

PUBLISHER'S CHOICE GENERAL MANAGEMENT & STRATEGY CASES

Featured General Management/Strategy Cases

W24957

Costco: The Challenge Of Entering The Mainland China Market

Chongfeng Wang; Liyang Lu; Xinrong Liu; Fei Meng; Guanwen Huang; Xiaoyu Zhao

Costco Wholesale Corporation (Costco), the world's second-largest retailer, officially entered the Chinese market in Shanghai in August 2019. The opening day was so jam-packed with customers that the massive influx forced the company to close early, after only five hours of operations. However, after only one week, customers were lining up outside the store, asking Costco for refunds for their membership cards. The warehouse's traffic declined significantly as well. What caused this situation? Did Costco make the right decision to enter the Chinese market? Does Costco's membership system fit the Chinese market? What kinds of challenges will Costco face in the future?

Learning Objective: This case can be used in a strategic expansion or cross-cultural communication and strategy module of a strategic management course, or it can be used in an emerging markets module of a marketing course in discussions of the globalization strategy of multinational enterprises, their development prospects, and the challenges of emerging markets. It may be taught at the undergraduate, graduate, or executive level.

This case compares cultural, political, economic, and other differences between China and the United States in analyzing Costco's entry into China. The case also analyzes the timing of Costco's entry into the Chinese market and the opportunities and challenges the company confronted there, serving not only as a platform for discussion of Costco's medium-term tactics and long-term strategy for global expansion but also as a lesson on the international expansion of other members-only warehouse chains at home and abroad. After working through the case and assignment questions, students will be able to do the following:

Describe the business features of warehouse membership stores.

Summarize the challenges that foreign retailers face upon entering the Chinese market.

Apply the CAGE framework, the five contexts framework, and the new market entry decision-making framework in analyzing an international retail expansion.

Analyze how foreign retailers can navigate differences in

consumer behaviours.

Publication Date: February 11, 2022

Discipline: General Management/Strategy; Marketing;

Issues: emerging markets; CAGE framework; localization

Setting: Large organization, 2020

Difficulty: Undergraduate/MBA

W25116

Air France-KLM: A Strategy for the European Skies

Paul Marchand; Gwyneth Edwards

In January 2019, the chief executive officer (CEO) of the French air transport group Air France–KLM SA (Air France–KLM) was tasked with developing the firm's vision for the upcoming meeting of the board of directors. Faced with several challenges, such as low profitability, falling prices, and increasing competition, Air France–KLM had gone from leading the European market in 2004 to fourth position in 2019. At the same time, the European air transport industry had been affected by the rise of local low-cost airlines and the entry of high-end airlines from emerging economies. In response, Air France–KLM had created several businesses to challenge the new competition, but it had yet to improve performance. In this changing competitive context, what strategy should the CEO propose?

Learning Objective: The case is designed for undergraduate- and graduate-level courses on strategy, in a session that looks at corporate- or business-level strategies or in a session on mergers and acquisitions. The case could also be used in a class on international business to analyze the complexity of a multinational corporation. After working through the case and assignment questions, students will be able to analyze and synthesize a complex competitive industry environment (air transport) that is influenced by both market and non-market forces, using theoretical frameworks; assess the level of a business unit's competitiveness using theoretical frameworks; defend their analyses and propose feasible business solutions appropriate for the current and future (potential) context; and

understand how a horizontal (competitor) merger can create internal competition within the newly formed firm and how that needs to be considered when strategizing.

Publication Date: September 20, 2021

Discipline: Strategy; International Business;

Issues: air transport; Europe; strategy

Industry: Transportation and Warehousing;

Setting: Europe, Large organization, 2019

Difficulty: Undergraduate/MBA

9B21M062

Amazon in China

Ning Su; Ming Dong; Amy Ni; Anna Fu

Amazon.com Inc. (Amazon), the Seattle-based e-commerce giant, leaped into China with a buyout of Joyo.com Limited, China's largest online book, music, and video retailer, in 2004. Amazon had the ambition of becoming the dominant online retailer in China by capitalizing on its globally recognized brand, cutting-edge technologies, and advanced business model and philosophy. In the following years, China's e-commerce industry experienced exponential growth, representing a golden opportunity for technology firms. For Amazon, however, many challenges started to surface, including intense competition from Alibaba Group Holding Limited and JD.com Inc., which limited Amazon's growth. In 2018, as China's e-commerce industry quickly became one of the world's largest, Amazon had to determine what its next steps should be.

