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### **Part 1: Introduction to the Role of the General Manager**

#### **Case 1: mGames**

mGames is a manufacturer of game-based software for portable computers, PDAs and cell phones. The company's new chief executive officer has just been informed of a potential hostile takeover of the company by a major PDA manufacturer. At the same time he receives a phone call from a senior executive at a Scandinavian telecommunications company expressing interest in forming a partnership. With all of this happening, the chief executive officer faces growing pressure from the company's chairman to address ongoing performance problems. In a complex and changing environment he must make a strategic choice as to which group of customer groups (traditional handheld gaming device manufacturers, telecom manufacturers or PDA manufacturers) the company should focus on.

#### **Case 2: Coral Divers Resort**

The owner of a small scuba diving operation in the Bahamas is reassessing his strategic direction in the light of declining revenues. Among the changes being considered are shark diving, family diving, exit, and shifting operations to another Caribbean location. The owner must consider how changes in strategy will impact his organization.

#### **Case 3: Asiasports: Hockey Night in Hong Kong**

Tom Barnes, executive director of Asiasports Ltd., was evaluating several options for growth for the sports management company. Asiasports principal sports properties were the South China Ice Hockey League and the World Ice Hockey 5's tournament, both based in Hong Kong. Among the options available: Barnes could develop hockey in other countries in Southeast Asia; he could acquire new sports properties; or he could expand into in-line hockey promotion in Hong Kong.

### **Part 2: Environmental and Industry Analysis**

#### **Case 4: Note On the Cuban Cigar Industry**

The cigar industry in Cuba has a mythical aura and renown that give it unparalleled recognition worldwide. The relationship between Cuba and the United States makes the situation in this industry particularly intriguing. Cuban cigars cannot currently be sold in the United States, even though it is the largest premium cigar market in the world. This note provides an opportunity for a structured analysis using Porter's five forces model and to consider several scenarios including the possible lifting of the U.S. embargo and the relaxation of Cuba's land ownership laws.

#### **Case 5: The Chinese Fireworks Industry**

The Chinese Fireworks Industry had grown to make up 90 percent of the world's fireworks exports. However, starting from the mid-1990s, safety concerns led governments in China, Canada and elsewhere to establish stricter regulations. At the same time profit margins were declining due to the relentless price-cutting of small family-run workshops. There is a need to undertake an industry analysis, estimate the industry attractiveness, and propose ways to improve the industry attractiveness from an individual investor's point of view.

#### **Case 6: Halterm**

Halterm, one of two container terminals located in Halifax, is in competition with another terminal in Halifax, and with terminals in New York, Norfolk, and Montreal. The new CEO must formulate a strategic plan to address the need for new capital investment which will allow him to upgrade his infrastructure to accommodate the industry shift to larger vessels and to compete in a rapidly changing global business environment.

#### **Case 7: TV Ontario**

The newly appointed director of Revenue and Development at TV Ontario must determine what to do about the Sales and Licensing Department's rapidly declining revenues. In an environment of reduced TV watching, could they afford to produce enough content to stem the decline?

### **Part 3: Strategy and the General Manager's Preferences/Values**

#### **Case 8: Mainstreet Equity**

As a major player in Western Canada's real estate market, Mainstreet Equity Corp. has a unique strategy for success: instead of simply buying and selling properties, it also upgrades and manages them, thereby enhancing their value. Mainstreet concentrates on the multifamily sector, acquiring apartment buildings and townhouses to be rented or sold at a profit under the Mainstreet brand. The company president and chief executive officer is at a professional crossroads. He wants to ride the wave of rapid growth that his young company is experiencing, yet preserve the values of a small entrepreneurial firm. Control over issues such as quality, service, buying and staffing is important to him and easy to facilitate under current conditions. But the opportunity to expand is also tempting and at hand. Mainstreet's board of directors must decide whether to expand the business, and if so, how rapidly and where?

#### **Case 9: Russki Adventures**

The two major partners in Russki Adventures - both recent MBA graduates - had spent considerable time investigating the possibility of starting a helicopter skiing operation in Russia bringing clients from Europe, North America, and Japan. Three options were being considered. The first was to proceed with the venture on their own in the Caucasus Mountains area that had been made available to them by a Soviet government agency. The second option was to accept a partnership with a French tour operator, Extreme Dreams, which had recently begun operation in that area. The final option was to postpone proceeding with the venture at this time.

