

case one

Madonna

TEACHING NOTE

Prepared by Robert M. Grant.

■ SYNOPSIS ■

The case examines the career and the success of Madonna Ciccone – “the best known woman on the planet.” The central issues are, first, explaining the success of Madonna in the intensely competitive, volatile world of entertainment and, second, considering whether and in what sense Madonna has pursued a career strategy.

The case offers students the opportunity to explore the nature and meaning of strategy within a fast-paced business environment and to consider the role of strategy in career success.

The case represents an expansion of the illustration provided in the first chapter of *Contemporary Strategy Analysis* (6th edn, Strategy Capsule 1.1).

■ TEACHING OBJECTIVES ■

The case allows students to consider three questions:

- *What is strategy?* Conventionally, strategy has been identified with planning. What is the meaning of “strategy” in a fast-changing, unpredictable environment? Examining Madonna’s career over the past 30 years forces us to address that fundamental question about the nature of strategy.
- *What is the role of strategy in success?* Why are some individuals and organizations more successful than others? Is it happenstance (being in the right place at the right time), the hand of God, or are there decisions and behaviors that are likely to lead to better outcomes? If the last of these is true, then we are well on our way to identifying *strategies* conducive to superior performance.
- *What are the critical ingredients of a successful strategy?* Can we generalize about the features of strategies that promote success rather than failure?

The case also introduces the idea that strategy exists for both individuals and organizations – one of the points I bring out at the beginning of my strategy course is that the most immediate and important application of the principles of strategic decision making is to the career strategies of my students. While I have no expectation that students will write a strategic plan for the rest of their lives, one of the most immediate and valuable applications of the principles of strategic analysis is likely to be students’ thinking about their future careers.

■ POSITION IN THE COURSE ■

The Madonna case is intended to open a core strategy course. It provides a lighthearted context for engaging the interests of students while at the same time introducing a number of fundamentally important issues and concepts about strategy that will be explored more fully later in the course. I typically use this case on the first day of class. One of the merits of the case is that, even if students have not had time to read it, their familiarity with Madonna means that it is possible for everyone to contribute to the discussion.

■ ASSIGNMENT QUESTIONS ■

1. Why has Madonna been so successful in the world of entertainment?
2. Does Madonna have a strategy? If so, what are the main elements of that strategy?

■ READING ■

R. M. Grant, *Contemporary Strategy Analysis* (6th edn), Blackwell Publishing, 2008, Chapter 1.

■ CASE DISCUSSION AND ANALYSIS ■

Why Is She Successful?

I begin by investigating the reasons why Madonna has been so successful over such a long period of time (her first hit record was in 1983).

I start this line of inquiry by asking students whether Madonna is exceptionally talented. In relation to key capabilities as an entertainer – singing, musicianship, songwriting, acting, dancing, even beauty – she tends to be graded as B or A– except by the most diehard Madonna fans. Where she scores the highest acclaim is for her capabilities in marketing, self-promotion, work ethic, and leadership.

In addition to these underlying capabilities (and lack of them), I encourage students to explore what Madonna has done to achieve and sustain success. Among the themes that typically emerge are:

- Her goal commitment (ambition) and sustained level of effort.
- Her brilliance in identifying and exploiting alliance partners. From her early boyfriends on the New York rock music and DJ scene, through to Sean Penn and Warren Beatty in Hollywood, Madonna has clawed her way to the top through courting key individuals in strong strategic situations (these have often been temporary alliances to achieve specific goals).
- Her continual renewal and reinvention. I ask how many phases Madonna has been through. This tends to produce some disagreement, but typically the class can identify an early street-kid-disco-grunge phase, a retro-Monroe-glam-star look, a black-leather-and-underwear deviant sexuality phase, followed by more recent Madonna-as-mother, and new-spiritual-mystic-Madonna. These changes of image, accompanied by changes in music and lifestyle, typically emerge from class discussion as key explanations of how Madonna has ridden so many cycles of music and style since the early 1980s.
- Sex. Common to all these phases has been a heavy emphasis on sex (although much less pronounced since Madonna hit 40 and entered her spiritual phase). So what is new or different here? Hasn't sex always been central to the success of popular female (and male) actors and singers, from Greta Garbo and Mae West, to Brigitte Bardot, Doris Day, Tina Turner, and Britney Spears? The key here seems to be Madonna's capacity to engage in a careful game of brinkmanship. She has aroused huge popular interest and massive media publicity by challenging conventions of modesty and decency – but never gone so far as to alienate herself either from the key distribution channels or from her fans. This raises the issue of whether the key theme here is sex, or whether sex is simply a medium that Madonna has chosen as a means of continually challenging orthodoxy and keeping herself in the public's eye.

Is This Strategy?

At this stage, I refer to the mass of points on the board considering the elements of Madonna's success and ask: "Is this a strategy?"

