CASE #1: The Walt Disney Company

Read: The Walt Disney Company: The Entertainment King (HBS 9-701-035).

In 1988, after four years under new management, this entertainment industry legend has reached historic levels of sales and profitability. It capitalizes on the synergies between its many disparate businesses, which are all outgrowths of long-lived cartoon characters. With a stated corporate goal of 20% growth in earnings per share, continued success depends on maintaining exceptional performance in each business, managing the interrelationships among the businesses, and carefully selecting appropriate new businesses to enter.

Case questions: (1) Why has Disney been so successful? (2) What does the Disney name contribute to each business? (3) How does Disney manage the relationships between its businesses? (4) What should Disney do next?

CASE #2: Nestlé SA

Read: Nestlé and the Twenty-First Century (HBS 9-596-074)

In 2000, Nestle had about 230,000 employees, more than 500 factories, and 17 R&D facilities with a combined budget of about U.S.$600 million. The company is the world’s largest seller of powdered/condensed milk, non-dairy creamers, soluble coffee, mineral water, and chocolate and confectionery products. The firm is the No. 2 seller of ice cream, behind Unilever.

Case questions: (1) What is Nestlé corporate strategy? (2) What is Nestlé diversification strategy? (3) What are the challenges that Nestlé is likely to encounter in the 21st century?

CASE #3: Philips versus Matsushita

Read: Philips versus Matsushita: A New Century, a New Round (HBS 9-302-049)

This case describes the development of the international strategies and organizations of Philips and Matsushita. The history of both companies is traced and their changing strategic
postures and organizational capabilities are documented. Particular attention is given to the major restructuring each company is forced to undertake as its competitive position is eroded.

Case questions: How did Philips become the leading consumer electronic company in the world in the postwar era? What distinctive competence did they build? What distinctive incompetencies? How did Matsushita succeed in displacing Philips as No. 1? What were its distinctive competencies and incompetencies? What do you think of the change each company has made to date—the objectives, the implementation, the impact? Why is the change so hard for both of them? What recommendations would you make to Gerald Kleisterlee? To Kunio Nakamura?

CASE #4: Virgin

Read: The House that Branson Built: Virgin’s Entry into the New Millennium (INSEA 400-002-1).

This case provides an opportunity to explore the person-organization interface. From a developmental point of view, it examines the making of an entrepreneur. The case also allows for an exploration of the vicissitudes of leadership. It looks at effective leadership in the context of a high performance organization, and finally, incites discussion about planning for the future of an entrepreneurial organization, in particular the use of brand to enter new, unrelated markets.

Case questions: How did Branson manage the transition from entrepreneurial to more conventional management? How did Virgin formulate its strategy? How did Branson develop Virgin’s corporate culture centred? What were the reasons for the transition from a private enterprise to a public company and back again to private?

CASE #5: General Electric

Read: GE’s Two-Decade Transformation: Jack Welch’s Leadership (HBS 9-399-150)

GE is faced with Welch’s impending retirement and the question on many minds is whether anyone can sustain the blistering pace of change and growth characteristic of the Welch era. After briefly describing GE’s heritage and Welch’s transformation of the company’s business portfolio of the 1980s, the case chronicles Welch’s revitalization initiatives through the late 1980s and 1990s. It focuses on six of Welch’s major change programs: The “Software” Initiatives, Globalization, Redefining Leadership, Stretch Objectives, Service Business Development, and Six Sigma Quality.

Case questions: (1) How does such a large, complex diversified conglomerate defy the critics and continue to grow so profitably? (2) Have Welch’s various initiatives added value? If so, how?
CASE #6: 3M Optical Systems: Managing Corporate Entrepreneurship

Read: 3M Optical Systems: Managing Corporate Entrepreneurship (HBS 9-395-017)

The case begins with an overview description of 3M, a highly diversified global company. The case describes how 3M is built on a unique philosophy “to stimulate ordinary people to produce extraordinary performances.” Building on this philosophy, the company has developed a portfolio of over a 100 technologies, which it has leveraged into more than 60,000 products to generate sales in excess of $14 billion per annum, 30% of which come from products introduced within the past four years.

Case questions: (1) As Andy Wong, how would you handle the authorization for expenditure (AFE) for the relaunch of the privacy screen? (2) As Paul Guehler, would you approve the AFE if Wong set it up to you? (3) How effective has Wong been as a front-line manager in the 3M context? How effective has Guehler been as a 3M division president? (4) What is it about 3M that makes perhaps the most consistently entrepreneurial large company in the world?