#### **Case 10: Prince Edward Island Preserve Co.**

PEI Preserves is a producer and marketer of specialty food products. The entrepreneurial company president is contemplating future expansion. Two cities were of particular interest: Toronto and Tokyo. At issue was whether consumers in both markets should be pursued, and if so, how. The choices available for achieving growth included mail order, distributors, and company controlled stores.

### **Part 4: From Values to Ethics to Social Responsibility**

#### **Case 11: Alberta Energy Corporation and the Ethics of Operation Kabriole**

Gwyn Morgan, President and CEO of Alberta Energy Corporation was facing an unusual situation. The entire oil and gas industry had been plagued with incidents of industrial sabotage. The terrorism had been costly and had intimidated company staff. The Alberta RCMP had approached him proposing an AEC well site be bombed in order to secure cover for an undercover agent and an ongoing investigation. The necessity for security meant only a few individuals within the company would be aware of the operation. Morgan must decide whether to offer his company's cooperation in the proposed "sting" operation, and how to deal with the ramifications both within his own company and shareholders and within the community at large.

#### **Case 12: GT's Medical Equipment Division**

Bob Shepard was general manager of the Medical Equipment Division within General Technologies (GT), a major US based conglomerate. His mandate was clear - to make the division profitable. A critical project was incurring a variety of difficulties culminating in the departure of a key scientist and a possible lawsuit regarding proprietary knowledge.

#### **Case 13: The Saga of the Sinking and Raising of the Irving Whale**

In 1970, the Irving Whale, a barge owned by Irving Oil of Saint John, New Brunswick, sunk in the Gulf of St. Lawrence. The barge posed a threat to the ecology of the area, however the company did not make an effort to recover the barge, nor accepted responsibility for its sinking. However

corporate, governmental and societal environmental circumstances changed, eventually leading to the raising of the barge in 1996. What had changed from a stakeholder perspective?

## **Part 5: Strategy and Resources/Capabilities**

### **Case 14: General Motors Defense**

General Motors Defense, a division of General Motors, one of the world's largest automobile manufacturers, designs and manufactures light armored vehicles. The company is approached by General Dynamics to jointly pursue the U.S. Army's Brigade Combat Team program. However, General Dynamic made it clear that they would also submit a bid on their own. Contrary to past practices, the chief of staff of the U.S. Army planned to award the multi-billion dollar contract within only 11 months. The Canada-based executive director of General Motors Defense has to decide whether the company should bid-it-alone or submit a joint venture bid with General Dynamics.

### **Case 15: Planet Starbucks**

The case details the history and development of the company, highlighting the evolution of the corporate concept of a "third place," and the key individuals in the organization in this development. The second part of the case details the international expansion activities of the firm, highlighting the potential cultural and economic challenges which it may increasingly face as it expands to more traditional coffee-drinking markets, and low-income emerging markets. The third and final section of the case details the increasing pressure placed on Starbucks by the anti-globalization movement. Although Starbucks has actively pursued a number of socially responsible operating policies such as the purchase of Fair-Trade coffee, the subsidization of health care facilities in Central America, and the introduction of a number of socially responsible coffee products in its stores, it continues to be the target of anti-globalization activities. The case concludes with the question as to whether the company will be able to continue to grow as rapidly and profitably as the recent past as it reaches saturation points in the domestic market.

### **Case 16: Louis Vuitton Moet Hennessy**

The case discusses the key elements of corporate and business strategy employed by LVMH. It first develops the context of the luxury business, providing an in-depth look at the performance drivers, key players and their strategies. Set in the landscape, it then examines the specific strategies adopted by the biggest player LVMH. The company wants to double its current sales (\$10 billion in an \$80 billion industry) and profits by 2005. Towards this goal LVMH has entered into multiple business lines ranging from leather goods to wines and spirits to art auctions. Many of these acquisitions have come at steep premiums and none have turned a profit yet. Investors and analysts feel that the company should divest some of its holding and get back to its roots in leather goods and wines. Mr. Arnault the CEO of the company however feels that there are significant synergies that emerge when operating a portfolio of global brands across the entire landscape of luxury businesses. This sets the stage for a good evaluation of its value chain and value adding activities, the promised synergies and their potential impact on revenues and profits. It also raises questions on how LVMH can grow in this business, which geographic regions it should invest in and which product-market it should retain

### **Case 17: IKEA (Canada) Ltd.**

The new Sears new catalogue contained a 20-page section called Elements. This section bore a striking resemblance to the format of an IKEA catalogue, and the furniture being offered was similar to IKEA'S knocked-down self-assembly line. The head of IKEA'S North American operations wondered how serious Sears was about its new initiative and what, if anything IKEA should do in response.