This question typically produces a lively discussion. Some will argue that this is purely opportunism: Madonna is simply seizing the openings made available by change to launch new ventures and adapt her image. Others will point to a consistent pattern of competitive behavior by Madonna that has characterized her career from her first recording in 1982 through to her "Drowned World" tour of 2001.

I ask whether these two interpretations are really antithetical. Why is it not possible to follow a strategy of opportunism? Furthermore, Madonna's opportunism has been selective – there are certain types of opportunity she has pursued and others she has not. In pursuing the different opportunities, there has been a pattern. She has formed relationships to allow entry; she

has utilized sex and persistence. She has compensated for her own weaknesses in raw talent by relying heavily on a carefully selected team of songwriters, record producers, musicians, dancers, and the like. She has fitted the events of her personal life – marriages, motherhood, maturity, and educational and spiritual development – almost seamlessly into her career.

Specifying the Strategy

On the basis of the points raised, I try to get the class to articulate more specifically and formally Madonna's strategy.

Following the distinction made in the textbook (pp. 19–20), I ask the class to distinguish between Madonna's corporate strategy (*where* she competes) and her business strategy (*how* she competes).

In terms of corporate strategy, I ask the class in which markets Madonna competes. Clearly she competes in multiple markets – recorded music, concerts, music videos and other televised appearances, movies, books, as well as music and video production, publishing, and promotion. All these activities are closely linked (i.e., it is *related diversification*). Can we provide an all-encompassing definition of the business within which Madonna competes? Probably popular entertainment is the narrowest.

But is this diversification strategy a strength or a weakness? Remember that the trend for most enterprises has been towards “focusing on core businesses.” For diversification to work, there must be important linkages (or “synergies”) between the different markets where a firm competes. Such synergies seem to be present in Madonna's multimedia strategy. First, it allows her to exploit her artistic creations across multiple media (the record releases, videos, and concert tours are closely coordinated). Second, unlike Elvis Presley (wild rock 'n' roller in his music; clean-cut, all-American for Hollywood), Madonna achieves a highly consistent image across her different media ventures. Finally, her multimedia presence elevates Madonna to a higher status than her competitors in individual markets: Madonna is no longer simply a popular singer, or an actress – she is a *superstar*. This status gives Madonna a huge advantage in any field of endeavor she enters, whether it is music, movie acting, or as a producer and manager.

In terms of business strategy, the key themes have been identified, and simply need to be articulated in a more systematic form.

Madonna's business (or “competitive”) strategy involves the following elements:

- Early identification of key trends in music, style, and popular culture and incorporating such themes into her own image and products.
- Maximum use of controversy (sex in particular) to maintain media and public interest.
- Periodic renewal of her “product life cycle” – each of these renewals based around a coherent and complementary package of music, style, fashion, and personal demeanor.
- Outsourcing to access resources and capabilities of others in order to complement her own restricted range of resources and capabilities.
- Maintenance of close control over the key elements of her intellectual property and creativity.
- Astute use of interpersonal relationships as the basis for business alliances.

What Makes a Winning Strategy?

I usually sum up by using the discussion of Madonna to consider more generally the essential characteristics of a successful strategy.

Figure 1.1 of *Contemporary Strategy Analysis* (p. 7) identifies four key features of a successful strategy:

- Goals that are simple, consistent, and long term.
- Profound understanding of the competitive environment.
- Objective appraisal of resources and capabilities.
- Effective implementation.

All four are clearly revealed in Madonna's own career:

1. *Goal orientation.* Madonna's career featured a relentless drive for stardom in which other dimensions of her life were either subordinated to or absorbed within her career goals.
2. *Understanding the competitive environment.* Fundamental to Madonna's continuing success has been a shrewd understanding of the ingredients of stardom and the basis of popular appeal. This extends from the basic marketing

principle that “sex sells” to recognition of the need to manage gatekeepers of the critical media distribution channels. Her periodic reincarnations reflect an acute awareness of changing attitudes, styles, and social norms.

3. *Appraising resources.* Madonna has been highly effective in exploiting her particular talents, while protecting areas of weakness. By positioning herself as a “star,” Madonna exploited her abilities to develop and project her image, to self-promote, and to exploit emerging trends, while avoiding being judged simply as a rock singer or an actress. Her live performances rely heavily on a large team of highly qualified dancers, musicians, vocalists, choreographers, and technicians, thus compensating for any weaknesses in her own performing capabilities.
4. *Effective implementation.* Critical to Madonna’s success has been the energy, commitment, leadership, organizational skills, and people management strengths with which Madonna has implemented her strategic initiatives.

Note: To inform and invigorate the class, an excerpt from one of Madonna’s many videos can be a useful addition. I often show two brief excerpts from the film of her “Blonde Ambition” tour (the film was released as *Truth or Dare* in the US and *In Bed With Madonna* in Europe). The fifth scene in the movie shows Madonna dealing with the threatened closure of the show by the Toronto police and reveals her leadership capabilities. I follow this with the first scene, which shows Madonna performing the opening number of the show.