CASE #7: Microsoft in 2002

Read: Microsoft in 2002 (HBS 9-702-411)

This case explores the history of Microsoft, from its founding through the launch of Windows XP and the Xbox in late 2001. It examines Microsoft's strategy and competitive position as it prepares to launch Windows XP. The discussion explores how Microsoft builds and sustains its competitive edge.

Case questions: What are the 3 or 4 most important drivers of Microsoft’s business model over the last 10 to 15 years, which have produced these spectacular results? With a dominant share throughout the 1990s, how could Microsoft grow revenues at twice the level of the industry? Why did profits grow faster? In an industry with strong network externalities, what should you expect the competitive structure of the industry to look like? What would be the consequences of a break-up of the company?

CASE #8: Asahi Glass Company: Diversification Strategy

Read: Asahi Glass Company: Diversification Strategy (HBS 9-974-113)

The company has diversified through internal growth, acquisition, and joint ventures from its origin in flat glass to a broad glass-materials, chemical, and electronics manufacturer. It has also vertically integrated and expanded internally to become the leading global glass manufacturer. In 1993, Asahi Glass is reviewing its future direction, particularly whether it should divest its electronics business.
Case questions: (1) How successful have AGC’s diversification been? (2) Did the company need to diversify? – did it choose appropriate businesses? – the correct mode for diversification? (3) What should AGC do with its electronic business today? Are there differences between AGC’s and a typical U.S. firm’s corporate diversification strategy?

CASE #9: Daewoo

Read: Daewoo’s Globalization: Uz-Daewoo Auto Project

The chairman of Daewoo, the Korean conglomerate, is reviewing the performance of a major joint venture investment in a new automobile plant with the government of Uzbekistan (Uz). The immediate issue in the case is how to improve domestic and export sales of the Daewoo cars produced at the plant. The case also permits a discussion of Daewoo’s globalization strategy in the auto sector, with its emphasis on establishing new production capacity outside Korea in collaboration with the governments of emerging markets.

Case questions: (1) How successful is Daewoo? (2) Why did Daewoo’s strategic alliance with General Motors end in 1992? How did Daewoo’s globalization strategy in the automobile sector evolve from this experience? (3) Why are emerging markets so important to Daewoo’s globalization strategy? (4) Why is Daewoo in Uzbekistan? (5) How does the Uzbekistan government benefit from the strategic alliance with Daewoo? (6) How is the Uz-Daewoo project doing? What would you recommend the management in Uzbekistan to do?

CASE #10: Toys “R” Us Japan

Read: Toys “R” US Japan (HBS 9-796-077)

In early 1991, Toys “R” Us seemed poised on the brink of a high-profile entry into the world’s second largest toy market. A “category killer” that enjoyed phenomenal success in the United States and Europe, Toy “R” Us had tried for several years to crack the lucrative but forbidding Japanese market.

Case questions: (1) Is Japan a good market for Toys “R” Us? (2) Is Toys “R” Us good for Japan? (3) Has Toys “R” Us chosen the right entry strategy for the Japanese market? Has it chosen the right partner?

CASE #11: Newell Company: Corporate Strategy

Read: Newell Company: Corporate Strategy (HBS 9-799-139)

In 1998, Newell Co., a manufacturer of low-tech, high-volume consumer goods, acquired Calphalon Corp., high-end cookware company, and Rubbermaid, a $2 billion manufacturer of consumer and commercial plastic products. The case focuses on Newell’s strategy and its elaboration throughout the organization, as well as the importance of selecting appropriate...
acquisitions to grow the company. Do Calphalon and Rubbermaid fit well with the company’s long-term strategy of growth through acquisition and superior service to volume customers?

**Case questions:**

1. Does Newell have a successful corporate strategy? How can you tell? 
2. What are the strengths and weaknesses of Newell’s diversification strategy? 
3. How, if at all, does Newell’s head office create value? 
4. What do you think of the Calphalon and Rubbermaid acquisitions?

**CASE #12: Newell Company: Corporate Strategy**

**Read:** Newell Rubbermaid: Strategy in Transition (HBS 9-704-491)

In the mid-1990s, Newell encountered some shifts in its competitive environment and a subtle erosion in profits. In 1999, the $3.5 billion company paid a 49% premium to acquire the $2.5 billion Rubbermaid Co., in part for its product development process and strong consumer brands. After the acquisition, the profits of the combined enterprise deteriorated at an accelerated rate and the CEO was replaced. In less than a year, a fundamentally new strategy was announced, profits improved, and both Wall Street and major retailers were encouraged. Some setbacks followed, leading to reduced earnings and revised expectations.

