-largest foreign passenger carmaker in China by 2004. When it started exporting its Jazz cars to Europe in June 2005, Honda also became the first automaker to export cars manufactured in China to European countries. Despite the traditional outlook of Europeans who considered 'Made in China' goods as low-quality products, Honda has set up a 100% export-oriented auto manufacturing plant in China.

Pedagogical Objective

- To discuss the growth strategies of Honda in China and Honda's initiatives to make China an export base for its European market.

Industry	Automobile and Transport
Reference No.	MES0031
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Honda Motor Company Ltd.; Chinese automobile industry; Competitive advantages in China; Sales and distribution network of Honda; Joint venture related inefficiencies in China; Honda Accord in China; Honda's joint ventures in China; Jazz cars; Cost optimisation techniques of Honda; 40% local content rule in China; Chinese tariff system; Guangzhou Honda Automobile Company; Sundiro Honda Motorcycle Company; Weak supplier base in China; Peugeot.

Introduction of Toyota's Lexus in Japan: The Competitive Dynamics of Japan's Luxury Car Market

On August 30th 2005, Toyota launched its Lexus brand of luxury cars in Japan. Encouraged by the success of Lexus in the US, which was launched there in 1989, Toyota decided to enter into one of the most profitable vehicle segments in Japan by launching four new Lexus models. Although Toyota projects sales of 100,000 Lexus models in Japan by 2010, analysts expect fierce competition from formidable foreign players, BMW, Mercedes and Volkswagen.

Pedagogical Objectives

- To highlight the competitive landscape of the Japanese luxury car market
- To discuss the competitive strategies adopted by Toyota to establish Lexus as its luxury car brand in Japan.

Industry	Automobile and Transport
Reference No.	MES0030
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Toyota; Luxury car market; Lexus; Mercedes; BMW; Audi; Japan; Automobile; Market entry; US; Strategy; Branding; Japan automobile market; Automobile manufacturing.

Warburg Pincus in India: Can Indian Capital Markets Continue to Entice?

Private-equity firm Warburg Pincus' sale of its 12% stake in the Indian telecommunications service operator Bharti Televentures, for US$560 million on March 14th 2004, created flutter among the private-equity firms around the world. The deal was the largest private equity deal in the history of the Indian capital market. 2004 also witnessed the highest private-equity investment of $1.3 billion in India. Over 90% of the investment came from overseas investors, showcasing India as an attractive investment destination. But some critics were apprehensive about this trend.

Pedagogical Objectives

- To analyse the investment philosophy followed by Warburg Pincus globally and India's growing attraction as an investment destination for foreign private equity firms
- To discuss whether Indian capital markets will continue to attract foreign private-equity investments in the future.

Industry	Capital Market
Reference No.	MES0029
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Warburg Pincus; Private equity investments; Indian capital markets; Bharti Televentures; Investment analyses; India; Foreign investments; Bottlenecks for investments; Venture capital.

Hyundai in the US: Prospects and Perils

Hyundai Motor Company, one of the top car manufacturers of South Korea, had entered the US market in the mid-1980s through the establishment of a subsidiary named Hyundai Motor America. The company launched several successive models in the 1990s, namely Excel, Sonata and Elantra, as part of its marketing strategy along with lower prices and good customer service. These cars were very popular and largely contributed towards Hyundai's success in the US. However, in 1992, a great number of Excel models were recalled due to a fault in its service breaks, hydraulic pedals and linkages, which led to a decline in sales and loss in credibility for the company. To revive its popularity, Hyundai reinforced its mission statement of 'Pursuing Happiness Through Cars' and concentrated efforts to improve the design, quality, manufacturing and marketing of Hyundai cars in the US. It introduced several new models each year and priced them lower than its competitors. It also implemented marketing strategies like 'America's Best Warranty'. By 2005, it became the 4th largest foreign automaker in the US market, the world's biggest car market. Hyundai also aims to become one of the top five car manufacturers in the world by 2010.

Pedagogical Objective

- To discuss the marketing strategies implemented by Hyundai in the US and the challenges faced by the company in the matured US car market.

Industry	Automobile and Transport
Reference No.	MES0028
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global car manufacturing industry; South Korean car industry; Hyundai's marketing strategy; America's best warranty; Hyundai's management systems; JD Power and associates; Dealer recognition programme; Product line extension; Customer service; Automotive supply chain; Global export hub; Full-line automotive distributor; Fuel-cell technology; Customer retention survey; Learning curve and product life cycles.

Wal-Mart in India: Opportunities vs Threats

In early 2005, Wal-Mart, the world's largest retailer proposed to make its foray into India, the fourth-largest retail market in the world. While Wal-Mart viewed India's $180 billion retail market as a potential opportunity for global expansion, the retailer's challenges before its entry into India include strict foreign direct investment regulations, competition from the unorganised retail sector, constituting 98% of India's retail sector, and the growing organised retail sector.

Pedagogical Objectives

- To study the evolution and growth of India's organised retail sector
- To discuss the opportunities and challenges that Wal-Mart faces in India against the backdrop of the country's political environment and competition in the retail sector.

Industry	Discount and Variety Retail
Reference No.	MES0027
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Growth of Indian retail; Organised retailing in India; Foreign direct investment regulations for retailing in India; Wal-Mart's market entry strategy; International retailers in India; Competition in India's organised retail sector; Consumer expenditure in India; Wal-Mart's sourcing strategies; Boom in Indian retail industry; India's economic and political risk; Wal-Mart's challenges in India; Metro AG in India; Shoprite in India.

Subway in China

Subway, the world's largest sandwich chain entered China when the fast food business in the country was witnessing a huge growth. But Subway learned that establishing a strong presence in China was not an easy task. The Chinese were alien to the American way of ordering and eating a sandwich and at the same time were aware of the rising obesity concerns in the country due to high calorie Western fast foods. To familiarise the Chinese to sandwiches, Subway had to provide printed signs to explain the processes of ordering a Subway sandwich. Also. Subway faced formidable challenges establishing and managing the franchises.

Pedagogical Objectives

- To study entry and expansion strategies followed by Subway in China, and problems associated with the fast food business in China
- To discuss the critical success factors in the highly competitive and vastly complex Chinese fast food market.

Industry	Fast food
Reference No.	MES0026
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Subway sandwiches; Chinese fast food industry; Jim Bryant; Bread culture; Entry and expansion strategies; Competition from McDonald's; Franchising in China; China's growing middle class; Menu customisation; Obesity concerns.

UBS: The Swiss Bank in China

UBS AG, which was formed in 1998 as a result of a merger between Union Bank of Switzerland (Zurich) and Swiss Bank Corporation (Basel), started its association with China investment research activities. With continued reforms in the Chinese capital markets, it increased its exposure by actively participating in corporate investment banking and investing in the capital markets through the scheme of Qualified Foreign Institutional Investor (QFII). UBS has the highest investment quota among all QFIIs of $800 million and has asked for a further increase. It has also planned to enter the derivatives sector which has been opened to foreign and private participation.

Pedagogical Objective

- To discuss the Chinese capital market reforms, UBS' operations in China and its strategies for future operations in the country.

Industry	Banking and Financial Services
Reference No.	MES0025
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Not Available

keywords

UBS AG; Chinese capital markets; China Securities Regulatory Commission (CSRC); Qualified Foreign Institutional Investor (QFII); A-listed securities; Shenyin and Wanguo Securities Co; Swiss bank in China; Investment banking; Initial Public Offering (IPO); Mergers and acquisitions; Investment research; Foreign financial institutions

Kodak in China

Eastman Kodak Co. (Kodak) forayed into China in the early 20th century. Kodak's prolonged investments in building manufacturing units, massive promotions coupled with its strategy to localise its brand in a foreign market brought a shift in its policy, from producing goods in China to producing goods for China. However, its focus still remained on tapping China's potential market for traditional imaging products as well as the growing demand for digital products.

Pedagogical Objective

- To discuss the strategies adopted by Kodak to increase its presence in China, which has grown to be one of its most important markets.

Industry	Photography
Reference No.	MES0024
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Eastman Kodak; George Fisher; Economies of scale; Kodak China; Kodak Wuxi; Xiamen Fuda Photomaterials Co; Fuji Film; Lucky Films; Joint ventures; Legend; Nokia; Kodak Express; Goldman Sachs; Digital photography; Corporate social responsibility.

Intel in China

Present in China since the mid-1980s, Intel has gained a strong foothold in the country's chip market with considerable investments in manufacturing facilities and research centres. However, of late, China has bred competition for Intel with many of its domestic companies venturing into chip manufacturing led by the Shanghai-based Semiconductor Manufacturing International Corporation (SMIC). With a vast intellectual talent pool, Chinese chips are expected to be on par with those of Intel in future.

Pedagogical Objectives

- To discuss the growth strategies of Intel in China
- To analyse the competitive challenges that Intel faces in the growing Chinese chip market.

Industry	Microprocessor, Micro Controllers & DSPs
Reference No.	MES0023
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Intel; Intel in China; Chinese chip market; Intel's threat to China; Intel's growth strategies in China; Intel's presence in China; Chinese Silicon Valley; Microprocessor market of China; Semiconductor Manufacturing International Corporation (SMIC); AMD (Advanced Micro Devices); China semiconductor industry; Intel China

Research Centre (ICRC); International Science and Engineering Fair (ISEF); Dragon chip; Memory chips.

H&M: The Swedish Fashion Discounter in USA

Hennes & Mauritz (H&M), the Swedish fashion retailer, had been popular in Europe as the 'fast food of fashion' for its standard offering of latest fashions at low prices. With about 1,000 stores in 20 countries across Europe, the company made an ambitious venture outside Europe in 2000 by entering the US market. But after an encouraging start, the company failed to live up to expectations as well as its claims in terms of growth and profits.

Pedagogical Objective

- To discuss the issues that limited H&M's growth, and the new strategies it undertook to address those issues.

Industry	Fashion Retail
Reference No.	MES0022
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Hennes & Mauritz (H&M); Fashion retailer; European fashion retailing; Fast food of fashion; Swedish fashion discounter; New design turnaround time; Effective retail globalisation; Expansion strategy; Competitive differentiation; Entry into new markets; US retailing; Card check process; Low price image; Cost control; Turnover development.

China's Beauty Industry: L'Oreal's Foray

L'Oreal, the world's largest cosmetics company, entered the booming Chinese beauty-care market in 1997. Since then, it has been trying to understand its Chinese consumers, fight competition from local and international companies and expand from cities to the two and three-tier towns of China. Its acquisition of two Chinese brands, Mininurse and Yue-Sai in 2003-2004, moved its position up from 11th to second.

Pedagogical Objectives

- To discuss the beauty-care industry in China and the current competitive scenario
- To discuss L'Oreal's entry and marketing strategies, and the current and future hurdles it has to overcome in China
- To discuss L'Oreal's competitive position and the problems it faces due to the business environment in China
- To discuss the future plans for L'Oreal China.

Industry	Cosmetics
Reference No.	MES0021
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

L'Oreal; China; Lindsay Owen-Jones; Chinese cosmetic industry; Understanding Chinese consumers; Maybelline watershine diamonds; Mininurse; Yue-Sai; Mary Kay; P&G (Procter & Gamble); Counterfeit products

Carrefour in China

For marketers around the world, China presents a vast demography in terms of consumer habits and preferences. After the country embarked on an 'open door' policy, many multinationals thrived on the country's diversity and consumer spending power. In the retailing sector, the arrival of multinationals changed the way the Chinese shopped, owing to the emergence of different types of retail formats. In this arena, France-based Carrefour successfully pioneered the hypermarket format by establishing 50 stores in just 10 years. Other giants that followed were the US-based Wal-Mart and Germany-based Metro AG. However, the domestic hypermarket operators countered the threat from foreign giants by merging their operations and expanding their presence.

Pedagogical Objectives

- To discuss Carrefour's successful entry into China and how it positioned itself to attract the Chinese shopper
- To discuss the competitive forces that typically affect the retail giants.

Industry	Grocery Retail
Reference No.	MES0020
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Carrefour; China's retail industry; Hypermarkets; Restrictions on foreign retailers; The reform process; Wal-Mart; Metro AG; Procurement centres; WTO (World Trade Organisation) ascension; Joint ventures; Lianhua supermarkets.

Hang Seng Bank in China: The Growth Strategies

The Hang Seng Bank, a part of the HSBC group, is one of the largest banks in Hong Kong. Hang Seng forayed into the Chinese market during the mid-1980s by opening up a representative office in Shenzhen. It began to expand its operations in China from the late-1990s after the Chinese government relaxed regulations pertaining to the entry of foreign financial institutions in China. By 2004, Hang Seng had branches in Shanghai, Fuzhou, Guangzhou and Nanjing.

Pedagogical Objective

- To discuss the expansion strategies implemented by the Hang Seng Bank to establish itself in China before the Chinese banking sector is opened up in 2006 as per the World Trade Organisation norms.

Industry	Banking and Financial Services
Reference No.	MES0019
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Hang Seng Bank; Hang Seng Bank's expansion in China; HSBC; Banking industry in China; HSBC's major stake acquisition in Hang Seng; Hang Seng Bank; Cost to Income Ratio; How Chinese banking industry has been opened up; History of Hang Seng Bank; Financial services of Hang Seng Bank.

Metro in India: Fighting against Odds

By 2003, Metro AG was the third-largest trading and retailing group in Europe and the fifth largest in the world, with a presence in 28 countries. Metro forayed into the Indian market in 2003 with its cash and carry concept of Business-to-Business (B2B) wholesaling. Its entry into India was accompanied by widespread protests by the local trading communities and allegations of violation of the licensing agreement with the Government of India.

Pedagogical Objectives

- To discuss the reasons underlying Metro's market entry problems in India
- To discuss its expansion strategies in the Indian market through its innovative supply chain system.

Industry	Grocery Retail
Reference No.	MES0018
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Metro AG; Metro Cash and Carry; The cash and carry concept; Wholesale distribution; Metro in India; FDI (Foreign Direct Investment) regulations on retailing in India; Indian supply chain; Global retail

companies; Indian retailing market; Metro's entry hurdles in India; Cross-divisional service companies of Metro Group.

Carrefour in Japan

With the deregulation of the Japanese retail industry, many foreign companies like Toys 'R' Us and Costco forayed into Japan in the late-1990s. Europe's No.1 French retailer Carrefour, forayed into the Japanese market in 2000 by setting up its first retail store in the suburbs of Tokyo, and planned to expand aggressively by opening 13 stores by the end of 2003. However, until mid-2004, the company was able to set up only eight stores and was still finding it difficult to run them profitably.

Pedagogical Objective

- To discuss the market entry strategies of Carrefour in Japan.

Industry	Retail
Reference No.	MES0017
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Carrefour; Japanese retail market; Deregulation in the Japanese retail market; Large Scale Retail Store Law; Carrefour in Japan; Hypermarkets in Japan; Foreign retailers in Japan; Retail competition in Japan; Japanese consumer buying behaviour; Carrefour's distribution strategy in Japan.

Whole Foods in UK: The Growth Challenges

Whole Foods Markets Inc. (Whole Foods) started in 1980 in Texas, US, successfully tapped the growing interest of American consumers in 'organic foods', and emerged as the world's largest organic foods retailing chain by 2000. It spread its operations across the US and Canada, gaining the admiration of both the market analysts and consumers for its products, philosophy and growth. In its pursuit to expand beyond US and Canada, the company acquired "Fresh & Wild Market" stores in the UK.

Pedagogical Objectives

- To discuss the strategies that Whole Foods can devise to penetrate into the UK market and achieve its growth targets
- To discuss the ways in which Whole Foods can win consumers from the existing competition.

Industry	Grocery Retail
Reference No.	MES0016
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Organic foods; Natural foods; Whole foods; John Mackey; Organic farming; Wal-Mart; Competition in the UK grocery market; Organic foods in the UK; UK retailing; British supermarkets; Tesco Plc.; ASDA; WM Morrisons; J Sainsburys.

Starbucks in Germany

Starbucks, the multinational chain of gourmet coffee shops, entered the number one coffee drinking country in Europe – Germany, through a joint venture with the German retail chain, KarstadtQuelle. It faced stiff competition from retailers who emulated Starbucks' business model, often adding a local taste. Its German partner was battling its own poor financial performance because of sluggish consumer spending. Two years into its operation, KarstadtQuelle was reviewing the joint venture contract.

Pedagogical Objectives

- To understand the reasons for the failure of Starbucks' business model in Germany
- To discuss Starbucks' efforts to overcome various operational hurdles faced in Germany.

Industry	Speciality Eateries
Reference No.	MES0015
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Starbucks in Germany; Restaurant and cafe industry; KarstadtQuelle (Karstadt); Departmental stores; Growth strategies; Coffee house; Competitive strategy; Global expansion strategy; Cappucchino; Howard Schultz.

Yahoo! in China

Yahoo!, the most visited website in the world launched Yahoo! China in 1999. It failed to make much of an impact on the Chinese Internet users who were enamoured with local sites. In 2003, Yahoo! China made a renewed effort to expand its presence in China. It aimed to concentrate on search services, on-line auctions and web-based communications to further its presence in China.

Pedagogical Objectives

- To discuss the opportunities presented by China's rapidly increasing Internet population
- To discuss Yahoo! China's plans to increase its penetration in China
- To discuss the opportunities and pitfalls presented by the bourgeoning e-commerce and on-line advertisement market in China, to the International Internet firms.

Industry	Internet Searching Services
Reference No.	MES0014
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Yahoo! in China; Beijing Founders Electronics Co.; Competitive growth strategy; China Internet Network Information Centre; Partnerships and acquisitions; Chinese Internet industry; Chinese Ministry of Information; Sina.com; sohu.com; netease.com; Short Messaging Service (SMS); 3721 Network Software Co. Ltd.; Zhou Hongyi; e-Commerce; e-Trade; Yahoo! Asia.

Wal-Mart's Foray into Japan: Heading towards Success or Hara-Kiri?

For MNC (Multinational corporation) retailers, the Japanese retailing market is considered to be one of the toughest to enter. In 2002, when Wal-Mart announced that it was buying a stake in Seiyu, a domestic retailer, as a first step to enter Japan, there was widespread scepticism among analysts. Since its entry, Wal-Mart has been doing all it can to understand and woo the Japanese consumers into Seiyu stores, where it is implementing its own standard systems and processes. Wal-Mart's challenges include dealing with Japan's traditional multi-tier distribution system, understanding the trends in Japanese buying habits and creating the right product assortment. It also faces competition from domestic players like Aeon and Ito-Yokado and international players like Carrefour.

Pedagogical Objectives

- To discuss the critical success factors in the Japanese retail industry
- To discuss the strategies adopted by Wal-Mart in Japan
- To discuss the possible future scenarios in the retailing industry of Japan.

Industry	Grocery Retail
Reference No.	MES0013
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Wal-Mart; Japanese retailing; Numazu; Seiyu; Ito-Yokado; Trends in Japanese

retailing; Foreign retailers in Japan; Distribution in Japan; Wal-Mart's international business; Greg Penner; Wal-Mart's competitors in Japan.

Samsung in India

Samsung India Electronics Ltd. (Samsung) began its operations in India in December 1995 and within a span of eight years, became one of the most prominent players in the high-tech consumer electronics and home appliances sector in India. By 2003, Samsung had seized a significant share of the Indian market in colour televisions, frost-free refrigerators, washing machines, air conditioners and microwave ovens. Analysts attributed Samsung's success in India to its emphasis on the mix of product features, technology and aggressive marketing.

Pedagogical Objective

- To discuss how Samsung managed its marketing mix in India to strengthen its position in the consumer electronics market.

Industry	Consumer Electronics
Reference No.	MES0012
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Samsung in India; Marketing mix; Sub-branding; Unique selling proposition; Customisation; Promotions; Cricket sponsorship; Digital Natural Image engine (DNIe)

Pizza Hut in India

Pizza Hut entered India in 1996 and introduced pizzas to the Indian customers. But it was not a smooth sail for the international giant. Its large dine-ins, high prices and positioning of pizza as meal put-off customers. Meanwhile. Dominos Pizza that entered India in the same year was able to gain ground by positioning Pizza as a snack and supporting it with its efficient home delivery system. Even homegrown pizza chains like Pizza Corner and Smokin Joe ate into Pizza Hut's market share.

Pedagogical Objectives

- To discuss how Pizza Hut, after initial set backs and loss of market share made amends and overcame its short comings
- To highlight the different strategies adopted by the pizza chains in India.

Industry	Fast Food & Quick Service Restaurants
Reference No.	MES0011
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Pizza Hut; Dominos Pizza; Pizza Corner; Amul; Dine-ins; Home delivery model; Menu customisation; Local sourcing.

GM in China

In July 1994, when the Chinese authorities began the task of making China's automotive sector one of the country's strongest industries, the automobile market was opened to the foreign companies. But the access to the market came with a rider – technology transfer to the local companies. General Motors (GM) entered the Chinese automotive market through joint ventures with seven Chinese companies. Eventually GM got the permission to set up a manufacturing unit investing between $1 billion and $2 billion to manufacture mid-sized cars in China. But the company's Chinese odyssey has not been very smooth. It not only had to deal with fluctuating car demand but also with its joint venture partners who proved to be tough negotiators. Despite the problems, GM continued to focus on China and the perseverance seemed to pay off with the company tripling its sales in 2003.

Pedagogical Objectives

- To discuss GM's operations in china and how the company managed its joint ventures in China
- To discuss the competition in the Chinese car market.

Industry	Automobile
Reference No.	MES0010
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

GM (General Motors); China; Automobiles; Chinese car market; Competition; Volkswagen; Toyota; Shanghai GM; Jinbei GM; Joint ventures in China; Mini vehicles.

Business in India: The LG Way

Since its entry into India in 1997, LG Electronics India Pvt. Ltd. (LGEIL), the wholly-owned subsidiary of LG Electronics Incorporated (South Korea) in India, has been successful in contributing 5% of the global operations of its parent LG. LGEIL's products speak the language, which the Indian consumers understand. Further, the people who manage its business are chosen locally and the distribution network is customised to Indian conditions. LGEIL, with its strategies well in place, looks forward to a brighter future.

Pedagogical Objective

- To discuss the strategies LGEIL followed in India with regard to its employees and distribution network in the backdrop of its Korean origin and the Korean philosophy.

Industry	Consumer Electronics
Reference No.	MES0009
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

South Korean chaebols; LG Electronics Corporation; Korean management philosophy; Sahoon; Confucian values; Employee training and development; The pull factor of LG (LG Electronics); Paternalistic management culture of Korea; Corporate ideologies; Consumer electronics companies in India; Regional distribution model; Customer satisfaction model; Direct-dealer channel; Brand recall; LG AC (air conditioners) academy.

Market Entry Strategies of Gmail

Google, the biggest Internet search engine, has come up with a new offer for e-mail users. On April 1st 2004, Google announced the launch of 'Gmail', in which offered a storage space of one gigabyte to its users that was enough for a normal e-mail user to store his mails for a decade. This announcement sent mild tremors through the existing players, Yahoo! and MSN, who offered a free space of just four and two megabytes respectively. Furthermore, Google announced that it would tag its mails with only those advertisements that are relevant to the contents of the mail, which is also known as 'contextual advertising'. However, scepticism arose about the privacy of the e-mails.

Pedagogical Objectives

- To discuss the entry strategy of Google in the global e-mail business and the pros and cons of its offer
- To analyse the effects of Gmail on Yahoo! and MSN and their possible competitive responses.

Industry	Internet Services
Reference No.	MES0008
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Google; Gmail; e-mail; Yahoo!; Hotmail; America Online (AOL); Contextual advertising; e-mail business; ARPANET;

MSN; Microsoft; Market entry strategies; Roy Tomlinson; Mailcity; PayPal.

Indica's Foreign Foray

In the 1990s, when India Inc. was struggling with the implications of liberalisation policy, nobody expected India's products to go global. Traditionally, the Indian industry was considered a follower of the West owing to its low-quality products and a nascent manufacturing industry. This was particularly true for the automobile industry, which was in its initial stages of growth. But when Tata Motors signed an agreement with MG Rover Group of UK in 2002 to export Indica, India's first indigenous car, it attracted attention of many automakers who realised the potential that India held. Tata Motors launched Indica in 1998, although the car did not succeed initially, the sales picked up with the re-launch of Indica.

Pedagogical Objectives

- To discuss the reasons behind the success of Tata Motors' Indica in the passenger car segment
- To discuss Indica's remarkable debut in the European market.

Industry	Automobile
Reference No.	MES0007
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Tata Motors; Indica; Indica V2; MG Rover; CityRover; Idea; Institut Francais Du Petrol of France; Engineering Research Centre; China Brilliance Industrial Holdings; Phoenix consortium; European Union; Block exemption; Small car segment; British car industry; Supermini cars.

KFC in China

Western fast food giants like McDonald's and Subway, with Kentucky Fried Chicken (KFC) in the lead, dominate the fast food market in China. KFC is able to please the Chinese palate with its 'finger licking good' chicken that is part of the well-established dietary habits of the Chinese. The Chinese, who until the1980s, were used to untidy restaurants and unfriendly service, have embraced the ambience, rich decors and friendly service of KFC. As of 2003, KFC had more than 900 outlets, with its presence in 12 out of 13 provinces of China. KFC, apart from its popular products, also customised its offerings to suit the Chinese palate such as Peking duck, bamboo soup etc, that helped to win over loyal patrons. It is also the first food chain to introduce a drive-through restaurant in China. Despite heavy competition from Western counterparts like McDonalds and Subway, and China's domestic food chains like Ronghua Chicken, KFC maintains its lead in the fast food market worth RMB 67.6 (US$8.1 billion) as of 2002.

Pedagogical Objectives

- To discuss the strategies that enabled KFC to become a dominant fast food retailer in China
- To discuss the critical success factors of the Chinese fast food industry.

Industry	Fast Food and Quick Service Restaurants
Reference No.	MES0006
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Kentucky Fried Chicken (KFC); Chinese food culture; Customisation; Franchising; Harkland D Sanders; Fast food revolution in China; KFC's initial years in China; KFC's promotional activities.

Promoting Prius in US

Oil-burning cars were becoming increasingly unacceptable in the US, given the tough environmental regulations prevailing there. Consequently, the US was expected to be the biggest market for hybrid vehicles, even bigger than the Japanese hybrid market by 2004. Prius (pronounced 'pree-us'), Toyota's hybrid car, which appeared for the first time in 1997, hit the US market in 2000. By October 2003, Toyota had sold 50,000 of these cars in the US. Meanwhile in 2003, the Prius second generation appeared in the US. Toyota sought to further polish its image of engineering competence by advertising its Prius to a wide range of buyers.

Pedagogical Objective

- To discuss Toyota's promotional strategy in the US for its Prius hybrid car.

Industry	Automobile and Transport
Reference No.	MES0005
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Available

keywords

Toyota; Pruis; Hybrid cars; Saatchi and Saatchi; Oasis; Strategic integration capability; Civic Hybrid; Corporate campaign; Creativity; Dentsu; Honda Insight; Promotional strategy; Environment; Philanthropic activities; Toyota Way.

Harley-Davidson in China

The Harley-Davidson Motor Company (H-D) completed one hundred years in 2003. As of August 2003, H-D held a 46% share of the North American heavyweight bike market. However, the company was not successful in selling its legendary bikes in China. As of August 2003, the company didn't have a single authorised dealer in China. H-D's roadblocks in China included, amongst other things, concerns about piracy in China, Beijing's restrictions on motorcycle use and the preferences of China's bikers for low displacement bikes.

Pedagogical Objective

- To discuss the roadblocks for Harley-Davidson in the Chinese bike market.

Industry	Automotive and Transport
Reference No.	MES0004
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Harley-Davidson in China; Harley-Davidson Motor Company; Harley Owners Group (HOG); Just-in-time; Displacement models; Richard Teerlink; Jeffrey L Bleustein; Buell motorcycle; Piracy; Harley-Davidson in Japan; Harley-Davidson in Taiwan; Trade barriers; Chongqing; Zongshen motorcycle; Price wars.

McDonald's In China

McDonald's Corporation is the world's leading food retailer with 31,108 restaurants in 119 countries serving 46 million customers a day. McDonald's has always been a franchising company. About three quarters of its stores worldwide are franchises and franchisees have always played a significant role in McDonald's success. However, in China it is a different story. Barring a pilot franchise in Northern China's Tianjin Municipality, all 566 McDonald's restaurants are either wholly-owned by the company or jointly-owned with Hualian or Beijing Sanyuan foods. Although franchising has been a fast growing business in China since 2002, challenges exist.

Pedagogical Objective

- To discuss McDonald's franchising model, its business, strategy and the roadblocks to its franchising efforts in China.

Industry	Fast Food and Quick Service Restaurants
Reference No.	MES0003
Year of Pub.	2003
Teaching Note	Available
Struc.Assig.	Not Available

keywords

McDonald's; McDonald's outlets; McDonald's China Development Corporation; McDonald's in China; Kentucky Fried Chicken; Fast food; Strategy; Chinese fast food industry; China; Franchising in China; Franchising; Franchising model; Global branding; Logistics; Supplier networks.

Wal-Mart in Japan

In 1991, Wal-Mart, US's No.1 retailer since 1990, forayed into the international market for the first time by entering Mexico. By 1999, besides US, Wal-Mart had its presence in nine countries. Since 2000, Wal-Mart started witnessing significant growth in its international sales against flattened domestic sales. Being fed on double-digit sales and profit gains, Wal-Mart decided to expand rapidly into international markets to avoid concentrating only on its home market. Japan, the second-largest consumer market in the world after US, was its next destination. On March 14th 2002, when Wal-Mart announced its decision to enter Japan, the country's economy was mired in recession with spiralling deflation, shrinking consumer spending and cutthroat competition.

Pedagogical Objective

- The case discusses the challenges that Wal-Mart faced during its entry into the Japanese retail market and how it planned to overcome them.

Industry	Retail
Reference No.	MES0002
Year of Pub.	2003
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Wal-Mart; History of Wal-Mart; Sam Walton and Wal-Mart; Wal-Mart's international operations; Retailing strategies of Wal-Mart; Wal-Mart's inventory management systems; Wal-Mart in Europe; Wal-Mart in Germany; Wal-Mart in Japan; Retailers in Japan; Retail business in Japan; Consumer buying behaviour in Japan; Retailing problems in Japan; Retail competition in Japan; Wal-Mart's financial results.

Microsoft's Entry into Antivirus Industry

In September 2003, Microsoft entered the antivirus industry by acquiring the antivirus solution provider, GeCAD. This move of Microsoft left many a analyst to speculate about the future of the antivirus industry, given that, throughout its history Microsoft had dominated every software market it entered.

Pedagogical Objectives

- To discuss why Microsoft entered into the antivirus market, and also the likely impact of its entry on the antivirus industry
- To discuss why Microsoft's entry into the antivirus market was perceived as a threat to Linux.

Industry	Computer Software
Reference No.	MES0001
Year of Pub.	2003
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Microsoft; Antivirus market; Threat to antivirus vendors; Symantec; Network Associates; Microsoft security initiatives; Linux; GeCAD; Flaws in Microsoft products; Antitrust laws; Microsoft monopoly; Future of antivirus industry; Microsoft bundling tactics; Netscape Navigator; Antivirus vendors concerns.

Mergers, Acquisitions and Takeovers

FedEx Kinko's to FedEx Office: Brand Management and Cultural Integration Challenges

This case enables an interesting discussion on FedEx's decision to drop one of its acquired brands, Kinko's, from its name. Having acquired Kinko's in 2004, FedEx named it as FedEx Kinko's and operated under the same brand name till June 2008.

In 2004, FedEx acquired Kinko's, a chain of copying stores to increase its ground shipping market through Kinko's store locations. Reportedly, during this time (2004–2008), the profits of the acquired unit have fallen from $100 million in 2004 to $45 million in 2007. In 2008, FedEx announced an $890 million write-off on the purchase of Kinko's and named third CEO to head Kinko's in four years. The company also developed an ill reputation for poor customer service, during the 4 years of its operations. To avoid further damage, in 2008, FedEx decided to drop Kinko's name from its brand and continue operations under a new brand name, FedEx Office. Will the new brand name help FedEx improve its performance in copying and business services segment or will it call for new problems?

Pedagogical Objectives

- To understand the nature of FedEx business and discuss the Key Success Factors (KSFs) for its business
- To analyse the ideal growth options for FedEx, given nature of its business and evaluate the strategic fit between FedEx and its acquired companies, especially the strategic fit between FedEx and Kinko's
- To analyse the reasons for Kinko's poor financial performance during 2004–2008 and debate on FedEx's decision to drop Kinko's from its name and going in for a new name FedEx Office
- To debate on the efficacy and feasibility of continuing with the brand identity of acquired company – in this case, the Kinko's brand – or does it make sense to integrate the brand of acquired companies with the brand of acquiring company.

Industry	Express Delivery Services
Reference No.	MAA0186
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers and Acquisitions, Cultural Integration, Brand Integration, Diversification, Innovation, FedEx, Kinko's, Hub and spoke, Logistics and supply chain, Freight Services, Brian Philips

Daiichi's Acquisition of Ranbaxy

On June 11th 2008 Japan's third largest drug maker Daiichi Sankyo announced, its strategic deal to acquire majority stake in the Indian generic drug major, Ranbaxy Laboratories Limited. Daiichi agreed to pay around US$4.2 billion for acquiring 51% stake (including promoter stake of 34.83%) in Ranbaxy, putting the total enterprise value of Ranbaxy at US$8.5 billion. Daiichi-Ranbaxy deal was the largest acquisition in the Indian pharmaceutical industry and was viewed by analysts as a step towards the consolidation in the world generic drug market. The deal made Daiichi-Ranbaxy, the combined entity the 15th largest pharmaceutical company in the world with a market capitalization of around US$30 billion. It helped Daiichi leverage its innovative drug making capabilities and R&D expertise with Ranbaxy's low cost manufacturing abilities to achieve a competitive position in the world generic drug market. Some industry experts' claimed that the price Daiichi paid for acquisition was quite high compared to the present pricing of other Indian generic drug making companies.

Pedagogical Objectives

- An in-depth knowledge about DCF valuation techniques
- The rationale behind the acquisition of Ranbaxy by Daiichi

- Long-term synergies arising for Ranbaxy after Daiichi acquired it
- The advantages and disadvantages of M&A deals
- The need for growth through acquisitions in foreign countries
- The consolidation trends in the Indian and Global Pharma Industries.

Industry	Pharmaceuticals
Reference No.	MAA0185
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers and Acquisitions, DCf Valuation, Pharmaceuticals Industries, Generic Drugs, Synergies, Strategy, Industry value Chain, Daiichi Sankyo, Ranbaxy, Competitive Anaysis, Open Offer, Financial Forecasting

Ranbaxy's Sell-off to Daiichi – Rise of a New Business Model in Global Pharma?

