

CASE

1

Whole Foods Market in 2008: Mission, Core Values, and Strategy

ASSIGNMENT QUESTIONS

1. What are the chief elements of the strategy that Whole Foods Market is pursuing?
2. Is the strategy well matched to recent developments and conditions in the natural and organic foods segment of the food retailing industry?
3. Do you think John Mackey has a good strategic vision for Whole Foods? Why or why not? What do you like/dislike about the company's motto "Whole Foods, Whole People, Whole Planet?" Do the motto and the principles underlying it (Exhibit 1) really matter at this company or are they just nice words and cosmetic window dressing? Explain.
4. Do Whole Foods Market's core values as presented in case Exhibit 3 really matter? Are they "real" or just cosmetic window dressing? What evidence can you cite to support your answer? Have Whole Foods' core values contributed to the company's success? Why or why not?
5. How well is Whole Foods Market performing from a financial perspective? Do some number-crunching using the data in case Exhibits 9 and 10 to support your answer. Use the financial ratios presented in Table 4.1 of Chapter 4 (pages 104-105) as a basis for doing your assessment of the company's financial statements and financial condition.
6. How well is Whole Foods Market performing from a strategic perspective? Does Whole Foods enjoy a competitive advantage over its rivals? Does the company have a winning strategy?
7. Do you approve of the decision to acquire Wild Oats Market? What pros and cons do you see?
8. Were John Mackey's Internet postings unethical or in any way inappropriate? What actions, if any, do you disapprove of? What actions, if any, should the company's board of directors take with regard to his Internet posting and blogs?
9. What recommendations would you make to John Mackey regarding the actions that Whole Foods' management needs to take to get through the recession that began in earnest in 2008? Should the company severely cut back on opening so many new stores? Should the company vigorously contest the reopening of the FTC's challenge to the Wild Oats acquisition? Are any other strategy changes needed?

CASE

2

Costco Wholesale Corp.: Mission, Business Model, and Strategy

ASSIGNMENT QUESTIONS

1. What is Costco's business model? Is the company's business model appealing? Why or why not?
2. What are the chief elements of Costco's strategy? How good is the strategy?
3. Do you think Jim Sinegal is an effective CEO? What grades would you give him in leading the process of crafting and executing Costco's strategy? What support can you offer for these grades? Refer to Figure 2.1 in Chapter 2 in developing your answers.
4. How well is Costco performing from a financial perspective? Do some number-crunching using the data in case Exhibit 1 to support your answer. Use the financial ratios presented in Table 4.1 of Chapter 4 (pages 104-105) to help you diagnose Costco's financial performance.
5. Based on the data in case Exhibits 1 and 4, is Costco's financial performance superior to that at Sam's Club and BJ's Wholesale?
6. Does the data in case Exhibit 2 indicate that Costco's expansion outside the U.S. is financially successful? Why or why not?
7. How well is Costco performing from a strategic perspective? Does Costco enjoy a competitive advantage over Sam's Club? Over BJ's Wholesale? If so, what is the nature of its competitive advantage? Does Costco have a winning strategy? Why or why not?
8. Are Costco's prices too low? Why or why not?
9. Does Costco pay its employees too much? Does it make sense for Costco to compensate its employees so much better than the employees at Wal-Mart/Sam's Club? Why or why not?
10. What recommendations would you make to Jim Sinegal regarding the actions that Costco management needs to take to sustain the company's growth and improve its financial performance?

CASE

3

JetBlue Airways: A Cadre of New Managers Take Control

ASSIGNMENT QUESTIONS

1. What was David Neeleman's original strategic vision for JetBlue? Should JetBlue's strategic vision be revised now that the company has new executive leadership?
2. What were the key elements of JetBlue's strategy in 2008? How has the company chosen to attract customers in sufficient volume to earn profits? How does JetBlue offer its customers value?
3. Are JetBlue's functional area strategies consistent with its overall strategic approach? What policies, practices, and procedures have been developed to execute its business strategy and functional area strategies with proficiency?
4. What is your assessment of JetBlue's financial performance during fiscal years 2003-2007? Use the various financial ratios presented in Table 4.1 of Chapter 4 to guide your assessment of the company's financial statements. Does the company's recent financial performance support the board's decision to replace top management?
5. What are the factors driving change in the airline industry? How are they likely to impact the future attractiveness of the industry?
6. What are the key success factors in the airline industry? How well do JetBlue's resource strengths and competitive capabilities match these industry success factors?
7. Do the strategy and changes to operating practices initiated in 2008 seem well-matched to industry conditions and the company's internal situation? What recommendations would you make to help speed JetBlue's turnaround and revive its growth in revenues and earnings?