**Case questions:**

1. Why did Newell change its corporate strategy? 
2. What are the strengths and weaknesses of Newell’s new strategy? 
3. How, if at all, does Newell’s head office create value? 
4. What do you think Galli should do now?

**CASE #13: AOL Time Warner, Inc.**

**Read:** AOL Time Warner, Inc. (HBS 9-702-421)

AOL Time Warner, which has been billed as the “first fully integrated media and communication company of the Internet Century,” raises the fundamental question of how value will be created and captured by the merger of AOL and Time Warner. This case describes just how different AOL was from Time Warner in strategy, culture, and execution, and permits a thorough analysis of how value is proposed to be created through capturing synergies within the new company. The key question to address is whether a merger of this sort is the most effective way to create value or whether contracting and other mechanisms is equally good or perhaps superior.

**Case questions:**

1. What were AOL and Time Warner’s resources individually? Did they have source of sustainable competitive advantage? What value is created by combining them?

**CASE #14: The Globalization of CEMEX**

**Read:** The Globalization of CEMEX (HBS 9-701-017)
CEMEX is a Mexican company that has become a major international competitor in cement while maintaining a higher level of profitability than other, longer-established majors. Cemex’s superior profitability supplies a basis for discussing the sources of superior performance in a global context. In addition, the wide array of benefits that CEMEX derives from its operations in different countries broadens conventional notions of why firms globalize.

Case questions: (1) Is the cement industry a typical global industry? (2) What are the benefits and costs for Cemex to diversify geographically?

CASE #15: Nestlé-Perrier?

Read: Nestlé: Divesting Perrier? (ecch Nr 308-063-1)

The case describes the problems that Nestlé Waters had when trying to restructure its Perrier subsidiary in 2004. The conflict with Perrier workers and trade unions triggered Nestlé thoughts about divesting Perrier.

Case questions: (1) Does Perrier fit in Nestlé Waters’ business portfolio? (2) Is Nestlé the best parent for Perrier? (3) Should Nestlé restructure and divest Perrier? (4) How to do it?

CASE #16: Microsoft’s Diversification Strategy

Read: Case #1, Microsoft’s Diversification Strategy (HKU 617)

In November 2005, Microsoft launched Xbox 360, its latest game console. It was an extraordinary event, not because of the glamorous business executives and journalists hanging around the event, the super cool festival mood soaking the Mojave Desert, or the graphic technologies dazzling the giant consoles surrounding the conference room. Rather, the air was filled with a mix of trepidation and excitement about the viability of the company's new strategy of moving beyond Windows-based PCs. Everybody in the room wondered whether the company could regain its past glory by entering new territories.

Case questions: (1) What opportunities and challenges await Microsoft in markets in which it did not have proprietary advantage? (2) What specific strategies did it have to adopt to capitalize on the opportunities and counter the challenges? (3) How best could Microsoft execute its diversification strategy?

CASE #17: Disney & Pixar

Read: Disney’s Acquisition of Pixar (ICFAI 306-321-1)

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.

Case questions: (1) What are the advantages of the merger for Disney? for Pixar? Can synergies be developed? How? How can Disney and Pixar be integrated?

CASE #18: Stafford Group

Read: Stafford Group: Growth Strategy through Related and Unrelated Diversification (UCD 310-088-1)

This case describes the diversification strategy of the Stafford Group, a family business founded in 1891. In 2004, at just 32 years of age Mark Stafford becomes the CEO of the group. Over a five year period the firm spent approximately 194 million on acquisitions, with matching disposals of 60.3 million euros. Prior to the arrival of the new CEO the Group had three divisions: oil distribution, hotels and shipping. Through a series of acquisitions he creates a new Sports Retailing division, deepens involvement in oil distribution, creates a new property development division, and begins to exit the hotel and shipping business via a series of disposals. This strategy resulted in rapid change in the economics of the group with 75% of all profits deriving from acquisitions and disposals. The Irish economy is booming from 1990 to 2007, outperforming all OECD economies in terms of GNP growth, however this goes into sharp reverse with -2.8% decline in GNP in 2008 and -11.3% in 2009 and a return to growth not predicted until 2011. How will the strategy of diversification via acquisitions survive or prosper in this new environment?

Case questions: (1) What is the strategic logic of a growth corporate strategy executed using a series of both related and unrelated acquisitions? (2) Can such a strategy yield either economic benefits in the shape of financial returns, and/or diversification of risk for a privately owned group of firms? (3) This strategy was conceived in during the height of an economic boom, but where post-acquisition integration straddles a period of rapid economic decline? (4) What are the risks and opportunities attached to such a strategy across radically different economic conditions?