The fast-growing emerging markets have gained considerable significance with the Big Pharma losing out on their global market share. India, the growing hub of R&D in global pharma, is fast catching up as an alternative for sustaining competitive advantage. In 2008, the sell-out decision by Ranbaxy, the largest pharmaceutical in India, is seen as a sign of the changing dimensions of faster consolidation in global pharma. Ranbaxy, a generic firm, sold its majority stake to Daiichi-Sankyo, a top Japanese innovation company, setting a new trend. The cross-border acquisition is perceived as a growing tendency of companies to focus on future sustainability than on mere profit margins. Both companies are complimenting each other, with Ranbaxy foregoing national interests for stronger global competitiveness. This hybrid model has triggered a new phase of M&A in global pharma, as Big Pharma start desperate measures of new mutual collaborations and alliances to risk losing their market share from their generic players.

Pedagogical Objectives

- To examine the changing market dynamics amidst competition to traditional pharma companies from generic drug makers
- To evaluate the value chain of pharma industry and examine the different business models that evolved
- To analyse the growth drivers of pharma companies
- To identify the need for a hybrid business model and analyse the effects of Ranbaxy's sell-out to Daiichi on both the companies and the industry as a whole.

Industry	Pharmaceutical Industry
Reference No.	MAA0184
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Ranbaxy, International Patent, Daiichi, Business Model, Pharmaceutical, Acquisition, Generic drugs, Research and development, Blockbuster drugs, clinical trials

InBev's Acquisition of Anheuser-Busch: American Beer with Belgian Spirit?

The race was on for an unassailable lead in the global beer industry as Belgian-Brazilian InBev made an unsolicited takeover bid for the American Anheuser-Busch. With the fear of losing its 150 years of independence, Busch family initially rebuffed the offer and tried all means to scuttle the deal. After a month long battle during June–July 2008, with contentious wrangling amid lawsuits and Securities and Exchange Commission filings, InBev sweetened the offer by increasing the bid from $65 per share to $70 per share. Holding less than 4% controlling stake in the company and diverse opinions among the family about the deal, Anheuser-Busch had little or no chances of avoiding the deal. Finally on July 12th 2008, Bud was ready to wear a foreign crown. Could anything reflect American loss of economic supremacy more visibly than for its iconic beer to fall into foreign hands? Though the deal would create the world's leading beer giant ahead of SABMiller, doubts loom large regarding realising the anticipated synergies, amid diverse cultures and other complexities. Further, will the Bud give InBev a global competitive edge?

Pedagogical Objectives

The case study can be used:

- To examine the growing competition in the beer industry and conduct competitive analysis on major players
- To discuss the (changing) critical success factors of the global beer industry
- To identify the factors that are driving consolidation and globalisation in the global beer industry
- To examine the desirability and viability of InBev's hostile takeover bid for Anheuser-Busch
- To analyse the problems in integrating corporate and national cultures, particularly in a cross-border acquisition like InBev and A-B.

Industry	Beer
Reference No.	MAA0183
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Global Beer Industry, SABMiller, Interbrew, AmBev, Budweiser, Bud Light, Carlos Brito, Grupo Modelo, Adolphus Busch IV, Global Brewers, Brand Positioning, Stella Artois, Category Wars, Beer Consumption Patterns, Consolidation and globalisation

Coca-Cola's Acquisition of China's Huiyuan Juice: A Juicy Deal?

What is the best way for a company to attain stable revenue and command a larger market share – especially in an industry, where the life cycle of a product shrinks fast? How does a company manage its product portfolio in a way that continues to meet the customer demand and extend its validity? Among options galore, companies opt for either organic or inorganic growth. In today's era of marketing where 'Consumer is the King', companies compete with one another to lure the consumers. This motto is equally relevant to the beverage industry, where the tastes of consumers matter a lot. Beverage companies constantly chart out new strategies to launch their products that suit the changing tastes and preferences of the consumers. Similarly, Coca-Cola, which believes in 'glocal' approach has launched products that matches with the likes and dislikes of the Chinese consumers and as a result is embraced as a local brand by the Chinese. However, carbonated beverages started losing their fizz with the outbreak of Severe Acute Respiratory Syndrome (SARS) in China in 2003. This triggered health consciousness among the people in China, which, in turn, has increased the demand for fruit juices than carbonated drinks. In order to fall in line with the changing preferences of the people, retain its market share and also to save itself from the declining stage of the Product Life Cycle (PLC), on September 3rd 2008, Coke offered to acquire Huiyuan Juice Ltd., a leading fresh fruit juice maker of China, for a premium price. Through this acquisition, Coke plans to diversify its product portfolio to cater beverages to different segments of Chinese consumers, the country in which the huge size of consumer base provides a great potential. However, the fickle-mindedness of the Chinese is a cause of concern for the company, as the life span of the beverages quickly gets shorter in China. Nevertheless, the success of the deal ultimately depends

on Coke's mettle to go through the anti-monopoly law of China. Even if the deal goes through the law, Coke has to face the litmus test of its capability in not just retaining the consumers, but in proving its market leadership as well.

Pedagogical Objectives

- To examine the changing landscape of the soft beverage industry in China
- To understand the business dynamics of Coke in China keeping in view the various stages in the life cycle of different beverages
- To assess Coke's strategy in acquiring Huiyuan and the expected synergies of the deal.

Industry	Beverages
Reference No.	MAA0182
Year of Pub.	2009
Teaching Note	Available
Struc.Assign.	Available

Keywords

Coca-Cola, China, Beverages, Mergers and Acquisitions, Competitors, Synergies, Carbonated Drinks, Huiyuan Juice, Anti-monopoly law, Bottling, Joint Ventures, Product Life Cycle, Logistics, Distribution channels, Pepsi

Delta-Northwest Airlines Proposed Merger: Withering Industry Turbulence?

Capping months of negotiations, US' major airlines – Delta Air Lines and Northwest Airlines inched closer by finalising the merger deal. Battling against soaring fuel costs and looming demand for air travel, the world's largest carrier intends to generate substantial revenues from scale benefits and significantly reduce duplicate costs. While their complementary routes help them gain a global footprint, sailing through antitrust approval amid labour and pilot unrest remains a challenge for both the airlines. Further, the case also delves deep into issues such as – the trigger that led to the merger drive between the two. In a consolidating and troubled industry, should mergers and acquisitions be dictated by short-term interests or long-term interests?

Pedagogical Objectives

- To examine the nature, business and the competitive dynamics of airline industry
- To identify the factors that led to troubled times in the US airline industry
- To debate on the need for Delta Air Lines to merge with Northwest Airlines and the need for Northwest Airlines to be acquired by Delta
- To analyse and debate on the possible synergies between Delta Air Lines and Northwest Airlines
- In a consolidating and troubled industry, which is the ideal company to be taken over – a strong player or a weak player?

Industry	Civil Aviation
Reference No.	MAA0181
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Global Civil Aviation; US Airlines; American Airlines; US Airways; United Airlines; Mergers,Acquisitions,Alliances Case Studies; Continental Airlines; Southwest Airlines; JetBlue; Low-cost Carriers (LCCs); Consolidation; Fleet inefficiencies; Fuel prices; Open Skies treaty; Competition; European carriers like Air France-KLM

Cadbury Schweppes: Demerging its US Beverages Company

London-based Cadbury Schweppes Plc. (Cadbury), a confectionery and beverages company, has planned to demerge its US beverages arm in the second quarter of 2008. The decision of the company comes after its investors expressed concern about the company's financial performance despite loads of restructuring since 2003. While the top management and investors are optimistic about the company's move, the success of the strategy remains to be seen.

Pedagogical Objectives

The case study will help the students to understand:

- This case study is aimed at MBA/PGDBA students and is intended to be a part of the business strategy curriculum
- The case study is so structured as to help students understand about a demerger and its ideal timing
- Students are also expected to understand the need of demerger for Cadbury
- This case study gives scope to discuss whether the timing is right for Cadbury to demerge.

Industry	Confectionery & Beverages
Reference No.	MAA0180
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Cadbury; Beverages; Confectionery; Corporate image; Demerger; Decision; Spin-off; Diversification Strategies; Bottling; Chocolate; Cost; Investment; Mergers, Acquisitions, Alliances Case Studies; Growth; Loss

The Cerberus Deal – The Beginning of a New Era for Chrysler

US automobile giant, Chrysler had joined hands with German automaker, Daimler – Benz in a much touted 'Merger of Equals' in 1998. Shortly after, Chrysler suffered severe financial crisis and eventually both the companies opted for a divorce. Daimler had been looking to offload Chrysler to a suitable proposer and in August 2007, sold 80.1% of its stock in Chrysler to an American Private Equity firm, Cerberus. Will Cerberus be able to bail Chrysler out of troubled waters?

Pedagogical Objectives

- To study the dynamics of the US auto industry
- To analyse the causes for the fall out of Merger of equals
- To study the challenges faced by a Private firm in acquiring a Public company.

Industry	Auto Industry
Reference No.	MAA0179C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

US auto Industry; Daimler Chrysler Merger; mergers of Unequals; unhappy marriage; Cereberus; Mergers, Acquisitions, Alliances Case Studies; Chrysler; new Era; Prospects and challenges

msnbc.com Acquires Newsvine: A New Direction

msnbc.com is a leader in breaking news and in promoting original journalism. Started by Microsoft and NBC in the year 1996 the website has functioned independently and has been growing profitably. msnbc.com was most popular for its coverage of political news. The popularity of online news has continued to expand, as readers, particularly the younger generation is increasingly turning to the Internet for news. As competition increases, news sites like NYTimes.com, USAToday.com, ABCNews.com, msnbc.com and CNN.com are trying to distinguish themselves from others. These sites are competing against news aggregators like Yahoo News and Google. With a view to expand its services in the background of these changes, msnbc.com acquired Newsvine, a participatory news

site, on October 2007. It is msnbc.com's first acquisition in its 11-year history. Newsvine's acquisition is a new direction for msnbc.com. How this acquisition would help improve the company's competitive edge remains to be seen.

Pedagogical Objectives

- To analyse the nature of news broadcasting industry services
- To analyse the nature of competition in the industry
- To analyse the strategy and competitiveness of msnbc.com
- To analyse msnbc.com's acquisition of Newsvine and how this acquisition helps in improving its competitive edge.

Industry	News Broadcasting Industry
Reference No.	MAA0178C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

msnbc.com; Newsvine; News Broadcasting; Online News sites; Yahoo; Google; AOL; Mergers, Acquisitions, Alliances Case Studies; Competition

eBay: Rethinking Skype

eBay, the online auction giant as part of its expansion strategy, acquired Skype; a popular communication platform for $2.6 billion. eBay's CEO Meg Whitman had expected the acquisition to enhance their business. However eBay found itself facing a phase of diminishing returns and had to write down Skype by $900 million. The case explores the rationale behind eBay's purchase of Skype. It also analyses why the synergies of the deal did not materialize as expected. The case study highlights the unrealised synergies of the acquisition.

Pedagogical Objectives

- To comprehend the dynamics of online business
- To grasp the concept of unrelated product diversification
- To analyse how an integration strategy is vital for online businesses.

Industry	Online Auctioneering
Reference No.	MAA0177C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

eBay; Skype; PayPal; Mergers, Acquisitions, Alliances Case Studies; Unrelated product diversification; Positioning; Internet based businesses; Acquisition; Integration; Synergies; Online Business

Tata Steel's Acquisition of Corus: Was it Worth the Price?

During 2006–2007, the Indian steel industry witnessed one of the biggest acquisitions. Tata Steel offered to buy the UK steel giant Corus. Finally, after numerous rounds of bidding, Tata Steel bought Corus for $12.9 billion. The Corus acquisition moved Tata Steel's position to the sixth place among the world's largest steel producers. While the Indian industry lauded Tata Steel's move, there was national debate whether Tata Steel over paid for the Corus acquisition. The supporters of the acquisition mentioned that there were clear synergies between the two companies. Tata Steel also seemed to have long run benefits from this acquisition.

Pedagogical Objectives

The case study helps the students understand and analyse:

- The growth history and the market spread of Tata Steel and Corus
- The reasons that promoted Tata Steel to acquire Corus
- The synergistic value between the two companies
- The long term benefits of the Tata-Corus deal
- Whether Tata overpaid for the Corus acquisition.

Industry	Steel Industry
Reference No.	MAA0176B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Tata Steel; Corus, Steel Manufacturing; Acquisition; Bid; Price; Expansion; Stake; Europe; Takeover; Mergers, Acquisitions, Alliances Case Study; Low-cost producer; Tata Group; Ratan Tata; Synergy; Combined Entity

Microsoft's Bid for Yahoo! Inc: Corporate Valuation Dilemma

Yahoo! one of the leading internet portals, provided online services like news, information, and entertainment content. It also offered email, instant messaging and personalised web pages to its registered members. Yahoo was experiencing low growth in revenues for quite a number of years in a row. In February 2008, Microsoft, the world's largest software company offered to buy Yahoo! Inc. for $44.6 billion, or $31 per share in a cash and stock offer. But Yahoo rejected the offer terming it as inadequate. Microsoft later raised the bid to $33 per share, but Yahoo! rejected this raised bid also. Subsequently, Microsoft withdrew its bid. The case facilitates discussion on the fair value of a share of Yahoo! The case also attempts to employ various methods of financial valuation of a firm. Apart from this, the case also points out the difference between the value of a firm as 'a going concern' and as 'a target for acquisition'.

Pedagogical Objectives

- To understand the concept of Business Valuation
- To understand the difference between value of a firm as an independent business, and as a target of acquisition.

Industry	Online Services
Reference No.	MAA0175A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Microsoft Corp.; Yahoo!; Steve Ballmer; Jerry Yang; Mergers, Acquisitions, Alliances Case Study; Valuation; Google; Online Services; Merger; Acquisition; AOL; Internet Advertisement; Free Cash Flow to Firm; FCFF

Jaguar and Land Rover Acquisition: Will the Deal Improve Tata Motors Balance Sheet?

Ford Motors Limited (Ford), one of the world's leading automobile manufacturers had put its luxury brands Jaguar and Land Rover, on the block. Tata Group company's automotive major Tata Motors Limited (TML) was one of the top bidders. In March 2008, TML won the bid for $2.3 billion. As per the deal, Ford committed to provide Jaguar and Land Rover with vehicle components and access to engineering and technological support to TML. Apart from funding aspects of the acquisition, analysts wondered how TML would manage these luxury brands as it was a well-known player in low to mid-end segments. The deal pushed TML in the segment where it had less experience. The case helps in discussing financial implications of the deal on the balance sheet of TML and opportunities and challenges for it, post acquisition.

Pedagogical Objectives

- Offshore expansion through acquisition
- Financial impact on balance sheet of TML

IBS CDC Icfai Business School Case Development Centre

- Post acquisition opportunities and challenges for TML after JLR deal.

Industry	Automobile Industry
Reference No.	MAA0174A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Tata Motors Limited; Jaguar; Land Rover; Ford Motors, Mergers and Acquisitions; Product-line Synergies; Competitive Scenario; Luxury Car Segment; Indian Car Market; Financial Statement Analysis; Ratio Analysis; Tata Group; India's Affluent Middle Class; Auto Affordability in India; Mergers, Acquisitions, Alliances Case Study; Financial Performance of Tata Motors

Indian Billionaire Vijay Mallya and Epic Aircraft – A Strategic Partnership

Post September 11th 2001 terrorist attacks in US, the demand of Very Light Jets (VLJs) has been growing steadily, as business travellers did not prefer wasting time behind strict check in formalities. Worldwide, the demand for small aircraft was also increasing because of increase in corporate profits, personal wealth, booming in stock markets and innovation in aircraft technology. US-based Epic Aircraft (Epic), a subsidiary of Aircraft Investor Resource LLC – manufactures small private and business jet aircraft. With India emerging as one of the potential markets in the aviation business, on September 28th 2007, Epic entered into strategic partnership with Indian billionare, Vijay Mallya (Mallya). Mallya acquired 50% stake in Epic Aircraft with a personal investment worth $200 million. Despite the aircraft manufacturing industry indicating a boom for the manufacturing of small jet aircraft, it still remained a question if it will be able to fuel the demand in this segment.

Pedagogical Objectives

- To understand the concept of strategic partnerships as a key to business expansion
- To analyse the potential for small aircraft manufacturing industry in developing markets like India
- To discuss the growth drivers and demand factors of VLJs in India
- To understand the pros and cons of strategic alliances
- To deliberate the discussion on who gains in such strategic alliances and their feasibility in the long run.

Industry	Aircraft Manufacturing Industry
Reference No.	MAA0173A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Aircraft Manufacturing Industry; Very Light Jets (VLJs); Mergers, Acquisitions, Alliances Case Study; Small Aircraft; Epic Aircraft; Indian Aviation Market; Kingfisher Airlines; Strategic Partnership; Vijay Mallya; Demand for Small Aircraft; Business Jets; Innovation in Aircraft Technology; Low Cost Carriers (LCCs); Competition

Delta-Northwest Merger: US Airlines' Consolidation Moves

The airlines in the US were facing tremendous pressure on their profit margins due to a rapid rise in fuel prices. Apart from the fuel prices, the airlines had to combat changing industry structure because of rising dominance of low-cost airlines and entry of new foreign airlines into the US market. Delta Air Lines, the third largest airline in the US in terms of revenue in 2006, and Northwest Airlines, the 6th largest airline, announced their intention to merge in order to combat this situation. However, the pilot union at Northwest opposed the move. The case highlights the rationale of the merger in the given situation, and the challenges that the combined entity would have to face in the post merger integration in the wake of the dynamic competitive scenario in the US airline industry.

Pedagogical Objectives

- To understand the dynamics of airline industry
- To understand the competitive challenges for the combined entity in post-merger integration.

Industry	Airline Industry
Reference No.	MAA0172A
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Delta Aitlines, Northwest Airlines, Industry Consolidation, Merger, Post-merger Integration, Mergers, Acquisitions, Alliances Case Study; US Airline Industry, Richard Anderson, Douglas Steenland, Fuel Price, Competitive Dynamics, Low-cost Airlines

Strategic Alliances in the Automobile Industry (C): The Fiat-GM Alliance

Last in the 3 part case series on strategic alliances in the automobile industry, this case study dwells on the Fiat's and GM's life after the alliance. While normalcy returned with ease at GM, as the US behemoth continued with its customary operations, Fiat exhibited vivacity by entering into a number of collaborative ventures - termed as 'targeted alliances' – with automakers from various countries, especially from the developing countries. Though the company tried to project the alliances as 'business-as-usual', experts say that it manifests its wretched condition and need for support of other companies to survive. This case helps analyse how such deals would help the company sustaining the fierce competition and withstand its financial losses. Could the company find an apt partner in any of its new allies? Can any alliance tick for long? How far can Fiat stand on the support of other companies?

Pedagogical Objective

- The case study is meant to help debate how far new alliances formed at the wake of the collapse of one alliance would help the company's cause. The case also helps discuss hat necessary steps for a company to ensure that its desperateness should not engulf business logic.

Industry	Automobile Industry
Reference No.	MAA0171
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Alliances in global automobile industry; Fiat-GM Alliance; Cross-border consolidation; Ford-Fiat alliance; Tata-Fiat Alliance; Fiat and targeted alliances; Fiat in Europe; Negotiations in automotive industry; Mergers, Acquisitions, Alliances Case Study; Fiat in Italy

Strategic Alliances in the Automobile Industry (B): The Fiat-GM Alliance

This is the second in the 3 part case series on strategic alliances in automobile industry. This case exemplifies how alliances can break up even when they are achieving the desired objectives. The Fiat-GM alliance was focused on cost minimization, by reducing redundancies in primary cost components vis-à-vis purchases and manufacturing processes. The alliance was doing well to this end and it resulted in more-than-perceived savings

for both the companies. However, negative developments in both the companies – independent to the alliance - have unfortunately resulted in a situation, where neither Fiat nor GM was willing to carry forward the alliance. This case study helps a debate if the companies were correct in terminating the properly functioning alliance. Did the companies end up taking an emotional call over a business decision? Was there no way that the companies could keep the alliance alive? If that was the case, was entering into the alliance itself a mistake? If so, who was at fault – GM or Fiat?

Pedagogical Objective

- The case study is meant to help analyse the developments in the partnering companies that could result in calling off even the well-working alliances, even when such developments have nothing to do with the functioning of the alliance.

Industry	Automobile Industry
Reference No.	MAA0170
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Alliances in global automobile industry; Fiat-GM Alliance; Cross-border consolidation; Agnelli Family; Mergers, Acquisitions, Alliances Case Study; Fiat restructuring; put option; GM in Europe; Fiat in Europe; Big Three of Detroit; US automobile industry; Strategic Inflection Points in automotive industry; Negotiations in automotive industry

Strategic Alliances in the Automobile Industry (A): The Fiat-GM Alliance

'Nothing is permanent but for change.' This adage holds good even for the industry – responsible for umpteen number of socio-economic changes in the modern societies – called industry of industries, the automobile industry. But, the changing times forced the global auto-industry to master newer tips for its survival. During the 1980s and early 1990s, the auto-industry shrunk, from a horde of independent companies, into a handful of global consortiums fiercely competing with each other. Immediate need to cut costs and intensifying price wars made carmakers align with each other (instead of competing) – for gaining access to technology and markets and to achieve economies of scale. In this milieu, the importance has shifted from capital intensive and risky mergers and acquisitions, to strategic alliances like the one formed by Fiat and GM. Some of these collaborations are by choice while others are by force like the Fiat-GM Alliance. This case study, first in the series of 3 cases, enables a discussion over the conditions that led to the formation of the alliance. It helps analyse the nature of the alliance and debate whether it was rneeded, in the first place, and how far it could endure. Does the alliance have the required steam to reward the partners? Was the partnership a result of mutual respect not sacrificing one side for the other?

Pedagogical Objective

- The case is meant to provoke analyses among students to understand the process of forming an alliance and the critical success factors for doing so.

Industry	Automobile Industry
Reference No.	MAA0169
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Alliances in global automobile industry; Fiat-GM Alliance; Cross-border consolidation; Price wars; Mergers, Acquisitions, Alliances Case Study; over capacity; GM in global car industry; Emerging trends in automobile industry; Big Three of Detroit; US automobile industry; Strategic Inflection Points in automotive industry; Critical Success Factors in automotive industry

Google vs Baidu.com (D): Google's Alliance Strategy in China

Google after an unsuccessful stint in China has changed its approach by opening an office there, hiring a local to head operations and offering a censored version of its site in January 2006. The company, to increase market share, is taking the route of alliances with the major telecom and Internet operators in China and is also adding new services to its Chinese portfolio. Meanwhile, Google's nemesis in China – Baidu.com – is also not lying low and is becoming stronger. The company on the strength of its market share in China, ranks third worldwide. It too is forming alliances with multinationals struggling to find a foothold in China. The company has added a whole gamut of products to its offering. This case, the fourth in the series, Google vs Baidu.com, takes off from when Google starts its censored Chinese language site. The reasons for this are discussed briefly. Focus is on the strategies of the top two players, Baidu and Google, to win a larger market share in China. The case exhaustively details each player's strategy and the reasons for it. It facilitates a discussion on the results of their respective strategies. It sums up with leaving the readers to discuss who has gained in the ongoing battle. Has Google managed to find a place in China or are there issues that still need to be addressed?

Pedagogical Objectives

The case is structured to let the students analyse and understand:

- The search engine market scene in China and why the international companies are finding it difficult to crack
- What strategies can companies follow for growth
- Advantages and disadvantages of alliances as a growth strategy in the Chinese Internet search space.

Industry	Internet Search & Navigation Services
Reference No.	MAA0168
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Google; Baidu.com; China's Search Engine Market; Business Model; Globalisation and Localisation; CAGE Frame Work; Alliance Strategies; Acquisitions and Partnerships; Chinese Google; Government Business Environment; Internet Censorship; Mergers, Acquisitions, Alliances Case Study; Online Advertising; International Business; Legal Environment and Regulations

Philip Morris USA and Philip Morris International: The Spin-off Decision

The world's largest tobacco giant, Altria, plans to spin off its international tobacco division, Philip Morris International (PMI) by March 2008. The company will thereby operate from its headquarters in Switzerland. The spin-off was planned because of tobacco litigations and anti-tobacco groups in US, and dwindling smoking population there. While the company is optimistic about the growth opportunities after the spin-off, health groups all over the world are concerned over the company's public health commitments.

Pedagogical Objectives

The case study can help the students understand:

- Spin-off, its significance, merits and demerits
- Why PMI is going for a spin-off?
- The sustainability of an independent PMI.

Industry	Tobacco
Reference No.	MAA0167
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Philip Morris; Marlboro; Mergers, Acquisitions, Alliances Case Study; tobacco industry; Anti-smoking campaigns; Corporate image; The Altria Group; Tobacco lawsuits; Spin-off; Diversification Strategies

Whole Foods Market's Acquisition of 'Wild Oats' – A Strategy to Reduce Competition?

Whole Foods Market (WFM) and Wild Oats were major players in the highly competitive US organic food industry. In a much-speculated move, WFM acquired Wild Oats in September 2007. Many voiced the opinion that the acquisition may result in a monopolistic situation wherein WFM would control majority of the market. The acquisition was, however, seen by experts as an expansion strategy of WFM rather than one to reduce competition in the organic foods industry. The case focuses on the competition prevalent in the organic food industry, the trends and customer preferences of the same. The case also looks at the synergy and prospects of the acquisition.

Pedagogical Objectives

- To comprehend the strategies of global players in the organic food industry
- Acquisition as a strategy to reduce competition
- Prospects and challenges in Merger of Equals (MoE).

Industry	Organic Food
Reference No.	MAA0166C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Organic food; Whole Foods Market; Wild Oats; Acquisition Strategy; Future of Organic food Industry; Market Segmentation; Pricing Strategy; Mergers, Acquisitions, Alliances Case Study; Distribution strategy

Thomson Corp., Acquires Reuters: Is it in the Consolidation Phase?

Market data plays an indispensable role in successful business activities and the market data industry enjoys a global presence. Catering mainly to the needs of institutional and retail brokers, the industry is dominated by a few major players – Bloomberg L.P., Reuters Group Plc and Thomson Corporation. The new entrants into the industry are stock exchanges – a major source of direct data. Since the 1980s, the market data industry has been experiencing a wave of mergers and acquisitions. The major breakthrough is the proposed acquisition of Reuters Group Plc by Thomson Corporation worth $17.2 billion, on May 15th 2007. The deal is expected to displace the market leader, Bloomberg L.P. The case, while enabling an understanding of the market data industry, facilitates discussion on how the acquisition would impact the business dynamics of this industry.

Pedagogical Objectives

- The business dynamics of the market data industry
- The competitiveness and business lifecycle of a market data provider.

Industry	Market Data Industry
Reference No.	MAA0165C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Thomson Corporation; Reuters; Bloomberg; Mergers, Acquisitions, Alliances Case Study; Consolidation Phase; Industry Dynamics; Business Dynamics; Business Strategy; Business Environment

M&A's in Indian Aviation Industry – Strategies for Healthy Competition

Since 2000 Indian aviation industry has been recording steady growth. The role of the private airline sector has become very significant with the increase in domestic air traffic and the increased purchasing power of the growing middle-class. The arrival of LCCs (Low Cost Carriers) revolutionised Indian aviation industry and air travel hit an all-time-high. As more and more players arrived at the aviation scene the competition grew. Heavy price-cuts and discount offers against a background of rising operational costs proved detrimental, with almost every airliner reporting huge losses. The industry, taking cue from the global developments, moved towards consolidation of stakes so as to scale down excess competition. Many mergers and acquisitions took place which may result in significant synergies in the industry. This strategy to tie-up with the competitor rather than bleed millions by way of losses is seen as an exemplary move towards healthy competition. The opportunities as well as the challenges these mergers bring to the aviation industry is to be seen. And the question that needs to be addressed is - Will the growth of the Indian Aviation Industry sustain?

Pedagogical Objectives

- To understand the dynamics of Indian aviation industry
- To analyse the impact of rise of LCC's in aviation industry
- To analyse the consolidation initiatives within the Indian aviation industry to combat unhealthy competition
- To analyse the synergies that can be gained through consolidation
- To analyse the challenges that the industry may face in the future.

Industry	Aviation
Reference No.	MAA0164C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Indian Aviation; Consolidation; Mergers & Acquisitions; Competitive strategies; Low cost carriers; Civil Aviation; Airline companies; Indian airlines; Deregulation; Mergers, Acquisitions, Alliances Case Study; Jet Airways; AirDeccan; Kingfisher Airlines; Air Sahara

Blockbuster Acquires Movielink: A Growth Strategy?

Blockbuster Inc. is a leading global provider of in-home movie and game entertainment. The video rental market has had a transition from store-based video rentals to online video rentals. To tackle the changes, Blockbuster implemented various initiatives to regenerate the activities of the company and enhanced the organisational structure so as to improve profitability. In August 2004, Blockbuster introduced an online DVD rental service in the US to compete with the established market leader, Netflix. In a move to further provide customers with even more convenient access to home entertainment, in August 2007, Blockbuster acquired Movielink – one of the leading movie downloading services. Blockbuster acknowledged that the acquisition was a defensive move to keep up with Netflix in the competitive online video rental market. The case allows for discussion on how this acquisition will give a competitive edge to Blockbuster.

Pedagogical Objectives

- To understand the potential market for video rentals

- To analyse the market position of Blockbuster in the video rental market
- To analyse the rationale behind the acquisition of Movielink by Blockbuster
- To analyse whether the acquisition would help Blockbuster to improve its revenues in the market.

Industry	Movie Rental Service
Reference No.	MAA0163C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Blockbuster; Video Rental; Online DVD Rental; Movie Download; Mergers, Acquisitions, Alliances Case Study; Growth Strategy; Movielink; Video Rental Market; Acquisition ; Business Model

BBC – YouTube Pact: A Win-Win Strategy

New trends have appeared in the media industry and it has been inundated with new technologies catering mainly to the young audience. The media and entertainment industry is characterised by the growth of variety of edufotainment (education, information, entertainment) programmes. This led to the synergy of video sharing websites and international broadcasters. BBC, one of the leading, credible international broadcasters, struck a deal on March 2nd 2007 with YouTube, the Google-owned video sharing portal. According to the deal, three channels were created 'BBC Worldwide', 'BBC', and 'BBC News' to showcase short clips of the BBC programmes content on the YouTube site. The deal was expected to benefit both BBC and YouTube. The case provides room for discussion on the impact of the deal and the opportunities and threats faced by video sharing websites.

Pedagogical Objectives

- To understand the changing scenario in the media industry
- To discuss the evolution in edufotainment programmes
- To analyse the challenges and opportunities of the BBC-YouTube deal
- To discuss the scope and future of web 2.0 companies.

Industry	Media
Reference No.	MAA0162C
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

BBC; YouTube; Entertainment and Media Industry; strategy; Convergence; Digitalisation; Win-Win Strategy; Mergers, Acquisitions, Alliances Case Study; Broadcasting; Social Networking

Hewlett-Packard: Culture Change through Acquisitions

Hewlett-Packard (HP) grew to be a leading technology solutions provider in the 1990s. It attributed its growth to the unique culture that the company had fostered – 'The HP Way'. Analysts and employees at HP strongly felt that the firm evolved to be one of the best performing companies in the Silicon Valley due to the management stance that the HP Way reflected. However, with changing rationale of its operating market, marketers and managers began to be skeptical about HP's efficiency to retain its market position. They anticipated that the HP Way might be a misfit to tackle aspects like, increasing competition in Silicon Valley and the expected downturn in the software industry during the late 1990s. Managers at HP felt that there is a need to alter the HP's engineer focused R&D strategy. This led to a different growth approach through mergers and acquisitions. The approach gradually led to a culture change within HP. Its inherent culture was slowly but surely getting infused into the culture of the acquired companies. HP embraced the dominant features of the acquired companies. But HP's existing employees and ex-employees resented the culture change. Employees did not want the HP Way to change as it was considered religious by them. However it remains to be seen if HP will convince its employees about the benefits of the new culture. On the other hand, time will tell, if the HP's strategy to learn through acquisitions and mergers will succeed in the long-term.

Pedagogical Objectives

The case study provides insights to understand and analyse:

- The significance of organisational culture
- Impact of organisational culture on the performance of a company
- Effect of mergers and acquisitions on the organisational culture of a firm
- Whether mergers and acquisitions will work for HP in long run.

Industry	Software
Reference No.	MAA0161B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

HP; Hewlett Packard; Organisation Culture; Silicon Valley; Mergers,Acquisitions,Alliances Case Study; Co-founders; Acquisitions; Mergers; innovation via absorption; HP Way; Tabblo; Voodoo; HP-Compaq merger; Compaq; Employee Satisfaction; Management By Objectives

Microsoft in China: The Partnering Success

Chinese people are more price sensitive and using illegal software on a large scale. The country had huge plants that churned out some 54 million illegal software packages each year. This treacherous environment was an obstacle for Microsoft's success. After stumbling for years in its earlier approaches to the Chinese market, Microsoft hired Tim Chen as head of Microsoft's Chinese business for the revival. Chen initiated several efforts like building good relation with Government, partnership with local companies, slashing the price of its Operating System (OS), educating and training people. However industry analysts doubted Microsoft's success in China. This case study explores strategies used to overcome the challenges faced by an MNC in China.

Pedagogical Objectives

- The importance of developing economies to MNCs
- The challenges in bureaucratic developing economies
- Analyse strategies adopted by Microsoft in China.

Industry	Software
Reference No.	MAA0160B
Year of Pub.	2008
Teaching Note	Available
Struc.Assign.	Available

Keywords

Illegal software; Tim Chen; Linux; China; 54 million illegal software; Joint venture; Training; open source code; price; Mergers, Acquisitions, Alliances Case Study; counter strategy; R&D; Vista; Lenovo; shareholders; turnaround

China Eastern Airlines: Shanghai's Last Samurai?

With a backdrop of regulatory economic conditions in China, the case study presents the restructuring initiatives of its civil aviation industry in different phases. Growing liberalisation and deregulation in the global airline industry, coupled with China's entry into WTO opened the gates to foreign competition. Entry of foreign carriers intensified competition in the industry and domestic carriers began to lose

their market share to foreign rivals. Infrastructural and industrial constraints added to the existing woes and restricted the growth and profitability of the domestic carriers. One such carrier rattled by the highly protected and regulated conditions was China Eastern Airlines (CEA). Saddled with debt and restructuring problems, CEA was bleeding cash and was looking for private investment, which would not only provide financial assistance but also improve operational efficiencies. Two important contenders competing for a significant stake in CEA were – Singapore Airlines (SIA) – Temasek and Air China-Cathay Pacific. While SIA would benefit from the booming aviation market in China, SIA's proven success may help CEA's revival. However, Air China tries to trump the deal. Given this scenario, should CEA invite foreign investment to improve its efficiencies or should it restructure its capital and operational base by merging with the domestic Air China?