CASE

4

Competition in the Golf Equipment Industry in 2008

ASSIGNMENT QUESTIONS

1. What are the defining characteristics of the golf equipment industry? What is the industry like?
2. What is competition like in the golf equipment industry? What competitive forces seem to have the greatest effect on industry attractiveness? What are the competitive weapons that rivals are using to try to outmaneuver one another in the marketplace? Is the pace of rivalry quickening and becoming more intense? Why or why not?
3. How is the golf equipment industry changing? What are the underlying drivers of change and how might those driving forces change the industry?
4. What does your strategic group map of the golf equipment industry look like? Which strategic groups do you think are in the best positions? Which are in the worst positions?
5. What key factors determine the success of companies competing in the golf equipment industry? Which companies seem to perform these factors the best? What is the overall competitive strength of the major golf equipment manufacturers?
6. How do the financial results of the major golf equipment manufacturers compare? Which rivals seem to be coping best with the competitive forces prevailing in the industry? How do the growth rates of golf's major equipment manufacturers compare? Have Callaway Golf Company and TaylorMade-adidas Golf found growth easier to achieve in some product categories than others?
7. What recommendations would you make to Callaway Golf to improve the company's competitive position in the industry and its financial and market performance? To Fortune Brands? To TaylorMade-adidas Golf?

CASE

5

Competition in the Movie Rental Industry in 2008: Netflix & Blockbuster Battle for Market Leadership

ASSIGNMENT QUESTIONS

1. How strong are the competitive forces in the movie rental marketplace? Do a five-forces analysis to support your answer.
2. What forces are driving change in the movie rental industry and are the combined impacts of these driving forces likely to be favorable or unfavorable in term of their effects on competitive intensity and future industry profitability?
3. What does your strategic group map of this industry look like? Which company is best-positioned—Netflix or Blockbuster? Why?
4. What key factors will determine a company's success in the movie rental industry in the next 3-5 years?
5. What is Netflix's strategy? Which of the five generic competitive strategies discussed in Chapter 5 most closely fit the competitive approach that Netflix is taking? What type of competitive advantage is Netflix trying to achieve?
6. What does a SWOT analysis of Netflix reveal about the overall attractiveness of its situation?
7. What is your appraisal of Netflix's operating and financial performance based on the data in case Exhibits 2, 3, and 4? What positives and negatives do you see in Netflix's performance? Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Netflix's recent financial performance.
8. What does a SWOT analysis of Blockbuster reveal about the overall attractiveness of its situation?
9. What is your appraisal of Blockbuster's performance as shown in case Exhibit 5? What pluses and minuses do you see? Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Blockbuster's recent performance.
10. How does Netflix's competitive strength compare against that of Blockbuster? Do a weighted competitive strength assessment using the methodology presented in Table 4.4 of Chapter 4 to support your answer. Does Netflix have a sustainable competitive advantage over Blockbuster? Why or why not?
11. What 2-3 top priority issues does Netflix management need to address? What 2-3 top priority issues does Blockbuster management need to address?
12. What recommendations would you make to Netflix CEO Reed Hastings? At a minimum, your recommendations should cover what to do about each of the top priority issues identified in question 11.
13. What recommendations would you make to Blockbuster CEO James Keyes? At a minimum, your recommendations should cover what to do about each of the top priority issues identified in question 11.

CASE

6

Dell Inc. in 2008: Can It Overtake Hewlett-Packard as the World Leader in Personal Computers?

ASSIGNMENT QUESTIONS

1. What is your evaluation of Michael Dell's performance in his roles as Dell's CEO and Chairman? How well has he performed the five tasks of crafting and executing strategy that were discussed in Chapter 2?
2. What are the elements of Dell's strategy? Which one of the five generic competitive strategies is Dell employing? How well do the different pieces of Dell's strategy fit together? In what ways is Dell's strategy evolving?
3. Does Dell's expansion into other IT products and services make good strategic sense? Why or why not?
4. Is Dell's strategy working? What is your assessment of the financial performance that Dell's strategy has delivered during fiscal years 2000-2008? Use the financial ratios presented in Table 4.1 of Chapter 4 (pages 104-105) as a basis for doing your calculations and drawing conclusions about Dell's performance.
5. What does a SWOT analysis reveal about the attractiveness of Dell's situation in 2008?
6. Which company is competitively stronger—Dell or Hewlett-Packard? Use the weighted competitive strength assessment methodology shown in Table 4.4 of Chapter 4 to support your answer.
7. In what respects, if any, is Hewlett-Packard's strategy in PCs more appealing or better than Dell's strategy?
8. What issues and problems does Michael Dell need to address?
9. What actions and strategy changes would you recommend to Michael Dell to boost the company's performance and its prospects for overtaking HP in global sales of PCs?

