Cases to Accompany Contemporary Strategy Analysis Sixth edition

A Guide for Instructors

Robert M. Grant

© 2008 by Robert M. Grant

BLACKWELL PUBLISHING 350 Main Street, Malden, MA 02148-5020, USA 9600 Garsington Road, Oxford OX4 2DQ, UK 550 Swanston Street, Carlton, Victoria 3053, Australia

The right of Robert M. Grant to be identified as the author of this work has been asserted in accordance with the UK Copyright, Designs, and Patents Act 1988.

All rights reserved. Instructors using *Cases to Accompany* Contemporary Strategy Analysis, *Sixth Edition* by Robert M. Grant may reproduce material for classroom use. Otherwise, no part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, or recording, except as permitted by the UK Copyright, Designs, and Patents Act 1988, without the prior permission of the publisher.

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book are trade names, service marks, trademarks, or registered trademarks of their respective owners. The publisher is not associated with any product or vendor mentioned in this book.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold on the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

First published 2008 by Blackwell Publishing Ltd

1 2008

For further information on Blackwell Publishing, visit our website at www.blackwellpublishing.com

Casebook Contents

1	Madonna	page 1
2	Laura Ashley Holdings plc: The Battle for Survival	page 10
3	The US Airline Industry in 2007	page 26
4	Ford and the World Automobile Industry in 2007	page 40
5	Wal-Mart Stores, Inc., 2007	page 57
6	Manchester United: The Glazer Takeover	page 77
7	Eastman Kodak: Meeting the Digital Challenge	page 99
8	Organizational Restructuring within the Royal Dutch Shell Group	page 121
9	Harley-Davidson, Inc., January 2007	page 146
10	Raisio Group and the Benecol Launch ([A] and [B])	page 163
11	Rivalry in Video Games	page 185
12	Eni SpA: Building an International Energy Major	page 202
13	Birds Eye and the UK Frozen Food Industry	page 233
14	Outback Steakhouse: Going International	page 245
15	Euro Disney: From Dream to Nightmare	page 253
16	Richard Branson and the Virgin Group of Companies in 2007	page 279
17	Jack Welch and the General Electric Management System	page 298
18	Jeff Immelt at General Electric, 2001–2006	page 313
19	AES Corporation: Rewriting the Rules of Management	page 329

Introduction

This new edition of *Cases to Accompany Contemporary Strategy Analysis* has been developed as a companion to the sixth edition of the textbook *Contemporary Strategy Analysis*. A key feature of the Casebook is its close integration with the concepts and techniques outlined in the textbook. All the cases have been specially written to link with a specific chapter of the textbook. (In some instances, the cases apply principles and techniques from more than one chapter.)

The main characteristics of the cases are:

- The companies featured in the cases are widely known. The fact that most people will have some familiarity with the companies discussed means that the cases will be relatively accessible to students.
- Most of the cases are of recent vintage, referring to situations in 2006 and 2007. A few deal with situations further back in time (such as the Laura Ashley case, which examines the company's position in 1999), but the issues that arise are wholly relevant to the situations faced by companies today.
- The cases have been designed for use at multiple teaching levels they have been used at MBA, undergraduate, and executive levels. The cases will, of course, need to be taught differently according to the maturity and experience of the class. Nevertheless, my experience is that the cases work well with strategy courses at most levels.
- Most of the cases have a decision orientation. What strategy should the company follow? What actions should the CEO take next? Such a decision-focus invigorates the class by placing students in the positions of senior managers. However, probably the most important learning comes from the understanding that students gain of the strategic circumstances of companies and the rationale for the strategies that they adopt.
- The aim in developing these cases has been to reconcile richness and brevity. By focusing the case around a limited number of issues, I have attempted to limit the cases to around 20 pages, including all tables and exhibits. Inevitably this places limits on the breadth and depth of information that students are supplied with and one of the questions frequently posed by students is: "Should we do additional research on the company?" My answer to this question is a resolute "No." This will not be time well spent. Management students need to get used to fast-cycle analysis and decision making under conditions of imperfect information.

The teaching notes provided here are the outcomes of my own thinking about the cases and accumulated classroom experience. They are intended to provide guidance and suggestions, but I realize that each instructor will teach the same case in an individual, personalized way.

The matching of textbook chapters to cases is as shown below.

Case

- 1. Madonna
- 2. Laura Ashley Holdings plc: The Battle for Survival
- 3. The US Airline Industry in 2007
- 4. Ford and the World Automobile Industry in 2007
- 5. Wal-Mart Stores, Inc., 2007
- 6. Manchester United: The Glazer Takeover
- 7. Eastman Kodak: Meeting the Digital Challenge
- 8. Organizational Restructuring within the Royal Dutch Shell Group
- 9. Harley-Davidson, Inc., January 2007

Chapter in Contemporary Strategy Analysis

- Ch. 1. The Concept of Strategy
- Ch. 2 Goals, Values, and Performance
- Ch. 3 Industry Analysis: The Fundamentals
- Ch. 3 Industry Analysis: The Fundamentals
- Ch. 4 Further Topics in Industry and Competitive Analysis
- Ch. 5 Analyzing Resources and Capabilities
- Ch. 5 Analyzing Resources and Capabilities
- Ch. 7 The Nature and Sources of Competitive Advantage
- Ch. 5 Analyzing Resources and Capabilities
- Ch. 11 Technology-based Industries and the Management of Innovation
- Ch. 6 Organization Structure and Management Systems
- Ch. 7 The Nature and Sources of Competitive Advantage
- Ch. 8 Cost Advantage
- Ch. 9 Differentiation Advantage

10. Raisio Group and the Benecol Launch	Ch. 10 Industry Evolution and Strategic Change Ch. 11 Technology-based Industries and the Management of Innovation	
11. Rivalry in Video Games	Ch. 11 Technology-based Industries and the Management of Innovation	
12. Eni SpA: Building an International Energy Major	Ch. 5 Analyzing Resources and Capabilities Ch. 13 Vertical Integration and the Scope of the Firm	
13. Birds Eye and the UK Frozen Food Industry	Ch. 13 Vertical Integration and the Scope of the Firm Ch. 10 Industry Evolution and Strategic Change Ch. 12 Competitive Advantage in Mature Industries	
14. Outback Steakhouse: Going International	Ch. 14 Global Strategies and the Multinational Corporation	
15. Euro Disney: From Dream to Nightmare	Ch. 14 Global Strategies and the Multinational Corporation	
16. Richard Branson and the Virgin Group of Companies in 2007	Ch. 15 Diversification Strategy	
17. Jack Welch and the General Electric Management System	Ch. 16 Managing the Multibusiness Corporation	
18. Jeff Immelt at General Electric, 2001–2006	Ch. 16 Managing the Multibusiness Corporation	
19. AES Corporation: Rewriting the Rules of Management	Ch. 17 Current Trends in Strategic Management	

To provide further guidance on linking the textbook chapters and cases within the context of a strategic management course, please refer to the Guide for Instructors manual that accompanies the new (6th) edition of *Contemporary Strategy Analysis*. This includes sample course outlines for MBA and undergraduate courses in strategic management.

Please refer also to the Blackwell website for *Contemporary Strategy Analysis* (<u>www.blackwellpublishing.com/grant</u>). The website is continuously updated with new and revised teaching materials – including new cases. These new cases will be made available as they are developed (some of them as preliminary versions).

I would appreciate any comments you have on the cases in the casebook and the teaching notes. I would also appreciate any suggestions that you have for future cases, including offers to contribute new cases or additional instructor support materials.

Rob Grant (grantr@georgetown.edu)