Pedagogical Objectives

- To discuss the developments in China's civil aviation industry and their implications on domestic and foreign carriers
- To assess the competitive dynamics of China's civil aviation industry, amid increasing liberalisation
- To evaluate CEA's business model and the possible factors that contributed to its failure to sustain growth
- To analyse the critical aspects – like cost controls, profitability and growth – of companies operating in a protected and restricted economy
- To assess CEA's growth options amid intense competition from domestic and foreign rivals.Players and structure of the US subprime mortgage industry
- Benefits and issues surrounding the subprime mortgage market.

Industry	Civil Aviation
Reference No.	MAA0159
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Air China; China Southern Airlines; Dragonair; Cathay Pacific; Singapore Airlines; Civil Aviation Administration of China (CAAC); Load Factor and Capacity Utilisation; Code-sharing Agreements; Mergers, Acquisitions, Alliances Case Study; Foreign Strategic Investment; Competition in Chinese Aviation Industry; Financial Crunch, Industrial Constraints; Aircraft Manufacturing; Airline Inefficiencies; Beijing; Shanghai and Guangzhou

Boeing vs Northrop Grumman-Airbus Bid for USAF: Is it a Battle over Refuelling Tankers?

In March 2007, Boeing and an alliance of US' Northrop Grumman and Europe's Airbus bid to secure a $40 billion contract to replace United States Air Forces' (USAF) air refuelling tankers. The bid raised various concerns which included sentiments like US taxpayer's money flowing to Airbus, arming it to compete more aggressively with Boeing in the US and other commercial airplane markets. American political supporters of Airbus, mostly from the state of Alabama, where Airbus had promised to build two aircraft manufacturing plants, said that the Airbus' tanker aircrafts should be encouraged since an international competitor would bring more value to the bid. Anticipating that Airbus would bring more jobs and expertise to the state, the state extended incentive support to Airbus

Observers felt that the fight for the total bid between Boeing and Airbus is much more complex than supplying the refuelling tankers.

Pedagogical Objectives

- To analyse Boeing as a national pride of US
- To analyse the role of governments in defense bidding
- To analyse issues like national sentiments on foreign participation in defense deals.

Industry	Aviation Industry
Reference No.	MAA0158C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Refuelling Tanker Bid for US Air Force; Boeing KC 767; Airbus KC 30 MRTT; Northrop Grumman; EADS North America; Mergers, Acquisitions, Alliances Case Study; KC 135 Stratotanker; Druyun Scandal on Tanker Procurement; Boom and Receptacle Fuelling; Hose and Drogue Fuelling; Launch Aid; USAF's Request for Proposals; Load and Fuel carrying capability of Tankers; Incentive Funds; Lobbying in US Defense Contracts; Airbus' Plants in Alabama

Why Daimler Sold Chrysler?

Daimler Benz AG, one of the leading German automobile manufacturers and Chrysler Corporation of US joined hands in a transnational merger in 1998 for $36 billion. Daimler Benz, expected to gain access to North American markets through this deal while Chrysler hoped that it can come out of its losses and pursue global expansion. But, the relationship between the two went sour due to differences in managerial decision-making and organisational culture. Apart from difficulties in achieving synergies, Chrysler suffered further loss in 2000. Chrysler again incurred losses in 2003 and in 2006. In the wake of losing market share and stock prices, Daimler started looking for a strategic partner or a probable buyer to turnaround Chrysler units in America.

Pedagogical Objectives

- To analyse Merger dynamics
- To analyse Factors influencing successful mergers
- To discuss Global trends in automobile industry (US in particular).

Industry	Automobile Industry
Reference No.	MAA0157C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Daimler Chrysler Merger; US Automobile Industry; Transplant Operations; Toyota; Big 3; Mercedes Benz; Management Culture; Cerberus Capital; Mergers, Acquisitions, Alliances Case Study; Crossover vehicles; SUVs; Dieter Zetsche; Juergen Scrempp; Toyota Prius; John Snow; United Automobile Workers

Renault-Nissan-Mahindra: The Strategic Partnership for Growth

In the late 1990's, the global automakers were motivated by the synergies acquired through alliances to form partnerships across the world. India became renowned for its low-cost, qualified, skilled workforce and overall infrastructure facilities. Many multinational auto giants like Fiat, Honda, Suzuki, Renault, etc formed alliances with Indian companies. On February 26th 2007, the first three-way alliance in the automobile industry was formed by France's Renault, Japan's Nissan and Mahindra and Mahindra of India. The purpose of the alliance was to facilitate the establishment of a $902 million greenfield automobile plant in Chennai, India. The uniqueness of this alliance is that it will set up the manufacturing facility at a single location to manufacture utility vehicles and cars for all the three partners under their respective brand names. It would be India's biggest vehicle manufacturing facility.

This case facilitates discussion on the opportunities and challenges that the unique three-way alliance will face in the emerging auto market of India.

Pedagogical Objectives

- To understand the dynamics of the Indian automobile industry
- To discuss the uniqueness of the Renault-Nissan-Mahindra alliance
- To analyse the opportunities and challenges of the three-way alliance in the emerging auto market of India.

Industry	Indian Automobile Industry
Reference No.	MAA0156C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Three-way Auto Alliance; International Consortium; Renault-Nissan-M&M; Synergies of Auto Alliances; Indian Automobile Industry; Global auto alliances; India's biggest vehicle manufacturing centre; Mahindra Renault; Mergers, Acquisitions, Alliances Case Study; Passenger cars/ Tractors; Strategic Alliance/ Joint Venture; The Strategic Alliance: Opportunities; The Strategic Alliance; Global automakers; Greenfield automobile Plant; Auto Alliances in India

Consolidation in Global Steel Industry: What Lies Ahead

Since the mid-1990s, the global steel industry had exhibited a brisk and impressive pace of restructuring and consolidation. A spate of mergers and acquisitions had characterised the steel sector. It was estimated that by the end of 2006, the top ten steel producers represented about 28% of the global production. The share was expected to rise up to 35% in 2010, implying only three-four players producing more than 80 million tons, and five-six players producing between 40-50 million tons. The key drivers behind the consolidation of steel industry included reduced overcapacity, cost control, better negotiation, and better management of the balance between demand and supply as the larger the producers were, the more they were able to adapt production fluctuations in demand. It was further believed that the global consolidation would continue to be a factor shaping the steel industry resulting in greater discipline in it. However, some analysts were skeptical about the overall implications of the consolidation on the steel industry. Many concerns were raised about the consolidation wave such as "Is bigger necessarily better?"

The case discusses the consolidation in the global steel industry, major trends of consolidation and the key drivers behind it. The case also highlights issues such as, is bigger necessarily better? What are the likely future trends in the steel industry?

Pedagogical Objectives

- An outlook of global steel industry
- Mergers and acquisitions in the global steel industry
- The factors behind consolidation.

Industry	Steel
Reference No.	MAA0155K
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Consolidation; Steel Industry development; steel Production; Total Shareholder Return; Value Chain; Arcelor-Mittal; Baosteel; Mergers, Acquisitions, Alliances Case Study; Fragmentation; Cyclicality; Investment Trap; Global Steel Industry; Regional Champions; Niche Specialists; Global Player; Steel Cycle

Will the Merger Between MyTravel and Thomas Cook Payoff?

On February 12th 2007, Thomas Cook AG, a tourism subsidiary of German retailer KarstadtQuelle announced a merger with MyTravel Group plc. The merger was in response to a decline in the European vacation travel business growth. The merger intended to arrest the decline and gain over the top company in the business, Touristik Union International (TUI). But, TUI in reply announced a merger with First Choice Holidays of UK, to defend its position as the leading European travel firm.

Pedagogical Objectives

- The strategic rationale behind merger and acquisitions
- The competitive landscape of the European Tour Operating Industry
- Thomas Cook's market capturing strategies
- Whether the merger will pay-off for Thomas Cook.

Industry	Tour Operating Industry
Reference No.	MAA0154B
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Thomas Cook AG; MyTravel; TUI; First Choice; Mergers,Acquisitions,Alliances Case Study; European Tour Operating Industry; Merger; KarstadtQuelle; Tourism; Travel Business; Regional Diversification; Aircrafts; Germany; UK; Europe; Debt-for-equity

P&G and Gillette's Merger: Oral Care Products (Brands) Integration Challenges

Acquiring Gillette for $57 billion helped P&G become world's biggest consumer goods company. However, this milled P&G into problems. Prominent among them was integrating the oral care divisions of both companies – particularly its Crest toothpaste brand with Gillette's Oral-B toothbrush brand. To complete the transition successfully, and also resolve all brand integration problems, P&G appointed Gilette's oral care president Bruce Cleverly as integration manager. This case study helps discuss integration problems and possible solutions; most helpful in a Mergers and Acquisitions course, to understand the post-merger integration challenges.

Pedagogical Objectives

- The case is structured to help students understand:
- Critical success factors in a successful merger
- Integration challenges in mergers
- Brand integration challenges
- Successful merger story of P&G and Gillette.

Industry	FMCG
Reference No.	MAA0153
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Personal care products; Mergers and acquisitions; Integration challenges; Brand Integration; Branding; Branding challenges; Procter and Gamble; Mergers, Acquisitions, Alliances Case Study; Gillette; Brand building in consumer goods; Oral care market in the US; Starbucks in Ireland

DaimlerChrysler: Time for a Spin-off?

The case study is about the US based operations of the auto company DaimlerChrysler.

DaimlerChrysler group is one of the largest vehicle manufacturers in the world. It is a leading supplier of passenger cars, sport-utility vehicles (SUVs), minivans and pick-ups and commercial vehicles. The company came into existence with the merger of Germany based Daimler-Benz and the US based Chrysler Corporation (in 1998) was finding it difficult to integrate German and American cultures and to leverage each other's strengths fully and go-to-market as a cohesive unit.

In 2006, the Chrysler Group division of DaimlerChrysler was facing a difficult market environment in the United States with excess inventory, non-competitive costs for employees and retirees, continuing high fuel prices and a stronger shift in demand toward smaller vehicles. It recorded a loss of $1.4 billion for the third quarter of 2006.

The case discusses reasons behind DaimlerChrysler's problems in the US and the turnaround initiatives launched by its parent company in 2006.

Pedagogical Objectives

- The case focuses on the DaimlerChrysler Company, a merged entity of Germany based Daimler-Benz and the US based Chrysler Corporation
- It evaluates the difficulties faced by the parent company in integrating the two companies
- The case also evaluates the strategies and the new business models adopted by company.

Industry	Automobile
Reference No.	MAA0152P
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Auto cos.Daimler and Chrysler's mergerin 1998; synergies in the merger; problems faced by the company after merger; US auti industry; US big three:GM Ford Daimler Chrysler; japanese competiton in US; recession in US economy and auto industry; turnaround initiative by chairman Dieter Zetsche; reduction in inventorie; chrysler group optimization programme; new environmentally friendly vehicle launches by the company

Vivendi's Acquisition of Bertelsmann's BMG

On September 7, 2006, Universal Music Group of Vivendi, a French conglomerate, won the deal to acquire German media company Bertelsmann AG's BMG Music Publishing Group for $2.09 billion, beating the other majors such as Warner Music Group Corporation, Viacom Inc. and EMI Group PLC. Vivendi SA's Universal Music Group was already the biggest recorded music company and the fourth largest music publishing company in the world. The acquisition is expected to make the Universal Music group the largest music publisher by catalogue size. Analysts have predicted that the share of Universal Music Group in the music publishing market would rise from 12% to 20% with the BMG Publishing purchase. The case, while exploring the operation structure and revenue streams of the music industry, analyses the expected synergy between the two companies and its possible challenges.

Pedagogical Objectives

- To understand the US music industry
- To understand the business models of BMG Music Publishing Group and Vivendi, the world's largest music recording company
- To analyse the factors propelling the acquisition of BMG by Vivendi
- To discuss and debate the future prospects and challenges of the deal.

Industry	Music
Reference No.	MAA0151K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Music industry; Big four music companies (Warner Music Group (WMG), EMI, Sony Music, Bertelsmann Music Group (BMG); Warner/Chappel Music; Sony-BMG merger; AOL-Time Warner; Vivendi Universal; Performing right societies; Music publishing; Record companies

Univision: Making the Right Choice?

On September 27, 2006, the United Nation's largest Spanish-language broadcaster, Univision Communications Inc. announced a buyout offer by a consortium of investors including Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group, Thomas H. Lee Partners and media mogul Haim Saban. The deal was priced at $36.25 a share in cash or a total of approximately $13.7b including the assumption of $1.4b in debt. The deal was expected to close in the spring of 2007, subject to regulatory approvals and customary closing conditions. Televisa, the world's largest Spanish-language broadcaster had also shown its interest in Univision and had placed an offer of $35.75 per share. The Televisa group was backed by Venezuelan media investor Gustavos Cisneros, Bain Capital, Blackstone Group, Carlyle Group, Cascade Investment and Kohlberg Kravis Roberts. Analysts were expecting Televisa as the winner because Televisa was providing Univision's top programming through a licensing agreement, which generated about 40% of Univision's revenue. The agreement was expected to go through 2017. Moreover, Televisa had a 12.5% stake in Univision. But the deal turned towards the consortium led by private equity firms and media mogul Haim Saban. The case would explore whether Univision took the decision of a buyout only to raise the value of its share as analysts pointed out, in particular and the increasing trend of merger and acquisition in the media industry in general.

Pedagogical Objectives

- The Spanish broadcasting industry in America
- To understand the business model and operation of Univision, the largest Spanish-language media company in the United States
- To understand the business model and operation of the private equity companies, the Saban Capital, Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group, Thomas H. Lee Partners
- To debate and analyse the potential synergies and challenges arising out of the deal.

Industry	Media
Reference No.	MAA0150K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Univision Communications Inc; Televisa; Madison Dearborn Partners; Providence Equity Partners; Texas Pacific Group; Thomas H Lee Partners; Haim Saban; Private equity; Bain Capital; KKR (Kohlberg Kravis Roberts); Spanish broadcasting in America; NBC; ABC; CBS; Leveraged buyout

The Rise of Private Equity Firms: The Case of Clear Channel Communications Inc.

On November 16, 2006, Clear Channel Communications Inc., the biggest US radio station owner agreed to be acquired for $18.7 billion by an investor group led by Thomas H. Lee Partners LP and Bain Capital Partners LLC. The media giant planned to sell 448 of its radio stations, all located outside the top 100 markets as well as its 42-station television group, located in smaller markets. Collectively, the properties made up less than 10% of the company's revenues in 2005. Clear Channel owned and operated 1150 radio stations and also retained a majority stake in Clear Channel Outdoor, the worldwide outdoor advertising specialists. Under the terms of the deal Thomas H. Lee Partners LP and Bain Capital Partners LLC would assume $8 billion of Clear Channel Communication's debt, taking the overall takeover price to $26.7 billion. The investment group had competition from

another consortium made up of Providence Equity Partners, Blackstone Group and Kohlberg Kravis Roberts (KKR). According to some analysts, the tremendous long-term growth opportunities of Clear Channel Communications in both the radio and outdoor business would create value for the private equity groups. The case will present the buyout history and the synergies arising from the acquisition for both the groups. The case further deals with the emergence of private equity firms as the 'maverick investors' and the recent flush of mergers and acquisitions by them.

Pedagogical Objectives

- To understand the US radio industry
- To understand the business model of Clear Channel Communications Inc., the largest radio station company in United States
- To understand the rise and dominance of the private equity companies globally
- To discuss and analyse the potential synergies and challenges arising out of the deal.

Industry	Diversified Investment
Reference No.	MAA0149K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Clear Channel Communications Inc; Private equity; Bain Capital Partners LP; Thomas H Lee Partners LP; HCA (Hospital Corporation of America); Sungard Data System; US radio industry; Podcast; Digital broadcasting; High definition; Snapple Beverage Group; Mezzanine capital; Leveraged buyout; Telecommunications Act 1996; CBS Outdoor

The Battle for Univision

Televisa, the Spanish-language media giant and Mexico's biggest media company had made a bid for $13 billion or $36.25 a share for Univision Communication, the third largest Spanish language broadcaster. The Televisa group was backed by Venezuelan media investor Gustavos Cisneros, Bain Capital, Blackstone Group, Carlyle Group, Cascade Investment and Kohlberg Kravis Roberts. The other bidding group consisting Madison Dearborn Partners Inc., Providence equity Partners, Texas Pacific group, Thomas H. Lee Partners and billionaire Haim Saban's Saban Capital Group had placed their bid of $12.3 billion or $35.5 a share. The deals were facing hurdles for price and governance issues as Univision was expecting bids worth more than $40 a share. Analysts had perceived some big potential regulatory hurdles for the bidders in dealing with the Federal Communications Commissions foreign ownership and overlapping asset restrictions. Analysts were divided in their opinion whether Univision would accept the offer or try to push the bids higher or decide against selling the company entirely.

The case deals with the strategic reasons why different companies prefer to acquire Univision, the deal offer by various companies and bidding and counter bidding process to acquire Univision. This case also highlights the various synergies and problems associated with the Univision acquisition.

Pedagogical Objectives

- The Spanish broadcasting industry in America
- To understand the business model and operation of Univision, the largest Spanish-language media company in the United States
- To understand the business model and operation of the private equity companies, the Saban Capital, Madison Dearborn Partners, Providence Equity Partners, Texas Pacific Group, Thomas H. Lee Partners
- To understand the business model and operation of the other bidding group, the Televisa
- To discuss which one among the two biding groups would fit well with the Spanish media company Univision
- To analyse the future prospects and perils arising out of the deal.

Industry	Media
Reference No.	MAA0148K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Televisa; Univision; Bain Capital; Kohlberg Kravis Roberts & Co; Cascade investments; Carlyle Group; Blackstone Group; TV Azteca; American Broadcasting Company (ABC); CATV (Community Antenna Television); Time Warner; News Corporation; Hispanic market; Madison Dearborn Partners Inc; Saban Capital

MERC and CBOT Merger: Building One Roof Trading

On October 17, 2006, the two largest American futures exchanges, Chicago Mercantile Exchange (CME) and Chicago Board of Trade (CBOT) had announced a consolidation where CME would buy CBOT for about $8b in stocks and cash. The combined company would be called CME Group Inc. The combined company was valued at $25b and was expected to have average daily volume of 9m contracts, resulting in the world's largest derivatives market by volume. According to analysts, the deal would result into greater scale, further diversification of the product set and potentially conservative cost saving assumptions. However, there are certain challenges for both the exchanges including the large volume or 'laws of large numbers' and a CME shift to focus on execution rather than growth. This case explores how the move taken by the two future exchanges is going to help them to grab the opportunities in global market, strategic benefits they are likely to get out of it and the problems perceived by the analysts.

Pedagogical Objectives

- To understand the world derivatives market
- To understand the business models of the two largest American future exchanges, Chicago Mercantile Exchange (CME) and Chicago Board of Trade (CBOT)
- To analyse the prospective synergies from the merger of the CME and CBOT
- To debate the future challenges that the two exchanges would face as a result of the merger.

Industry	Derivatives
Reference No.	MAA0147K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Chicago Mercantile Exchange (CME); Chicago Board of Trade (CBOT); Derivatives; Over-the-counter market; Open outcry; Boot strap; Futures; Options; New York Stock Exchange; Euronet NV; Demutualisation; CME Globex; Life Connect; Application programming interface (API); NASDAQ (National Association of Securities Dealers Automated Quotation system)

KKR's Bid for Vivendi: The Challenges Ahead

On November 5, 2006, Kohlberg Kravis Roberts (KKR), the New York based private equity firm offered $50.8 billion to take over the French music and telecommunications group Vivendi in a deal that would have been the world's biggest buyout. The deal demonstrates the growing prowess of private equity on the global

stage. KKR had been in discussions with JP Morgan Chase and Citigroup about financing the transaction. Back in October 2006, Vivendi paid $1.6 billion for Bertelsmann's music publishing business, making it the industry's largest recording company and music publisher. KKR primarily focuses on late stage leveraged buyouts. According to analysts, Vivendi is trying to reap the benefits of cross-promoting its content among various platforms. Analysts were divided in their opinion regarding the deal. French regulations prevent foreign concerns from owning majority stakes in broadcasters. Moreover some analysts raised doubts over the justification of the marriage between music and private equity. This case explores the prospective synergies of this deal in particular and the scale of power, buyout firms now hold in the global merger and acquisition market in general

Pedagogical Objectives

- To understand the US music industry
- To understand the increasing dominance of the private equity firms as global acquirers
- To understand the business model of the private equity firms
- To understand the business model of Vivendi, the largest recording company and music publisher in the world
- To debate the potential synergies and challenges of the acquisition of Vivendi by the private equity firm Kohlberg Kravis Roberts & Co (KKR).

Industry	Diversified Investment
Reference No.	MAA0146K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Kohlberg Kravis Roberts & Company (KKR); Vivendi; HCA (Hospital Corporation of America); Private equity; Music industry; MER Capital; BMG (Bertelsmann Music Group); Performing right societies; Mechanical right societies; Recording industry; Warburg Pincus; Leveraged buyouts; RJRN Nabisco; Junk bonds; Bear Stearns

Casinos Blue Ocean for Private Equity-after Change

On October 3, 2006, Las Vegas based Harrah's Entertainment Inc. (HET), the world's biggest casino operator, announced it was considering a $15.05 billion or $81 per share buyout offer from private equity firms Apollo Management and Texas Pacific Group (TPG). Combined with HET's long-term debt of nearly $10.7 billion as of June 30, 2006, the buyout proposal carried a value of $25.75 billion making it the fifth largest leveraged buyout ever. The proposed deal signaled new interest in the gambling sector for private equity groups. Until the 1990s, casino companies were not able to attract private equity or other firms for a buyout because of regulatory requirements. But from the acquisition of Harvey's Casino Resorts by Colony Capital in 1998, private equity players had shown their increasing interest in the casino industry.

The case will cover whether the casino giant would prove to be an intelligent choice for the private equity firms. Subsequently, the case would cover some more issues such as (a) Prospective synergies and risks for both the acquirer and the target company, and (b) Increasing appeal of gaming companies.

A casino was a facility that accommodates certain types of gambling activities. Casinos were often placed near or combined with hotels, restaurants, retail shopping, cruise ships and other vacation attractions.

Colony Capital was a private international real estate investment firm in Los Angeles, California.

Pedagogical Objectives

- To understand the US casino industry
- To discuss why the private equity firms are increasingly making the gaming companies their takeover target
- To understand the business model of the private equity firms
- To understand the business model of Harrah's Entertainment Inc. (HET), the world's biggest casino operator
- To analyse the prospects and perils of the acquisition of the HET by the private equity firms.

Industry	Gaming
Reference No.	MAA0145K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Gaming companies; HET (Harrah's Entertainment Incorporated); Texas Pacific Group (TPG); UBS Securities; Caesars Palace; Apollo Management; Casino industry; Private equity; Gross annual revenue (GAR); Las Vegas Strip; Leverage buyout; Hurricane Katrina; Hurricane Rita; Warburg Pincus; Burger King

NYSE–Euronext Merger: A Cross-border Merger of Equals

In June 2006, NYSE decided to merge with Euronext NV, a cross-border stock exchange organisation in Europe and create the largest exchange in the world with a market capitalisation of $21 billion and an average daily turnover of $100 billion. The transatlantic merger was set to create the world's most liquid and global financial marketplace and intended to offer unmatched benefits for investors and issuers across the globe. The strategic partnership also aimed to bring together two industry leaders on a common platform and establish market leadership position in diverse businesses like cash equities, derivatives and futures, listings, bond and market data.

The case, while providing a broad overview of the two stock exchange companies, offers scope to discuss the synergies of the merger and the probable pay offs.

Pedagogical Objectives

- To analyse the rationale behind the merger of two leading stock exchanges
- To discuss the expected synergies of the merger
- To debate whether the deal would be mutually beneficial for both the parties.

Industry	Stock Exchange
Reference No.	MAA0144K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; NYSE (New York Stock Exchange); Euronext; Cross-border merger; Regulation national market system; The Arcaedge; John Thain; Revenue synergies; Sarbanes-Oxley Act; Electronic communication network; Stock exchange; Horizontal market model; Derivatives trading; Federal cash market system; NASDAQ (National Association of Securities Dealers Automated Quotation)

Google's Bid for YouTube: The Next Step for Internet Revolution?

In late 2006, Google, a leading online search company, decided to acquire YouTube, a video-sharing website portal, for $1.65 billion and establish itself as a leading player in the online video market. The acquisition aimed to combine Google's technical know-how with one of the fastest growing online video communities and create new models for advertising in the Internet. With online advertising market

forecasted to grow to $26.4 billion by 2010 from $17.4 billion by the first half of 2006, the deal marked a strategic move by the companies to create targeted marketing vehicles for advertisers.

The case offers scope to discuss the emerging avenues in the Internet in the backdrop of the deal and the probable pay-offs.

Pedagogical Objectives

- To discuss about the online advertising
- To analyse the deal with its implication
- To debate on the acquisition and the probable pay-offs.

Industry	Internet
Reference No.	MAA0143K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Google; YouTube; Acquisition; Social networking website; On-line video; Adwords; Adsense; Participatory video advertisements (PVA); Brand channels; On-line advertising; Millennial generation; Copyrighted content; MySpace; Cost-per-click (CPC)

Global Consolidation of Stock Exchanges: The Potential Synergies

During the late 1990s, demutualisation took place in most of the global stock exchanges and the erstwhile mutual ownership structure was changed to publicly-owned shareholding ownership. At the same time, with rapid advancements in technology, automated trading gradually took the centre stage and various mergers and acquisitions took place to improve business efficiency for efficient clearing and trading settlements and reduce operating costs. The consolidation in stock exchanges created an integrated financial market, with worldwide operating facilities and removed the barriers of time and space.

The case, while providing an overview of the global consolidation in stock exchanges, discusses the potential benefits and barriers to the consolidation.

Pedagogical Objectives

- To understand the business dynamics of stock exchange
- To discuss the importance of consolidation of stock exchanges.

Industry	Stock Exchange
Reference No.	MAA0142K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Stock exchange consolidation; Electronic communication network; Algorithmic trading; Order routing; Demutualisation; Share trading; Integrated financial market; Liquidity; Sarbanes-Oxley Act; Clearing system; Settlement system; NYSE (New York Stock Exchange); Euronext; Economies of scale

Alcatel's Acquisition of Nortel: The Strategic Fit

In order to strengthen its presence in the global market and expand its leadership in broadband access, Alcatel, one of the leading global suppliers of high-tech equipment for telecommunications networks, decided to acquire the UMTS radio access business of Nortel Networks Corporation (Nortel) for $320 million in September 2006. With the sale of the UMTS business, Nortel also aimed to simplify its business and focus on other key businesses where it anticipated higher return on investments.

The case offers scope to discuss the synergies of the merger and the probable pay offs.

Pedagogical Objectives

- To understand the telecommunication market
- To analyse the rising importance of Broadband access
- To discuss the core competence of Alcatel and Nortel
- To analyse the probable synergies between Alcatel and Nortel.

Industry	Telecommunication Equipment
Reference No.	MAA0141K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Alcatel; Nortel; Acquisition; UMTS (Universal Mobile Telecommunications System); GSM (Global System for Mobile Communications); CDMA (Code Division Multiple Access); 3G (Third Generation); VoIP (Voice over Internet Protocol); Broadband; UTRAN (UMTS Terrestrial Radio Access Network); Telecommunications network; Win-win deal; Big initiative; Six Sigma

Novartis: Consolidation in Generics

The case discusses the mega acquisition of two big generic pharmaceutical companies, Hexal AG of Germany and Eon Labs of the United States (US), by the world's second largest generic pharmaceutical company – Swiss based Novartis (Sandoz, the generic business division of Novartis). The acquisitions created the largest generic pharmaceutical company in the world, in terms of revenue. The case provides a detailed note on the global generic pharmaceutical industry, with a focus on its recent trends. After giving a brief note on Sandoz and the two acquired companies, the case discusses the rationale behind the acquisition and the benefits, which Novartis expected from it. It also explains the acquisition deal in detail and finally, discusses the possible challenges, which Novartis could face in the near future.

Pedagogical Objectives

- To discuss the global Pharma industry
- To understand the reasons for growth of Generics
- To discuss about the acquisitions and the expected synergies
- To debate on the challenges that Novartis could face in the generic business.

Industry	Pharmaceutical
Reference No.	MAA0140K
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Novartis; Sandoz; Hexal AG; Eon Labs; Pharmaceutical (pharma) industry; Generic drugs; Patented drugs; Acquisition; Intellectual property rights; Blockbuster drug; Big pharma; Cost competitiveness; Extended product portfolio; Vertical integration; Daniel Vasella

Genzyme's Acquisition Proposal for AnorMED, Inc.

US based biotechnology company Genzyme made an offer to acquire AnorMED, a Canadian chemistry-based research organization with an offer price of $7.75 per AnorMED's share, a 14% premium over the closing price. The acquisition of AnorMED would provide Genzyme the access to 'Mozobil', a rapid stem cell mobilizer. Moreover, the former also had a strong pipeline of drugs in anti-retroviral and oncology therapeutic segments. The phase III clinical study of Mozobil was successful and the product was expected to

be a blockbuster in the area of stem cell transplant. Genzyme wanted to commercialize Mozobil, based on its global infrastructure and sales network. In that respect, the company started discussions with AnorMED regarding Mozobil in October 2005. Genzyme could have got access to Mozobil either through in licensing, or by acquiring AnorMED. But, AnorMED did not agree to the in licensing proposal as the company was looking for licensing opportunities only in Japan and decided to launch Mozobil in the North America and Europe independently by developing its own marketing and distribution network. Genzyme was left with the option to acquire AnorMED, to strengthen its existing transplant product portfolio. This case deals with the proposed acquisition of AnorMED by Genzyme. It provides a brief overview about the two companies and highlights the reasons for acquisition. This is followed by a brief overview of the transplant market and the importance of mozobil for Genzyme. The case also deals with the expected synergies and possible challenges that will result in the process of the acquisition.

Pedagogical Objectives

- To have a brief idea about the stem cell transplant
- To understand how can stem cell transplant change our way of living
- To analyze the reasons, why Genzyme is concentrating on the transplant product segment
- To conceptualize 'Hostile Bid' and 'Poison Pill' strategies

Industry	Biotechnology
Reference No.	MAA0139K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Acquisition; Mergers, Acquisitions, Alliances Case Study; Synergy; Genzyme; AnorMED; Biotechnology; Stem cell; Transplant; Mozobil; Clinical trial; Oncology; Anti-retroviral; Leukaemia; Chemotherapy; Orphan drug; Bought out deal

CCB's Acquisition of BOA (Asia): Merger of Two Complementary Banks

On October 20, 2006, China Construction Bank's shareholders approved the Bank's proposal to acquire 100% of Bank of America (Asia) Ltd for $1.24 billion. CCB's purchase price (1.32 prices to book) was lower than the market average of two times price-to-book ratio. The low price showed Bank of America's eagerness to enter the mainland market by partnering with CCB. The Asia unit of the US banking giant held 8.5% stake in CCB, and the foreign ownership rules would allow it to increase its interest up to a ceiling of 19.9%. The deal had enormous merits for BOA (Asia), considering the fact that the best bank of China had been enhancing its operating efficiencies in recent years, with healthy development in its international presence and rapid growth in its foreign exchange businesses. On the other hand, Hong Kong was an important platform to CCB for its overseas developmental strategies, with an aim to drive its overseas operations. The acquisition would enable CCB to double its Hong Kong market share to 1.4%, boosting its ranking among the city's 24 licensed banks from 18th to ninth, with total assets of HK$96 billion. Going forward, CCB would be looking to acquire other overseas investment banking units, with targets including Hong Kong-based Gold bond Capital and Taiwan's Core Pacific International. However, CCB was not away from controversies and corruption charges. Zhang Enzhao, the Ex-Chairman of the bank, resigned on March 16, 2005, citing "personal reasons". However, a lawsuit in the US alleged that he received a bribe of $1 million from Alltel Information Services, for securing a contract. The NPL ratio still stood high at 4%, compared to the international average range of 0.5 to 2.5%. Moreover, the reduction of NPL was made possible due to huge capital injection by the PRC government in the form of Hujin Investments, which may not happen in future. In such a scenario, the valuation of BOA (Asia) seemed to be at a lower than expected level.

Pedagogical Objectives

- To understand the role of mergers and acquisitions in the growth strategy of banking companies
- To have a brief understanding of the Chinese banking Industry
- To study the impact of banking reform
- To understand the potential synergies of a merger of two complementary banks.

Industry	Banking
Reference No.	MAA0138K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Bank; China; Reform; Acquisition; Non performing loan (NPL); Loan; Deposit; Basel; Capital adequacy; Gross domestic product (GDP); Hong Kong; Book value; Huijin; Net interest; Valuation

Amgen's Acquisition of Abgenix: The Expected Synergies

Amgen, the world's largest biotechnology company, completed the acquisition of Abgenix, Inc., for $22.50 in cash per share of common stock, a 54 percent premium over Abgenix's last closing price. The acquisition of Abgenix provided Amgen with full ownership of one of its most important pipeline products, "Panitumumab". Panitumumab was their most advanced cancer therapeutic and was a natural extension from Amgen's existing oncology supportive care franchise. The acquisition also eliminated a royalty that Amgen would have paid to Abgenix on future sales of Denosumab. Some analysts believed it to be a right move, as of the end of September, Amgen had over $5.5 billion in cash and was generating over $1 billion in free cash flow per quarter, but others were skeptical about the high expected sales figure of panitumumab. This case deals with the acquisition of Abgenix by Amgen. It provides a brief overview about the two companies and highlights Amgen's focus on oncology segment. This is followed by a brief overview of biotechnology sector and the global cancer drug market. The case also deals with the expected synergies and possible challenges that will result from the acquisition.

Pedagogical Objectives

- To understand, why pharmaceutical companies become aggressive over a particular drug
- To understand the different modes of commercializing a new drug developed by a pharmaceutical company
- Evaluation of the possible future strategic options for Merck
- To understand the synergies of a merger of two pharmaceutical companies.

Industry	Biotechnology
Reference No.	MAA0137K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Acquisition; Synergy; Amgen; Abgenix; Biotechnology; Oncology; Cancer; Panitumumab; Metabolic disorder; Inflammation; Licensing; Clinical trial; Pipeline; Xenomouse; Venture capital

Google and Ebay's AD Deal: Will It Work?

The online auction and shopping organization eBay signed up Google to provide Web search advertising outside US. The two companies would start "click to call" advertising across Google and eBay.