CASE

7

Apple, Inc. in 2008

ASSIGNMENT QUESTIONS

1. How well has Steve Jobs done as Apple's CEO? Has he done a good job of performing the five tasks of strategic management discussed in Chapter 2? Why or why not? What grade would you give him?
2. What are the chief elements of Apple's strategy? How well do the pieces fit together? Is the strategy evolving?
3. Does it make good strategic sense for Apple to be a competitor in the computer, digital music player, and mobile phone industries? Are the value chain activities that Apple performs in computers, digital music players, and mobile phones very similar and "compatible" or are there very important differences from product to product? Which of the three products lines—computers, digital music players, or mobile phones—do you think is most important to Apple's future growth and profitability? Why?
4. In which industry—computers or digital music players—is competition more intense? Prepare a five-forces analysis of each industry to support your position.
5. What does a competitive strength assessment reveal about Apple, as compared to the leaders in the personal computer industry? Use the methodology in Table 4.4 to support your answer. Among these competitors, who enjoys the strongest competitive position? Who is in the weakest overall competitive position? Has Apple's strategy resulted in a substantial competitive advantage over its rivals in the computer industry? What is the basis for whatever competitive advantage it has?
6. What does a competitive strength assessment reveal about Apple, as compared to other main players in the digital music industry? Use the methodology in Table 4.4 to support your answer. Among these digital music player competitors, which company enjoys the strongest competitive position? Who is in the weakest overall competitive position? Has Apple's strategy resulted in a substantial competitive advantage over its rivals in the digital music player industry? What is the basis for whatever competitive advantage Apple has?
7. What is your assessment of Apple Computer's financial performance the past three years? (Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing your financial analysis.)
8. What accounts for Apple's noteworthy success in the markets for mobile smart phones and digital music players, but its overall weak showing in the computer industry?
9. Is Apple's strategy in its computer business strong enough to compete successfully against Dell and HP?
10. Does Apple's strategy for its iPod business seem capable of allowing the company to remain on top of the digital music player industry over the next 5 years?
11. What steps should Apple take to improve its corporate performance and to strengthen its position in its most important markets?

CASE

8

Panera Bread Company

ASSIGNMENT QUESTIONS

1. What is Panera Bread's strategy? Which of the five generic competitive strategies discussed in Chapter 5 most closely fit the competitive approach that Panera Bread is taking? What type of competitive advantage is Panera Bread trying to achieve?
2. What does a SWOT analysis of Panera Bread reveal about the overall attractiveness of its situation? Does the company have any core competencies or distinctive competencies?
3. What is your appraisal of Panera Bread's financial performance based on the data in case Exhibits 1, 2 and 8? How well is the company doing financially? Use the financial ratios in Table 4.1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Panera's recent financial performance.
4. Based on the information in case Exhibit 9, which rival restaurant chains appear to be Panera's closest rivals?
5. What strategic issues and problems does Panera Bread management need to address?
6. What does Panera Bread need to do to strengthen its competitive position and business prospects vis-à-vis other restaurant chain rivals?