Learning Objective: This case is suitable for use in undergraduate- and graduate-level courses on information technology, corporate social responsibility, sustainability, business and society, international business, and strategy. It introduces the overall Chinese e-commerce landscape and the competition among Amazon, Alibaba, and JD. Students will explore Amazon's current core competencies, its platform strategy, its successful navigation of both industry and societal challenges, and the possible root causes of its continuous market share shrinkage in China. Working through the case and assignment questions will give students the opportunity to do the following: Describe the e-commerce industry landscape in China, and explain how this market differs from those in North America, Europe, and other regions. Explain the importance of continually rethinking core competencies and business models, including product- and platform-based models. Examine the relationship and tension between globalization and localization, and explore different internationalization strategies.

Publication Date: July 13, 2021

Discipline: General Management/Strategy;

Issues: e-commerce; digital platform; internationalization; global strategy

Industry: Information, Media & Telecommunications;

Setting: Large organization, 2019

Difficulty: Undergraduate/MBA

9B21M067

HP Inc.: Poised to Lead in 3D Printing?

Andreas Schotter; R. Chandrasekhar

In April 2020, the interim president of the 3D printing and digital manufacturing business of HP Inc. was weighing his options in resolving three managerial dilemmas: (1) How should HP promote technology awareness among industrial customers? (2) How should HP scale up its production of 3D printers? (3) How could HP promote shorter technology adoption cycles among industrial customers?

Learning Objective: This case is suitable in undergraduate, graduate, and executive education programs for courses focusing on strategy, disruptive innovation, and business transformation. With this case, students have an opportunity to step into the shoes of the head of HP's 3D printing business and find a way forward for each dilemma he faces, which will give them the opportunity to highlight the intricacies in the rapid rise and evolution of the technology business segment; explore how technology can disrupt established value creation models; and discover the switch from a manufacturing model to a mix of a manufacturing and service model.

Publication Date: June 24, 2021

Discipline: Strategy; General Management/Strategy;

Issues: disruptive innovation; technology adoption; economies of scope

Industry: Manufacturing;

Setting: United States, Large organization, 2020

Difficulty: MBA/Postgraduate

9B21M003

Sydney Opera House: Creating a Masterpiece

Ning Su; Lisa Chen; Kathy Wu; Maria Miguéis-Teixeira

The Sydney Opera House, an iconic architectural landmark and United Nations Educational, Scientific, and Cultural Organization World Heritage Site, was officially opened in 1973. The project cost AU\$102 million and took 14 years to complete—AU\$95 million and 10 years more than originally estimated. The challenges with the construction of the opera house included a brilliant and visionary architect who lacked project management experience, team collapse due to misalignment, bureaucratic and political issues that hindered work, and a rush to begin construction without proper planning. What could have been done at crucial crossroads to facilitate the project? What could today's project managers learn for future construction?

Learning Objective: The case is suitable for undergraduate- and graduate-level courses on project management or strategy. After working through the case and assignment questions, students will be able to do the following:
Explore the impact of key project management decisions.
Discuss how to evaluate the success and failure of projects.
Identify and apply best practices to manage future projects.

Publication Date: February 16, 2021

Discipline: General Management/Strategy; Economics & Public Policy;

Issues: public sector; performing arts; architecture; project management

Industry: Public Administration;

Setting: Australia, Large organization, 1973

Difficulty: Undergraduate/MBA

9B19M110

Digital Transformation at GE: What Went Wrong?

Robert D. Austin; Genevieve Pelow

As recently as 2017, General Electric (GE) had been touted as an example of how established companies could pre-emptively transform their businesses digitally, without waiting to be forced to do so by their competition. But in 2018, the wheels appeared to fall off GE's transformation, amid a crisis that included leadership changes, dividend cuts, credit downgrades, and a stock price crash. The company announced that it would sell GE Digital, the newly built-up organization at the heart of its celebrated transformation. This case examines the digital transformation that GE had been attempting and the challenges it encountered. Students will develop ideas about what happened and what GE's experience means for digital transformation initiatives within other established firms.

Learning Objective: This case is suitable for a graduate-level course on information technology management, innovation, and business strategy. After working through the case, students will understand why established companies might attempt digital transformation;
what outcomes firms aim to achieve through digital transformation; and
the difficulties and risks inherent in such ambitious change programs.