The new feature would enable the online buyers to click on an advertisement and talk directly to an advertiser or eBay seller using Google's Talk software or eBay's Skype.This deal may generate revenue for eBay through its Skype. Google could also be benefited by expanding more into local advertising. The case discusses about Google and eBay and its alliance with a brief overview of online advertising.

Pedagogical Objectives

- To discuss the impacts of ad deal between Google and eBay
- To discuss how Google worked as a search engine
- To understand the company background of eBay
- To get an overview of online advertising, globally
- To see whether this alliance leads to a win-win situation for both the companies or not.

Industry	Search Network
Reference No.	MAA0136K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Google; eBay; Advertising; Search engine; Yahoo; On-line auctioneer; Internet advertisement; Microsoft; Google Talk; PayPal; Adwords; Business strategy; Alliance; Dell; Skype

Merck's Acquisition of Serono: Creation of the Largest Biotechnology Company of Europe

Germany based pharmaceutical company Merck KgaA was set to acquire the Switzerland based biotechnology company, Serono SA (Serono) in September 23, 2006 at US$13.3 billion (10.4 billion euros). The acquisition proved to be of strategic advantage to Merck. Until the recent past, Merck was only into the branded and generic pharmaceutical business with very little focus on biotechnology. The acquisition of the world's third largest biotechnology company provided it with an avenue to enter into the segment of biological medicines. With a strong presence in the US, Serono also provided Merck an opportunity to fortify its market position in the country.

The case discusses Merck's inorganic growth strategies by which it tries to enter the new business segment of biological medicines and strengthens its position in the US market. However, the acquisition has its own challenges. Considering the steep decline in total revenue and net margin of Serono between 2001 and 2005, critics were skeptical about the success of such an acquisition. Therefore, the case also raises a debate between the possible synergies and challenges of the acquisition.

Pedagogical Objectives

- To understand the Drug development life cycle of a pharmaceutical company
- To have a brief idea of the recent trends in Biotechnology industry
- To understand the problems associated with the commercialisation of a drug
- To understand the synergies of a merger of two pharmaceutical companies.

Industry	Pharmaceutical
Reference No.	MAA0135K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Merck KgaA; Serono SA; Biotechnology; Inorganic growth; Pharmaceutical company; Multiple sclerosis; Product portfolio; Drug development; Acquisition; Moody's; Biological medicines; Generics; Patented drugs; Recombinant generic engineering

Hospira's Acquisition of Mayne Pharma: Creation of World's Leading Generic Injectable Pharmaceutical Company

In September 2006, the Illinois (US) based specialty pharmaceuticals and medication delivery company, Hospira Inc. announced its decision to acquire the Austalian speciality injectable pharmaceutical drug company, Mayne Pharma for US$2 billion (AU$2.6 billion). While Hospira was the market leader in the US generic injectable drug market, Mayne held a major share of the same market in Australia and Europe. The deal would provide important strategic advantages to Hospira. The acquisition, while on one hand, was expected to increase Hospira's international sales by two fold, on the other hand, it would enable the combined company to reduce the cost by about US$50 million, effective from 2007.

The case deals with the possible product and financial synergies of the acquisition details, Hospira's rationales and the corresponding strategies of capturing the lucrative global generic injectable drug market. However, the success of the deal depended on an important factor, such as the integration of the varied work cultures of the US and Australia. In order to have a better understanding of the business situation, it not only provides a brief outline of the global and the US generic injectable drug market, but also the profile of the two companies.

Pedagogical Objectives

- How product development life cycle of a pharmaceutical company differs from that of a manufacturing industry
- To analyse the prospects of a particular drug in terms of efficiency and penetration
- To analyse the product portfolio and pipeline drugs of a pharmaceutical company
- To understand the synergies of a merger of two pharmaceutical companies.

Industry	Pharmaceutical
Reference No.	MAA0134K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Hospira; Mayne Pharma; Acquisition; Pharmaceuticals; Generic; Generic injectable drug; Drug delivery system; Abbott Laboratories; Global generic market; Product synergy; Cost efficiency; Integration of work culture; Homogenous work force

Wal-Mart's Bid for Trust-Mart: Consolidating Presence in China

Wal-Mart Stores Inc. was bidding $1 billion for a chain of 100 hypermarkets owned by Trust-mart, a Taiwanese retailer operating in China. The deal had the potential to make Wal-Mart ahead of its competitors in China to become the country's biggest food and department store network. Wal-Mart cited the reason of familiarity of Chinese people with the transaction of these hypermarkets, to support the acquisition. With China's economy growing more than 10% a year, the retail market was booming in 2006. Retail sales surged 12.9 percent in 2005 over the year before, to 6.7 trillion Yuan ($847 billion). By 2020, industry forecasts said the market could expand to about $2.4 trillion. In this juncture analysts thought that such a deal would certainly help Wal-Mart to consolidate in China. It also helped the company to being ahead of other companies like, Carrefour SA of France, which earlier had more number of hypermarkets in China.

This case will focus on why world's largest retailer is so keen to make the deal into a reality and how Wal-Mart could get strategic advantages from this deal, what are the problems associated with the deal and how

Wal-Mart plans to over come it.

Pedagogical Objectives

- To discuss about the Chinese retail market
- To discuss about Wal-Mart's bid for Trust Mart
- To analyse the probable synergies between Wal-Mart and Trust Mart.

Industry	Retail
Reference No.	MAA0133K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Wal-Mart; Trust-Mart; China; Retail chain; Hypermarkets; Acquisition; Carrefour; Chinese retail market; Sam's Club; Strategic rationale; Reputation crisis; Food and department store; Deal; Consolidation; State Economic and Trade Commission (SETC)

US Airways Bid for Delta Air Lines: Potential Synergies and Challenges

On 15th November, 2006 US Airways Group made a surprise bid to buy Delta Air Lines for $8 billion. Once Delta Air Lines was a troubled carrier and emerged from bankruptcy. As a part of their business plan US Airways was known for purchasing the ailing airways.

For instance, it purchased American West in 2005; which was near bankruptcy during the time of acquisition. Analysts perceived that the recent acquisition would help US Airways to consolidate its presence in fiercely competitive US aviation market. They also pointed out that its core competence of acquiring ailing airlines and making them airborne again helped the company to consolidate its presence. It was opined that the combined company would be more effective and profitable competitor in the current fragmented US airlines market.

This case deals with the detail analysis of the deal and the expertise of US Airways to make such deal happen, especially in taking the bankrupt companies. It also unfolds the potential synergies and challenges associated with the deal. The case also discusses the detail about US airlines Industries and the importance of the consolidation in gaining the strategic advantages.

Pedagogical Objectives

- To discuss the US aviation market
- To analyse the bid for acquisition
- To discuss the probable synergies of the acquisition.

Industry	Aviation
Reference No.	MAA0132K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers,Acquisitions,Alliances Case Study;US Airways; Delta Airlines; America West; Merger; Acquisition; Synergies; Citibank; Consolidation; Airline market; Strategic advantage; Southwest; JetBlue; Anti-trust; Fare war; LCC (Low Cost Carriers)

"Nike and Apple: A Successful Partnership?"

On May23, 2006 Nike and Apple announced about their new joint venture which could bring the worlds of sports and music together like never before. They were about to launch the innovative Nike+iPod, the product of their partnership. Both the companies announced that their first product would be Nike+iPod Sport Kit, which was a wireless system that would allow the Nike footwear user to communicate with their iPod nano. This would provide the user a unique personal running experience and the user could workout their experience. Mark Parker and Steve jobs the CEOs of Nike and Apple respectively unveiled their new product Nike+iPod at an event in New York (US). The event was attended two of the world's most famous sports persons, seven time Tour de France champion Lance Armstrong and marathon record-holder Paul Radcliffe. They were quite hopeful of their partnership would elevate the music and sports to a new level. Nike footwear was to be connected to iPod nano through the Nike+iPod Sport Kit. Users could get the information on time, about the distance, calories burned and pace. Footwear users could also get to listen to the Nike Sport Music section on the iTunes and management perceived that it would help to maximize the Nike+iPod experience.

Pedagogical Objectives

- To discuss about the strategic alliance between Nike and Apple
- To analyse the marketing mix
- To debate on the success of the new product.

Industry	Sports Apparel
Reference No.	MAA0131K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Nike; Apple; Nike and iPod; Sport kit; Footwear; Steve Jobs; Mark Parker; Receiver; Nike+Experience; Nike Plus; iPod; iTune; Basic workout; iPod Nano; Tour de France

GM Ford Alliance: An Innovative Trend in Global Auto Industry

Analysts viewed that the probable GM-Ford Alliance would be the biggest news to rock the global automobile industry since the invention of the automobile. GM and Ford tie-up was a distinct possibility that reflected in talks occurred between GM CFO Fritz Henderson and Ford CFO Don Leclair. As the report came as GM and Ford had been slashing their work forces and closing plants in efforts to reverse multibillion-dollar losses. Their sales also had been affected by competition from more fuel-efficient models from Asian automakers, like Toyota. This new initiatives became almost inevitable in this juncture, as opined by the management of both the companies. As both the companies were the industry leaders, analysts were skeptical whether this alliance would take place or not. Therefore, the challenges in front of both the companies were to make the alliance happen and thereafter to make the alliance work. This case deals with the challenges of forming such alliance, how Ford and GM strategies to make the alliance, overcome the challenges and can leverage the alliance as a part of their turnaround exercises.

Pedagogical Objectives

- To understand the rationale behind a possible alliance between the two global auto giants
- To get an overview of the global automobile industry
- To discuss how an alliance would help the companies strengthen their positions
- To debate whether such an alliance, if formed, would work.

Industry	Automobile
Reference No.	MAA0130K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; GM (General Motors); Ford; Alliance; Global auto industry; Innovative trend; Detroit; Fordism; Auto manufacturer; Rick Wagoner; Automotive News; Lay-off; Rationale of alliance; Merger; Toyota; Honda

Ferrovial's Acquisition of BAA: High Profile British Assets Changes Hand

BAA Plc, (formerly British Airports Authority) the world's largest commercial operator of airports, agreed a sweetened offer of US $19.3 billion (£10.3billion) takeover bid from Spanish construction giant Ferrovial on Monday, 5th June, 2006. BAA, which had rebuffed Ferrovial's earlier offer of 810 pence (US$15.16) per share, which had a worth of US$16.38 billion (£8.78 billion) four months ago (in February, 2006), then agreed to the revised offer of 950.25 pence (US$17.79) per share. US's investment bank Goldman Sachs Inc. the major rival of the bid however urged BAA shareholder for not taking any hasty decisions as they offered 955.25 pence (US$17.86), which was more than the Ferrovial's offer. BAA's management said that Ferrovial's bid had better strategic rationale, compare to Goldman Sach's. BAA's board opted for Ferrovial because its bid was more advanced in terms of regulatory clearances and also it would allow BAA's shareholder to opt for shares instead of cash. Madrid based Ferrovial which diversified from infrastructure services to offset cyclical construction operations, BAA takeover bid by far was the strongest move for them. This case discusses about the acquisition strategy of Ferrovial and it's impact on British Aviation industry.

Pedagogical Objectives

- To understand the commercial airport operation Industry
- To discuss the rationale of diversification beyond the core business.

Industry	Aviation
Reference No.	MAA0129K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; BAA Plc (formally known as British Airport Authority); Ferrovial; Goldman Sachs; Heathrow; Acquisition; Takeover; Aviation; Construction; Controversy; Strategic initiative; Sweetened offer; Airport Development and Investment Limited (ADI); Madrid; Civial Aviation Authority (CAA); Office of Fair Trading

Standard Chartered: Consolidating its Presence in Taiwan

The London-based Standard Chartered Plc. had announced on September29, 2006 that it would purchase Taiwan-based Hsinchu International Bank for NT$ 40.5 billion ($1.2 billion) which would go down in the history books as Standard Chartered's second biggest acquisition, after it acquired SC First Bank in Korea for $3.3 billion in 2005. The deal would allow Standard Chartered to realize its 10-year hunt to acquire a big target in Taiwan. It was the first application from an international bank to directly acquire 51-100% of a Taiwanese bank. Taiwan was the Asia's fifth-largest economy and the island's $ 700 billion banking industry had also earned the reputation of being the fourth biggest banking market in Asia. Taiwan had been in favour of promoting foreign investments in its banking sector and the deal to acquire Taiwan's seventh-biggest private-sector bank by Standard Chartered was the latest manifestation of that. The deal would allow Standard Chartered not only to augment its earnings but also to achieve a two-digit Return On Investment (ROI) percentage figure by 2007. Analysts perceived that the deal would enable Standard Chartered to have one of the largest branch networks of any overseas bank on the island and make Taiwan its fourth biggest market in terms of income.

Pedagogical Objectives

- To understand the role of mergers and acquisitions in the growth strategy of banking companies
- To analyse the benefits and drawbacks of acquisitions associated with banking companies
- To study the impact of liberalisation on the Taiwanese banking sector
- To understand the potential synergies of an acquisition.

Industry	Banking
Reference No.	MAA0128K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Bank; Taiwan; London; Standard Chartered; Hsinchu; SC First Bank; ROI (return on investment); Assets; Dividend per share; SME (small and medium-sized enterprises); Taiwan's banking industry; Deal; Net profit; Hibank; Asia

Sanpaolo: Consolidating its Presence in the Egyptian Market

Viewed as the country's biggest auction of state assets, the Egyptian Government on October 17, 2006 decided to sell off 80% stake of Bank of Alexandria (BoA) SAE for $1.6 billion at $12.6 per share Following a three-round auction Italian Sanpaolo IMI Bank emerged the winner after it outbid five other contenders comprising of two European lenders and three Arab groups in order to purchase 80% of Egypt's fourth biggest commercial bank, Bank of Alexandria. The sale of BoA represented the first phase of privatization of the fourth largest Egyptian bank, which would be soon followed by the big three state-owned banks in Egypt. The privatisation of BoA was in tune with the policies undertaken by the Egyptian Government to restructure its banking sector to reduce the public sector stake in the banking arena from 75% to 40%. The transaction had been regarded as part of Sanpaolo's development strategy to establish its footprint in the emerging markets such as Hungary, Romania, Slovenia, Egypt and Albania with representative offices likely to be established in Serbia, Mediterranean in Tunisia (BIAT) and Morocco. The deal was considered to be a subset of a privatisation programme undertaken to rejuvenate the country's economic reforms.

Pedagogical Objectives

- To understand the role of mergers and acquisitions in the growth strategy of the banking companies
- To analyse the benefits and drawbacks of mergers and acquisitions associated with banking companies
- To study the impact of the acquisition on the Egyptian banking sector
- To understand the potential synergies of the acquisition
- To learn the impact of reforms in the Egyptian Banking sector
- To understand the pros and cons of the Egyptian Banking sector reforms.

Industry	Banking
Reference No.	MAA0127K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers,Acquisitions,Alliances Case Study;Bank of Alexandria (BOA); Egyptian Bank; Auction; Initial public offering (IPO); Sanpaolo; Italy; American depositary receipt (ADR); Ratings; Egyptian Pound (EGP); Capital; Privatisation; Non-performing loans; Foreign direct investment; Central Bank of Egypt (CBE); Law

Sanpaolo: Consolidating its Presence in Albania

The Turin-based Italian bank, Sanpaolo IMI S.p.A agreed in 2006 to acquire 80% stake of the Tirana-based American Bank of Albania in a deal that would value the Albanian vendor at $156.9 million

(EUR124.91 million). The US-based $30 million (EUR24 million) Albanian American Enterprise Fund (AAEF), which was the sole shareholder of the American bank had already confirmed the preliminary agreement between the banks. The transaction, subject to regulatory approvals, would be officially through after it gets the nod from the supervisory authorities of Italy and Albania. The US Corporation had even agreed to offer the Italian bank the remaining 20% stake of the American Bank of Albania to fulfill the acquisition process in toto. Analysts believed that the deal would enable the Italian bank to reinforce its presence in Albania. Together with Banca Italo Albanese and the American Bank of Albania, the Italian bank would capture a market share of 20.6% in loans and 15.3% in deposits that would make the combined entity the second-largest bank in Albania. With a total distribution network of 24 branches and a multi-specialist bank set-up, the new entity could develop a strong retail network in Albania. The transaction with Sanpaolo would effectively enhance the development of the Albanian economy through providing regional growth opportunities in Kosovo, Macedonia and Montenegro. The capital generated through this high-profile transaction would benefit the Albanian bank in particular to enable it to strengthen its position in the country. Together with Sanpaolo IMI Group, the Albanian lender would be uniquely positioned to share the strengths and financial knowledge in direct financing for major projects as well as in the specific expertise of Bonds issues.

Pedagogical Objectives

- To understand the role of mergers and acquisitions in the growth strategy of Sanpaolo
- To analyse the benefits and drawbacks of mergers and acquisitions associated with banking companies
- To study the impact of the acquisition on the Albanian banking sector
- To understand the potential synergies of the acquisition
- To understand the pros and cons of the Albanian Banking sector reforms.

Industry	Banking
Reference No.	MAA0126K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Turin; Albanian American Enterprise Fund (AAEF); Albania; Banca Italo Albanese; Sanpaolo; Tirana; American Bank of Albania (ABA); Compounded annual growth rate (CAGR); Gross domestic product (GDP); Italian Albanian Bank (IAB); Return on assets (ROA); Return on equity (ROE); Albanian banking market; Italy; Tax

Banca Intesa – Sanpaolo Merger: Set to Create Italy's Largest Bank

On October 12, 2006, Milan based Banca Intesa S.p.A and Turin based Sanpaolo IMI S.p.A agreed to merge to create Italy's largest bank that would surpass UniCredit S.p.A., the dominant local lender in Italy. Banca Intesa S.p.A. (formerly known as IntesaBci) and Sanpaolo IMI S.p.A. were the second and third largest banks in Italy with each having more than 3000 branches in and around Italy. The merged entity would be legally based in Turin in northern Italy with its operating headquarters in Milan. It would have EUR 507.5 billion ($650 billion) in combined assets and a market capitalisation of around EUR 70 billion ($87.85 billion), which would rank the merged entity sixth among the European banks and the largest in Italy. The merged entity would have 13 million customers in Italy which would be twice as large to what UniCredit S.p.A had. In terms of assets, the merged entity would have 540.9 billion euros that would surpass Unicredit S.p.A by a wide margin. The deal was supposed to be the effect of a consolidation wave that had been looming around the fragmented banking sector in Italy. Domestic banks were uniting themselves to match their potential with their foreign partners apart from competing with Italy's dominant local lender, UniCredit S.p.A.

Pedagogical Objectives

- To understand the role of mergers in the growth strategy of the banking companies
- To analyse the benefits and drawbacks of mergers associated with banking companies
- To study the impact of the Banca Intesa-Sanpaolo merger on the Italian banking sector
- To understand the potential synergies of the merger.

Industry	Banking
Reference No.	MAA0125K
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Milan; Turin; Banca Intesa; Sanpaolo; Unicredit; Italy; American depositary receipt (ADR); Entity; Bank; Euros; Assets; Rating; Market; European; Merger

Phelps Dodge's U$40 bn Deal for INCO and Falconbridge: Blockbuster Mining Takeover Deal

On June 2006, US based copper miner Phelps Dodge Corporation announced its plan to acquire Canada's INCO Ltd and Falconbridge Ltd for US$ 40 bn. The deal would be the biggest corporate takeover in the Canadian corporate history. The new entity would be named Phelps Dodge INCO Corporation. Analysts predicted that the new company would be globally the largest nickel producer, world's largest publicly traded copper producer and a leading producer of molybdenum and cobalt. The corporate office and the copper division of the new company would be headquartered in Phoenix (Arizona, US), while the new company's nickel division, INCO Nickel, would be headquartered in Toronto (Canada). However, after the announcement of the mega-merger, both the analysts and global mining industry were skeptical about the success of the deal since the industry had experience of similar big deal that often caused disappointment and crushed small time investors. Analysts opined that it was certainly possible that the merger of INCO Ltd and Falconbridge Ltd. with Phelps Dodge Corporation became a 'marriage made in heaven' but a portfolio strategy study of eleven largest transactions proved an unhappy history of transactions that could be better termed as 'marriage made in hell'. The case deals in detail about the potential synergy and strategic advantage behind the deal, how the companies plan to leverage the deal and how this mega deal could overcome the problems associated with big deals.

Pedagogical Objectives

- To understand the global mining industry
- To discuss about the acquisition
- To analyse the potential synergies of the merger
- To debate on whether the merger would be successful or not.

Industry	Commodity
Reference No.	MAA0124K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Phelps Dodge Corporation; Inco Limited; Falconbridge Limited; Phelps Dodge Inco Corporation; BHP Billiton; Rio Tinto; Anglo American; Companhia Vale do Rio Doce (CVRD); Global mining industry; Sudbury Basin; Metal bulletin; Teck Cominco; Roger Angnelli; Alcan Aluminium Ltd; Noranda Inc

GM-Renault-Nissan: An Alliance to Dominate Global Auto Industry

In 2006, global auto industry came to know about the alliance between the three giants of automobile industry, General Motor, Renault and Nissan. Though General Motor was able to retain its superiority in global automobile industry, the company recorded huge loss. The success of Renault-Nissan alliance inspired General Motor management to make an alliance with it. This alliance will help three companies in cost rationalization and will help in expanding geographical reach. But, since the three companies belong to different country with different management culture, analysts were skeptical about the success of the alliance. The case discusses about the potential synergies in the alliance and the problems associated with it. It also raises the question whether Carlos Ghosn would be able to replicate his successful business model to help General Motor to turnaround.

Pedagogical Objectives

- To discuss the logic behind an alliance between GM and Renault-Nissan
- To analyse if such an alliance would help the companies to strengthen their respective positions
- To gain an insight into the global automobile market
- To debate whether the alliance, if formed, would work.

Industry	Automobile
Reference No.	MAA0123K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; General Motors (GM); Nissan; Renault; Alliance; Global auto industry; US auto industry; Ford Motor Company; Daimler Chrysler AG; Hyundai Motor Corporation; Volkswagen; Honda Motor; Carlos Ghosn; Rick Wagoner; Chevrolet; Suzuki

RUSAL-Sual Merger: Consolidation in the Global Aluminium Industry

A proposed triumvirate between RUSAL, SUAL and GLENCORE had been in the offing that would create a new aluminium giant in Russia.RUSAL (known as Russian Aluminium company), owned by Oleg.V.Deripaska was the largest aluminium producer in Russia and globally the third-largest in terms of aluminium output. SUAL (known as Siberian-Urals Aluminium company), owned by Viktor Vekselberg was the second-largest aluminium producer in Russia and sixth-largest globally in terms of aluminium output.GLENCORE International AG was a Swiss-based commodities trader founded by Marc Rich. In 2005, RUSAL and SUAL individually produced 2.7 and 1.05 million tonnes respectively. With GLENCORE added into the mix, the merged entity would set to become the world's largest aluminium producer with output of 4 million tones per year. The merged entity would surpass the likes of Alcoa Inc. of USA and Alcan Inc. of Canada in terms of global aluminium output and would have 100% monopoly in the Russian aluminium market. Analysts were skeptical whether, the merged entity within a few years, could rise to become one of the main mining companies globally touching the standards set by Australia's BHP Billiton and Britain's Rio Tinto.

Pedagogical Objectives

- To understand the role of mergers and acquisitions in the growth strategy of the aluminium companies
- To analyse the benefits and drawbacks of mergers and acquisitions associated with aluminium companies
- To study the impact of consolidation in the Russian aluminium sector
- To understand the potential synergies of the consolidation in the Russian aluminium sector.

Industry	Commodity
Reference No.	MAA0122K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; RUSAL; SUAL; GLENCORE International AG; Alcan; Alcoa; BHP Billiton; Rio Tinto; Global aluminium industry; Russian aluminium industry; Falconbridge; Xstrata

Lenovo Acquires IBM's PC Division - Will Lenovo Gain?

On December 8, 2004, Lenovo, China's largest and Asia's leading Personal Computer (PC) vendor, announced that it would acquire global giant IBM's PC division. Lenovo was reported to pay IBM, $1.25 billion, to get a foothold in the market of the global leading brand, and thus a gateway to other international markets. Further, the deal made Lenovo the world's third largest producer of PCs after Dell and Hewlett Packard (HP), with around 8% of the global market share. IBM, in turn, acquired 18.9% stake in Lenovo, though it took its operations off its books after the acquisition. The deal was judged as a significant one for IBM as it tried to gain a good reputation in the burgeoning consumer markets of China through selling its PCs there. IBM was expected to sell its servers and services, on which the company wanted to concentrate after the acquisition, in China in the near future.

After the acquisition, during 2005-2006, Lenovo continued its significant profitable growth in the Chinese PC market and reached new heights in the global market. With IBM's 'Think' products and self-brand 'Lenovo 3000 series PCs', Lenovo targeted the Small and Medium-sized Businesses (SMBs), along with IBM's typical large enterprise market. On August 3, 2006, Lenovo reported results for the first fiscal quarter of 2006-2007 which ended on June 30, 2006. It showed in the report that its revenue of $3.5 billion jumped 38% from the same period in 2005. However, analysts claimed it as misleading. They stated that the first quarter figure of 2006 added IBM's three months of revenue, whereas the same period previous year included the global giant's two months of revenue. The fact was, based on IBM and Lenovo's 2003 sales figure, it was clear that 75% of the joint venture's revenue would come from IBM's PC business. Further, it was also known that Lenovo had to rip the IBM-Think brand name after 5 years from the completion of the agreement. Hence, analysts seemed skeptical about Lenovo's success in the international scene in the future. They questioned whether Lenovo would be able to maintain its 'new' revenue figure and hence would gain from the acquisition after 5 years, as the global PC buyers were likely to refuse the IBM products without the ThinkPad tag.

Pedagogical Objectives

- To understand the global PC market
- To understand Lenovo's acquisition strategies
- To understand advantages of acquisition to Lenovo
- To analyse whether the acquisition will payoff.

Industry	PC Industry
Reference No.	MAA0121B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Acquisition; IBM-Brand name; Global PC market; Chinese PC market; Thinkpad; Intellectual Property; Agreement; expansion plan; IBMs Servers and services; IBMs PC Division; entry strategy; joint venture; small and medium based business; integration plan; low price; tough competition

XM and Sirius Merger : Potential vs Pitfalls

The US Satellite Radio industry in 2006 was defined by XM Satellite Radio Holdings Inc. and Sirius Satellite Radio Inc. with subscriber base of about 7 million and 5 million respectively. During the same year, Sirius initiated a merger proposal with XM quoting "significant benefits" out of a combined entity. But, XM turned down the idea of merger stating that both the companies could co-exist in the market as the industry was still in the nascent stage.

The refusal of merger move by XM evoked mixed responses from industry analysts. There were many exchanges of ideas regarding the likelihood of a merger. It was also debated whether the potential merger would benefit both the companies. Industry experts made an attempt to project the post-merger scenario. Analysts were also trying to grasp whether XM was justified in refusing to merge with Sirius.

Pedagogical Objectives

- To study the dynamics of the US satellite radio industry
- To understand the advantages of a potential merger
- To analyse the reasons spelt out by XM Radio for not supporting the idea of a merger
- To comprehend the post-merger scenario and the pros and cons for the industry and the market.

Industry	Entertainment-Satellite Radio
Reference No.	MAA0120B
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Merger; satellite radio; XM; Sirius; FCC; Broadcast; Entertainment; Music; Subscriber; Monopoly; UBS; DirecTV; Wall Street; EchoStar; Dish Network

Seagate's Acquisition of Maxtor: Strengthening Storage leadership?

Seagate Technology planned to maintain and possibly expand its leadership in the disk drive segment by the acquisition of Maxtor Corporation in 2005. The identity of the disk drive business was centered on a squeeze between thin margins and a voracious appetite for R&D dollars. Seagate's additional purchasing potential from Maxtor's customers would bring in a larger revenue flow to support its vision of R & D.The deal worth US$1.9 billion would probably give Seagate a steady revenue stream from enterprise products and more strength to battle in other emerging and promising storage market segments. Maxtor on the other hand was going through a financial crisis since 2004. Seagate seized the opportunity and took over Maxtor. The acquisition to be completed in 6 months by May, 2006 intended to strategically place Seagate to take advantage of Maxtor's presence in segments where it performed better. Will Seagate's acquisition of Maxtor pay off? Will it be able to strengthen its storage leadership with this acquisition? Was it inescapable that Seagate had no other choice than to expand, and that acquiring Maxtor, probably its most closely matched contender, was a matter of competitive necessity? Could this "necessity" translate into an advantage for Seagate?

Pedagogical Objectives

- To understand Seagate's strategy to emerge as global leader in hard disk drive industry
- To understand Seagate's expansion strategy
- To understand the features of the hard disk drive industry
- To understand M&A strategy in the Hard Disk Drive Industry.

Industry	Hard Drive Industry
Reference No.	MAA0119B
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Available

Keywords

Seagate; Mergers, Acquisitions, Alliances Case Study; Maxtor; Bill Watkins; C S Park; Acquisition; Hard drive Industry; Storage Industry; Storage Leadership; Market share; Global presence; Financial crisis

Nestlé's Acquisition of Jenny Craig: Health Conscious Effort?

Nestle, the world's largest chocolate and food manufacturer announced in 2006, its purchase of Jenny Craig, a weight-loss management company based in California, US. The term 'Obesity' and 'Weight-Loss' were literal oxymorons and how could a company like Nestle combine these two in its business? ask analysts. Industry observers were highly cynical about Nestlé's move into weight-loss business, since its traditional business of high-fat and sugary food manufacturing totally contravened with its new venture. This case details the possible assumptions that would have prompted Nestle to enter into this new business stream.

Pedagogical Objectives

- To understand the weight loss industry in US
- To understand the problems of Nestle
- To understand Nestle's turnaround plans.

Industry	Dairy and Food Products Industry
Reference No.	MAA0118B
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Nestle; US Food and Dairy Industry; Weight Loss Industry; Jenny Craig; Product Portfolio; Nestle's Acquisition of Jenny Craig; Fair Trade Movement; Child Slavery in Business; Business Portfolio; Diet/Health Foods; FMCG; Inorganic Growth Strategy; Mergers and Acquisitions

Citigroup's Acquisition of Guangdong Development Bank: A Strategic Move in China?

Citigroup, a leading global financial company with 200 million customers in more than 100 countries had total revenues of $83.6 billion in 2005. Citigroup operated in four major business groups: Global Consumer, Corporate and Investment Banking, Global Wealth Management and Citigroup Alternative Investments.

Citigroup was the first American bank to establish its operation in China in 1902. Gradually, it became one of China's largest and most important banks. But due to Chinese banking regulations, Citigroup was not able to offer many of its services. To strengthen its operations in China, Citigroup acquired 5% stake in Shanghai Pudong Development Bank for $67 million in December 2002, and Citigroup led consortium acquired 85.6% stake in Guangdong Development Bank (GDB) for 24.267 billion Yuan (US $3.06 billion) in November 2006. Citigroup retained the majority stake in the acquisition. GDB, a mid-size national bank with assets of US $47.9 billion and 12 million customers had extensive network of 500 branches throughout China. It also had significant Small and Medium Enterprise cardholders. But, GDB faced weak capitalization and high level of non performing loans. Its capital adequacy ratio was also below regulatory requirement.

The case leads the discussion on Whether Citigroup at the face of competition having strong presence in China for over 140 years would be able to capitalize on the acquisition of GDB and strengthen its presence in the Chinese banking sector?

Pedagogical Objectives

- To understand inorganic growth strategy
- To understand government policy and its impacts in Chinese banking sector
- To discuss the competitive scenario.

Industry	Banking and Financial Services
Reference No.	MAA0117A
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Citigroup; Citigroup in China; Merger and Acquisition; Expansion Strategy; Growth Strategy; Guangdong Development Bank (GDB); Foreign Banks in China; Self Service Banks in China; Minibanks in China; Local Currency Business; The People's Bank of China; China Banking Regulation Commission (CBRC); Non Performing Loans; Big-Four Banks in China; Competitive Banks; Joint Venture; Guangdong Province; Shenzhen; HSBC

Disney-McDonald's: On the Parting Ways

The entertainment giant Walt Disney and the largest fast food chain McDonald's Corporation had announced the biggest marketing deal in 1996. For 10 years, Disney and McDonald's appeared to have the perfect alliance where Happy Meals of McDonald's accompanied Disney's movie based toys. The exclusive marketing pact fetched good benefits to both Disney and McDonald's. However, In May, 2006 Disney and McDonald's announced to discontinue with the marketing alliance, which expired on January 1, 2007. The decision to discontinue the exclusive alliance posed many questions.

The case discusses the exclusive marketing alliance between the two companies in detail and highlights the consequences of the same. It highlights the reasons for the break-up of Disney-McDonald's decade old marketing pact and dilemmas regarding cross-promotional marketing future.

Pedagogical Objectives

- To discuss cross-promotional marketing strategy of McDonald's and Walt Disney
- To understand the genesis of the marketing deal and the reasons leading to its break-up.

Industry	Leisure and Entertainment
Reference No.	MAA0116A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Walt Disney; McDonald's; Marketing Alliance; Biggest exclusive marketing pact; Happy Meals; Disney character toys; Cross Promotional Strategies; Entertainment Conglomerate; Fast Food Chain; Happy Meal Promotion; Marketing Partnership; Break-up of marketing partnership; Obesity; Corporate Social Responsibility

Citigroup's Acquisition of Egg Bank: The Spin-Offs

Egg Banking plc (Egg), a UK based online financial service provider was part of Prudential plc, leading insurer globally. Egg had created strong brand name in UK market by providing innovative products in banking, investment and insurance. It had 5% share in UK's credit card market. But, France operation of Egg bank remained unprofitable and in 2004 it existed from French market to focus on UK business. Meanwhile, condition in UK unsecured market badly affected to Egg's performance and in 2006 it reported loss reported loss of £145 million.

In 2007, Citigroup acquired Egg bank for £575 million ($1.13 billion) in cash from Prudential. Citigroup expected to have synergies in terms of Egg's customer base and brand name that it had created in UK market.

The case details about Citigroupâ•™s inorganic growth strategies in UK market. Also, it details about how Citigroup be able to capitalize the acquisition and able to create leadership position UK's financial market.

Pedagogical Objectives

- To understand business spin-offs
- To study the online banking scenario in UK market
- To understand inorganic growth strategy
- To understand competitive scenario in online banking market.

Industry	Banking
Reference No.	MAA0115A
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Online Banking Sector; Egg Bank; Prudential Plc.; Market Development Strategies; Targeting New Product Segment; Competitive Scenario; Wealth Maximization; Citigroup; Citigroup in Britain; Unsecured Lending Market; Egg Bank in France; Citigroup's Acquisition of Egg Bank

China Merchants Bank: Challenging Times Ahead

China Merchants Bank (CMB) was sixth largest share-holding commercial bank owned by corporate legal entities. It offered wide range of product and services to individual and corporate customers through extensive network of more than 463 branches, 747 self-service counters and 2,288 ATMs located in 39 cities. CMB was the leading issuer of credit cards in China. It had 42% of the market share in China's dual-currency credit card segment in 2005. Also, CMB was pioneer amongst other commercial bank to launch a series of e-banking distribution channels like on-line banking, phone banking, mobile banking and self service banking in China.