CASE

9

Rogers' Chocolates

ASSIGNMENT QUESTIONS

1. What is competition like in the premium chocolate industry? Which of the five competitive forces is strongest? Which is weakest? What competitive forces seem to have the greatest effect on industry attractiveness and the potential profitability of new entrants?
2. How is the premium chocolate industry changing? What are the underlying drivers of change and how might those driving forces individually or collectively change competition in the industry?
3. What key factors determine success for producers of premium chocolates?
4. What does a SWOT analysis of Rogers' Chocolates reveal about the prospects for company's future success? What are its key resources strengths and competitive capabilities? its resource weaknesses and competitive liabilities? its external opportunities and threats?
5. How would you describe Rogers' Chocolates' competitive strategy? How is it positioned in the industry? What specific steps has management taken to implement this strategy? Do the company's functional strategies and tactics appear to be consistent with its competitive strategy?
6. How well is Rogers' Chocolates' strategy working in terms of the financial performance it is delivering? What is your assessment of its level of profitability, its degree of liquidity, and the extent of its leverage?
7. Which of the strategic options available to Rogers' Chocolates should be given the highest priority? Which of the growth options is the most attractive? Why?
8. What specific actions should Steve Parkhill undertake to improve Rogers' competitiveness in the Canadian Premium Chocolate Industry? How will the culture of the organization impact Parkhill's decision? As a relatively new CEO, how would you suggest that Parkhill reconcile the competing growth suggestions championed by various members of the Board of Directors?

CASE

10 Nucor Corporation: Competing Against Low-Cost Steel Imports

ASSIGNMENT QUESTIONS

1. What are the primary competitive forces impacting U.S. steel producers in general and the producers like Nucor that make new steel products via recycling scrap steel in particular? Please do a five-forces analysis to support your answer.
2. What driving forces do you see at work in this industry? Are they likely to impact the industry's competitive structure favorably or unfavorably?
3. How attractive are the prospects for future profitability of U.S. steelmakers? Should Nucor consider expanding in this type of industry environment? Why or why not?
4. What type of strategy has Nucor followed? Which of the five generic strategies discussed in Chapter 5 is Nucor employing? Is there any reason to believe that Nucor has achieved a sustainable competitive advantage over many of its steel industry rivals? If so, what type of competitive advantage does Nucor enjoy?
5. What are the specific policies and operating practices that Nucor has employed to implement and execute its chosen strategy?
6. What specific factors account for why Nucor has been so successful over the past several decades? Do these factors have more to do with great strategy, great strategy execution, or great leadership?
7. What does a SWOT analysis reveal about Nucor's situation? Does Nucor have any core or distinctive competencies?
8. What is your assessment of Nucor's financial performance the past several years? How strong is the company's financial condition?
9. What issues does Nucor management need to address?
10. What recommendations would you make to Dan DiMicco?

CASE

11

Competition in the Video Game Console Industry: The State of the Battle for Supremacy in 2008

ASSIGNMENT QUESTIONS

1. What are the strategy-shaping business and economic characteristics of the console segment of the video game industry? What is the industry like?
2. What is competition like in the video game system industry? Which of the five competitive forces is strongest? Which is weakest? What competitive forces seem to have the greatest effect on industry attractiveness and the potential profitability of new entrants?
3. How is the video game system industry changing? What are the underlying drivers of change and how might those driving forces individually or collectively change competition in the industry?
4. What does your strategic group map of the video game industry (all segments) look like? Which strategic groups do you think are in the best positions? The worst positions?
5. What key factors determine the success for video game console producers?
6. Which console makers seem to be best able to perform the industry's key success factors and other measures of competitive strength? What ratings do Microsoft, Sony, and Nintendo merit in a competitive strength assessment?
7. What recommendations would you make to Microsoft to win the next generation battle in the video game console industry? to Sony? to Nintendo?

CASE

12

Nintendo's Strategy for the Wii— Good Enough to Beat Xbox 360 and PlayStation 3?

ASSIGNMENT QUESTIONS

1. What are the defining business and economic characteristics of the video game console industry? What is the industry like?
2. What is competition like in the video game console industry? Do a five-forces analysis to support your answer. Which of the five competitive forces is strongest? Which is weakest? Would you characterize the overall strength of competition in video game consoles as fierce, strong, moderate to normal or weak? Why?
3. What forces are driving changes in the video game console industry? Are these driving forces acting to make the industry more or less competitively intense? Are the driving forces acting to make the industry more or less profitable in future years?
4. What 3-5 key factors determine the success of video game console developers like Nintendo?
5. What is Nintendo's strategy? Which of the five generic strategies discussed in Chapter 5 is Nintendo using? What are some of the recent offensive and/or defensive strategies that Nintendo has employed? Have these tactics been successful?
6. Is it fair to characterize Nintendo's introduction of the Wii as a blue ocean strategy? Why or why not?
7. How well is Nintendo's strategy working in terms of the financial performance it is delivering? Should shareholders be pleased? Why or why not? What 2-3 weaknesses do you see in Nintendo's financial performance?
8. What does a SWOT analysis reveal about the attractiveness of Nintendo's overall situation? Is the company's competitive position as solid as top management seems to believe? Does the company have a competitive advantage? If so, what is the basis for this competitive advantage and is the advantage sustainable?
9. What does a competitive strength assessment (as per the methodology in Table 4.4 of Chapter 4) reveal about whether Nintendo has a competitive advantage?
10. What recommendations would you make to Nintendo to improve its competitiveness in the video game console industry and to maintain its favorable positioning vis-à-vis Microsoft and Sony?