CASE #19: eBay and Skype: Diverging Futures

Read: Case #3, eBay and Skype: Diverging Futures (RUN NSM-2010-02)

In 2005, eBay acquired Skype, the leading service provider, which enables free phone calls anywhere around the world via the Internet, to strengthen its global marketplace and payments platform. At that time Margaret (Meg) Whitman, eBay president and CEO, was expected that Skype, eBay, and PayPal would create an unparalleled e-commerce and communications engine for buyers and sellers around the world. Synergies were the primary
driver of the acquisition. However, synergies appeared to be more difficult to achieve than initially thought. In the following years, while Skype was growing rapidly, few synergies emerged between Skype and eBay’s auctions and payments operations. Three and a half years later on April 14, 2009, eBay announced its plans to separate Skype from the firm.

Case questions: (1) Should eBay refocus on its core business – online auctions and e-commerce, and stop its diversification strategy or continue to diversify further in new directions? (2) Should Skype create new services for the more profitable professional market? (3) Should Skype develop new relationships with stronger partners? (4) Can Skype remain independent, or should it seek a new parent?

CASE #20: Nestlé in 2008

Read: Case #2, Nestlé in 2008 (HBS 9-509-001)

In April 2008, Paul Bulcke took over as CEO of the world’s largest food and beverage company. His predecessor, Peter Brabeck, had delivered 12 years of outstanding results while moving the company towards a new vision of health, nutrition, and wellness. Bulcke’s challenge was to swiftly execute the vision and deliver the organic growth and improved margins necessary to meet the “Nestlé model.”

Case questions: (1) What are the most important explanations of Nestlé’s consistent success over the years? (2) What are the implications of GLOBE? (3) What should Bulcke do with the $5 billion he may have at his disposal?

CASE #21: House of Tata

Read: Case #4, House of Tata: Acquiring a Global Footprint (HBS 9-708-446)

Chronicles the globalization of the Tata Group, one of India’s largest business groups. Since 2000, many Tata Group operating companies have aggressively built international businesses, particularly through overseas acquisitions. After describing the globalization rationales and approaches of the major Tata Group companies, the case asks to consider whether Tata Motors should pursue the acquisition of the Jaguar and Land Rover brands owned by US-based Ford Motor company.

Case questions: (1) What is your assessment of the globalization strategies of the Tata Group operating companies, particularly Indian Hotels, Tata Tea, and Tata Steel? (2) What is your assessment of the role of the Tata Group center in globalization? (3) Should Tata Motors’ bid for Ford’s Land Rover and Jaguar units as part of its globalization efforts? What are the pros and cons?

CASE #22: Newell Rubbermaid: Strategy in Transition
Read: Case #3, Newell Rubbermaid: Strategy in Transition (HBS 9-704-491)

Describes the transformation of Newell Rubbermaid’s corporate-level strategy. Begins by laying out the strategy that brought the Newell Co. stunning success for nearly three decades. The highly integrated, internally consistent strategy was tailored for manufacturing and selling a particular genre of products to a particular kind of customer. In the mid-1990s, Newell encountered some shifts in its competitive environment and an erosion in profits. In 1999, the $3.5 billion company paid a 49% premium to acquire the $2.5 billion Rubbermaid Co., in part for its product development process and strong consumer brands. After the acquisition, the profits of the combined enterprise deteriorated at an accelerated rate and the CEO was replaced. In less than a year, a fundamentally new strategy was announced, profits improved, and both Wall Street and major retailers were encouraged. Some setbacks followed, leading to reduced earnings and revised expectations.

Case questions: (1) Does Newell have a successful new corporate-level strategy? Does the company add value to the businesses in its portfolio? (2) What are Newell’s distinctive resources? (4) What challenges faces the company in the immediate future?

CASE #23: Skye-Microsoft

Read: Case #5, Skype: A New Start within Microsoft (NSM-2012-04)

The case describes the stand-alone strategy of Skype after its acquisition by eBay and its later divestment and its acquisition by Microsoft in 2011. The main issue in the case is if Microsoft would be able to achieve synergies with Skype where eBay did not succeed.

Case questions: (1) How does Skype make money? (2) Does Skype fit in Microsoft’s portfolio of businesses? (3) How can Microsoft provide value to Skype? (4) Would Microsoft succeed where eBay failed? Will Microsoft be able to implement synergies with Skype? (5) How will Microsoft recoup its investment in acquiring Skype?