But, China's accession to WTO in 2001 promised opening up of finance sector by end of 2006. The foreign institutions would be allowed to offer services in local currency to all retail and corporate customers across the country. In China, CMB faced stiff competition from Citigroup and Hong Kong and Shanghai Banking Corporation (HSBC) in the credit card segment. Also, CMB faced tough competition from the "Big-four" Chinese banks in terms of their total assets base and extensive branch network.

The case details about with the opening of the China's banking industry and strengthening of competition, the times ahead for CMB were challenging.

Pedagogical Objectives

- To understand Chinese bankcard market
- To study the market development strategy adopted CMB
- To understand the competitive scenario of Chinese bankcard sector
- To understand the impact of government policy.

Industry	Banking
Reference No.	MAA0114A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; China Merchants Bank (CMB); Chinese Bankcard Market; SWOT Analysis; Competitive Scenario; Foreign Banks in China; Entry Level strategies; Joint Ventures; Strategic Alliance; Banking Sector Reform in China; China UnionPay (CUP); "Big-four" Chinese Banks; Citigroup in China; HSBC in China

Cedar Fair-Paramount Parks: Would the Acquisition payoff?

Amidst the growing global amusement park industry, the US industry had a great role to play. Cedar Fair L.P., one of the key players of the US amusement park industry acquired Paramount Parks, subsidiary of CBS Corporation in June 2006 for $1.24 billion in cash. The acquisition was expected to increase the geographical diversity and attain cash flow synergy of $20 - $30 million over the next 3-5 years. The combined entity of Cedar Fair – Paramount Parks was expected to attract attendance of 25 million and generate revenues of $1 billion by 2007-09. In order to finance the acquisition, repay earlier debt and pay shareholder dividends, Cedar Fair planned to raise debt of $2 billion. As Cedar Fair already faced debt burden, financing the acquisition through debt was a concern.

The case discusses the expected benefits, opportunities of acquisition and highlights the financial and product integration challenges of Cedar Fair.

Pedagogical Objectives

- To analyse the US amusement park industry and factors affecting on it
- To understand Market penetration and Product-line integration strategies through acquisition
- To understand fund management strategies to build cash flow synergies in case of acquisition.

Industry	Amusement Park Industry
Reference No.	MAA0113A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Cedar Fair L.P.; Paramount Parks; Amusement Park Industry; Acquisition; Theme park; Walt Disney; Six Flags Inc.; Product line integration; CBS Corporation; Anheuser Busch Entertainment; Geographical diversity; Cash flow synergy; Public offering; International Association of Amusement Parks and Attractions; Attendance; Market share; Revenue; Interest expense; Dick Kinzel; Debt; Public bonds; Dividend; Innovativeness; Creativity

The Bank of America-MBNA Merger: Creating a Giant in the American Credit Card Industry

Bank of America, the second largest bank in the US, acquired MBNA, the third largest issuer of credit cards in the US, enabling the merged unit - Bank of America N.A. - to become the country's largest issuer of credit. Bank of America adopted inorganic route to grow. The merger was opposed by some consumer advocacy groups. The case study highlights issues related to the merger and its repercussions on the credit card industry.

Pedagogical Objectives

- Analyse the American Credit card industry and share of Bank of America
- To understand the growth strategies of Bank Of America thorough in organic growth route
- To Analyse the effect of mergers and acquisition in the credit card industry.

Industry	Credit Card
Reference No.	MAA0112A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Credit Card Industry; Bank of America; MBNA; banking; investment banking; merger, acquisition; competition; competitive strategy; monopoly; consumer action; synergy; United States of America (USA)

OneSteel – Smorgon Steel Merger: The Challenges Ahead

OneSteel was a major steel player in Australian domestic market with an estimated market share of 30%. Smorgon Steel was also a major player in the Australian steel industry and a key contributor to the Australian economy. Their financial operation showed that it was a well defined group with emerging economic growth.

The merger of OneSteel and Smorgon was expected to create successful leadership position in Australian steel industry. The proposed merger was small on a global scale but accountable for about 35% of Australia's production. The merger was consistent with the global trend of consolidation in the international steel sector.

The case discusses about OneSteel and Smorgon Steel's plans to combat competition from their main rival BlueScope. BlueScope Steel's key potency included low-cost operations, strong brands, leading domestic market positions, and a growing presence in the markets of Asia. The brands of BlueScope Steel were market leaders in Australia and New Zealand along with strong presence in Asia. BlueScope had spent more than $350 million to acquire 20% stake in Smorgon. The case ends with a debate whether the merger of OneSteel and Smorgon would generate enough synergies for them to sustain competition. The merger would reduce the number of leading steel industry players and help eliminate competition from the Australian steel industry. Whether the merger would provide value or prove costly for the industry as a whole?

Pedagogical Objectives

- To understand the dynamics of the Australian steel industry
- The impact of the merger of two industry giants on the industry
- The post merger synergies to withstand the competition
- To discuss the rationale behind mergers.

Industry	Steel
Reference No.	MAA0111A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Steel industry; Restructuring; Technological leadership; Core Competency; Reinventing vision; Merger & Acquisitions; Strategic Alliances; OneSteel; Smorgon

Liverpool Football Club: Takeover by American Tycoons

Liverpool Football Club was a leading sports club in England. It had won 18 titles in first division football, the highest for any football club in England.

In December 2006, Dubai's Dubai International Capital (DIC) approached the club with a takeover bid. DIC took its time to study the club's books and offered £450 million for the club. At the same time, two American businessmen George Gillett and Tom Hicks launched their bid for the club worth £438 million. DIC withdrew its offer, and Liverpool accepted the offer from the two American businessmen.

The case compares and contrasts the pros and cons of the two offers, and ends in a debate over the club's future success rate with the new ownership.

Pedagogical Objectives

- To understand the football sports industry and the valuation of a sports club
- To understand the revenue model of a football club
- To debate on the Liverpool Football Club's future success rate with the new ownership.

Industry	Sports Club
Reference No.	MAA0110A
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Liverpool Football Club; Sports Club; Takeover; Valuation; bid comparison; Finances of a football club; revenue models; England football clubs; Montreal Canadiens; National Hockey League; Fédération Internationale de Football Association (FIFA); International Football Association Board; Business Strategy; George Gillett; Tom Hicks; Manchester United; Malcolm Glazer

Hewlett Packard's acquisition of Mercury: Strengthening Presence in Corporate Applications Software

Hewlett Packard (HP) was a US based computer and printer giant. The computer and printing divisions contributed to more than half of HP's revenues in 2005.HP was considered a small player in the margin-rich software business. HP had software called Open View for corporate applications. HP had an aim of strengthening its software business and had made a slew of acquisitions of software companies in the past.

In July 2006, HP acquired Mercury, a US based software company specializing in Business Technology Optimisation (BTO), software which helped companies to ensure that their information technology (IT) systems were working on business priorities and delivering maximum value. Analysts expected BTO business to exceed $1.9 billion in the coming years. HP believed that the acquisition would help it in strengthening its presence in the corporate applications software. The case discusses the business model of HP and the possible synergies of the acquisition.

Pedagogical Objectives

- The concepts associated with business models of the computer companies
- The issues related to the different business segments in the software market
- The issues related to shift in the business model by a computer company to concentrate on the margin rich and booming business segments
- The issues related to inorganic growth through acquisitions
- The possible synergies of acquisition
- The challenges in store for the merged entity after acquisition.

Industry	IT (Information Technology)
Reference No.	MAA0109P
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Hewlett-Packard; HP open view; HP adaptive enterprise; Mercury portfolio management; ERP

Gazprom and Rosneft Alliance: A Win-Win Strategy

From 2002 onwards, Russian companies were outperforming Saudi counterparts in oil and gas production. Gazprom, a behemoth Russian company was the biggest natural gas supplier in the world with a market capitalisation of US$ 270 billion as of May 2006. Instead of cooperating with foreign companies, which were ready to invest in oil and gas exploration programs in Russia, it signed an agreement of cooperation with Rosneft. Gazprom had locked horns with Rosneft regarding acquisition of Yukos, a company which was facing bankruptcy charges in 2000s. Eventually, major assets of Yukos were acquired by Rosneft in 2004, which gave the company access to more oil and gas resources. A merger negotiation between Gazprom and Rosneft was also postponed in 2005. On November 29, 2006, Aleksei.B.Miller and Sergei.M.Bogdanchikov, the chief executives of Gazprom and Rosneft, agreed to form joint ventures for exploration of new oil reserves, building petrochemical plants, and to bid on field licenses outside Russia. But there were many challenges too. The major stakeholder in both the companies was the Russian government and changes in political administration could affect corporate decisions. The UGS pipeline of Gazprom passed through many countries in Europe and was prone to attacks of terrorism. There were incidents of corruption and sleaze, and both the companies had debts to the tune of 10-12 billions. This move was also considered a shift towards nationalization as it meant a confluence of two companies for cooperation which had large state holdings. The case allows for discussion on the future of the alliance, the synergies and challenges that would emerge.

Pedagogical Objectives

- To discuss Russian oil and gas industry
- Gazprom & Rosneft- Two leading oil and gas producing companies in the world
- Alliance between the two companies and synergies possible.

Industry	Oil & Gas Industry
Reference No.	MAA0108C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Gazprom; Rosneft; Yukos; Sibneft; Unified Gas Transportation System (UGS); Volga Ural Region; Western Siberia; Russian Government; Alexei.B.Miller; Sergei.M. Bogdanchikov; Russian oil Industry; Oil Reserves; Natural gas; Nationalisation; Petrtroleum and Natural gas exploration

Sirius and XM: Should They Merge to Perform Better?

The Federal Communication Commission allowed use of "S" band for satellite radio broadcast in 1997. Out of 8 companies which applied in 1997, only XM and Sirius were granted permission. XM was launched on September 25th 2001, in San Diego and Dallas. Sirius, headquartered in New York, began its operations officially in 2002. Both of these services had more than 130 channels which hosted programs varying from music, talk shows, sports and weather. More than 200 million US citizens still listened to territorial radio, where as combine subscriber base of the satellite radio companies was just 14 million as of 2006. In order to attract more subscribers, Sirius agreed to pay $100 million a year to Howard Stern for hosting shows. XM made agreements with celebrity talk show hosts like Oprah Winfrey and Ellen DeGeneres. As of 2006, the content spending and other expenses resulted in huge loss for both the companies. In the wake of internet radio, HD radio and alternate digital services becoming popular in US, according to them, merger option was a tool for survival. On February 19th 2007, the companies agreed to merge together to avoid losses and to differentiate their radio services from other budding technologies. FCC in the US, which gave licences, was not forthcoming in approving the merger because they were doubtful of formation of monopoly, even though they had many alternate competitors.

Pedagogical Objectives

- To discuss US Radio Industry and changes in radio entertainment
- Different forms of radio services in US
- Role of XM and Sirius in the satellite radio industry
- A duopoly looking for consolidation for survival.

Industry	Radio Industry
Reference No.	MAA0107C
Year of Pub.	2007

Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers,Acquisitions,Alliances Case Study;Sirius; XM; satellite Radio; HD Radio; Howard Stern; Oprah Winfrey; Sports Channels; Music Channels; Mel Karmazin; Gary Parsons; Federal Communications Commission; Consumer Federation of America

YouTube's acquisition by Google – Issues and Challenges

YouTube, the most popular video sharing website boasted of a viewership of 34 million visitors each month and its users watched more than 100 million videos per day. Started as a viral video site it had grown to a Web phenomenon within a span of one year and remained one of the key instances of success in Web 2.0. Though the content on YouTube was entirely user-generated some people posted music and videos they did not have the right to post thereby violating copyright laws. However, YouTube immediately removed the clips once a copyright violation was brought to its notice. To avoid potential lawsuits the company had signed agreements with various music companies and was in the process of creating technology that would help identify and prevent copyrighted material from being uploaded.

Despite the fact that user generated video websites were a great success, YouTube did not have a proven business model and was unclear about how it would generate revenue in the future. On October 9, 2006, Google, the world leader in Internet Search announced that it would acquire YouTube for US$1.65 billion in stock which was considered the most expensive deal made by Google during its eight-year history. This case gives an overview of the inception of YouTube, its growth and the reasons for its prime success on the web. It also depicts the possible synergies and challenges that would emerge following Google's acquisition of YouTube and how it would facilitate YouTube deal with its copyright infringement troubles and adopt a profitable business model.

Pedagogical Objectives

- To discuss success strategies for web 2.0 companies
- To discuss how companies can integrate acquired companies into their business model.

Industry	Internet (Web 2.0)
Reference No.	MAA0106C
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; YouTube; Google; Web 2.0 companies; Social Networking sites; Acquisition; Video sharing websites; Chad Hurley; Eric Schmidt; MySpace; Google Video; YouTube's copyright issues Web Traffic; Competition; User generated content; Viral video sites

Capgemini's acquisition of Kanbay International: The Road Ahead

Capgemini was one of the world's leading providers of Consulting, Technology, Outsourcing and Local Professional Services with regional operations in North America, Northern Europe, Asia Pacific and Central & Southern Europe. On October 26, 2006 Capgemini announced its acquisition of Kanbay International, a global IT services firm that offered management consulting, technology integration, application development and outsourcing solutions mainly in the financial services vertical. Kanbay was a US based company with a strong presence in the American and Indian market. The acquisition, valued at $1.25 billion and scheduled to be completed by early 2007 was an all cash deal that sought to address Capgemini's shortcoming in the financial services market and its beleaguered presence in the U.S. market. The transaction was also intended to help Capgemini consolidate its presence in the Indian market by adding up Kanbay's employees to its Indian workforce thereby making it the third biggest non Indian player in terms of the total headcount in the country next only to IBM and Accenture.

The case outlines the establishment of Capgemini, its growth and the spate of acquisitions over the years. It provides insight into the rationale for its acquisition of Kanbay by highlighting the potential benefits of enhancing its presence in the US financial services market, augmenting its business process outsourcing offerings and gaining an edge over its European counterparts in the offshore region by scaling up its Indian operations. The main issue the case tries to highlight is the concern raised by industry analysts about the Kanbay acquisition in the backdrop of Capgemini's troubled acquisition of Ernst and Young which had not yielded the desired synergies. This was mainly attributed to differences in the cultures of both the entities. It was to be seen if Capgemini would successfully integrate Kanbay into its portfolio.

Pedagogical Objectives

- To discuss acquisition strategies followed by companies for inorganic growth
- To discuss how companies can handle post acquisition challenges.

Industry	Outsourcing Industry
Reference No.	MAA0105C
Year of Pub.	2007
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Capgemini; Kanbay; Global Consulting Companies; Global IT Services Industry; Acquisition; Ernst and Young; Paul Hermelin; Raymond Spencer; BFSI Space; Financial Services Market; I Cubed Strategy Baru S Rao; Competition; Inorganic Growth; Outsourcing market

Disney & Pixar: On the Road to Merge

In January 2006, various Wall Street analysts speculated that Disney, one of the largest motion picture studios in the world, was planning to acquire Pixar Animation Studios, the producer of hit animation movies, such as Toy Story, Finding Nemo, The Incredibles, etc. With its traditional hand-drawn animation business declining, Disney was looking for ways to preserve its animation business. The company had an agreement with Pixar to distribute and market animation movies produced by the latter which was scheduled to end in June 2006. As the agreement came closer to an end, Disney considered various options, including a takeover, a stake in Pixar or an extended agreement. While the first option was most likely, analysts debated whether the two should merge or not. The case study outlines a brief history of the animation industry as well as the evolution of the computer animation. It also attempts to give a short description of both the companies. Finally, it tries to give a brief account of the present situation and how a takeover would affect both the companies.

Pedagogical Objectives

- To discuss the pros and cons of a possible merger between Disney and Pixar
- To get a brief idea of the history of animation
- To understand the emergence of computer animation
- To get a detailed account of the two companies – Walt Disney Company and Pixar Animation Studios.

Industry	Entertainment
Reference No.	MAA0104K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Disney; Pixar; Merger; Entertainment Industry; Animation.

Origin Energy's Merger with Contact Energy: In Quest Of Greater Scale and Diversity

In February 2006, the energy industry in Australia witnessed a sea change when Origin Energy Ltd., the leading Australian energy company, decided to merge with Contact Energy Ltd., New Zealand's second largest electricity generator. The cross-border merger created Australia's largest integrated energy group with a market capitalisation of A$7 billion. The merger took place by way of dual-listed company structure and aimed to benefit both the shareholders by creating grater scale and diversity.

The case, while providing a broad overview of the two energy companies, offers scope to discuss the synergies of the merger and the probable pay offs.

Pedagogical Objective

- To understand the dynamics of a cross-border merger
- To discuss the synergies associated with a merger with specific reference to Ansoff's Product/Market Mix
- To understand the dynamics of the energy sector in Australia and New Zealand
- To understand the dynamics of a Dual Listed Company (DLC) structure
- To discuss the convergence in the energy market and its impact on the global business environment.

Industry	Energy
Reference No.	MAA0103K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Origin energy; Natural resource; Energy; Merger.

At&T's Merger with Bellsouth: Creating a One-Stop Shop

In March 2006, AT&T Inc. (AT&T), the largest telecommunications company in the US, announced a $67 billion merger agreement with BellSouth Corporation (BellSouth), a leading telecommunications company in the US. The merger was aimed to create a nimble and efficient company that would be better equipped to embrace the industry's shift to Internet Protocol network-based technologies. At the same time, the merger intended to simplify the ownership structure of Cingular Wireless, the largest mobile phone company in the US, which was jointly owned by both AT&T (60%) and BellSouth (40%).

The case, while providing a broad overview of the two telecom companies, offers scope to discuss the synergies of the merger and the probable pay offs.

Pedagogical Objective

- To understand the synergies associated with a merger and the probable pay-offs
- To understand the competitive forces of the US telecommunications industry
- To discuss the strategic shift of telecom companies from traditional services to bundled offering of video, data and voice services through broadband Internet access and network expansion
- To discuss the viability of AT&T – BellSouth merger and its impact on the business portfolio in the long run.

Industry	Telecommunication
Reference No.	MAA0102K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

AT&T; BellSouth; Economics of scale; Economics of scope.

Alcatel And Lucent Merger: Creating A Telecom Titan

In the first half of 2006, Alcatel decided to merge with Lucent and create the largest and most experienced global services and support organisation in the industry. The merger was set to generate combined revenues of about •21 billion ($25 billion) based on 2005 calendar results and create a global leader in converged network and services. The merger further aimed to capitalise on the emerging market demands for high-end technologies, including critical safety and security applications.

The case, while providing a broad overview of the two telecom companies, offers scope to discuss the synergies of the merger and the probable pay offs.

Pedagogical Objective

- To understand the dynamics of a cross-border merger
- To critically analyse the impact of global consolidation of the telecommunications industry
- To understand the synergies associated with a merger
- To discuss the viability of Alcatel-Lucent merger and its impact on the business portfolio in the long run.

Industry	Telecommunication
Reference No.	MAA0101K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Telecom; Landline; Cellular; AT&T; Alcatel; Lucent; Merger; Acquisition.

Novartis' Acquisition of Chiron: Access to vaccine market

Novartis AG (Novartis) was a leading global pharmaceutical (pharma) company. In the recent times, the company had not achieved much success in developing new drugs. Moreover, many of its drugs had either lost patent protection or were going to face the same in the next few years. The company was facing tough competition from generic drug makers, which had adversely affected its future growth prospect. In order to retain its leading position in the pharma industry, the company diversified into other segments, thereby expanding its product portfolio and geographic reach. In 2005, Novartis acquired the Chiron Corporation (Chiron), a leading pharma company having strong presence in vaccines, blood testing and biopharmaceuticals. This case deals with Novartis' acquisition of Chiron, which would help the former to enter into vaccine and blood testing businesses for the first time and strengthen its biopharmaceuticals business segment. The case has provided background notes on the two companies and a detailed description of the pre-merger scenario of Novartis. It also discusses the acquisition deal in details. The case puts forth the rationale behind the acquisition and the expected benefits for Novartis. It finally discusses the possible challenges which Novartis can face in the near future. The case also provides a detailed note on the structure and future trends of the global vaccine market.

Pedagogical Objectives

- To understand global vaccine market
- To understand the growth strategy through acquisitions.
- To analyse the rational behind any M&A deal.
- To analyse framework for successful merger, blueprint for integrating acquisitions
- To discuss strategic reasons for M&A value creation.

Industry	Pharmaceutical Industry
Reference No.	MAA0100K

Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Novartis; Chiron; Vaccines; HIV; NAT Technology.

Lenevo's Acquisition of IBM's PC Division – The Making of a Legend?

The case discusses the mega acquisition of the world's third-largest Personal Computers (PC) manufacturer – IBM, by the world's ninth largest, PC manufacturer – the China based Lenovo, creating one of largest PC manufacturers in the world. After providing a brief note on Lenovo, the case discusses the details of the IBM PC business – its entry, rise and decline. The case discusses the rationale behind the acquisition and the benefits which Lenovo was expecting from it. The case then explains the acquisition deal in detail. It finally discusses the possible challenges which Lenovo could face in the near future. The case also provides a detailed note on the structure of the global PC industry, its major players and the recent trends.

Pedagogical Objectives

- To understand the growth strategy through acquisitions
- To analyse the rational behind any M&A deal
- To analyse framework for successful merger, blueprint for integrating acquisitions
- To discuss strategic reasons for M&A value creation.

Industry	Personal Computers
Reference No.	MAA0099K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Lenevo; IBM; M&A; Global PC market.

AMD's Acquisition of ATI: Should Intel Worry?

In 2006, AMD planned to acquire graphics chip maker ATI in a deal of $5.4 billion. The merger posed a threat and challenge to Intel, the world's largest chip maker. This acquisition would broaden AMD's product portfolio and would get rid of its image as a seller of microprocessors only. The new entity would synergies both AMD's strength of fast computing power with ATI's specialty in delivering detailed graphics onto a single chip. The case deals with the background of both companies AMD and ATI. It also gives an insight into the PC and chip industry overview with the expected potential synergies of the acquisition.

Pedagogical Objectives

- To understand the PC and chip industry
- To discuss the competition between the processor companies
- To analyse the competitive advantages of the acquisition.

Industry	Microprocessor & DSP
Reference No.	MAA0098K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

AMD; ATI; Intel; Semiconductor; Processor; Chip.

Ranbaxy's Acquisition of Terapia: Creation of the Largest Generic Company of Romania

In March 29th 2006, Ranbaxy Laboratories Limited, the leading pharmaceutical and generic drug company of India, announced that it would acquire Terapia, the largest independent generic company of Romania. Ranbaxy announced that it would acquire 96.7% of Terapia at USD 324 million from its parent investing company, Advent International. The deal, expected to be completed within the second quarter of 2006, was valuable for Ranbaxy. With the US generic market gradually shrinking, a number of governmental regulations to be adhered to, and the price erosion in the market, Ranbaxy had to shift its focus to Europe. With a considerable foothold over the country's generic market, Ranbaxy intended to cross the threshold of the other high growth generics markets of Europe.

The case focuses on Ranbaxy's inorganic growth strategies and the various market factors that it considered while entering the lucrative generic market of Romania. It also provides a brief description of the US, European and the Romanian generic market. Such information, coupled with the company backgrounds of the two companies, would help in analysing Ranbaxy's chances of establishing a strong foothold over the Romanian and subsequently the European generic market.

Pedagogical Objectives

- To discuss the European Generic pharmaceutical market
- To discuss Ranbaxy's inorganic growth strategies and the various market factors that it considered while entering the lucrative generic market of Romania
- To discuss the possible synergies and challenges of the acquisition.

Industry	Pharmaceutical
Reference No.	MAA0097K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Ranbaxy; Terapia; Drug market in CEE; Generic Drug Market.

Dell's Acquisition of Alienware

On March 22nd 2006, Dell Incorporation, the world's largest PC (personal computer) manufacturer, officially announced that it had acquired Alienware Corporation for an undisclosed sum. The US-based private company, Alienware, was a branded leader in the high-end gaming PC segment in the US. Dell entered the gaming PC market in August 2005 with its XPS range of PCs. With the acquisition of the leader (Alienware), Dell expected to have a greater share of the gaming PC market. Dell would also gain knowledge in industrial designing and marketing of gaming PCs, which it could successfully implement for its own XPS range. On the other hand, the acquisition helped Alienware to venture into newer product lines and newer countries with Dell's financial backing. It would also gain out of Dell's strong logistic support system. Analysts were skeptical about the acquisition as Dell's previous acquisitions were not very successful. There was a chance of cannibalisation of Dell's XPS range by Alienware's gaming PCs. The case deals with the synergies and challenges of the acquisition of Alienware by Dell. It also provides a brief overview of the two companies.

Pedagogical Objectives

- To discuss Dell's strategy of entering into a newer market-the gaming PC market
- To discuss the possible synergies and challenges of the acquisition
- To discuss the global gaming PC market.

Industry	PC
Reference No.	MAA0096K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Dell; Alienware; Acquisition; XPS Range; Cannibalisation; Gaming PC (personalcomputer); Nelson Gonzalez; Voodoo PC; Falcon Northwest; Organic growth; Product development; Supply chain; Michael Dell; Mark Vena; OEM (original equipment manufacturer).

The Adobe-Macromedia Merger

Adobe Systems was a leading developer of various graphics and publishing suites, like Acrobat, Photoshop, and Illustrator etc. On April 18th 2005, it announced the acquisition of Macromedia (a popular name in multimedia authoring and web development) for US$3.4 billion. The future prospects of the newly merged entity became a significant issue as analysts gave divergent opinions on the merger. Some felt that through acquisition the two companies could offer better products and solutions. While few others feared that the combination would lead to greater control of the two companies in the publishing and multimedia business. The case intends to provide a broad profile of the two companies, the competitive scenario in the market, and the various factors that led to the acquisition. The case also discusses the synergies the two companies could draw upon for leverage in the new, emerging markets.

Pedagogical Objectives

- To discuss the broad profiles of the two companies before merger
- To discuss scenario in the market, and the various factors that led to the acquisition
- To discuss the synergies the two companies could draw upon for leverage in the new, emerging markets.

Industry	Application Software
Reference No.	MAA0095K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Adobe; Macromedia; PDF; Flash; PostScript.

Sun's Acquisition of Storagetek

Sun Microsystems had been struggling hard to manage its operations, ever since it was struck by the dotcom bust. By the end of fiscal year June 2004, Sun had revenues of $11.2 billion. Its hardware business was stumbling due to intense competitive pressures from IBM, Hewlett-Packard and Dell. Further, its Solaris operating system struggled against Linux, Windows and UNIX. In the new business scenario, storage emerged as one prominent area where an increasing number of companies consolidated themselves to seek competitive leverage. The rapid digitisation of information, the expansion of the Internet, the increasing business needs for data storage and security, along with the new regulatory environments, collectively pushed the demand for storage. The merger statement issued by Sun, underlined the complementary product and service profiles of the two companies. This case provides a holistic understanding of Sun's product profiles, the difficulties it faced in the post dotcom era and the rationale behind the acquisition of Storagetek.

Pedagogical Objectives

- To discuss the product portfolio of Sun Microsystems
- To discuss the difficulties the company faced in the post dotcom era
- To discuss the synergies and challenges behind the acquisition of Storagetek.

Industry	Servers and Mainframes
Reference No.	MAA0094K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Sun; Storagetek; Server; Solaris; Sparc; Tapes; Hard disks.

Seagate's Acquisition of Maxtor

On December 21st 2005, Seagate acquired Maxtor for US$1.9 billion. Owing to the rising competition and falling prices of personal computer hardware, Seagate was finding it increasingly difficult to leverage its market leadership in hard disk storage. Many analysts felt that the acquisition of Maxtor was a visibly planned move by Seagate to consolidate its position in the hard drive business and stop a further fall in prices. This case provides the reader with a broad overview of the two companies, the hard disk storage market scenario, the synergies of acquisition and the road ahead.

Pedagogical Objectives

- To provide a broad overview of the two companies and the hard disk storage market scenario
- To discuss the possible synergies and challenges of the acquisition.

Industry	Data Storage Devices
Reference No.	MAA0093K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Seagate; Maxtor; Storage.

Ultra Tech – Acquisition of L&T Cement by Grasim

Grasim, a leading Indian business group, has acquired the majority stake in Ultra Tech Cement Co. Ltd. (Ultra Tech.), the new identity for the de-merged cement business of Larsen & Toubro (L&T). With this, Ultra Tech has become a subsidiary of Grasim. The acquisition which took two years to complete, is the biggest ever in the Indian cement industry. Grasim believes the merger will help it to attain economies of scale and enjoy a pricing advantage. On the other hand, L&T hopes the de-merger will sharpen its focus on its core business areas such as hi-tech engineering and high-end construction. Will Grasim be able to exploit the full potential of the deal?

Pedagogical Objectives

- To discuss the trends and patterns in building material industry
- To discuss the merger and acquisition process in building material industry
- To discuss the process of acquisition and problems of acquisition.

Industry	Cement
Reference No.	MAA0092K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Ultratech; L&T; Grasim; Building material industry; M&A; ACC.

ThyssenKrupp AG: Consolidating Presence in the US

ThyssenKrupp AG, the largest steel company of Germany, offered to acquire the largest steel company of Canada, Dofasco Inc. Luxembourg-based Arcelor SA, the world's second largest steel company, also intended to acquire the Canadian company. Dofasco Inc. is a leading automotive steel manufacturer and supplies to the leading automobile manufacturers of the US. Both Arcelor and ThyssenKrupp are the suppliers of automotive steel to the European automobile industry, intending to make a foray in the US automotive steel industry. Being a major supplier to the leading carmakers in the US, Dofasco Inc. is the obvious choice for both the companies. However, the analysts are skeptical whether the high price for Dofasco will be a prudent decision in the long run. The case provides a scope for discussing the recent trends in the global steel industry. It also analyses how ThyssenKrupp plans to leverage its investment and overcome the challenges.

Pedagogical Objectives

- To discuss the trends, patterns of global steel industry and consolidation as a major strategy in fragmented steel industry globally

- To discuss acquisition process of Dofasco Inc. by ThyssenKrupp AG, potential synergies and problems associated with the acquisition
- To discuss how acquisition as a growth strategy help companies to consolidate in fragmented steel industry
- To discuss the key factors which make an acquisition a successful one
- To discuss in details about the problems of acquisition and how the maximum leverage can be gained
- To discuss, the bidding process and funding of an acquisition
- To discuss the value chain of the steel industry and primary steel making process and secondary steel making process.
- To discuss the concept of 'White Knight', 'Black knight' and 'Poison Pill'.

Industry	Steel
Reference No.	MAA0091K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

ThysenKrupp; Value chain; Steel Industry Dynamics.

Mittal's Biggest Gamble: Bid for Arcelor

On January 26th 2006, Laxmi Niwas Mittal (popularly known as LNM), chairman and CEO of Mittal Steel, the world's largest steel company, made a bid for Arcelor SA, (the world's second largest steel company). In the era, when consolidations and acquisitions were common practices in the industry, Mittal Steel's new move was expected to help it in consolidating its presence more aggressively. The proposed acquisition price of US$ 23 billion, was the biggest in the global steel industry. The proposal was, however, strongly opposed by Arcelor's management and the entire Europe was divided on the issue. Since Mittal Steel produced cologne, Arcelor, being the producer of perfumes only, claimed that the merger between the two companies was not possible. Even the French Government and Luxembourg Government strongly opposed Mittal Steel's move. The concept of corporate xenophobia followed the move. While LNM defended the move from the point of view of the benefit of the global steel industry and identified in it the geographic, commercial, manufacturing and operational synergies, Arcelor denied it. The French and Luxembourg governments, moreover, accused LNM for poor management style and were afraid that the acquisition would result in job loss. The case study offers a scope for discussing the rationale of the acquisition in the recent global trends, the value chain of the industry and how Mittal Steel plans to leverage it. The case study also allows the discussion of how Mittal Steel can leverage the acquisition by strengthening its position across the globe.

Pedagogical Objectives

- To discuss the trends, patterns of global steel industry and consolidation as a major strategy in fragmented steel industry globally
- To discuss acquisition process of Arcelor, the largest steel company of Europe and second largest globally by Mittal Steel, potential synergies and problems associated with the acquisition
- To discuss how acquisition as a growth strategy help companies to consolidate in fragmented steel industry
- To discuss the key factors which make an acquisition a successful one
- To discuss in details about the problems of acquisition and how the maximum leverage can be gained
- To discuss, the bidding process and funding of an acquisition.

Industry	Steel
Reference No.	MAA0090K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Mittal Steel; Arcelor; Xenophobia; Consolidation.

LNM and ONGC: Creating Global Energy Powerhouse

In July 2005, Laxmi Niwas Mittal, chairman of world's largest steel company, LNM group and Subir Raha, chairman of India's largest oil producing company, ONGC signed an agreement to float two Cyprus based companies (ONGC-Mittal Energy Ltd and ONGC-Mittal Energy Services Ltd) in order to acquire overseas oil and gas assets and energy-related businesses. The deal would help the two companies to set up an energy consortium globally. The two new entities would take up projects related to exploration, development, production, evacuation and related consequential processing of hydrocarbons, in the form of oil, condensates and gas (including LNG). These activities would be carried out in 25 countries where LNM group had strong presence. For ONGC, the new strategy was to lay a strong foothold in a number of lucrative acreages, against stiff competition from international oil companies, in the Middle East, Central Asia and East European countries. For the LNM group, which had capitalised on the steel boom, it was a move onto yet another 'hot' commodity, oil and gas. But, its first futile bid for PetroKazakhstan proved that LNM's business influence would not work wonders all the time and it was not also at par with global oil majors like Chevron, BP and Exxon-Mobil. ONGC-Mittal Energy Ltd would bid for Kurmangazy oilfield in late 2005. Industry analysts, across the globe and major oil companies were keeping a close watch to see how successful the joint venture would turn out to be over time.

Pedagogical Objectives

- To understand the changing dynamics of global steel industry and oil and gas industry
- To understand the concept of Special Purpose Vehicle (SPV)
- To understand when a company opt for diversification strategy
- To understand how to integrate two different company from two different industry
- To understand how to make an alliance a successful one
- To understand the problems of making an alliance work
- To understand the upstream and down stream activities of global energy industry.

Industry	Petrochemical
Reference No.	MAA0089K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Mittal Steel; ONGC; SPV; LNM-ONGC Energy Services Limited; OVL.