CASE

13 Corona Beer: From a Local Mexican Player to a Global Brand

ASSIGNMENT QUESTIONS

1. What are the dominant business and economic characteristics of the global beer industry?
2. What do you see as the key success factors for firms in the global beer industry?
3. What does a strategic group map of the global beer industry look like? How strongly is Grupo Modelo positioned in the industry? How favorably does it compare with its closest Mexican rival FEMSA? How favorably does Grupo Modelo's position compare to that of Heineken?
4. What are the resource strengths and weaknesses of Grupo Modelo? What competencies and capabilities does it have that its chief rivals don't have? What market opportunities does Grupo Modelo have? What threats do you see to the company's future well being? What conclusions can we draw from the SWOT analysis for Grupo Modelo?
5. What is your assessment of Grupo Modelo's financial performance and financial condition from Exhibit 6 in the case? Is the company in good financial shape? Why or why not? Please use the financial ratios in Table 4.1 in Chapter 4 to develop calculations in support of your assessment of the company's financial performance.
6. Is competition in the global beer industry best characterized as global or multi-country? Why? Which type of international strategy discussed in Chapter 7 is Grupo Modelo using in its international operations? How does this compare to the strategies of FEMSA and Heineken? What are the strengths and weaknesses of Grupo Modelo's international strategy versus those of its main rivals?
7. Based on your analysis of the global beer industry and Grupo Modelo's situation, what problems and issues does the company's top management need to address? Which ones are top priorities? Which are low priorities? How concerned should Grupo Modelo be about the potential merger between InBev and Anheuser-Busch?
8. What actions would you recommend to Carlos Fernandez to help Grupo Modelo sustain or improve its competitive position, especially its international operations, and its long-term financial performance?

CASE

14

Google's Strategy in 2008

ASSIGNMENT QUESTIONS

1. Discuss competition in the search industry. Which of the five competitive forces seem strongest? weakest? What is your assessment of overall industry attractiveness?
2. How is the search industry changing? What forces seem most likely to bring about major change to the industry within the next three to five years?
3. What are the key factors that define success in the industry? What are the key competencies, capabilities, and resources of successful search engine companies?
4. Describe Google's business model. What are the company's revenue-cost-profit relationships? What strategies has Google relied upon to build competitive advantage in the industry?
5. Have Google's business model and strategy proven to be successful? Should investors be impressed with the company's financial performance? How does the company's financial performance compare to that of Microsoft and Yahoo? Please conduct a financial analysis to support your position—you may wish to use the financial ratios presented in Table 1 of Chapter 4 as a guide in doing your financial analysis of the company.
6. What are the company's key resource strengths and competitive capabilities? What competitive liabilities and resource weaknesses does it have? What opportunities exist? What threats to its continued success are present?
7. What recommendations would you make to Google's top-management team to sustain its competitive advantage in the search industry? How should it best capitalize on its strategic initiatives in mobile search, cloud computing, and its auctioning system for traditional media ads?

CASE

15

The Challenges Facing eBay in 2008 – Time for Changes in Strategy?