### **Case 18: Newell Company: The Rubbermaid Opportunity**

The Newell Company, a multi-billion dollar company dealing in hardware and home furnishing, office products and housewares, was contemplating a merger with Rubbermaid, a renowned manufacturer of plastic products. Newell had a remarkable record of success in growth by

acquisition and Rubbermaid would mark a quantum step in this program. However, the purchase of Rubbermaid would pose a formidable challenge to Newell's capacity to integrate and strengthen acquisitions. Issues concerning corporate strategy and advantage are studied to determine the wisdom of the proposed merger.

## **Part 6: Strategy and Market Diversification**

### **Case 19: Vincor and the New World of Wine**

The CEO of Vincor was preparing for the Board meeting to discuss the possible acquisition of Goundrey Wines, Australia. Vincor had embarked upon a strategic internationalisation plan in 2000, acquiring R.H Phillips and Hogue in the United States. Although Vincor was the largest wine company in Canada and the fourth largest in North America. To be a major player, Vincor had to look beyond the region. The acquisition of Goundrey Wines in Australia would be the first step. Convincing the Board would be difficult as the United States was a close and attractive market and one where Vincor had already spent more than US\$100 million on acquisitions. In contrast, Australia was very far away.

### **Case 20: Council of Forest Industries**

In April 2003, the Council of Forest Industries of British Columbia (COFI) kicked off a new initiative, the Dream-Home-China project, to explore the Chinese forest products market. Several of COFI's 100 plus member companies were facing a decision on whether to participate in this project, or to pursue the world's largest potential market on their own.

### **Case 21: Neilson International in Mexico (A)**

A proposed marketing joint venture would introduce Neilson brand chocolate bars to Mexican consumers. Pepsico Foods' Mexican subsidiary – already servicing 450,000 retail stores – has suggested a joint branding agreement. However, Neilson must also consider an alternative distribution arrangement which would offer them greater control over their name, but at the cost of slower market access.

### **Case 22: Palliser Furniture Ltd.**

Palliser is a large, successful family-owned manufacturer in Manitoba that must respond to the increasingly global nature of its business. Its current business strategy, a product of international trade liberalization, was centered on exports to the U.S. However, management perceives the inherent risks and limitations connected with such a strategy and is faced with a foreign entry mode decision in Mexico and/or China.

## **Part 7: Using Technology for Strategic Advantage**

### **Case 23: Wall Street Journal: Print versus Interactive**

One of Dow Jones & Company's most respected brands, The Wall Street Journal, is threatened by Internet news providers, including their own Interactive Edition. The case focuses on changing industry boundaries, new technology, potential cannibalization, and a threat to the company's traditional business model.

### **Case 24: Trojan Technologies Inc: The China Opportunity**

Trojan Technologies Inc., a manufacturer of water disinfection equipment, was seeking new areas for growth. China in particular offered an intriguing market because it had as much water as Canada, but forty times the population. Its economic boom would further stress current water resources. Management's task was to determine if Trojan's technology was appropriate for China, whether they should enter China, and if yes, when, where and how.

### **Case 25: Gametronics Gaming Equipment Ltd.**

The President of Gametronics, a company that designed software and hardware to compete with traditional slot machines and Video Lottery Terminals, was reflecting on his recently formed alliance with Internet Gaming Software Solutions. The alliance had been formed to take

advantage of the huge opportunity in Internet-based casino games. The President was wondering whether this alliance was in fact the best way to ensure that Gametronics captures short-term revenues while establishing a dominant position in the on-line market.

#### **Case 26: Scotch Brite (3M)**

Two 3M plants (one in Canada, one in the United States) are competing for a regional manufacturing and distribution mandate. If the Canadian proposal is accepted, this will mean potentially a major shift in overall parent-subsidiary relations. The focus is on understanding what it takes for a subsidiary to earn a mandate, how subsidiaries compete for mandates and the pros and cons of shifting (in part) from a miniature replica structure to a regional product mandate for a parent firm.