MTV-Google Alliance: Sharing Video Across The Online Media

In August 2006, MTV Networks formed a strategic agreement with Google to share its video content across Google's network. The innovative video distribution model enabled Google to distribute ad-supported video content to niche websites and blogs targeted at teens and young adults. With online advertising market forecasted to grow to $26.4 billion by 2010, the deal aimed to generate interests among content owners, web publishers and advertisers, and create new revenue opportunities for both Google and MTV.

The case offers scope to discuss the emerging avenues in the Internet in the backdrop of the video distribution deal of MTV and Google.

Pedagogical Objective

- To understand the changing dynamics of video content in the Internet
- To discuss the growing significance of online advertising as a leading advertising vehicle for companies
- To discuss the business model of Google and its sustainability in the long-run
- To discuss how brand awareness could be increased by innovative marketing campaigns
- To critically analyse the competitive forces shaping the video content industry in the Internet.

Industry	Entertainment
Reference No.	MAA0088K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

MTV; Google; Online media; Lifestyle media; Distribution strategy; Adwords.

Nokia and Siemens: Creating a Telecom Alliance

Nokia, the world's largest manufacturer of mobile phones and Siemens Information and Communications, the information and communication divisions of Siemens AG were to merge their mobile and fixed-line phone network equipment business in order to create one of the world's largest network firms. On June 19th, 2006 Nokia and Siemens had announced their intention to merge the Network Business Group of Nokia and the carrier related operations of Siemens into a new company, which was named as Nokia Siemens Networks. The 50-50 joint venture was to be based in Nokia's home country of Finland. It was headed by Simon Beresford-Wylie; he was to run the company. Nokia Siemens Networks had predicted annual sales of US$20.2 billion. The joint venture positioned itself to develop and implement the revenue generating and cost saving products and services, which also expected to be benefited by their global reach. In this regard they had also planned to save up to US$2.75 billion by the year 2010. They were quite hopeful of creating one of the world best Research and Development teams, which would have the ability and competency to provide the innovative skill to produce the next generation fixed and mobile product platform and services.

Pedagogical Objectives

- To understand the generic motives of strategic alliance
- To discuss how to develop strategy for successful JV with reference to Nokia and Siemens
- To analyse critical issues of JV.

Industry	Telecommunication
Reference No.	MAA0087K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

Keywords

Nokia; Siemens; Mobile Phone; 3G.

Tata Steel's Globalisation Strategies - The Acquisition Bid for Corus and the Strategic Fit

On October 17th 2006, India's largest private steel-maker, Tata Steel, bared its bold bid to acquire Anglo-Dutch steel-maker, Corus, almost five times the size of the bidder. The proposed takeover created an uproar in business circles because of the audacity of the proposed deal. If the takeover bid was to be approved by Corus' shareholders, Tata Steel would be the world's fifth largest steel producer. Various synergies – like economies of scale, strong downstream business operations, enhanced R&D, and a wide distribution network – were expected to emerge out of the deal. However, there were also many concerning issues that needed to be addressed.

As Tata Steel was preparing for the Extraordinary General Meeting scheduled on December 4th 2006 for presenting its bid to the Corus shareholders, there was an unexpected twist in the tale. On November 17th 2006, Brazilian steel-maker, CSN entered the fray. The synergies that it expected from the deal were similar to that of Tata Steel and its bid amount was larger than Tata Steel's. While Tata Steel bid Corus for $8.1 billion, CSN jacked the bid price with a 'potential offer' of $8.3 billion. A gripping scenario seemed to be in the offing, whose suspense could be solved by Corus' shareholders when they decide which company can be a better partner for growth in the long run.

Pedagogical Objectives

- To analyse the competitive dynamics in the global steel industry and determine its critical success factors and the key result areas
- To analyse the competitive advantages of Tata Steel and its globalisation strategy
- To analyse the strategic rationale for the acquisition of Corus by Tata Steel
- To perform a comparative analysis of Tata Steel and CSN, for determining who makes a better partner for Corus
- To identify the alternative options available to Tata Steel, if the deal does not go through.

Industry	Steel Industry
Reference No.	MAA0086
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Available

Keywords

Mergers, Acquisitions, Alliances Case Study; Steel Industry; critical success factors; Industry Structure and competitive dynamics; Arcelor-Mittal; Nippon Steel; POSCO; Baosteel; JFE Steel; CSN; Corus; Industry Trends; China Factor; Key Result Areas; Game Theory; Vicious cycle of demand and supply imbalance; World Steel production and Consumption; Consolidation – Acquisitions and Mergers; Tata Steel; Ratan Tata; Globalisation Strategies; Organic and Inorganic growth; Rationale for Bid, Economies of Scale; access to raw materials; R&D; Strategic Fit; Financial Analysis; Cultural fit; Integration issues; Bidding war

Telefonica's Strategy for Growth in Europe: Acquisition of O2?

In 2005, the Spanish telecom giant, Telefonica made a bid for O2, a British wireless carrier. The bid created headlines for being the second largest ever all cash offer in telecom history. With consolidation taking place on a major scale in the European telecom sector, Telefonica too looked for a channel for expansion in the booming sector. The case chronicles the expansion strategies of Telefonica and the reasons behind its bid for O2.

Pedagogical Objectives

- To make students understand telecommunications industry worldwide
- Spanish telecom giants acquisition of O2, its strategies behind it.

Industry	Telecom
Reference No.	MAA0085C
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Telefonica; O2; Europe; Latin America; Telecommunication; Spain; Acquisition; Telefonica Moviles; Cesar Alierta; Peter Erskine.

Fiat Auto SpA – Tata Motors' Joint Venture

Fiat Auto SpA and Tata Motors had announced their joint venture to manufacture passenger vehicles, engines and transmissions for Indian and overseas markets. Fiat India's Ranjangaon plant would be used for this venture and its plant in Cordoba, Argentina was to be used for the manufacture of Tata's commercial vehicles which were to be distributed in Latin American and European markets through Fiat's network.

Fiat India, with no significant sales and no new successful car launches in India, was looking for Tata's established dealer network and would also get vehicle financing for its customers.. Tata Motors, in turn, was gaining technology, the unutilised plant capacity of Fiat and most importantly a reliable and cost effective engine for its proposed INR one lakh car.

The case outlines the backdrop of the Automobile industry in India, the background of these companies, their performances and the need for them to forge a venture taking the Indian, Latin American, Chinese and European markets into consideration. It also looks into the various strategies adopted by the partners to get the best out of the joint venture.

Pedagogical Objectives

- To make students realise the strategies behind global joint ventures
- To evaluate the actual cost-benefit analysis of Tata Motors and Fiat Auto on this venture
- To understand the joint promotion and distribution network of automotive industry.

Industry	Automobile Industry in India
Reference No.	MAA0084C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Tata Motors; Fiat Auto SpA; Tata Motors' One lakh car; Strategic partnership; Automobile marketing network in India; Automobile financing in India; Plant utilisation; New car launches; Reengineered plastic components for cars; Joint venture; Automobile marketing in Europe; Truck Market in Latin America; Technology and design transfer; Cross branding; Small car manufacturing.

BBC-Microsoft Tie-up: Strategy for Next Generation Digital Presentation

British Broadcasting Corporation, BBC had entered into tie up with Microsoft in 2006 to take it into next generation digital presentation of its content. Falling viewership for conventional news presentation in television had resulted in BBC's Board of Governors to announce new media initiatives which assessed BBC's current stature and its need to cater to younger audiences who are on the move. BBC had Channels offering 24x7 presentations which were increasingly put on internet and interactive channels for specific groups were also floated. Uploading and downloading images were made possible and search on BBC's exhaustive archive content was also open. BBC felt that these measures were not enough and looked for alliance partners who could radically alter its presentation platform to suit next generation requirements. After scouting RealNetworks, IBM and Linden Laboratories, BBC tied up with Microsoft.

As its director general, Mark Thompson, had quoted that BBC needed a creative response to the amazing, bewildering, exciting and inspiring changes happening in both technology and expectations, the MoU outlined its emphasis that BBC's content delivery and consumption will be explored for the next generation platform. Potential areas of collaboration will include search and navigation, distribution and content enablement, the MoU said.

Pedagogical Objectives

The case anticipates familiarising the students on

- The changing scenario in presentation of news and other programmes in television
- Evolution in conventional news and infotainment media
- Threat posed by internet to the conventional media
- BBC's worldwide standing on multi-channel broadcasting and its efforts to be modernised
- Various divisions and channels in BBC and their functions
- Contribution of Microsoft in developing BBC's next generation presentation.

Industry	News & Infotainment
Reference No.	MAA0083C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

BBC-Microsoft Tieup; Next generation digital presentation; Evolving digital technology in news channels; Creative Media; New Media initiatives in BBC; Challenges to traditional newscast; Sharing BBC Archives; Multi device newscast; Digital TV in UK; BBC News 24; Advertising revenues from BBC sites; News content in BBC; BBC Jam and Cbeebies.

ONGC's Overseas Merger & Acquisition Strategies

Over the years, India had become heavily dependent on imported crude oil. For the growing Indian population and developing Indian industry, the rising cost of crude was becoming a burden. Oil and Natural Gas Corporation Ltd (ONGC) was one of the leading Exploration & Production (E&P) company in India. The domestic competition to ONGC grew after liberalisation policy of Indian government in 1991. The government prepared a plan called 'India Hydrocarbon Vision 2025' and suggested ONGC to go global. The competition in domestic business and hike in oil prices motivated ONGC to create ONGC Videsh Ltd (OVL) for overseas operations. By 2006, ONGC is present in 14 countries and has 24 ongoing projects.

OVL had set a target of producing 60 Million Metric Tonnes Per Annum (MMTPA) in 2025, but its output in 2006 was only 6.34 MMTPA. Its strategy for expansion was based on three entry methods: (a) wholly-owned projects acquired during bidding of oil blocks in different countries, (b) production sharing contracts and (c) participation interests. It had established presence in major oil producing countries like Russia, Qatar, Libya, Iraq and Iran. Even then, the output from major projects was insufficient to support Indian crude requirements. To overcome the limitations, OVL had initiated expansion through acquisition of new projects during 2006.

Pedagogical Objectives

- To study the challenges faced by the Indian oil and gas industry and India's energy requirements
- To discuss ONGC and its role in the Indian crude oil sector
- Merger and Acquisition strategies of OVL.

Industry	Oil & Gas Industry
Reference No.	MAA0082C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

ONGC; OVL; Oil & Gas Industry in India; Participation Interest; Sakhalin – I project; GNOP; Chinese National Petroleum Corporation; Shell and Petrobras; OMEL; Block 35 and 36 in Cuba; Crude oil and natural gas; Exploration and production; Million Metric Tonne Per Annum of Crude.

Adidas-Reebok Merger: Sprinting behind Nike

On August 3rd 2005 Adidas, the German sports shoes and apparel company announced its decision to buy Reebok, an American rival for $3.8 billion and create a $10 billion footprint in global athletic footwear, apparel and hardware markets. The deal was expected to improve Adidas's position in the North American market on the one hand and Reebok's position in the European and Asian markets on the other. However, most industry watchers were skeptical about the deal being a challenge to Nike, the market leader.

This case examines the challenges that lay ahead for Adidas in terms of positioning of products, price and brand. Despite the synergies available as claimed in the deal the industry experts believed that the two big brands might duplicate efforts rather than complement each other.

Pedagogical Objectives

- To discuss the challenges of Adidas in positioning after the merger with Reebok
- To discuss the synergy that would be developed after merger.

Industry	Sports Wear
Reference No.	MAA0081C
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Adidas; Reebok; Nike; Merger; Sport Shoe; Footwear; Sports Apparel; Adidas-Salomon; Deal.

US Airways – America West Merger: Flight to Success?

On May 19th 2005, US Airways Group announced that it would be acquired by Phoenix-based America West Holdings Corporation, parent company of America West Airlines. The combined airline named US Airways positioned itself as the 'World's Largest Low-Fare Airline'. The newly formed US Airways Group finalised all transactions enabling America West and US Airways to begin operations as one carrier – US Airways in September 2005. Both the airlines merged to create the fifth largest domestic airline in the US, which was positioned as the largest full-service, Low-Cost Carrier in the country. William Douglas Parker, CEO of America West, became the chairman, president and CEO of the merged airline.

Parker in his early forties was the youngest CEO of a large US airline. He was the person behind the revival of America West after the 9/11 terrorist attacks. In 2005, it was his responsibility to make the merged airline a success. Prior to the merger, US Airways was the dominant carrier on America's East coast with hubs in Philadelphia, Pittsburg and Charlotte, North Carolina. But the airline was suffering from financial problems and had sought bankruptcy protection for a second time in 2004, since the 2001 crisis. America West was concentrated in the Western region and was a full-service carrier offering services at discount prices. In early 2005, prior to the merger, the airline was nearing bankruptcy.

Criticism over the merger started when the code name for the merger talks leaked out in April, 2005. The merger named Project Barbell (for the airlines' strengths on the opposite coasts of the country), quickly earned the nickname Project Dumbbell. Critics questioned the wisdom of America West's decision to link up with a bankrupt partner. In Parker's opinion there were distinct advantages in merging with an airline under bankruptcy. Labour issues dominated the post-merger scenario. Parker had anticipated these problems, as it was true for any merger, especially between culturally diverse organisations.

Pedagogical Objectives

- To study Industry Life Cycle Model
- To discuss about consolidation as a way out of the negative financial trend.

Industry	Airline Industry
Reference No.	MAA0080C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

US Airways; America West; Merger; US Airline Industry; 2001 attacks; Legacy carriers; Low-cost carriers; Low-cost business model; Price wars; Oligopolistic market; Airlines deregulation; Project Barbell; William Douglas Parker; Corporate Culture; Labour Integration.

The Body Shop (Part B): L'Oréal Turning Green?

On March 17th 2006, L'Oréal the world's largest and most successful cosmetic company, announced its take over of the Body Shop, the ethical cosmetic retailer in the UK, founded by Anita Roddick.

Under the leadership of CEO, Lindsay Owen-Jones, since 1988, L'Oréal grew at a phenomenal growth rate and by 2004 achieved 19 years of consecutive double digit growth. By 2005, most of its brands are facing stagnating sales in its major markets. The Asian markets, Brazil, China and Russia are the only drivers of growth. In most of these emerging markets L'Oréal's brands are not in the affordable range for the middle class consumers. Threat from competitors such as Unilever, P&G, Beiersdorf and Henkel as well as complacency within the organisation since it has reached number one position are the major hurdles faced by the company in the twenty-first century.

When news of this take over got out, the Body Shop faced severe criticism and public outrage on having sold out to a company which conducted animal testing and had not shown commitment to any ethical issues. Body Shop's ethical rating by the Ethical Consumer Magazine dipped from 11 out of 20 to 2.5. 24% of L'Oréal was controlled by Nestlé. Consumers felt that this was a case of selling to the devil and a farewell to the values that the Body Shop had espoused thus far.

The deep pockets and global reach of L'Oréal were expected to improve the Body Shop's performance in terms of more efficient manufacturing and marketing know how. The Body Shop was to provide the giant a new perspective into retailing, a foothold in the masstige markets and an ethical platform.

Was Anita's decision right for her company? Will the takeover result in the expected synergies?

Pedagogical Objectives

- To discuss about L'Oréal's intentions in taking over the Body Shop
- To highlight the ways in which L'Oreal and Body Shop dealt with ethical issues.

Industry	Personal Care Market
Reference No.	MAA0079C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

L'Oreal; Ethical marketing; Corporate Social Responsibility; Lindsay Owen Jones; The Body Shop; Personal care products; Masstige brand; Community trade; Ethical cosmetic retailer; Beauty care market; Acquisitions; Global branding; Animal testing; Emerging markets; Market leader.

L'Oreal in 2006: The Body Shop Acquisition

In 2005, the $18.89 billion L'Oreal group is the largest and the most successful cosmetics company in the world, with over 19 international brands. Whether it sells Italian elegance, New York chic or French beauty through its brands, L'Oreal has reached out to a wide range of customers across different income groups and cultures. Over the years L'Oreal has acquired many brands and successfully integrated them in its brand architecture, sometimes retaining

their brand origins and at other times giving them a 'makeover'. The case discusses L'Oreal's brand architecture, its retail strategy, promotion strategy, corporate structure and competition. The Body Shop is known for selling natural products and supporting environmental and human-rights causes.

In March 2006, L'Oreal has acquired The Body Shop International a UK-based retail cosmetic brand revered for its ethical values for $1.1 billion. The development has surprised many as on the surface there seemed to be little in common between L'Oreal, which cultivates an image of French chic, and The Body Shop known for selling natural products and supporting environmental and human-rights causes. Moreover, L'Oreal is a manufacturer of beauty products and not a retailer. The case discusses the strategic fit, the benefits and the ramifications of the acquisition and the future possibilities of the association between the two companies.

Pedagogical Objectives

- The case discusses L'Oreal's brand architecture, its retail strategy, promotion strategy, corporate structure and competition
- The case discusses the strategic fit, the benefits and the ramifications of the acquisition and the future possibilities of the association between the two companies.

Industry	Consumer Goods
Reference No.	MAA0078P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

L'oreal; The body shop; Lindsay Owen Jones; Anita Roddick; Brand architecture; Brand positioning; Reposition strategy; Retail strategy; Strategic brand fit; Promotion strategy; Corporate structure; Social branding; International cosmetic industry; Franchising; Acquisition; Environment and human rights cause.

Dabur – The Balsara Acquisition

In January 2005, Dabur has announced its decision to acquire an Indian FMCG – Balsara India, a loss-making company. Dabur believes that Balsara's product basket fits well with Dabur's own portfolio. Balsara's HR division possesses skills that complement Dabur's own team. The Balsara brands – which have been stagnating since the late 1990s are rejuvenated by Dabur. Dabur has overhauls it operations and purchasing strategy operations. Contrary to expectations, Dabur is successful in turning Balsara around in eight months.

Pedagogical Objectives

- The case discusses Dabur's product portfolio, Balsara's product portfolio and their respective strengths and weaknesses. The case traces the successful merger of the two companies and discusses how Dabur handles the various marketing and HR challenges that come its way
- It discusses how Dabur has financed the acquisition
- The case also discusses Dabur's strategy to rejuvenate the stagnant Balsara brand.

Industry	FMCG
Reference No.	MAA0077P
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Acquisition; Marketing; Turn-around; FMCG.

AOL: The Prize in the Battle of Portals

In October 2005, the battle of the portals is heating up with three internet companies – Google, Microsoft and Yahoo! (Yahoo) trying to strike some sort of a deal with America Online (AOL) – the fourth player to become the primary gateway to the internet. The struggle will decide which company is the world's leading internet portal – the site that most internet users rely on for everything, from searching the web to sending e-mails and catching up on the news. The case outlines how the deal is important to all the players, and what is at stake for them. AOL decides to enter into a deal with Google. The case also discusses the ramifications of the actual deal, the gains for both the parties, and how could it have been better for both of them.

Pedagogical Objectives

- The case outlines why the deal is important to all the players, and what is at stake for them
- AOL decides to enter into a deal with Google
- The case also discusses the ramifications of the actual deal, the gains for both the parties, and the means to increase the mutual benefits
- The case also discusses the businesses of the three players, their areas of interest and their growth prospects.

Industry	Internet Companies
Reference No.	MAA0076P
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

AOL; Yahoo; Google; Comcast; Microsoft; MSN; acquisition; deal; primary gateway to internet; internet advertising; portal; web traffic.

eBay: Bidding Big on Start-up Skype

San Jose, California based 'eBay Inc.' was the world's most popular online auction website with over 150 million users worldwide in 2005. Over the years, eBay had built its massive global presence through acquisitions of regional auction sites, payment facilitators and sites that provided auxiliary services to its main business like classifieds and personals. But in September 2005, eBay shocked investors and analysts alike with its $2.6 billion take-over of Luxembourg based 'Skype Technologies', an Internet telephony (VoIP) provider. Although Skype was the most popular VoIP provider due to its free and high quality service, many felt that the acquisition's success was doubtful since the business models of both eBay and Skype were unrelated. Concerns were also raised about the different sphere of operations and the successful integration of the two. Despite such concerns, eBay and Skype were determined to establish their synergies and prove that they had the potential to be an excellent team.

This case delves into the business models of both the companies, brings out their inherent differences and sheds light on the purported synergies of the deal. It also endeavors to compare the acquisition of Skype with eBay's other acquisitions and raises the debate on the future of the deal.

Pedagogical Objectives

- To discuss why eBay acquires companies outside its core business domain
- How to create synergies through acquisition
- The future of e-commerce.

Industry	Internet Auctions
Reference No.	MAA0075B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

eBay; Skype; Skypein; SkypeOut; eBay-Skype Acquisition; Meg Whitman; Niklas Zennstorm; Janus Friis; PierreOmidyar.

Oracle PeopleSoft Saga

Oracle's acquisition of PeopleSoft in December was culmination of a 18 month saga that started in June 2003. To many,

Oracle's bid was seen as its response to the PeopleSoft – JD Edwards's merger that put PeopleSoft above Oracle as a number two player in the market behind SAP. Oracle had to overcome a number of hurdles in its path. Not many seemed convinces about the rationale behind the merger and felt that it may not be workable. Speculations abound on how the acquisition would take shape and the resulting impact on the software industry.

Pedagogical Objectives

- Oracle's strategy of acquisitions with particular reference to PeopleSoft
- Mergers and acquisition in the software industry
- The impact of the acquisition on Oracle and PeopleSoft
- The future of products developed by PeopleSoft and JD Edwards
- Oracles' future strategies.

Industry	Software
Reference No.	MAA0074B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Oracle PeopleSoft; Business strategy; Software Industry; Mergers and Acquisitions; Product Strategy; Switching Costs; HR Issues in Mergers and Acquisitions; Enterprise Application Software; Oracle vs SAP; Regulatory issues in mergers and acquisitions; JD Edwards; Larry Ellison; Organisational culture; Software upgrades.

Cemex, Mexico—Revolutionizing Low-cost Housing

Cemex was one of the leading cement companies of the world. During early 1990's, it experienced problems in its home country, Mexico . To revive its sales in Mexico, Cemex ventured into low-cost housing by launching an innovative savings and credit scheme, 'Patrimonio Hoy'. Patrimonio Hoy provided the poor people cement, raw materials and a host of allied services so as to enable them build their own homes. It was a huge success in Mexico and Cemex planned to extend the scheme to other developing countries.

This case explores the concept of Patrimonio Hoy and provides scope for discussing the innovative marketing programme of Cemex. It also provides scope for the discussion of low- cost housing in Cemex.

Pedagogical Objectives

- To discuss the objectives of NAFTA and similar Free Trade Agreements
- How Cemex forward integrated and provided end to end building solutions
- How a company can benefit the society and at the same time make profit.

Industry	Cement
Reference No.	MAA0073B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cemex; Patrimonio Hoy; Low-cost housing; Housing in Mexico; Construction; Acquisition; Construmex; Dolex; Socios; Cement; Services; Distribution network; Mexico; Tanda system; Mexican economic crisis.

Franchising at Hilton Hotels Corporation

Hilton Hotels Corporation (HHC) was into ownership, management and development, and franchising of hotels, resorts and timeshare properties. As of 2003, HHC consisted of 2,173 properties, totaling over 348,000 rooms. Of these, HHC owned an interest in and operated 122 hotels, leased seven hotels, managed 206 hotels owned by others and franchised 1,808 hotels. Besides this, HHC also managed or franchised 30 timeshare properties. This case talks about the business of HHC and its franchising mode. It also discusses in detail the principles of franchising laid down by HHC and the step-by-step process of the franchising development.

Pedagogical Objectives

- Pros and cons of the business model of the Hilton Hotel Corporation
- Could the franchise development process be simplified?
- Fairness of the Hilton's principles of franchising
- Does the support programme of Hilton add value to its system and attract new owners? Can any other programmes be initiated?

Industry	Hotel
Reference No.	MAA0072B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Hotels & Resorts; Hospitality Industry; Luxury Hotels; Hotel Management; Hilton HOnors-the guest loyalty programme; One Services – CRM; Franchised hotels; Managed/leased hotels; Franchise Fee; Cross-selling Business Model Hilton Reservation Franchise development process; UFOC. Worldwide; Principles of franchising; Franchise development Worldwide; Principles of franchising; Franchise development.

General Motors & Fiat – Destination Splits Ville?

The latter half of the 1990s saw the share of companies like US based 'General Motors Corp' (GM) and Italian auto manufacturer 'Fiat' (Fiat), eroding in the European markets. While GM recorded losses of $403 million, Fiat saw their market share decline from 42.65% (in 1997) to 35.4% in 2000. Concerned about declining sales and eroding bottom lines, Fiat and GM entered into an agreement in early 2000, under which GM acquired a 20% stake in Fiat and Fiat purchased 6% of GM's stock. But the rapid decline in Fiat's sales and market share continued into the 2000s thereby resulting in huge losses. To control this decline, Fiat went in for a recapitalisation drive and sold off its more profitable businesses.

Pedagogical Objectives

- To discuss the merging of Fiat and GM
- To discuss the possible synergy that would arise from the deal
- What GM and Fiat should do to stop the sales decline.

Industry	Automobile Manufacturing
Reference No.	MAA0071B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

General Motors; Fiat Auto SpA; Put Option; GM-Fiat alliance; Fiat restructuring; Gianni Agnelli; Opel; Fiat-GM Powert rain BV GM-Fiat Worldwide Purchasing BV; European Car Market; Automobiles; Alfa Romeo; Saab; Lanica; Fiat Group.

L&T: Attempts on Public-Private Partnership

In September 2004, the engineering and construction giant L&T, had sent a proposal to the Joint Secretary, Shipping for a joint venture (JV) with the loss making HSL. Under the proposed scheme, L&T wanted to form a 60:40 JV as an associate company of HSL with majority stake held with L&T. It envisaged a strong collaboration between the engineering and design expertise of L&T and the domain expertise of HSL would herald a new area

of growth. L&T wanted HSL to transfer assets (minus liabilities) as a portion of equity. The company proposed to infuse funds and utilisation of HSL assets via the JV to bring about a turnaround of the loss making Public Sector Undertaking. L&T wanted the Government to remain the owner of HSL.

The Joint Secretary, Shipping sent a welcome response and the preliminary approval to initiate talks between L&T and HSL. Accordingly, the Joint Secretary asked L&T to broadly elucidate the proposed shape of the JV and communicate the same to the CMD, HSL. In early 2005, L&T's top management presented the JV plan to the Joint Secretary, Shipping, Ministry of Finance and Planning commission. In this meeting a decision was taken to evaluate HSL's worth. The valuation was conducted in March-April 2005. After that the picture became vague. The pace of the process slowed down and that left Mr. Naik confused. Though 15 months had elapsed after the process was initiated, he was hopeful that the venture would materialise in the days to come. He thought that L&T could move ahead with the public-private partnership (PPP) model, the concept of co-investment would be a feasible alternative to disinvestment of public sector undertakings in India.

Analysts and industry observers debated on whether L&T's attempt of PPP was a right move or not. What did L&T envision to achieve through the deal? Where could it take L&T, if the PPP deal was successful? Was PPP trustworthy, when it came to projects related to defense?

Pedagogical Objectives

- To understand how Joint venture can be instrumental in the turnaround of a public sector
- To discuss the problems faced in private-public partnership.

Industry	Heavy Industries
Reference No.	MAA0070B
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Public Private Partnership(PPP); L&T; Joint Venture (JV); Hindustan Shipyard Limited (HSL); Mazagon Docks (MDL); Hindustan Aeronautics Limited (HAL); Public Sector Undertaking (PSU).

Lucent Technologies-Alcatel Merger: The Potential Synergies

On April 2nd 2006, Alcatel, the French telecom equipment major and Lucent Technologies from the US announced a mega merger worth $13.4 billion. The merger would form the biggest telecom equipment company in the world surpassing the market leader, Cisco, and offer a complete portfolio in the telecom equipment industry, from equipments to service solutions for the networks. However, analysts are skeptical about the synergistic benefits due to concerns about cultural integration and product overlaps.

Pedagogical Objectives

- To understand the new trends in the global telecom industry after the telecom bubble burst in 2000
- To analyse the factors that prompted the merger, the potential synergies and pitfalls the merger might witness
- To discuss the effect of this mega merger on the global telecom industry and the possible consolidations that it might trigger among telecom equipment manufacturers and service providers.

Industry	Wireline Telecommunications Equipment
Reference No.	MAA0069
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cisco; Telecom bubble; Telecom industry; ZTE; Huwaei; Patricia Russo; Serge Tchuruk; Failed merger; Merger of equals; Bell Labs; IPTV; CDMA; DSL; Optical fiber; Consolidation.

Boston Scientifics' Guidant acquisition

Boston Scientific, with a market capitalisation of about $20 billion, was the largest life science company in Massachusetts (ranked by market capitalisation). After the merger with Guidant, it could be the largest public company in the state by market capitalisation. Boston Scientific expected the deal would boost its growth and profit in coming years. Since June 2005, Guidant had recalled or issued safety advisories for about 88,000 defibrillators and more than 200,000 pacemakers. The company faced regulatory investigations as well as multiple lawsuits from the recalls. In December 2005, Guidant received a warning letter from the FDA about quality control at its plants, this meant the company could not introduce any new products until regulators are satisfied and issued at the plants had been addressed.

Like Guidant, Boston Scientific was also under a warning that restricted it from introducing products until the problems were fixed. Guidant owed Johnson & Johnson $705 million for breaking its prior agreement, which Boston Scientific was supposed to reimburse. Guidant needed to get the investigations and lawsuits behind it and rebuild its image. Boston Scientific needed to fix the problems of Guidant along with its own problems. Had Boston Scientific, lost by winning the deal?

Pedagogical Objectives

- To discuss the suitability of the merger
- To highlight the issues and challenges faced by each of the two merged companies
- To discuss the synergies created by the acquisition.

Industry	Medical Equipment Industry
Reference No.	MAA0068A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Boston Scientific; Guidant Corp.; Johnson & Johnson; Medical equipment industry; Medical Device Maker; Acquisition; Strategy; Implantable Cardioverter Defibrillators (ICDs); Cardiac Rhythm Management (CRM); Pacemakers; Stents; Product recall.

Oracle's acquisition of Siebel

In 2005, Oracle Corporation (Oracle), the world's largest enterprise software company, with offices in more than 145 countries, employed over 50,000 people. In fiscal 2005, its revenues were US$11,799 million. Siebel Systems Inc. (Siebel), marketed CRM applications tailored for various industries. In early 2001, Siebel faced a financial crisis as many of its customers switched to companies which offered an integrated suite instead of specialised applications at a lesser cost. In September 2005, Oracle decided to acquire Siebel for US$5.8 billion. The acquisition completed in early 2006, added 4,000 customers, 3.4 million CRM users and front end enterprise applications into its portfolio.

Oracle competed with SAP AG for the number one player in the global enterprise software business. However, Oracle faced competition from niche players like Salesforce.com and RightNow Technologies which provided business software services to its customers at lower prices. The case study highlights the acquisition of Siebel, synergies attained and impact of the acquisition on the global software market.

Pedagogical Objectives

- To discuss the pros and cons of Oracle's Siebel Acquisition
- To understand the IT industry structure

- To debate on the synergies and liabilities created by the acquisition.

Industry	Global Software Service Industry
Reference No.	MAA0067A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global Business applications Industry; Oracle growth; Siebel acquisition; Oracle's Competitive advantage; Acquisition synergies; Oracle's competitors; Customer relationship management; Oracle's e-Business suite; Software market; Project fusion; Software services industry.

Mega Mergers in US Telecomm Industry

Until 1984, AT&T enjoyed a government regulated monopoly in the US telecommunication industry. In 1984, AT&T was divested into Baby Bells and the industry was opened for private player participation. By 1996, both the local and long distance industry was deregulated for the players. However, in 2005 two mergers were approved by Federal Communications Commission (FCC). SBC merged with its parent company AT&T for $16 billion and Verizon merged with MCI for $8.5 billion.

This case discusses how the merged entities with the help of their synergies would control the industry. It also discusses about proposed effects of mergers on price, quality and technological upgradation of services. The case ends with a question whether the merged entities would serve the customers as before.

Pedagogical Objectives

- To discuss the effect of mergers and acquisitions
- To analyse the effect of merger on various factors such as price, quality and future technological upgradations of services
- To understand the synergies created by mergers and acquisitions.

Industry	Telecommunication
Reference No.	MAA0066A
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Mega mergers; US telecommunication industry; AT&T; SBC; Verizon; MCI; Government regulated monopoly; AcTel; FCC; Local calls; Toll calls; LATAs; Cellular and wireless services; Long distance markets; Internet services; Baby Bells; Edward Whitacre; Ivan Seidenberg; US Justice Department; Consolidation; Mergers and acquisitions; Market growth; Globalisation; Duopoly; Price inflation; Competitive advantage; Market share.

Viacom: Is Divorce Better Than Marriage?

This case traces the origin, development and growth of Viacom from a subsidiary company to becoming the world's third largest media conglomerate. The main focus of the case is its merger with its parent company CBS in 2000 and then the decision made in 2005 to split Viacom back into two companies; Viacom and CBS. The case describes the industry situation in 2000 and 2005, and the rationale which led to the decisions. The operating business segments of Viacom before the split and the businesses Viacom and CBS would operate after the split have been explained in detail.

The case describes the media landscape and the trend of consolidation and mergers in 1990s that led to the formation of huge media conglomerates operating in all possible media and entertainment properties. With the passage of time, achieving synergies between such large and sometimes disparate assets became questionable, leading to the conglomerates pruning their businesses by focusing on the core businesses and spinning off the non core ones. This case on Viacom is a classic example of the same phenomenon. The succession planning undertaken by the Viacom's CEO, Sumner Redstone, and the opportunities and challenges in front of the newly appointed CEOs of the two companies Viacom and CBS and their vision in taking their respective companies forward has been described.

Pedagogical Objectives

- To discuss and debate on the decision to split a media conglomerate into two separate companies
- To identify the challenges and opportunities lying ahead for the separate entities
- To analyse the mergers and acquisitions strategy adopted by media conglomerates.

Industry	Media
Reference No.	MAA0065A
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Viacom; CBS; Media conglomerate; Merger; Split; Acquisition; Advertising; Programming; Broadcasting; Syndication; Network; Cable television; Radio; Outdoor advertising; Television; Studio; Consolidation; Horizontal integration; Vertical integration; Economies of scope; Economies of scale; Cross promotion; Strategy; Regulation; Succession planning; Competition; Synergies

FedEx: The acquisition of Kinko's

FedEx incorporated operations in early 1970s. During this period the US package delivery business was dominated by two big organisations, the United States Postal Service (USPS) and United Parcel Services (UPS). USPS had postal monopoly and no strong incentive to provide good services. FedEx saw the gap provided through negligence of service providence to high end postal delivery market. It exploited the situation and organised to deliver packages overnight using its own aircrafts. As a strategic move to build on the strength of its now famous express delivery service and create more diversified company through various different acquisitions of related businesses, it acquired the retail focused Kinko's. FedEx Kinko's, the combined entity made sense from a competitive landscape. In 2005, the company generated $2.07 billion in revenues, four times higher on y-o-y basis.