ASSIGNMENT QUESTIONS

1. What does a five-forces analysis reveal about the nature and strength of the various competitive pressures eBay faces? Are the competitive pressures facing eBay and other online auction companies conducive to earning good profits? Why or why not?
2. What driving forces are operating in the online auction macro-environment? Is the combined impact of the driving forces likely to cause competitive pressures to strengthen or weaken? Are the driving forces acting to make the industry more or less attractive from the standpoint of future profitability?
3. What do you see as the key success factors for firms in the online auction industry? What differences do you see between the KSFs for online auction members and the KSFs for online retailers?
4. What does a strategic group map reveal about the positions of the major players in the online auction industry? Is eBay in a good position on the map? Why or why not? Who are eBay's closest competitors?
5. What does a SWOT analysis reveal about eBay's situation? Just how attractive is the company's situation and position?
6. What is your assessment of eBay's financial performance and financial condition? Is the company in good financial shape? Why or why not? Please use the summary of financial ratios in Table 4.1 in Chapter 4 to guide your calculations and support your assessment of the company's financial performance.
7. Does your weighted competitive strength assessment (as per the methodology in Table 4.4 in Chapter 4) for eBay and its rivals reveal that eBay has a competitive advantage or a disadvantage in the online auction industry? What are the sources of the advantage or disadvantage? Does eBay have a sustainable competitive advantage in the online auction industry?
8. How has eBay's competitive strategy evolved throughout the company's history? How have these changes impacted the nature of eBay's core business and its customer base?
9. What challenges does John Donahoe, eBay's new CEO, face in taking over from Meg Whitman? What strengths does he bring to the table?
10. Based on your analysis of the industry and eBay's situation, what problems and issues does eBay's top management need to address? Which ones are top priorities?
11. What actions would you recommend to Mr. Donahoe to improve eBay's competitive position, especially its market position vis-à-vis key rivals, its long-term financial performance, and its relationships with key customers?

CASE

16

Loblaw Companies Limited: Preparing for Wal-Mart Supercenters

ASSIGNMENT QUESTIONS

1. What are the defining business and economic characteristics of the Canadian supermarket industry? What is the industry like?
2. How is the Canadian supermarket industry changing? Identify the 3-5 primary underlying drivers of change in the industry and discuss how those forces individually and collectively are changing competition in the industry.
3. Identify the 3-5 factors that determine success for supermarket operators such as Loblaw.
4. What does a SWOT analysis for Loblaw Companies reveal? Does the company have any identifiable core and/or distinctive competencies?
5. Assess the effectiveness of the actions taken by John Lederer and his executive group to prepare Loblaw and The Real Canadian Superstore for coping successfully with the added competitive pressures posed by Wal-Mart Supercenters. Are these actions likely to prove sufficient for Loblaw to maintain its market position and financial performance?
6. How well is Loblaw's strategy working? What is your assessment of Loblaw's recent financial performance?
7. What does a strategic group map reveal about Loblaw's position vis-à-vis Wal-Mart's position in the industry? How are Loblaws, Fortino, and The Real Canadian Supercenter store formats positioned to compete with Wal-Mart? Which format is likely to be the most direct competitor?
8. What issues should Galen Weston Jr. be most concerned about? Which should have the highest priority? Why?
9. What specific actions should Loblaw take to improve its competitiveness? How might Loblaw exploit its local knowledge of the Canadian supermarket industry to defend against Wal-Mart's entry?

CASE

17

Research in Motion: Managing Explosive Growth

ASSIGNMENT QUESTIONS

1. What are the dominant economic characteristics of the wireless communications industry? What are the distinguishing features of the market for smartphones?
2. What is competition like in the wireless phone industry? Which of the five competitive forces is strongest? Which is weakest? What competitive forces seem to have the greatest effect on industry attractiveness?
3. How is the wireless phone industry changing? What are the underlying drivers of change and how might those driving forces change the industry?
4. What strategic approach has Research in Motion chosen to employ in international markets? Would you characterize its strategy as a global strategy or a localized multicountry strategy? How has it utilized location to build competitive advantage?
5. How important is it for Research in Motion to increase the size of its pool of software developers? What are the different options for substantially increasing its R&D staff?
6. Which option for increasing the number of software developers should Research in Motion pursue? Explain how your recommended course of action is consistent with Research in Motion's resources, organizational capabilities, and management preferences.

CASE 18

Adidas in 2008: Has Corporate Restructuring Increased Shareholder Value?

ASSIGNMENT QUESTIONS

1. What is adidas' corporate strategy? Was there a common strategic approach utilized in managing the company's lineup of sporting goods businesses prior to its 2005-2006 restructuring? Has the corporate strategy changed with restructuring?
2. What is your evaluation of adidas' line-up of businesses in 2008? What does a 9-cell industry attractiveness/business strength matrix displaying adidas' business units look like?
3. Does adidas' business line-up exhibit good strategic fit? What value-chain match-ups exists? What opportunities for skills transfer, cost sharing, or brand sharing are evident? Prior to its divestiture, what kind of strategic fits existed between adidas' core business and its Salomon business unit?
4. Has adidas' business line-up exhibited good resource fit between 1998 and 2007? What have been the financial characteristics of its major business segments during that time period? Which businesses might have been considered cash hogs and cash cows?
5. Based on your analysis of adidas businesses, did the restructuring undertaken in 2005 and 2006 make sense? Does it appear the acquisition of Reebok International will produce higher returns for shareholders? What strategic actions should adidas' top management initiate to improve the company's financial and market performance now that restructuring is complete?