### **Part 8: Organization Design**

#### **Case 27: Bata Shoe Organization**

In October, 2000 Thomas G. Bata (Bata Jr.) had just spoken to the company CEO who had confirmed that he would not be changing the strategy. Bata, Jr. now felt compelled to convince the board and his parents to replace the CEO of the Bata Shoe Organization. Though the family and the board knew things were bad, no one wanted to face another change in leadership.

#### **Case 28: Victoria Heavy Equipment Limited – 2001**

Victoria Heavy Equipment (Victoria) was a family-owned and managed firm which had been led by an ambitious, entrepreneurial chief executive officer who now wanted to take a less active role in the business. The company had been through two reorganizations in recent years, which contributed to organizational and strategic issues which would need to be addressed by a new president.

#### **Case 29: TV Asahi Theatrical Productions, Inc.**

Kenji Sudo, the head of TV Asahi's Theatrical Productions subsidiary in New York, was simultaneously experiencing record success and parent company concerns about the long-term role of his unit within the larger Japanese organization. Ashai's dilemma was whether to reinvest and grow this subsidiary, close it, or not take any action at the present time.

#### **Case 30: Lonely Planet Publications**

The company was a rapidly growing global business producing highly successful, down to earth travel guides. The new general manager has to grapple with the problem of how to impose the necessary structure so the company could continue to compete in a challenging global industry without destroying the essence of its freewheeling success.

### **Part 9: Governance/ Boards of Directors**

#### **Case 31: Jonathon Elderslie and the Board Decision**

Jonathon Elderslie, recently retired after running his own company for 30 years, must decide what questions he should ask before deciding whether to join the board of directors of a publicly traded company. While flattered by the invitation, he has some concerns given the current climate of concern about corporate governance and, more specifically, the views about the role of a director expressed by one of his business acquaintances.

#### **Case 32: CCL Industries Inc.: Building and Maintaining an Effective Board**

Canada-based CCL Industries Inc. was one of the top packagers of consumer products in the world. Over its 50-year history the company had grown to be a multinational firm employing 7,500 people with over \$1.6 billion in sales. CCL faces an uncertain environment that had already led to a major strategic reorientation when its plan to sell its largest division was cancelled. A global economic slowdown and lower consumer confidence coupled with extensive international operations, significantly increased the risk to CCL's sales and already slim profits. In the past, the company prospered through product diversification gained through acquisition. The economic slowdown and increased uncertainty meant that this strategy may not be appropriate in the

future. The chief executive officer recognizes the time, attention, advice, composition and operations of the board of directors would likely have to be altered to reflect this new reality.

**Case 33: Western Area Youth Services**

Western Area Youth Services is a children's mental health centre and non-profit organization. The board of directors had been discussing the implications of a significant potential liability for staff salaries. A merger was identified as a possible solution and the executive director of the centre was instructed by the board to begin the process of seeking a possible merger partner for the agency. She wonders how she might initiate the process on behalf of the board and what she should look for in a potential partner. She also wonders how a merger might benefit the agency at this point in time.

**Part 10: Managing Strategic Change**

**Case 34 Maple Leaf Consumer Foods**

Maple Leaf Foods is Canada's largest and most dominant food processor. The recently appointed senior marketing director discovers on her first day on the job that the hot dog business at the company is completely broken: market share is down, profits are in free-fall, the products taste bad, there is a proliferation of brands and her team is a mess. To make matters worse, she inherits a job where there is little market data in the files and little to go by to help guide her decisions. She must prepare a short-term plan and a clear strategy for the future.

**Case 35: Globalization and the Canadian Publishing Industry**

The founder of a Canadian publishing company is nearing retirement. His mission has been to promote Canadian authors and he has actively pursued government assistance and policies to protect Canadian cultural industries. However, there are often policies against free trade of cultural products which has hurt exporting. Discussed is how firm value is affected by government policy and the trade-offs of cultural protectionism.

**Case 36: Swatch and the Global Watch Industry**

This case examines the efforts of Swatch to reposition itself in the increasingly competitive global watch industry. In particular, management face issues relating to technology and globalization and the need to respond quickly to changing industry dynamics. Swatch must consider whether to focus on product breadth, or on a few key global brands. They must also decide whether to shift manufacturing away from Switzerland to lower cost countries like India.