Pedagogical Objectives

- To discuss the importance of peripheral vision
- To discuss the synergy created by the vertical integration
- To derive a cost benefit analysis of the acquisition of Kinko's
- To illustrate the growth strategies adopted to become Industry leader from a follower.

Industry	Express Delivery Industry, Stationery and Printing Industry
Reference No.	MAA0064A
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Business Strategy; Mergers and Acquisitions; Strategic Management; Core Competence; Synergy through Acquisition; Peripheral vision.

Mittal Steel-Building the Steel Giant

In the era of concentration of power in few hands, consolidation in old industries has gained momentum. The case study is about building a global empire through the strategy of turning around sick units.

Lakshmi Niwas Mittal (LNM) with his vision of consolidation of steel industry banked on geographical reach and product line expansion for success in the 21st century. It also highlights the core competence of identifying the right plants for acquisition and investing the right amount of money and people in it and turning them into profitable ventures.

LNM went into vertical integration to have cost advantage. The case discusses LNM's major acquisitions which were considered the riskiest rust buckets by the industry experts, one of them being in Kazakhstan, which is located 400 Kilometers away from now steel hungry China. With the creation of world's largest steel company, Mittal Steel, only 23% of the global production is dominated by handful of steelmakers, providing scope for more acquisitions and consolidation to follow.

Pedagogical Objectives

- To understand the core competency of Laxmi Mittal in acquiring and turning around the sick steel units
- To analyze the string of acquisitions undertaken by LNM and the vision to consolidate the steel industry
- To debate whether this strategy of acquisitions have been a successful strategy for Mittal Steel.

Industry	Steel Industry
Reference No.	MAA0063A
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Business Strategy; Mergers and Acquisitions; Strategic Management; Consolidation; Core Competence.

Vodafone's Global Strategy: Paying Price for 'Going for Growth at any Price'?

Vodafone became one of the largest telecommunications operators in the industry by adopting its global strategy. Under the global strategy the company relentlessly acquired stakes in businesses spanning across 27 countries. The strategy bore fruit during the telecom boom in the late 1990s, which witnessed increased consolidation across the world. But the acquisitions made later were questioned as the already acquired stakes across the world proved difficult to manage. Although the new CEO, Arun Sarin, made acquisitions in emerging markets to offset market saturation in existing markets, a write-off of £28 billion of its overseas assets in February 2006 raised questions regarding the global strategy of the company. The company was expected to make acquisitions diligently to avoid such write-offs in future and also focus on ways to counter the effects of emerging technologies on the revenues of the company.

Pedagogical Objectives

- To discuss the impact of changing telecommunications landscape on telecom operators
- To discuss the strategy adopted by Vodafone to remain competitive in the telecom industry
- To discuss the effects of those strategies on the revenues of the company
- To discuss the reasons behind the alteration of the company's strategy to remain a formidable player in the telecom industry.

Industry	Telecommunications
Reference No.	MAA0062
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Vodafone; Global strategy; Christopher Gent; Arun Sarin; 'Bigger is Better' strategy; 'Mobile-only' strategy; 3G technology; Asset write-offs; Verizon; Softbank; One Vodafone; Mannesmann.

The Battle for Westinghouse – Toshiba Wins: The Strategic Fit

Increasing fuel prices led many countries (like China and US) to look for other alternatives like nuclear power. To capitalise on the increasing demand for nuclear power, Toshiba decided to bid for Westinghouse, one of the leaders in nuclear technology in the world, when it was put up for sale. In February 2006, Toshiba acquired Westinghouse outbidding other companies like GE and Mitsubishi. Toshiba anticipates that the acquisition would help it to win contracts in China, one of the fastest growing markets for nuclear power, and would also help the company to become the global leader in the nuclear power business.

Pedagogical Objectives

- To discuss the reasons behind Westinghouse's failure in the nuclear business before its acquisition by BNFL
- To analyse and understand the synergies for Toshiba out of this acquisition
- To debate on the critical success factors in this industry.

Industry	Nuclear Power
Reference No.	MAA0061
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Not Available

keywords

Toshiba; Westinghouse; Nuclear power; Acquisition; British Nuclear Fuels Ltd; Hurdles; Synergies; Atsutoshi Nishida; General Electric Corporation; Strategic fit.

Mittal Steel's Bid for Arcelor: Coming together of Equals or Making of an Unequal?

Mittal Steel became the world's largest manufacturer of steel with operations in North America, Africa, Central and East Europe, by buying a network of loss-making state-owned steel mills in former communist countries including Kazakhstan, Romania and Ukraine and turning them around. In January 2006, Mittal Steel made •18.6 billion ($22 billion) hostile takeover bid for Arcelor, the No. 2 steel producer in the world, with an aim to create a steel giant with a capacity of 115 million tonnes, larger than the next three largest steel makers – JFE Holdings, Nippon Steel and Posco's capacity put together. The deal was rejected outright by the Arcelor Board and there were mixed reactions from the industry and governments of various countries as well regarding the takeover bid.

Pedagogical Objectives

- To chart the making of Mittal Steel, highlighting its course of action to become the biggest steel producer in the world
- To discuss the reasons and rationale behind Mittal's bid for Arcelor
- To discuss whether the merger of the two companies, would bring an end to the deep cyclical peaks and troughs in steel supply and prices
- To discuss the role and influence of various governments in this deal.

Industry	Steel
Reference No.	MAA0060
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Lakshmi Mittal; Mergers and acquisitions; Hostile takeover; Consolidation; Steel industry; Economies of scale; Merger synergies; Thwart acquisition bid; Cultural differences in merger; Political intervention in business; Consolidation of industry and its effect on prices.

ConocoPhillips' Acquisition of Burlington Resources: The Strategic Fit

In late 2005, ConocoPhillips (the number three integrated US oil company) has acquired Burlington Resources (one of the prominent independent oil companies of the US) for $35.6 billion. This is one of the major deals in the wave of consolidation that is sweeping the US oil industry since the 1970s. Analysts rationalise that as finding new sources and setting up facilities have become expensive, acquiring assets would save capital investment for major companies. The current consolidation is nothing new for the US oil industry which has witnessed benefits of consolidation during John D. Rockefeller's time. While executives of ConocoPhillips say that acquisition would help them in saving operational costs, experts opine that the deal is overpriced.

Pedagogical Objective

- To discuss the acquisition made by ConocoPhilips as to whether it is over priced and to discuss whether the acquisition would reap the benefits of consolidation.

Industry	Oil and Gas Exploration & Production
Reference No.	MAA0059
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Oil companies in the US; Consolidation in the US oil industry; The history of the US oil industry; Standard oil; Expansion strategy of ConocoPhillips; Global oil prices; Investments in Russian oil industry; Mega-mergers in the US oil industry; Economies of scale in the oil industry.

MetLife's Acquisition of Citigroup's Insurance Arm, Travelers Inc.: The Synergies

Citigroup is the world's most profitable financial services organisation. During the 1990s, to become a financial 'supermarket' that offered all financial services under one umbrella, Citigroup diversified into insurance, mortgage and investment banking businesses. However, the company was unable to reap the estimated synergies from this kind of business model. In 2005, Citigroup announced the sale of its insurance business, Travelers Inc., to MetLife, the US' largest life insurer.

Pedagogical Objectives

- To highlight the potential synergies that MetLife stands to gain from the acquisition
- To discuss the challenges facing the successful integration of Travelers with MetLife.

Industry	Life Insurance
Reference No.	MAA0058
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Citigroup; MetLife; Acquisition synergies; Life and health insurance; Financial supermarket; Citicorp; Glass-Steagall Act; Gramm-Leach-Bliley Act; Robert Benmosche; Distribution network; Joint venture; Smith Barney; Primerica; Strategic fit; Cross selling; Consumer banking investment; Travelers group.

Sony-BMG Joint Venture: Lessons from a Dis-jointed Venture

Sony and BMG Music Entertainment, the second-largest music record company in the world, was formed as a 50:50 joint venture between Sony Music and Bertelsmann Music Group in August 2004, with both the companies having equal representation in its board. Soon, the company's sales declined and Michael Smellie, Sony and BMG's chief operating officer from Bertelsmann, tendered his resignation. Following this, the Bertelsmann group opposed the renewal of contract for Andrew Lack, who was from Sony and was the CEO of the joint venture, on the grounds that he was responsible for the lackluster performance of the company.

Pedagogical Objectives

- To discuss the ongoing consolidation in the global music industry
- To discuss the reasons that led to the Sony-BMG joint venture
- To discuss the opposition of the Bertelsmann group to the renewal of the contract for Andrew Lack to remain CEO of the joint venture.

Industry	Musical Entertainment
Reference No.	MAA0057
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sony BMG; Sony Music; Bertelsmann Music Group; Global music industry; On-line music piracy; Internet and file swapping technology; Joint venture; Synergies of a merger; Pay for play scandal; Andrew Lack; Restructuring strategies; Executive tension; Personality clashes; Sony-BMG labels; Costs cutting strategies.

Alliances in Automobile Industry: From Fiat-GM to Fiat-Ford

Technological advances and process improvements in the automobile industry have made a few company leaders and laggards and left many clueless. Competitive pressures pushed the automobile companies into the triple threat of cost pressures, cutthroat pricing and overcapacity. In order to counter such pressures, consolidation was the need of the hour in the industry. Consolidation took different forms namely, mergers and acquisitions, joint ventures and strategic alliances. Strategic alliances, which offer all the advantages of mergers and acquisitions at a lower capital and resource commitment, appeared a better alternative to bolster their positions. Amidst these circumstances, Fiat entered into an alliance with General Motors in 2000 and come February 2005, rather surprisingly, General Motors withdrew by paying $1.99 billion. Eight months later Fiat aligned with Ford.

Pedagogical Objectives

- To discuss whether consolidation (in whatever form) is warranted in the automobile industry and to discuss how the strategic alliances make good such a requirement
- To discuss whether Fiat's swinging fortunes can be bettered by switching partners.

Industry	Automobiles
Reference No.	MAA0056
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Fiat; Ford; Automobiles; Strategic alliances; Alliances in automobiles; Fiat-Ford alliance; Fiat-GM alliance; Synergies from alliances; Advantages over mergers and acquisitions.

US Airways and America West Merger: The Corporate Culture Integration

In September 2005, US Airways and America West, the seventh and the eighth-largest airlines in the US, merged to create the sixth-largest airline in the country. The merger was expected to help US Airways to emerge successfully from bankruptcy protection and help America West to expand its operations. However, there were several issues concerning the success of the merger. The principal among them was the integration of the vastly different corporate cultures of the two airlines.

Pedagogical Objective

- To provide an insight into the merger between US Airways and America West and the steps being undertaken by the companies to make the merger a success, especially regarding integration of their vastly different corporate cultures.

Industry	Airlines
Reference No.	MAA0055
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

US Airways; America West; Corporate culture integration; Merger; Low-cost airline; US airline industry; Customer service; Employee relations; Seniority integration process; Financial viability; Chapter 11 bankruptcy.

eBay's Takeover of Skype: The Strategic Fit

Niklas Zennstrom and Janus Friis emerged from obscurity and became Internet legends after creating KaZaA, an illegal on-line file-sharing programme. After selling KaZaA, Zennstrom and Friis, embarked on their next project, an Internet telephony programme called Skype. Unlike KaZaA, Skype was legal, but as KaZaA had rattled the music industry, Skype's revolutionary business model was expected to threaten the traditional models of the giant telecom companies. Internet heavyweights, Microsoft, Yahoo! and Google, were said to be negotiating with Zennstrom and Friis to acquire Skype. On September 12th 2005, eBay acquired Skype for $2.6 billion.

Pedagogical Objectives

- To highlight the evolution of Skype and its acquisition by eBay
- To discuss the potential synergies that eBay might gain from the acquisition and the problems it might encounter in the course of a successful integration with Skype.

Industry	Internet Auctions
Reference No.	MAA0054
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Niklas Zennstrom; Janus Friis; KaZaA; Skype; Low-cost business model; eBay; PayPal wallet; Strategic fit; Competitive advantage; Competition; Synergies; Copyrights; Lead generation; Word-of-mouth marketing; On-line file sharing.

Gazprom's Takeover of Sibneft: From a Local Monopoly to a Global Energy Company?

In September 2005, the Russian state-owned natural gas behemoth, Gazprom, acquired Sibneft for $13.1 billion from Roman Abramovich, its biggest stakeholder. The acquisition is regarded as a strategic move by Gazprom to become a global energy company with interests in oil, oil processing and petrochemistry. However, scepticism prevails on the potential benefits to be accrued through the renationalisation of Sibneft, as these kinds of initiatives, after the collapse of the USSR, have traditionally led to operational inefficiency and decreased productivity.

Pedagogical Objectives

- To highlight the rationale behind the acquisition
- To discuss the potential challenges that Gazprom might have to overcome to become a global energy company.

Industry	Oil and Gas Exploration and Production
Reference No.	MAA0053
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Gazprom; Sibneft; Hostile takeovers; Global oil industry; Natural gas production; Global energy companies; Renationalisation in Russia; Yukos; Lukoil; BP (British Petroleum); Globalisation strategy.

DaimlerChrysler's New Challenge: Saving the Merger

DaimlerChrysler came into existence in 1998 through the merger of Daimler-Benz of Germany and Chrysler Corporation of the US, and was plagued with problems from its inception. In addition to declining profitability in the Chrysler division, the Mercedes brand got hit by quality problems. Additionally, its small car unit 'Smart' and its luxury car division, 'Maybach', both failed to take off. It is reported that Jurgen E Schrempp, the chief executive officer of DaimlerChrysler, who had been held responsible for the problems, would be stepping down on January 1st 2006 and would be succeeded by Dieter Zetsche.

Pedagogical Objectives

- To highlight the problems faced by DaimlerChrysler after the merger
- To discuss whether Zetsche would be successful in turning the company around and saving the merger.

Industry	Automobile
Reference No.	MAA0052
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

DaimlerChrysler; Merger; Global automaker; Boom-and-bust cycles; Restructuring plan; European small car segment; Ultra luxury car segment; Mitsubishi Motors; Jurgen E. Schrempp; Dieter Zetsche.

UniCredit's Takeover of HVB Group, Europe's Biggest Cross-Border Takeover: The Synergies

Italy's largest bank, UniCredito Italiano SpA, popularly known as UniCredit, announced the takeover of HVB (Bayerische Hypo-und Vereinsbank AG), the second biggest bank in Germany, in June 2005. The takeover is valued at •15.4 billion (approximately US$18.7 billion), making it the largest cross-border bank deal in European banking industry. The merged entity will be the fourth largest bank in the European Union and eighth largest in the European continent. With this takeover, UniCredit aims to expand its operations in central and eastern Europe, while HVB Group is looking at ways to regain profits and consolidate its business operations in Germany and in other parts of Europe. However, many experts and banking industry analysts are sceptical about the survival of this takeover as consolidations and cross-border deals in the banking industry in Europe were unsuccessful. Added to this, HVB Group has accumulated losses worth •1,992 million as of March 1st 2004, leaving UniCredit with the challenge to turnaround HVB Group.

Pedagogical Objective

- To discuss whether the takeover will survive in the light of various unsuccessful consolidations and cross–border deals in the European banking industry.

Industry	Banking and Financial Services
Reference No.	MAA0051
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

UniCredit Group; HVB Group; Takeover; acquisition; Synergies; Competition; German banking industry; Italian banking industry; Consolidation.

Oracle's Takeover of Siebel: Reshaping the CRM Software Market?

Since the 1990s, Oracle Corporation has been expanding its application software business through acquisitions. With the acquisition of Siebel Systems, the leading CRM (Customer Relationship Management) software provider, in September 2005, Oracle replaced SAP AG as the number one player in the global enterprise software business. However, Oracle has to compete with niche players like Salesforce.com and Netsuite, which provide on-line, subscription-based business software services to its customers at lower prices.

Pedagogical Objectives

- To highlight the acquisition of Siebel as a part of Oracle's business consolidation strategy
- To discuss the impact of Oracle's acquisition on the commoditised global software market.

Industry	Information Technology
Reference No.	MAA0050
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global software industry; Global enterprise software industry; US enterprise software industry; Growth of Oracle through acquisitions; Competitive advantage of Oracle; Competitors of Oracle; Enterprise resource planning; Customer relationship management; Supply chain management; e-Business suite of Oracle; Commoditisation of the software market; Project fusion; Software services industry; Web enabled services; Salesforce.com.

Chevron's Acquisition of Unocal: A Hard Won Battle and the Business Prospects

The takeover battle between Chevron and China National Offshore Oil Corporation (CNOOC) for Unocal, the seventh largest independent oil company in the US, was a highly politicised event in US corporate history. With CNOOC backing out of the deal due to political pressures, Chevron acquired Unocal, thus becoming the fourth biggest oil company in the world. Chevron's management was confident that the acquisition was a perfect fit for the company. Several industry experts also acknowledged the synergies between the two companies. However, some were of the opinion that the acquisition would fail to deliver for Chevron. The case study offers an insight into the takeover battle for Unocal between Chevron and CNOOC and the expected synergies from Chevron's acquisition of Unocal.

Pedagogical Objective

- To discuss whether the acquisition would be beneficial to Chevron in the long run and how this acquisition might change the competitive dynamics of the industry.

Industry	Energy
Reference No.	MAA0049
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Chevron; Unocal; China National Offshore Oil Corporation (CNOOC); Mergers and acquisitions; Inorganic growth; Takeover battles; Merger synergies; David J. O'Reilly; Political environment; Political risks; Legal and regulatory environment; Oil production and exploration; Corporate governance; Peak oil theory.

HVB's Merger with UniCredito: The Strategic Fit

UniCredito Italiano was formed in 1998 through the merger of seven local banks when the Italian banking sector was struggling to cut costs through consolidations. Having decided to expand into the Central and Eastern European markets, in June 2005, UniCredito acquired a German bank, HVB, marking the largest cross-border deal in European banking. After the acquisition, UniCredito's operations spanned across Europe with a market capitalisation of $51 billion. However, analysts opine that as Bayerische Hypo- und Vereinsbank AG (HVB) has a track record of bad debts and corporate loans, the future of the merged bank is unpredictable.

Pedagogical Objective

- To discuss the outcome of the merger of the two banking behemoths in Europe.

Industry	Banking and Financial Services
Reference No.	MAA0048
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Consolidation of the European banking; Italian banking sector; German banking sector; Cross-border mergers; Amato law; Anti-usury law; Banking law; Alessandro Profumo; Central and Eastern European banking; S3 Project of UniCredito; Bad debts of Bayerische Hypo- und Vereinsbank (HVB); Expansion through acquisitions; Bank Austria; Bank Pekao.

Foster's Takeover of Southcorp: Strategic Fit or an Overpaid Deal?

In January 2005, Foster's, a leading Australian beer company, announced the takeover bid of Southcorp, Australia's largest wine manufacturer, to enhance its foothold in the global wine industry, which is going through a phase of consolidation. In order to lure Southcorp shareholders to accept the offer, Foster's had to revise its initial bid of $4.17 to $4.26 per share. The deal, which some analysts felt was overpaid, was completed in late May 2005. The analysts argued that the price paid for the takeover overshadowed the benefits of the merger. However, Trevor O'Hoy, president and chief executive officer of Foster's, maintained that he has not overpaid for the deal and apart from the synergy benefits of the merged entity, they would be able to deliver a superior customer service and a better portfolio to the customers.

Pedagogical Objectives

- To highlight why Foster's thought it would be lucrative to invest heavily into the wine segment
- To discuss the company's strategies to become the world's largest wine maker in 2005.

Industry	Brewers
Reference No.	MAA0047
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Consolidation of global wine industry; Global beer market; Australian wine industry; World's largest wine maker; Reduction in profit margins of Foster's; Foster's growth through acquisitions; Cannibalisation of wine brands; Cost savings through synergies; Mildara Blass; Penfolds; Rosemount; Foster's lager.

Apple and Intel's Alliance: From Competition to Cooperation

During the 1970s, the computer industry had a large number of start-up manufacturers offering various computer parts that could be assembled to construct computer kits. Due to the advancement in technology in different components of computers, at regular intervals, one manufacturer concentrating on all the components has become impossibility. This forced different players, with expertise in their respective arenas to come together through alliances to offer better products to the customers. One such example is the alliance between IBM and Apple, where IBM supplied microprocessors to the

products of Apple. As of 2005, IBM has almost 1% of its revenue flow from Apple. In the same year Apple has replaced IBM with Intel.

Pedagogical Objectives

- To discuss how far this move of Apple and Intel would help them in adding value to the existing technology and provide better services to the customers in the era of commoditisation of computer hardware
- To discuss the effects thereof on the industry that has entered into a post technology period of applications and service.

Industry	Information Technology
Reference No.	MAA0046
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global information technology industry; Commodotisation of computer hardware; Digital networking; Computer kits; Single chip microprocessors; Thirdparty developers; Multitasking; Power Macintosh computers; Cloning strategy; Post-technology period for computers; Hardware and software platforms; Converging technologies; Intel Inside; Virtualisation technology; Longhorn.

Symantec's Takeover of VERITAS: A Strategic Success?

On December 16th 2004, leading security software maker Symantec Corporation announced the takeover of data storage solutions company VERITAS Corporation. Both the companies were confident about the success of the deal and expected it to be mutually beneficial. However, competitors and software industry analysts were sceptical regarding the success of the deal.

Pedagogical Objectives

- To highlight the reasons behind the takeover
- To provide insights into the possible advantages and challenges for the combined entity
- To discuss whether the takeover would be a strategic success.

Industry	Information Technology Services
Reference No.	MAA0045
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Symantec Corporation; VERITAS Software Corporation; Information technology services; Software services industry; Merger of equals and industry consolidation; John W. Thomson and Gary L. Bloom; Takeover cost synergies and strategic fit; Microsoft Corporation; Security and data storage software; Network management products; EMC; CA; HP; IBM; Sun; McAfee; Cisco; Risk of execution failure; Cross-cultural competence; Common management interface; Norton and VERITAS brands.

Sony's Failed Synergies: Bad Strategy or Bad Management?

When Masaru Ibuka and Akio Morita established the Sony Corporation, their dream was to create a world-class company capable of spawning the 'World's First', the 'World's Smallest', the 'World's Biggest', or the 'World's Best' consumer electronic products. During the second half of the twentieth century, Sony introduced the world to revolutionary technology in the form of the Walkman (personal stereo), Trinitron TV (high resolution colour television), and the PlayStation (video game console), thereby setting global industry standards. However, although Sony was the first company to introduce a videocassette recorder (Betamax), it was the rival VHS technology that prevailed in the market after the major videotape format war of the 1980s. Sony's conclusion that ownership of content would enhance its ability to set industry standards led to the company's diversification into the fields of music, motion pictures, and financial services.

Pedagogical Objectives

- To highlight the growth of Sony from a small, unknown Japanese company to one of the world's best-known companies
- To provide an insight into Sony's strategy of foraying into businesses unrelated to its core electronics business, and the apparent failure in successfully merging the company's diverse operations and extracting operational synergies
- To discuss whether bad strategy or bad management was the reason for Sony's failed synergies.

Industry	Electronics and Entertainment
Reference No.	MAA0044
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sony Corporation (Sony); Masaru Ibuka and Akio Morita; Tokyo Tsushin Kogyo Totsuko; Global consumer electronics industry; Audio and video electronic devices; Sony Computer Entertainment Inc.; Business model legacy innovation; Failed synergies of content and devices; Video tape format war Betamax vs VHS; Sony Ericsson; Aiwa; MGM; Cineplex; CBS; Innovative alternative technological threat; Walkman; Trinitron TV; Cybershot; Playstation; World's smallest, largest, first, best; Sony Pictures, Music Television; Restructuring and turnaround strategies.

NYSE's Planned Merger with Archipelago Holdings: The Synergies

Breaking the age-old tradition of operating only through the floor-based trading system, New York Stock Exchange (NYSE), in April 2005, announced its merger with Archipelago Holdings, an electronic trading company, to compete with other electronic exchanges of the world. While NYSE aims to increase its market share by tapping new business opportunities in the options and derivatives market, Archipelago plans to capitalise on the brand recognition of NYSE to increase its market presence.

Pedagogical Objectives

- To provide an overview of the stock exchanges in the US
- To discuss the synergies of the merger and the probable payoffs.

Industry	Stock Exchanges
Reference No.	MAA0043
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

NYSE (New York Stock Exchange); Archipelago Holdings; Potential synergies; Nasdaq; US stock exchanges; Electronic Communication Network (ECN); Securities and exchange commission of US; Instinet; Consolidation in Europe stock markets; London stock exchange; ArcaEdge; Regulation National Market System; John Thain; Jerry Putnam.

Japan's Livedoor Co. Ltd.: Growing through Unrelated Acquisitions

Livedoor Co. Ltd., the third largest Internet solutions provider in Japan, had started as a website designing and consulting firm in Tokyo in 1996. By 2004, the company had a profit of $54 million and it acquired 20 companies ranging from an accounting software firm, an on-line travel agency to a Chinese Internet portal. As of 2005, the company has 31 subsidiaries with a market capitalisation of ¥200 billion and intends to buy a horse track after an

unsuccessful attempt to acquire a baseball team.

Pedagogical Objectives

- To highlight the rapid growth of Livodoor Co. Ltd.
- To discuss its philosophy of growing through unrelated acquisitions.

Industry	Internet and On-line Services Provider
Reference No.	MAA0042
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Livedoor Co. Ltd.; Takafumi Horie; Internet solutions provider; Unrelated acquisitions; Eudora; Web communities; Digital subscriber line; Management services provider; Rakuten; Softbank; Nippon Broadcasting Systems Inc.

Gillette's Merger with P&G: The Strategic Fit?

Procter & Gamble (P&G), the number one US consumer goods company, and Gillette, the world's largest manufacturer of shaving products, announced the merger of their operations in January 2005. The $57 billion merger was the ninth largest in the US corporate history. Post-merger, the new company would dethrone Unilever as the world's largest producer of consumer goods and is expected to have bargaining power rivaling that of global retailers like Wal-Mart and Carrefour. The merger, scheduled to be completed in late 2005, is expected to reap cost synergies of up to $22 billion for the new company. But the problems encountered by Daimler-Chrysler and Hewlett Packard-Compaq's mergers showed that size could be a potential hindrance to the success of a merger.

Pedagogical Objectives

- To discuss the potential synergies that P&G can gain from the merger
- To analyse the problems it is likely to face in the course of the merger's successful execution.

Industry	Fast Moving Consumer Goods and Consumer Products
Reference No.	MAA0041
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Available

keywords

Procter & Gamble Company (P&G); Gillette Company (Gillette); Consumer product companies; Consumer goods industry; Merger of equals; World's largest FMCG (Fast Moving Consumer Goods) company; Cost synergies; Billion dollar brands; Wal-Mart effect; Strategic fit; Industry consolidation; Risk of execution failure; Cross-cultural competence; Colgate Palmolive; Unilever.

The Reverse Merger of SBC and AT&T: The Payoffs

Though American Telephone and Telegraph Company (AT&T) had strong product innovations in its early days, AT&T failed to adopt new technologies towards the late 20th century. Due to increased competition, it had lost its market leadership and incurred losses. Despite two major restructurings, it continued to incur losses. In January 2005, SBC Communications Inc., one of the 'baby bells' that was spun out from the company, acquired it in a reverse merge.

Pedagogical Objectives

- To provide insights into the troubles faced by AT&T over the decades and its restructuring activities to overcome them
- To discuss the possible reasons for failure of AT&T's restructurings, the payoffs of the reverse merger of SBC and AT&T, and the future of the US telecom industry.

Industry	Telecommunication Services
Reference No.	MAA0040
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

American Telephone and Telegraph Company (AT&T); Restructuring; Diversification; Southwestern Bell Communications (SBC); Regional Bell Operating Companies (RBOC); Global telecom industry; Nobel Prize; Bell Labs; Transistor; Telephone; Alexander Graham Bell; Reverse merger; Acquisition and merger; Verizon and Sprint Nextel; Ma Bell and Baby Bell.

Deutsche Borse's Bid for London Stock Exchange: What's the Strategic Fit?

Deutsche Borse had made attempts to form an alliance with London Stock Exchange (LSE), the biggest stock exchange in Europe, since 1999. After a failed attempt of merger in 2000, Werner Seifert, the CEO (Chief Executive Officer) of Deutsche Borse has been making attempts again since late 2004 to strike a deal with LSE to reap synergistic benefits that were expected to accrue from decreased operational costs and increased profits. Although Deutsche Borse's bid of 530p (pence) per share was rejected by LSE, Seifert came up with his next bid that offered a better deal to LSE.

Pedagogical Objectives

- To highlight the challenges faced by Deutsche Borse in its attempt to strike a deal with LSE
- To discuss the strategic fit between Deutsche Borse and LSE and the synergistic advantages that are expected to accrue to the combined entity.

Industry	Stock Exchanges
Reference No.	MAA0039
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Deutsche Borse; London Stock Exchange (LSE); Consolidation in European stock exchange market; Merger of stock exchanges; Strategic alliance; Euronext; Strategic fit; Synergy; Deutsche Borse – LSE deal; Europe's stock exchanges.

Breaking Alliance With Fiat: Gain for GM?

In 2000, General Motors' (GM) rival, DaimlerChrysler, was planning to takeover Fiat. To keep its rival at bay, GM entered into an alliance with Fiat. The agreement included a put option clause for Fiat that could force GM to buy out Fiat, irrespective of GM's interests, any time between 2004 and 2009. In January 2005, when Fiat wanted to exercise its put option, GM refused to buy Fiat. Under such circumstances, the alliance was broken and GM had to pay Fiat $2 billion as an exit fee.

Pedagogical Objective

- To discuss the benefits that GM derived out of the episode that cost the company a total of $4 billion – initial investment plus the price to pull itself out of the put option.

Industry	Automobiles
Reference No.	MAA0038
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Fiat; General Motors (GM); Put option; GM in Europe; Ford Motor Company; DaimlerChrysler merger; Global alliances; Mergers and acquisitions; Synergies in alliances; Breaking-up of alliances; Global automotive industry.

Sprint and Nextel Merger: The Strategic Fit?

Sprint Corporation and Nextel Communication, the third largest and fifth largest wireless operators respectively in the US, announced the merger of their operations in December 2004. The merger results in the formation of a new company called Sprint Nextel thus creating the third largest wireless operator in the US. The $36 billion merger to be finalised by mid-2005 is expected to provide synergies such as an enhanced customer base of 35.4 million, cost savings of $12 billion, and stronger market position. Post merger, the company would have a large spectrum holding to make a head start in the advanced 4G technology area moving ahead of its competitors. Meanwhile, to make the merger a success the new company has to deal with challenges posed by incompatible technologies, cultural differences, and initial high-integration costs.

Pedagogical Objective

- To discuss the potential synergies, opportunities and challenges arising out of the merger for the new combined entity.

Industry	Wireless Telecom Services
Reference No.	MAA0037
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sprint Corporation; Nextel Communications Inc.; US wireless telecom industry; Largest wireless operator; Merger of the equals; Average Revenue Per User (ARPU); Code Division Multiple Access (CDMA) technology; Integrated Digital Enhanced Network (iDEN); Push-to-talk technology; Third generation (3G) communications technology; Fourth generation (4G) communications technology; Evolution-Data Only (EVDO) network; Customer loyalty; Competitive strategies; Merger synergies and challenges.

Lenovo's Big Opportunity: IBM?

In late 2004, Lenovo Group Limited (Lenovo), China's leading PC (personal computer) maker, acquired the Personal Computing Division of IBM. While Lenovo views this acquisition as an opportunity to take on the global PC market, IBM hopes to enhance its foothold in China. However, before reaping the synergistic benefits from the acquisition, Lenovo has to deal with competitors like Hewlett Packard and Dell and also deal with corporate cultural differences and fear, uncertainty and doubt among its customers.

Pedagogical Objective

- To discuss whether the Lenovo – IBM deal would be able to prove its strategic fit in the global PC industry.

Industry	Personal Computers
Reference No.	MAA0036
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Lenovo Group Limited; China's PC (personal computer) industry; Lenovo's competitors; Market share of PC companies in China; IBM's PC division; Lenovo's acquisition of IBM's PC division; IBM's transformation strategy; Customer service from new Lenovo; Synergies from IBM Lenovo deal; Mergers in technology industry; Corporate culture; Global PC market.

Hypobank and Vereinsbank Merger: Troubles Outweigh the Synergies

The merger of Hypobank and Vereinsbank in 1998 created HypoVereinsbank (HVB), one of the largest private banks in Germany. When the two similar sized banks decided to merge, it was considered as the 'merger of equals' and the 'merger of the best'. It received the full support of the German government, which welcomed the prospect of having a local bank as a dominant player. But soon after the completion of the much-hyped merger, the hidden motives of the two banks and the deception of one of the banks were exposed. The new bank incurred losses continuously as a result of the deception coupled with a weak European economy. In spite of its efforts for revival, the bank has only been partly successful in eliminating its troubles and has turned into a potential takeover target.

Pedagogical Objectives

- To discuss perceived synergies behind the merger, the financial impact of the deception and the revival efforts of the bank
- To provide an insight into the consequences of a hasty merger.

Industry	Banking and Financial Services
Reference No.	MAA0035
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

HypoVereinsbank (HVB) Group; Hypobank; Vereinsbank; Super regional bank; Albrecht Schmidt and Eberhard Martini; Turnaround and growth prospects; The bank in the heart of Europe; Investment and capital management services; Retail banking services; Tenth largest private bank in the world; Merger synergies; Bad loans scandal; Management restructuring; Focus on international business and operations; Innovative investment products.

Sony's Film Studios' Acquisitions: The Strategic Fit

Sony forayed into the entertainment business in the late 1980s by acquiring CBS records and Columbia Pictures. To further strengthen its motion pictures business that became profitable only after the mid-1990s, Sony went ahead to acquire a leading film studio in the US – Metro-Goldwyn-Mayer. Investing $300 million in the acquisition, Sony planned to ensure the long-term growth and profitability of its motion pictures business with the help of MGM's vast library of movies and television episodes, besides creating synergies between its technology and entertainment businesses.

Pedagogical Objectives

- To discuss Sony's strategy to sustain the competitive edge in its entertainment and consumer electronics businesses
- To discuss the integration issues entailed therewith its acquisitions.

Industry	Motion Picture Production and Distribution
Reference No.	MAA0034
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sony; Sony pictures entertainment; Metro-Goldwyn-Mayer; Sony MGM; Columbia Pictures; Tristar; Film studios in US; Strategic fit; Sony's film studio acquisitions; Comcast; Peter Guber; Synergy; Michael Schulhof.