CASE

19 PepsiCo's Diversification Strategy In 2008

ASSIGNMENT QUESTIONS

1. What is PepsiCo's corporate strategy? Briefly identify the business strategies that PepsiCo is using in each of its consumer business segments in 2008.
2. What is your assessment of the long-term attractiveness of the industries represented in PepsiCo's business portfolio?
3. What is your assessment of the competitive strength of PepsiCo's different business units?
4. What does a 9-cell industry attractiveness/business strength matrix displaying PepsiCo's business units look like?
5. Does PepsiCo's portfolio exhibit good strategic fit? What value-chain match-ups do you see? What opportunities for skills transfer, cost sharing, or brand sharing do you see?
6. Does PepsiCo's portfolio exhibit good resource fit? What are the cash flow characteristics of each of PepsiCo's four segments? Which businesses are the strongest contributors to PepsiCo's free cash flows?
7. Based on the preceding analysis, what is your overall evaluation of PepsiCo's business portfolio in 2008? Does the portfolio provide the company's shareholders with an opportunity for above-average market returns?
8. What strategic actions should Indra Nooyi take to sustain the corporation's impressive financial and market performance? Should its free cash flows be used to fund additional share repurchase plans, pay higher dividends, make acquisitions, expand internationally, or for other purposes? What other strategic actions should be pursued by corporate level management?

CASE 20 Robin Hood

ASSIGNMENT QUESTIONS

1. What problems does Robin Hood have? What issues need to be addressed?
2. Do Robin Hood and the Merry men need a new mission? new objectives? a new strategy?
3. What strategic options does Robin Hood have? Is continuing with the present strategy an option or is the present strategy obsolete?
4. Why not try to end the campaign by killing the Sheriff?
5. What are the pros and cons of accepting the offer of the barons to assist in securing King Richard's release from prison?
6. What action plan would you recommend to Robin?
7. How should Robin implement the recommended plan? What action steps will need to be taken to make the recommended strategy work successfully?

CASE 21 Dilemma at Devil's Den

ASSIGNMENT QUESTIONS

1. What problems has Susan identified with the night shift operations of the Devil's Den? How well does the management team perform such strategy execution processes as competency building, shaping the culture, instituting policies and procedures, establishing control systems, developing reward and discipline systems, and exhibiting ethical leadership?
2. What is Susan's dilemma? What seems to influence her perceptions and behavior? What seems to influence the perceptions and behaviors of other Devil's Den employees?
3. What should Susan do about her dilemma?

CASE

22 Wal-Mart Stores, Inc. in 2008 Management's Initiatives to Transform the Company and Curtail Wal-Mart Bashing

ASSIGNMENT QUESTIONS

1. What impresses you about this company? What accounts for Wal-Mart's success over the past 25+ years? Is it a great strategy, superb strategy implementation and execution, or great leadership? What aspects of Wal-Mart do you find unimpressive?
2. Which of the five generic strategies is Wal-Mart employing? What are the chief elements of its strategy?
3. Is Wal-Mart's strategy working well? What does the information in case Exhibit 1 reveal about the company's strategic and financial performance during 2000-2008? Please use the financial ratios presented in Table 4.1 of Chapter 4 to guide your calculations and reach conclusions about the caliber of Wal-Mart's financial performance.
4. What policies, practices, support systems, and management approaches underlie Wal-Mart's efforts to execute the company's strategy?
5. What are its chief elements and characteristics of Wal-Mart's culture? Why does the culture seem to be so much stronger in Bentonville than out in the stores?
6. What is your assessment of Lee Scott's transformation initiatives? Are the initiatives "sincere" or just calculated to garner better PR for Wal-Mart? Are more transformational initiatives needed? Why or why not?
7. What issues do Lee Scott and Wal-Mart management need to address?
8. What recommendations would you make to Lee Scott?