Publication Date: September 13, 2019

Discipline: General Management/Strategy;

Issues: Transformations; Platforms; Strategy; Change management; Data analysis

Industry: Manufacturing;

Setting: United States, Large organization, 2019

Difficulty: MBA/Postgraduate

9B19M084

The Inside-Out Prison Exchange Program: Impact on Stakeholders

Theodore L. Hill; Rebecca DeWhitt; Claire Thanh Tran; Lynne Andersson

In 2018, a new challenge confronted the executive director of the Inside-Out Center in Philadelphia, who was also the founder of the Inside-Out Prison Exchange Program, an international network of educators providing university courses in prisons for both incarcerated individuals and university students. Despite the program's many success stories, to gain new funders, the founder needed to communicate the program's impact through measurable effects. Assessing long-term impacts seemed nearly impossible because of difficulties in tracking the participants as they graduated from their university programs or completed their prison sentences and returned to the outside world. The measurement effort was also controversial because although the use of quantitative measures would help to raise funds, it could also challenge the value of the program's well-established practices and could change the relative roles and influence of various key stakeholders. Whose definitions of "impact" should be prioritized, and how could the program's impact be measured and communicated?

Learning Objective: This case is intended for an impact- or fundraising-measurement class in a course on social entrepreneurship or non-profit management. It would also be suitable for a discussion on stakeholders in a course on business ethics or business and society. In an undergraduate-level course, the focus is identifying stakeholders and applying the logic model of change as a tool for managing and communicating with stakeholders. In a graduate-level course, the focus can be expanded to also include calculating the social return on investment, applying communication and influence strategies, and balancing trade-offs between stakeholders' interests. Working through the case, students will learn and apply two social impact measurement tools: the logic model of change and (for more advanced students) the social return on investment;
learn and apply stakeholder mapping and management tools;
explore the role of impact measurement in identifying and managing, and perhaps exacerbating conflicting stakeholder interests; and
explore the role of class, race, and economic power differentials in shaping stakeholder perspectives and organizational choices.

Publication Date: August 09, 2019

Discipline: General Management/Strategy;

Issues: Stakeholders; Social issues; Networks; Nonprofit
Industry: Social Advocacy Organizations;
Setting: United States, 2018
Difficulty: Undergraduate/MBA

9B19M057

Ryanair: Flying Too Close to the Sun?

Ciaran Heavey; Dorota Piaskowska

Unlike any other European airline, Ryanair DAC had long experienced impressive growth and performance thanks to its well-designed and ruthlessly executed low-cost carrier business model. However, the limits of growth did begin to appear, at which time the company adjusted its business model with an increased emphasis on customer orientation. As a result, cracks in the business model appeared and labour issues came to the fore. While the media and industry analysts were focused on these challenges, Ryanair was undergoing a quiet digital revolution, shifting the airline's business model toward a technology-based travel platform. With the problems in the business model and a shifting business strategy, could Ryanair achieve the ambitious growth targets it set for 2024?

Learning Objective: This case is suitable for an advanced undergraduate- or graduate-level strategy course (e.g., business strategy, economic foundations of strategy, or global strategy). The case could also be used in courses on business model design, business model innovation, and technology strategy. The learning objectives for the case include the following:

Identify the main characteristics of the European airline industry and its macro environment.

Diagnose the sources of Ryanair's superior performance and performance threats.

Critically analyze and trace the evolution of Ryanair's business model.

Recognize the stages of industry evolution and the strategic innovations required of companies in mature industries.

Examine the transformation of Ryanair from a pipeline to a platform business model.

Publication Date: June 12, 2019

Discipline: General Management/Strategy; International Business;

Issues: Cost leadership strategy; Strategic innovations; Business model innovation; Business models; Strategy; Transformations; Airlines; Market evolution

Industry: Transportation and Warehousing;

Setting: Ireland, Large organization, 2018

Difficulty: Undergraduate/MBA

9B19M047

Volkswagen Strategy 2025: Shifting Gears in Disruptive Times

Andreas Schotter; William Thomas Watson; R. Chandrasekhar

In 2018, Volkswagen Group's newly appointed chief executive officer renewed the company's commitment to Strategy 2025, an ongoing plan intended to radically transform the German automaker. Volkswagen was being challenged by tectonic changes in the automotive industry, including the phasing out of the long-standing internal combustion engine, ongoing digitization, the entry of new competition from technology companies, the introduction of electric vehicles, and the launch of ride-sharing applications. Strategy 2025 was designed to reshuffle the company's existing formal and informal structures and restructure the automaker into a nimble, agile, and innovative corporation ready to face the realities of mobility in the digital age. The new chief executive officer faced huge expectations concerning the effectiveness and sustainability of Strategy 2025. Was the automaker doing enough to transform into a competitive mobility company?