Sears-Kmart Merger: The Potential Synergies

Kmart demonstrated a remarkable emergence from bankruptcy when it announced its acquisition of another big US retailer, Sears for $11 billion in 2004. The merger deal was structured by its chairman Edward Lampert, a 53% stakeholder in Kmart with 15% stake in Sears. The merger was expected to make Sears Holdings the third largest retail company in the US – after Wal-Mart and Home Depot apart from synergistic benefits worth $500 million in the form

of cost savings and additional profits. However, analysts were skeptical about the potential benefits from the merger as both companies were struggling amidst fierce competition in the US retail industry, faced with declining sales and profitability.

Pedagogical Objective

- To discuss the expected synergies and the probable challenges to be faced by the combined entity, Sears Holdings.

Industry	Retailing
Reference No.	MAA0033
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sears; Kmart; Sears Holdings; Lampert; Cross selling of brands; US retail industry; Mergers in retail industry; Sears-Kmart merger; Synergy; Strategic fit; Wal-Mart; Target; Competition in US retail industry; Kmart bankruptcy.

Fiat and GM: The Troubled Alliance

The auto division of the Italian conglomerate, Fiat has been incurring losses since the mid-1990s. Fiat's attempt to save its ailing auto division resulted in a strategic alliance with General Motors Corp. (GM) in 2000 under which GM obtained 20% stake in Fiat Auto while Fiat obtained 5.1% in GM. Fiat also enjoyed a put option in which it had the right to sell the remaining stake to GM after four years. However, as Fiat's losses increased in 2003 and the company sought a recapitalisation, GM's stake in Fiat was reduced to 10% as it refused to be a part of the recapitalisation process. In 2004, with GM's refusal to buy the remaining 90% stake in Fiat auto under Fiat's put option, the alliance turned hostile.

Pedagogical Objectives

- To discuss the reasons for the break-up of the Fiat – GM strategic alliance
- To discuss the future of strategic alliances in the global automobile industry.

Industry	Automobile Industry
Reference No.	MAA0032
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Fiat Group; General Motors (GM); Fiat Auto's losses; Fiat's restructuring plan; Fiat's strategic alliance with GM; Fiat's put option; GM's Europe operations; GM's strategy for alliances; Powertrain; European car market.

KB Home: The Homebuilder's Growth Strategies

Started in the late 1950s, KB Home, the fifth largest homebuilder in the US has grown through acquisitions of large homebuilders based in fast growing cities in states like Florida, Arizona and California. Besides strategic acquisitions, KB Home grew by concentrating on building high-quality customised homes. With 27,331 homes built in 2003, KB Home plans to further increase its market share by focusing on certification programmes for improved quality home building and efficient handling of customer complaints through its 'Say Yes's initiative.

Pedagogical Objectives

- To discuss KB Home's planned acquisitions and certification programmes for its growth
- To discuss KB Home's attempt to become one of the biggest homebuilders in the US.

Industry	Residential Construction
Reference No.	MAA0031
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

KB Home; KB Home's diversified market; KB Home's acquisitions; KB Home's expansion; KB Home's business practices; KBnxt business model; KB Home studio; National Association of Home Builders (NAHB); KB Home's quality assurance practices; Homebuilders in the US.

Cendant: The US Travel Conglomerate's Growth Strategies

Cendant, the travel and real estate conglomerate in the US, marked another consolidation in the travel industry by acquiring an Internet travel site, Orbitz in October 2004. Coupled with the acquisitions of other major travel-related companies like Galileo Inc., Cheap Tickets and Lodging.com, the Orbitz deal is expected to make Cendant the second largest online travel reservation company in the world after Inter Active Corp. (IAC).

Pedagogical Objective

- To discuss the growth strategies adopted by Cendant to become a leading vertically integrated player in the global travel industry.

Industry	Travel
Reference No.	MAA0030
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Cendant; Orbitz; US travel and real-estate industry; Travel companies in US; Sabre holdings; Expedia; Travelocity.com; Inter Active Corp. (IAC); Cheap tickets; Galileo Inc; Travel industry's vertical integration; Consolidation in US travel industry; Cendant's vertical growth strategy; Computerised travel reservation company; On-line travel industry.

Barclays Plc.: Growth Strategies

Barclays, the UK-based financial services group operates in more than 60 countries employing over 76,200 people. In terms of market capitalisation, Barclays Bank is one among the top ten in the world. The company's troubles began in 1997 due to its failed attempt in merging itself with another bank, the loss in the Russian bond market and other business failures. The company's profits as well as market value dropped, which was followed by the CEO's resignation. There was no stable leadership for a period of one year. After Matthew Barrett took over as the CEO in 1999, the company entered into mergers, acquisitions and strategic alliances with several other banks and financial institutions like Legal and General, Charles Schwab and Juniper Financials.

Pedagogical Objectives

- To discuss the mergers and acquisitions pursued by Barclays' since 1999.
- To discuss the growth strategies that the company undertook to regain its profits.

Industry	Financial Services
Reference No.	MAA0029
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Barclays Plc.; Matthew Barrett; British bank; Growth strategies; Financial services; Acquisitions; Strategic alliances; Woolwich; Total shareholder return; Barclaycard; Barclays private clients; Gerrard management services.

Oracle's Bid for PeopleSoft: The Strategic Fit

Since mid-2003, Oracle Corporation has been trying its best to acquire its rival PeopleSoft Inc. Despite bidding for four times, Oracle had remained unsuccessful until mid-2004. Oracle received a major boost in September 2004 when the US District Court in San Francisco rejected a petition, which had been filed by the US Department of Justice in February 2004 against Oracle's acquisition efforts of

PeopleSoft. The petition was filed on the grounds that the acquisition would curb competition in the enterprise softwae segment.

Pedagogical Objectives

- To discuss the probable reasons behind Oracle's acquisition bids for PeopleSoft
- To discuss as to whether Oracle is strategically correct in its endeavours to acquire PeopleSoft.

Industry	Database and Enterprise Software
Reference No.	MAA0028
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Oracle Corporation; PeopleSoft Inc.; J.D. Edwards; Enterprise software providers; Takeover bid; Consolidation in software industry; Lawrence J. Ellison; Software market; Craig Conway; Anti-takeover defence.

WPP Group Plc.: Inorganic Growth Strategies

Under the leadership of its CEO, Sir Martin P. Sorrell, the UK-based WPP Group Plc. has transformed itself from a small basket manufacturing company to one of the leading advertising conglomerates in the world. The growth has been mainly through acquisitions. The acquisition of big companies like J. Walter Thompson, Ogilvy and Mather and Young and Rubicam has enabled WPP to win clients like Ford and IBM. For the year ending December 31st 2003, WPP Group Plc., the world's second largest marketing communications services company, had revenues of £4,106 million.

Pedagogical Objective

- To discuss the inorganic growth strategies of WPP by 'developing networks in important markets and sectors'.

Industry	Advertising and Marketing
Reference No.	MAA0027
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

WPP Group; Global marketing communication services companies; J. Walter Thompson; Martin P. Sorrell; Ogilvy and Rubicam; WPP inorganic growth strategy; WPP international expansion; Tempus Group; Global advertising business; The acquisitions of WPP Group; Core services of WPP Group; Top ten global advertisers.

News Corporation's Acquisition of DirecTV: A Strategic Fit

Rupert Murdoch's News Corporation Limited acquired DirecTV, America's leading satellite television provider in December 2003. DirecTV, launched in America in 1994 as a provider of Direct Broadcast Service, became the world's largest satellite television provider with profits of $6.5 billion in 2003 and a customer base of about 12.6 million in the United States.

Pedagogical Objectives

- To discuss the reasons for News Corporation's acquisition of DirecTV and the strategic fit for News Corp.
- To discuss the factors that led to the popularity of DirecTV and how News Corp stands to benefit from the acquisition
- To discuss the benefits for DirecTV resulting from the acquisition and how the acquisition is expected to bridge the gap in News Corp's worldwide satellite distribution system.

Industry	Media
Reference No.	MAA0026
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

News Corporation; Rupert Murdoch; DirecTV; Cable networks; Satellite distribution system; Vertical integration; National reach; Strategic fit.

Vodafone's Inorganic Growth Strategies: The Payoffs

After two multibillion acquisitions in the late 1990s, one each in the US and Europe, Vodafone poised itself to become a major wireless phone services provider in the world. However, the company's inability to integrate its acquisitions resulted in a saga of losses since 2000. In 2003, CEO (Chief Executive Officer) Christopher Gent, who led the company through the acquisitions and the losses alike, stepped down and handed over the debt-ridden company to Arun Sarin. Even the new CEO continued the acquisition spree, much against the wishes of the disgruntled shareholders, and a $16 billion loss was recorded in 2003.

Pedagogical Objective

- To discuss Vodafone's acquisition strategy in the volatile mobile telecommunication industry and its payoffs.

Industry	Wireless Network Operators
Reference No.	MAA0025
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Vodafone; Airtouch; Mannesmann; Christopher Gent; Arun Sarin; Acquisitions; 3G (third generation) technology; Japan Telecom; China Mobile; Vodafone Live!; Verizon Wireless; Dividends; Shareholders; Share buybacks; AT&T Wireless.

Merger of MTFG and UFJ Holdings: The Potential Synergies

Since the mid-1990s, the Japanese banking industry has been mired in the problem of high non-performing loans. In tune with the consolidation process in the industry since the late 1990s, Mitsubishi Tokyo Financial Group (MTFG) and United Financial of Japan (UFJ) have initiated discussions for their proposed merger that is to be completed by September 2005. The merger is expected to create the world's biggest bank in terms of total assets.

Pedagogical Objective

- To discuss the potential synergies that will accrue to the combined entity that can probably help the entire Japanese banking sector in its recovery process.

Industry	Banking and Financial Services
Reference No.	MAA0024
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Japanese banks; Mitsubishi Tokyo Financial Group (MTFG); UFJ holdings (United Financial of Japan); Synergy; Merger; Jusen crisis; Daiwa Bank scandal; Japanese big bang; Financial Services Agency; Non-performing loans; Japanese mega-banks; Consolidation of Japanese banks; Japan Premium; Financial Reconstruction Commission; Financial System Reform Law.

Growth Strategies of Telefonica

Telefonica was the second largest telecommunication company in Europe and the sixth largest in the world with 101.7 million customers in 16 countries. Although Telefonica had been cautious in its investments of late, the company has been on an investment spree to increase its market coverage.

Pedagogical Objective

- To discuss Telefonica's strategies to become a global telecom leader through greater market penetration and customer focus.

Industry	Telecommunications Services
Reference No.	MAA0023
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Telecommunication companies in Europe; Mobile operators; Telefonica in Latin America; Telefonica mobiles; Unisource; British Telecom; Microwave Communications Incorporated (MCI); Companhia Riograndense de Telecomunicacoes (CTR); Terra Lycos; Asymmetric digital subscriber lines (ADSL); Telefonica's competitors.

EADS: The Evolution and Growth of the European Aircraft Manufacturing Alliance

The European Aeronautic Defence and Space Company (EADS), the largest in European aerospace and defence sector and the second largest in the world, was established in 2000. By 2004, the company rose from number 443 to number 251 in the 'Business Week Global 1000' rankings which can be attributed to the success of its airbus division in the global commercial aircraft manufacturing business. EADS expects to maintain its leadership through its double-decker jumbo jet A380, which is scheduled for commercial launch in 2006.

Pedagogical Objectives

- To discuss the rationale behind the formation of the EADS
- To discuss EADS' strategies to transform itself into the largest commercial aircraft manufacturer in the world.

Industry	Commercial Aircraft Manufacturing
Reference No.	MAA0022
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Global aerospace and defence business; Airbus; Boeing; Lockheed Martin; Global commercial aircraft manufacturers; A380 programme of airbus; Fly-by-wire technology; East Jet; Products from airbus; Shareholding structure of airbus; Competitors of airbus.

The Royal Bank of Scotland's Growth Strategies

In 2004, the Royal Bank of Scotland (RBS) was ranked as the second largest bank in the UK and Europe, and the fifth largest in the world. Among the leading financial service providers in the world, RBS aggressively followed its expansion policy to diversify. It ventured into the US and Hong Kong markets in the latter half of the 20th century.

Pedagogical Objectives

- To discuss the realisation of 'inorganic growth' besides 'organic growth' by RBS to create a global presence
- To discuss the need to diversify and innovate, and how acquisitions could be used to reap benefits
- To discuss the competitive pressures and stubborn cost structures, which could heighten the incentives for, risk taking.

Industry	Banking and Financial Services
Reference No.	MAA0021
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Royal Banks of Scotland's growth strategies; Inorganic and organic growth; Mergers and acquisitions; Citizens; Charter One; Competitive strategy; Credit card provider; National Bank of Scotland; Investment and retail banking; Restructuring; Cost saving; Change management; British banking industry; Merchant banking; NatWest Bank takeover; Interest rates; Bank of England; Alliances and joint ventures.

GlaxoSmithKline (GSK): Post Merger Growth Strategies

GlaxoSmithKline (GSK) is one of the largest pharmaceutical companies in the world. It operates in two segments – pharmaceuticals and consumer healthcare. Since the merger of Glaxo Wellcome and SmithKline Beecham in 2000, the company has been reporting increasing financial returns. On one hand, the company is entering into collaborations, agreements and partnerships, restructuring its R&D (research and development) and expanding its product portfolio. On the other hand the company is facing stiff competition from its rivals and generic firms.

Pedagogical Objectives

- To discuss GlaxoSmithKline's financial performance post-merger and the performance of its core products
- To discuss the initiatives taken for growth
- To discuss the future challenges and strategies ahead.

Industry	Pharmaceutical Industry
Reference No.	MAA0020
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

GlaxoSmithKline Incorporated; Glaxo Wellcome and SmithKline Beecham; American pharmaceutical industry; Consumer healthcare; Jean-Pierre Garnier; Product pipeline; Nutritional healthcare products; Centres of Excellence for Drug Discovery (CEDD); Therapeutic areas; Generic competition; Over the counter products; Wellbutrin; Growth strategy; Patented products; US Food and Drug Administration.

Microsoft and Sun Microsystems: Sleeping with the Enemy?

Microsoft and Sun had an antagonistic relationship for almost two decades. But in a desperate attempt to leave past hostilities behind and build new bridges of friendship, the two sides signed an agreement in early April 2004. As per the deal, Microsoft agreed to pay Sun nearly $2 billion to settle Sun's pending antitrust lawsuit against it, resolve patent issues and as advance payment towards certain licensing royalties. However, while the settlement had been inspired by several common problems faced by the two companies and aimed at peace, some believed that the truce would be short lived.

Pedagogical Objective

- To discuss the issues that led to the coming together of the two rivals and the potential issues that might break the truce.

Industry	Computer Software
Reference No.	MAA0019
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Microsoft, Inc; Sun Microsystems; Scott McNealy; Steven Ballmer; Java 2 Enterprise Edition (J2EE); Application development environment; Open source revolution; Sun's Java virtual machine; C#, .net, visual C++; Web services development platform; Department of Justice; Bundling software; Monopoly; Internet browser; Strategy.

Novartis' Acquisition of Aventis: The Potential Synergies

After Aventis rejected the hostile takeover bid of Sanofi-Synthelabo on the grounds of financial inadequacy in January 2004, it approached Novartis, the Swiss drug manufacturer, to acquire it and save it from the potential acquisition. Although the Novartis-Aventis combination had the potential to form the second largest pharmaceutical company in the world with combined revenues of $47 billion, the French government was against the takeover of Aventis by a foreign company.

Pedagogical Objective

- To discuss the probable synergies in case Aventis is acquired by Novartis.

Industry	Pharmaceutical Manufacturers
Reference No.	MAA0018
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Ciba-Geigy; Sandoz; Global pharmaceutical companies; Mergers and acquisitions; Sanofi-Synthelabo; Aventis; Novartis AG; Hostile takeovers; Hoechst AG; Prescription drugs; Rhone-Poulenc SA; Pfizer; Merk & Company; Anti-diabetic drugs; Anti-cancerous drugs.

Amgen's Growth Strategies

Amgen, one of the world's leading biotechnology companies, had sales of $8.4 billion in 2003. Though the sales and profits of the company were higher than its competitors, it was lagging behind on the innovation front. Over the years the company grew with several mergers and acquisitions. It expected to achieve a turnover of $10 billion in 2004 and promised investors a 20% growth rate untill 2005.

Pedagogical Objective

- To discuss Amgen's growth strategies and the way it intends to achieve its promised growth.

Industry	Biotechnology
Reference No.	MAA0017
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Amgen's growth strategies; Biotechnology industry; Research and development; Genentech, Chiron Corporation, Biogen; Patent expiries; American pharmaceutical industry; Roger M Perlmutter; Kevin W. Sharer; United States Food and Drug Administration; Generic competition; Mergers and acquisitions; Immunex Corporation; Joint ventures; Epogen, Enbrel, Aranesp, Erythropoietin, Johnson and Johnson.

America Online – Time Warner Merger: Why it Failed

America Online (AOL) and Time Warner announced their merger on January 10th 2000 to create the world's first fully integrated media and communications company with a market capitalisation of $350 billion. While AOL would have access to the high-speed broadband cable network of Time Warner, Time Warner expected itself to be catapulted into the 'Internet big league' by virtue of the merger. The merger faced stiff resistance, largely from the consumer groups and its competitors, who wanted the combined firm to open up its cable networks and allow rival entertainment companies to stand on an equal footing. Even as the merger was finally allowed to proceed by the Federal Trade Commission on January 11th 2001, the market capitalisation was already sliding downwards with falling share prices due to investor confusion over the fate of the merger and the Internet bubble burst that saw Internet stocks plummeting.

Pedagogical Objective

- To discuss the reasons and events that led to the failure of the merger and the alternate strategies that could have been adopted.

Industry	Media and Entertainment Industry
Reference No.	MAA0016
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

America Online (AOL); Time Warner; Mergers and acquisitions; Internet service provider; Federal Communication Commission; Clicks and mortar company; Traditional media business; Software industry; Federal Trade Commission; Proprietary networks; Common carriers; Integrated consumer space; Entertainment industry; Pathfinder network; e-commerce; Information technology.

InterActiveCorp: Growing Strong

After resigning as Chairman and CEO of Fox Inc., Barry Diller started establishing his own empire of interactive commerce companies. Under the banner of InterActiveCorp (IAC), Diller acquired some highly profitable on-line services like Expedia.com, Ticketmaster.com and Lendingtree.com, among others. In less than a decade, Diller's IAC transformed itself into one of the most prospective on-line companies in the world. With $3.3 billion in cash and marketable securities by the end of 2003, Diller had been looking to extend IAC's line-up of operating businesses.

Pedagogical Objective

- To highlight IAC's success story, detailing the merits of well-timed strategic acquisitions in building a successful conglomerate.

Industry	On-line Retailing and Services
Reference No.	MAA0015
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

InterActiveCorp (IAC); Barry Diller; USA Interactive; Expedia; Hotels.com; Lendingtree.com; Home Shopping Network (HSN); Ticketmaster.com; Match.com; Hotwire.com; On-line travel booking; On-line local directory services; On-line personals; UDate.com.

Business Objects – Crystal Decisions: The Synergies

When Business Objects acquired California-based Crystal Decisions for $1.2 billion in December 2003, it was all set to become the leader in the global booming market of data analysis software or business intelligence. Due to excellent synergies with the products and services of Crystal Decisions, Business Objects was optimistic to reach the $1 billion mark by 2004.

Pedagogical Objectives

- To understand the non-technical overview of the concept of business intelligence
- To discuss the synergies between Business Objects and Crystal Decisions.

Industry	Business Intelligence Software
Reference No.	MAA0014
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Business intelligence; Business Objects; Crystal Decisions; Query and reporting; On-line analytical processing (OLAP); Decision support systems; Enterprise reporting; Synergies; Cognos; Hyperion Solutions Corp; BusinessObjects Enterprise 6.1; MicroStrategy; SAP; PeopleSoft Inc; Oracle.

Sanofi-Synthelabo's Growth Strategies

Most of the leading pharma companies with declining research and development productivity and patent expirations, chose the path of mergers and acquisitions as a growth strategy. These companies, under pressure to grow and maintain their competitive edges followed the paradigm set by Pfizer, which acquired Pharmacia in 2002 to become the world's leading pharma company. With most of their best selling drugs on the verge of patent expiry, Sanofi-Synthelabo's (Sanofi) looked at merging or acquiring companies to grow and share the risks associated with its future product challenges. Such a deal was on the cards between Aventis and Sanofi and the merger was expected to give birth to the world's second largest drug company.

Pedagogical Objective

- To understand the growth strategies of Sanofi, which was set up with an objective of being a discovery-led global pharmaceutical company.

Industry	Pharmaceutical
Reference No.	MAA0013
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Sanofi-Synthelabo's (Sanofi) growth strategies; Aventis Pharma; Research and development (R&D); Mergers and acquistions; French pharmaceutical industry; Bristol-Myers Squibb; Generics business; Patents expiry; United States Food and Drug Administration; Plavix; Arixtra; Apotex; L'Oreal Group; Total Oil Company; Blockbuster drugs; Jean-Francois Dehecq; Alliances and joint ventures.

Pixar-Disney: Parting Ways

In 1991, Walt Disney Company (Disney) and Pixar Animation Studios (Pixar) joined hands to produce three full-length animated movies. Under the agreement, Disney had the control of marketing and licensing of the movies, while Pixar was to be paid a share of the profits towards the development costs. After four years, they released their first movie, Toy Story, that turned out to be a hit. After the success of Toy Story, Pixar re-negotiated the terms of the agreement in which it was agreed that both the partners would share the profits equally, after Disney was paid a distribution fee of 12%. In 1998, a year after the new deal was struck, A Bug's Life was released that turned out to be a major hit. In 2003, after the release of their biggest hit, Finding Nemo, Pixar wanted to further re-negotiate its terms with Disney under which it wanted to retain the entire profit and pay Disney, only the distribution fees. After several months of negotiations, Disney and Pixar decided to cancel their twelve-year partnership in January 2004.

Pedagogical Objective

- This case study throws light on the reasons for the breakup of potentially profitable partnerships in the film making industry.

Industry	Media
Reference No.	MAA0012
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Walt Disney Company; Pixar Animation Studios; Steve Jobs; Michael Eisner; 3D animation; Lucas films; Finding Nemo; Star Wars; Toy Story; Buena Vista; Disney World; Disney Land; Bob Iger; Cartoon network; Mickey Mouse.

P&G's Takeover of Wella: The Stumbling Blocks

When Procter and Gamble (P&G) acquired Wella, the German beauty products giant, the synergies painted a rosy picture. But the company is having its own share of woes with unrelenting minority shareholders refusing to sell the preference shares, expressing their dissatisfaction over P&G's offer. They demanded that the preference shares should also receive the same price as that of voting shares. Even a year after the acquisition, the stalemate continues.

Pedagogical Objectives

- The case delves into the synergies that P&G sought through Wella's acquisition, and how the differential offer that the company made is stopping it from taking full control of Wella
- The case offers scope to discuss the cross-border takeovers in the light of country-specific regulations. The case in point being the German Takeover Act.

Industry	Personal Care Products
Reference No.	MAA0011
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Procter and Gamble (P&G); Wella; German takeover act; Preference shareholders; Voting shares; Two-tiered offer; Elliott Associates; AG Lafley; Heiner Gurtler; BaFin; Domination agreement.

IBM's Acquisition of PWCC: The Synergies

IBM had forayed into the IT services business with the formation of IBM Global Services in the early 1990s, under its former Chief Executive, Louis V. Gerstner Jr. Although the revenues of IBM Global Services rose consistently and it was an expert technology solutions provider, it lacked the expertise to deal with real time business operations and practical problems faced by its clients. In its quest for a partner with deep business expertise, IBM acquired PWCC in mid-2002 for $3.5 million, to further strengthen its commitment to its IT services business.

Pedagogical Objective

- To evaluate the potential benefits of IBM after acquiring PWCC.

Industry	Information Technology Services
Reference No.	MAA0010
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

IBM Consultancy; IBM Global Services; IBM Business Consultancy Services; Consolidation in consultancy industry; PwCC; PricewaterhouseCoopers Consultancy; On-demand computing; IT services; IT consultancy services; Business transformation; Outsourcing services; IT services and business consultancy; Management consultancy services; Sam Palmisano; Acquisition of PwCC by IBM.

Growth Strategies of Rexam Plc.

Rexam was formed in 1995 when WV Bowater and Sons, a London-based conglomerate, incorporated in 1881, adopted a single brand to transform itself from a diversified business group to a leading packaging company in the world. Under its CEO Rolf Borjesson, Rexam carried on its acquisition programme in the mid and late 1990s by acquiring several companies like PLM, American National Can Group Inc. and Latasa, all leading consumer-packaging companies in the world. By 2004, Rexam was the fourth largest company in the global consumer packaging industry and also the world's leading beverage can producer with annual sales of $5.6 billion.

Pedagogical Objective

- To understand how Rexam, by leveraging on its core business, consolidated its growth and leadership position in the global consumer packaging industry.

Industry	Packaging and Container Manufacturing
Reference No.	MAA0009

Icfai Business School Case Development Centre IBS CDC

Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Rexam Plc; Coca-Cola; Rexam Beverage Packaging; American National Can Group Incorporated; Rolf Borjesson; Rexam Beverage Can South America; Industrial packaging; WV Bowater and Sons; PLM; Collins-Aikman; Amcor Flexibles; Rexam Beauty and Closures; Bulk packaging; Gearing ratio; Stefan Angwald.

Bank One and JP Morgan Merger: Building an Empire or Adding Value?

Deregulation of the banking industry in the US brought in a wave of consolidations, creating some of the largest banks in the world. On January 14th 2004, JP Morgan Chase announced its merger with Bank One, a deal, which was valued at $58 billion. The merger created the second largest bank in the US with assets worth $1.1 trillion. The combined company, JP Morgan Chase and Co., had a balanced mix of consumer and wholesale business, synergies in retail banking as well as investment banking, consistency in earnings and increased customer base. The success of the merger depended on the ability of the companies to blend their cultures, achieve cost cuts and attain growth in revenues.

Pedagogical Objective

- To understand the changing scenario in the US banking industry due to consolidation and to discuss the possible outcomes of the big mergers in the industry.

Industry	Banking Industry
Reference No.	MAA0008
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Bank One and JP Morgan merger; Mergers and acquisitions; Growth strategies; American banking industry; Commercial and investment banking; William B Harrison; Private equity and banking; Glass-Steagall Act 1933; Gramm-Leach-Bliley (GLB) Act; Critical mass; Value creation; Credit card business; JP Morgan Chase and Co; Consolidation of technology platforms; Alliances and joint ventures.

Bank of America: Fleetboston Merger

When Bank of America bought FleetBoston in a $47 billion deal, in November 2003, it expanded its presence to the markets in northeastern America where it had lacked presence. Bank of America felt that the deal provided it an opportunity to emerge stronger. Analysts however, felt that the benefits the bank would derive would not justify the 42% premium Bank of America paid to FleetBoston shareholders.

Pedagogical Objectives

- To discuss whether Bank of America would be able to realise the synergies of the merger
- To understand the growth strategies of Bank of America and FleetBoston
- To know how mergers and acquisitions are changing the face of the US banking industry.

Industry	Banking
Reference No.	MAA0007
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Bank of America; FleetBoston; Merger; Synergies; Impact on industry; Geographical reach; Consolidation.

Nicholas Piramal India Limited: Mergers and Acquisitions

As India moves towards 2005 product patent regime, many Indian firms are scouting for buyouts and acquisitions of the US and European companies. While Ranbaxy, Dr. Reddy's, Wockhardt and others are in the forefront for acquiring such companies, Nicholas Piramal India Ltd. (NPIL), is doing just the opposite. The company is acquiring more Indian than western firms. In the Indian pharma industry, NPIL has made more acquisitions than any other firm. In 2003, NPIL ranked third in the Indian pharmaceutical industry with a market share of 4.4%, next only to market leader GlaxoSmithKline (5.7%) and Ranbaxy (4.7%). By adopting the strategy of mergers and acquisitions (M&As), it intends to become the top player in the Indian pharma industry.

Pedagogical Objective

- To discuss NPIL's business strategy of acquiring firms and analyse whether the company's M&A strategy would help it emerge as a leader in the Indian pharmaceutical industry.

Industry	Pharmaceutical Industry
Reference No.	MAA0006
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Nicholas Piramal India Limited; Ajay Piramal; Joint venture; Mergers and acquisitions; Research and development; Growth strategy; Indian pharmaceutical industry; Blockbuster drugs; GlaxoSmithKline; Rhone Poulenc; Generic competition; Big pharma; Patents and patented drugs; Food and Drug Administration; 1970 Indian Patent Act.

Sony Ericsson's Alliance: The Synergies

Sony Ericsson Mobile Communications, AB was formed as a 50-50 joint venture between Japan's Sony Corporation and Sweden's Ericsson in August 2001. The company, with its headquarters in London, commenced its operations in October 2001. With Sony's experience in consumer electronics and Ericsson's expertise in mobile handset manufacturing, the company envisaged dominating the global mobile handset market. However, since its inception, Sony Ericsson had been making losses and could grab only a meagre 5.5% global market share by mid-2003. In the third quarter of 2003, with the introduction of camera phones, Sony Ericsson clocked the first ever profit in its history, of 62 million euros. Still, Sony Ericsson was ranked 5th in the mobile market worldwide. By then, with the saturation of the European and the American mobile markets, the focus of the global handset manufacturers had shifted to the emerging markets of Asia where the second hand phone market had hit the market for new phones hard. Under such circumstances, Sony Ericsson reconsidered its initial strategy of targeting the high-end, low-volume segment by announcing its foray into the low-end, high-volume segment in the fourth quarter of 2003.

Pedagogical Objectives

- To discuss the expected synergies that prompted Sony and Ericsson to strike a 50-50 joint venture in 2001
- The reason behind the alliance's troubled beginning and how it bounced back to profitability.

Industry	Wireless Telephone Handsets
Reference No.	MAA0005
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Sony; Ericsson; Sony Ericsson; History of Sony; History of Ericsson; Sony Ericsson joint venture; Sony Ericsson's losses; Global mobile market; Sony Ericsson T68I; 3G technology; Low priced handsets; Sony Ericsson's restructuring; Profits of Sony Ericsson; Business performance of Sony Ericsson; Global imaging phone market.

Ahold Merger and Acquisition Strategy: Cees Van Der Hoeven's Approach

Ahold, the largest food retailer in the Netherlands, under Cees van der Hoeven (Hoeven) became the third largest food retailer in the world through acquisitions. Initially, Hoeven was prudent in his strategy by adhering to Ahold's six golden principles on acquisition. But as the company became bigger he over-promised investors and in order to deliver his promise, he overlooked the company's rules and implemented his acquisition strategy too swiftly. This ultimately led to many problems including that of integrating the various acquired entities to function as one organisation. Finally he, along with some of his key executives, were forced to resign when the problems at Ahold went public.

Pedagogical Objective

- To discuss the perils that companies might come across in trying to implement an acquisition strategy too swiftly.

Industry	Retail Services
Reference No.	MAA0004
Year of Pub.	2004
Teaching Note	Available
Struc.Assig.	Available

keywords

Ahold; Cees van der Hoeven; Mergers and acquisitions; Six golden rules of acquisitions; US Foodservice; Velox Retail Holdings; Disco Ahold International; Vendor allowances; Pierre Everaert; Anders Moberg; Giant food stores; Autonomous growth; US mass retailer of the year; Acquisition strategy; Albert Heijn.

Acquire and Ascend: The ebookers Way

ebookers.com is one of the earliest European on-line travel agencies to have successfully generated revenues on the web. In transforming itself from the traditional off-line business, the company weathered several downturns. In spite of the widespread doubts and anxiety that prevailed among the investing community, the company raised funds from the American and German stock markets. During the downturn, ebookers went on acquiring many on-line travel agents across Europe. Just when the company was about to break even, the September 11 attacks shook the entire travel industry of world. Still, the company did not cease its acquisition strategies.

Pedagogical Objective

- To discuss the strategies that underlies the success of ebookers.com.

Industry	Travel Industry
Reference No.	MAA0003
Year of Pub.	2003
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

eBookers; Dinesh Dhamija; On-line travel agency; Acquisitions; Tecnovate; Flightbookers; Phocus-Wright; Merchant fares; Travel; Dabin Travel; Expedia; Lastminute.com; America OnLine; AOL; British Airways.

Pfizer: Mergers and Acquisitions

In the 1990s, the global pharmaceutical industry saw a spurt of mergers and acquisitions. Companies across the world were merging to achieve critical mass and economies of scale in all departments but more specifically in research and development. Pfizer, which had always adopted a strategy of 'organic' growth, suddenly changed its policy and turned towards 'inorganic' growth. It acquired Warner Lambert and Pharmacia to become the biggest pharmaceutical company in the world. The major driver for these acquisitions was the portfolio of blockbuster drugs of the two acquired companies.

Pedagogical Objectives

- To discuss why Pfizer changed its trajectory from organic to inorganic growth
- To discuss the key elements in Pfizer's acquisition of the two companies.

Industry	Pharmaceuticals
Reference No.	MAA0002
Year of Pub.	2003
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Pfizer; Mergers and acquisitions; Warner Lambert; American pharmaceutical industry; Patented drugs; Lipitor; Pharmacia; Value chain; Celebrex; Research and development; Economies of scale; Food and Drug Administration; Co-promotions; Generic compeition; Inorganic growth.

ICICI into Universal Banking

The banking sector deregulation that took place in India during the early 1990s posed a threat to the survival of Development financial institutions (DFIs). They were cut off from the concessional funding extended by the government and were exposed to intense competition from local and foreign banks. Over a period of time, Industrial Credit and Investment Corporation of India Ltd. (ICICI), which was set up as a DFI in 1955, underwent significant changes to meet these challenges. To exploit the synergies brought by universal banking, it went in for mergers and acquisitions and finally reverse merged with its subsidiary ICICI Bank.

Pedagogical Objectives

- To discuss how the banking sector reforms affected the Development Financial Institutions (DFIs) in India
- To discuss the benefits that a universal bank offers and the reasons behind the merger of ICICI with ICICI Bank.

Industry	Banking and Financial Services
Reference No.	MAA0001
Year of Pub.	2003
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Industrial Credit and Investment Corporation of India Ltd; ICICI Bank; Universal banking; Low cost deposits; Cost of funds; Development financial institutions; Statutory liquid and cash reserve ratios; Reverse merger; Long term operational fund; Deregulation of Indian banking sector; Non-performing assets; Indian banking industry; Financial sector reforms; Reserve Bank of India; Long-term funding.