CASE 23 Southwest Airlines in 2008: Culture, Values, and Operating Practices

ASSIGNMENT QUESTIONS

1. Is there anything that you find particularly impressive about Southwest Airlines?
2. What grade would you give Southwest management for the job it has done in crafting the company's strategy? What is it that you like or dislike about the strategy? Does Southwest have a winning strategy?
3. What are the key policies, procedures, operating practices, and core values underlying Southwest's efforts to implement and execute its low-cost/no frills strategy?
4. What are the key elements of Southwest's culture? Is Southwest a strong culture company? Why or why not? What problems do you foresee that Gary Kelly has in sustaining the culture now that Herb Kelleher, the company's spiritual leader, has departed?
5. What grade would you give Southwest management for the job it has done in implementing and executing the company's strategy? Which of Southwest's strategy execution approaches and operating practices do you believe have been most crucial in accounting for the success that Southwest has enjoyed in executing its strategy? Are there any policies, procedures, and operating approaches at Southwest that you disapprove of or that are not working well?
6. What weaknesses or problems do you see at Southwest Airlines?
7. What recommendations would you make to Gary Kelly?

CASE 24 Shangri-La Hotels

ASSIGNMENT QUESTIONS

1. What are the key elements of Shangri-La Hotel's strategy? Which of the five generic competitive strategies described in Chapter 5 is the company employing? What is Shangri-La's strategy for competing internationally?
2. What policies, practices, support systems, and management approaches underlie Shangri-La's efforts to execute its strategy?
3. How important are the company's training and Shangri-La Care program to its success? What is your assessment of Shangri-La's compensation policies and career growth effort? What pluses and minuses do you see?
4. What are the key features of the culture at Shangri-La Hotels? How important is the culture in the company's success? Explain. What impact do the company's mission statement and the Shangri-La Care program have on the company's culture?
5. What core/distinctive competencies has management at Shangri-La tried to build and nurture? What challenges does the company face as it attempts to transfer its core and distinctive competencies to other cultures? How has the company attempted to resolve these challenges? Has it been successful in doing so?
6. What does the company's financial and operational performance reveal about how successful its strategy and strategy implementation efforts have been? Should shareholders be pleased with the company's financial performance? Why or why not? What financial and operating performance pluses and minuses do you see?
7. What challenges does Shangri-La face in expanding into Eastern China? Do you believe the company's current policies and operating procedures will be sufficient in addressing these challenges? If so, why? If not, what else may need to be done?
8. How do the challenges associated with Shangri-La's expansion into Europe, Australia, and North America compare with the company's expansion in China? Do you believe the company's current policies and operating procedures will be sufficient in addressing these challenges? If so, why? If not, what else may need to be done?

CASE 25 E & J Gallo Winery

ASSIGNMENT QUESTIONS

1. How important is the dessert wine segment to the industry? to E&J Gallo Winery? How do these products fit with Gallo's stated position on the quality of its products? Do brands like Thunderbird and Night Train have any redeeming features as a product, even if they are in demand by a segment of the population?
2. What are the key success factors in the dessert wine segment? Is there strategic fit between Gallo's fortified wines and its other wines?
3. Is Gallo being socially responsible by supplying dessert wines? What responsibility does Gallo have to consumers in furnishing dessert wines? Does the Gallo family have any personal responsibility to speak out against alcohol abuse? Should they be doing more than speaking out? Should production and sale of Thunderbird and Night Train be discontinued?
4. Which approach to managing a company's ethical conduct (see Table 9.2 on p. 308 of Chapter 9) would you say Gallo seems to be applying? What are the challenges associated with this approach?
5. If Gallo Winery decides to abandon the Thunderbird and Night Train brands, what will be the impact on those individuals who abuse the dessert wine products?
6. What responsibility does Gallo have to the employees in its dessert wine operations should the company elect to abandon the production of Thunderbird and Night Train?
7. What actions would you recommend the company take, especially with regard to its cheap fortified wine product offerings?

CASE

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Detecting Unethical Practices at Supplier Factories: The Monitoring and Compliance Challenges

ASSIGNMENT QUESTIONS

1. How important is it for companies such as Nike and Wal-Mart that source extensively from foreign suppliers located in countries where wages are low and substandard working conditions are common to institute supplier codes of conduct and undertake programs to monitor and ensure supplier compliance with these codes of conduct?
2. Which company has the strongest supplier monitoring and compliance program—Nike or Wal-Mart? Why?
3. Would you recommend that a company join the Fair Labor Association and use FLA's standards and program of factory audits instead of trying to set up its own supplier monitoring and compliance effort?
4. What can a company do to detect and combat the efforts of unscrupulous foreign suppliers to deceive inspection/compliance teams?