Learning Objective: This case is intended for use in undergraduate and graduate courses and in executive programs focused on how incumbent firms can stay relevant during times of major industry disruptions. Ideally, students will already have some knowledge of basic industry analysis and strategy. After completion of the case, students will be able to

- understand the corporate-level, business-level, and management-level challenges that arise from disruptive megatrends;
- understand the drivers and challenges of strategy transformation for an incumbent firm that faces a major disruption;
- develop an organizational renewal strategy for an incumbent firm; and
- execute a transformational plan to deal with industry disruption.

Publication Date: June 05, 2019

Discipline: General Management/Strategy; International Business;

Issues: Disruption; Strategic moves; Incumbents

Industry: Transportation and Warehousing;

Setting: Germany, Large organization, 2018

Difficulty: Undergraduate/MBA

9B19M033

Tesla Inc.: Strategic Partnerships for Growth

Cara C. Maurer; Ken Mark

In 2018, California-based Tesla Inc. (Tesla) seemed to be gaining momentum after a series of setbacks in the production of its mass-market Model 3 car. Tesla's partnership strategy, guided by founder and chief executive officer Elon Musk, had been key to its success, yet Tesla did not appear to be succeeding as a stand-alone firm. It continued to command a small portion of overall vehicle sales, it had not mastered mass-production techniques, and it had not solved its sales dilemma by receiving permission to bypass the car dealership network in the United States. Tesla would continue to need partners for growth even as the nature of its partnerships changed. The challenge was to determine Tesla's partnership strategy in the short to medium term.

Learning Objective: The case has been designed for use in an undergraduate- or graduate-level course on strategy or entrepreneurship. Specifically, the case can be used to define the competitive advantage of a firm, analyze how firms attract and harness resources and capabilities to implement their strategies, and review the pros and cons of partnerships with other firms. The case focuses on how a new start-up establishes itself in a competitive industry by leveraging strategic partnerships to grow. After working through the case and assignment questions, students will have developed their ability to do the following:

Outline Tesla's partnership strategy.

Define the benefits and drawbacks Tesla and its partners experience when partnering with each other.

Explain how Tesla trades off asset specificity for other benefits such as speed to market and lower investment costs.

Publication Date: May 03, 2019

Discipline: General Management/Strategy; Entrepreneurship;

Issues: Partnerships; Entrepreneurship; Strategy

Industry: Manufacturing;

Setting: United States, Large organization, 2018

Difficulty: Undergraduate/MBA

9B19M029

What Business Is Zara In? (Revised)

Daniel Doiron

Industria de Diseño Textil, SA (Inditex), primarily through its flagship brand Zara, had grown to be the world's number-one fashion manufacturer and retailer with the introduction of what many considered a disruptive fast-fashion business model. However, Inditex's chief executive officer insisted that this term failed to describe the company's business model accurately. Like other successful business model innovators, Inditex in 2019 was faced both with new competitors who had successfully copied and enhanced key components of its approach and with the growing desire of fashion conscious consumers to shop online. Inditex needed to find a way to continue to differentiate Zara in this evolving industry while capturing more than its share of the tremendous market growth anticipated for the future.

Learning Objective: This case can be used in an undergraduate- or graduate-level course on business strategy or managing innovation to illustrate and discuss the benefits and challenges of disruptive business innovation in a competitive marketplace. Working through the case will give students the opportunity to do the following:

Understand how a company's business model directly relates to how it achieves profitability.

Realize how fundamentally different business models can coexist within an industry.

Understand the concept of a disruptive business model and examine its impact on an industry.

Discuss how incumbent competitors can or cannot effectively react to a disruptive business model.

Learn how to visualize a business model.

Publication Date: April 18, 2019

Discipline: General Management/Strategy; International Business;

Issues: Business models; Competition; Growth; Growth strategy; Risk; Opportunity;

Setting: Spain; China; Europe, North America, Large organization, 2019

Difficulty: Undergraduate/MBA

9B19M007

Costco Wholesale Corporation: Market Expansion and Global Strategy

Chansoo Park; Vipin Plavalappil Viswanathan; Raadhika Gopinath; Sara Parveen; Mary Furey

In 2015, Costco Wholesale Corporation (Costco) was ranked as one of the world's largest global retailers based on sales revenue, second only to Walmart Inc. It had successfully expanded into eight international markets: Canada, Japan, South Korea, Spain, Mexico, Taiwan, Australia, and the United Kingdom, managing to grow despite the turbulent economic conditions prevalent in these countries. Costco challenged stereotypes and employed unconventional business strategies to position itself as a leading transnational retailer. Costco's business model was crucial to the company's financial success and expansion over the years. Key company success factors included its membership-based operating model, its focus on low-cost efficiencies, the perceived quality and value of the Kirkland Signature brand, and its philosophy of rewarding human capital. However, as Costco made plans to expand its operations, it faced challenges due to intensified competition in the global retail industry and policies and regulations in local markets that restricted big box retailers. In this context of uncertain international markets, which markets should it enter next? What was the best entry method for each individual market?

Learning Objective: This case is suitable for an undergraduate- or graduate-level business course on strategic management, global strategy, international business, or international marketing. The case examines Costco's international expansions and highlights key success factors in each market, enabling students to analyze and determine appropriate modes of entry based upon the challenges presented in various countries. After working through the case and assignment questions, students will be able to do the following:

- Describe the global retail business industry.
- Examine and evaluate the effectiveness of Costco's international business strategies in eight markets and its global expansion strategies.
- Evaluate Costco's entry mode into each of the eight markets.
- Examine Costco's key success factors and strategic challenges in the eight markets.

Publication Date: January 21, 2019

Discipline: General Management/Strategy; International Business;

Issues: Costco; global strategy; market expansion;

Setting: Large organization, 2016

Difficulty: Undergraduate/MBA

9B18M094

IKEA India: Expanding to Success

Mokhalles Mehdi; Lubna Nafees; Shriraam S. Bhagavath

In May 2017, IKEA India's chief executive officer (CEO) was facing a dilemma. The company had decided to start its business operations in India by opening an experience centre in Hyderabad in November 2018, followed by furniture retail outlets across India by 2025. Key target segments were young, middle-class price-conscious consumers. IKEA India aimed to sell its products at a low price, aligning with its vision. However, the CEO was challenged with developing a strategy for business growth at a time when major global retailers were going bankrupt. He needed to figure out the appropriate pricing and supply chain strategy for India's complex and diverse environment, while offering value to consumers.

Learning Objective: This case is designed for use in undergraduate or graduate programs. It is ideal in global marketing courses covering topics such as understanding an emerging market, creating value for consumers, retail business operations, consumer behaviour, new marketing strategies, vendor selection and relationship management, and strategy. After completing the case, student should be able to understand

- the concept of value creation and business growth in an emerging market;
- strategies adopted for retail business operations in an emerging market;
- consumer behaviour in an emerging market;
- company marketing strategies and tactics in an emerging market;
- strategies for market and product development; and
- the criteria used in selecting vendors and how to manage the vendor relationship.

Publication Date: June 28, 2018

Discipline: General Management/Strategy;

Entrepreneurship; International Business; Marketing;

Issues: value creation, consumer behaviour, marketing strategy, supplier selection, relationship management

Industry: Retail Trade;

Setting: India; Sweden, Large organization, 2016-2017

Difficulty: Undergraduate/MBA

9B18M087

Harley-Davidson: Internationalization in the Trump Era

Seok Woo Kwon; Bertrand Guillotin

In 2016 the chief executive officer (CEO) of Harley-Davidson Inc., the iconic U.S. manufacturer of motorcycles, was facing a constant decline in sales and stock price due to the company's dependence on a mature U.S. market and the natural attrition of its most loyal riders, who were ageing. In May 2017, the CEO needed to determine how to return his global company to growth amid a protectionist agenda and direct business interference from the White House. Should the company expand internationally or not?

Learning Objective: This case is suitable for students at both the undergraduate and graduate levels, for use in business leadership seminars or for business courses that focus on global strategy, strategic management, and international marketing. After working through the case and assignment questions, students will be able to do the following:

Define internationalization.

Outline the implications of a firm's growth strategies.

Evaluate the effects of foreign policies and leadership decisions on a firm's growth strategy.

Assess the effects of changing industry dynamics and government policies on a firm.

Understand the process of a firm's competitive actions, such as responding to a new government's foreign policy.

Publication Date: June 01, 2018

Discipline: General Management/Strategy; International Business;

Issues: internationalization, government policy

Industry: Manufacturing;

Setting: United States, Large organization, 2017

Difficulty: Undergraduate/MBA

9B18M033

Tesla: Testing a Business Model at its (R)evolutionary Best

Sayan Chatterjee; Dennis Terez

Tesla Motors, Inc. (Tesla), the electric car company, unveiled its Model 3 in late July 2017 as its stock price continued to appreciate. The Model 3 was priced to sell to the mass market and to potentially compete with the mass-market leaders such as Toyota. The stock market had also responded favourably to Tesla's decision in 2016 to acquire SolarCity, a manufacturer of solar cells, and its decision to build the Gigafactory, the world's largest lithium battery plant. Could Tesla justify its sky-high stock price multiple by simply selling electric cars, or should Tesla become a battery company that could fundamentally change the energy storage industry—or for that matter,

some other type of company?

Learning Objective: This case is intended for senior undergraduate, MBA, and EMBA courses in strategy, entrepreneurship, and marketing, and has been used successfully at all of these student levels. After completion of this case, students should be able to identify how Tesla avoided the common mistakes made by many start-ups, namely, running out of cash; explain how Tesla understood the profit logic of its business model and built the capability needed to execute it; analyze how Tesla co-opted numerous stakeholders, including customers, regulators, and competitors to succeed; assess how Tesla adjusted its business model to conform to the changes in the industry and innovation itself; and explain how the business model itself became a dynamic tool by which Tesla, to a significant degree, shaped its own future.

Publication Date: March 02, 2018

Discipline: General Management/Strategy; Entrepreneurship;

Issues: sustainable energy, disruptive innovation, white space

Industry: Manufacturing;

Setting: United States, 2017

Difficulty: Undergraduate/MBA

9B17M092

Amazon Go: Venturing into Traditional Retail

Wiboon Kittilaksanawong; Aurelia Karp

In December 2016, Amazon.com, Inc. (Amazon), the largest online retailer, entered the offline retailing industry by launching its first Amazon Go store in Seattle. Previously, the company had entered the food, diaper, and housekeeping product manufacturing industries with its Amazon Elements brand. The company had not been profitable until 2001 and was still facing some financial difficulties, but it was named the fourth most valuable public company in the United States in 2016. In 2015, it surpassed Wal-Mart Stores, Inc. (Walmart) as the most valuable online retailer in the country. Given its current competitive advantages in the online retail business, could Amazon reproduce this success in offline markets? Did Amazon's diversification into offline retailing make sense considering its existing resources and capabilities, the presence of established traditional retailers such as Walmart, and a market trend that was increasingly moving toward online stores?

Learning Objective: This case is intended for senior undergraduate and graduate-level business school students in courses on competitive strategy, Internet marketing, new market entry, and supply chain management. After completing the case, students should be able to do the

following:

Understand the competitive strategies of an online retail company that tries to diversify to compete with brick-and-mortar retailers in the global market.
Evaluate the extent to which a company can diversify, given its resource and capability constraints.
Analyze what it means to be a first mover and how such a company can sustain its first-mover advantages.
Assess the use of standardization and localization strategy in a new international market entry.
Understand the critical role of efficient supply chain management.

Publication Date: June 28, 2017

Discipline: General Management/Strategy;
Entrepreneurship; International Business;

Issues: diversification, first mover advantage, online retail, brick-and-mortar retail, supply chain management

Industry: Retail Trade;

Setting: United States, Large organization, 2016

Difficulty: Undergraduate/MBA

9B16M186

Airbnb: Business Model Development and Future Challenges

Sayan Chatterjee

In 2007, the founders of Airbnb were looking to solve a problem and ended up transforming their idea into a \$10 billion company. What started as a quick website to advertise an overnight stay on their apartment airbeds along with breakfast in the morning eventually grew into an online accommodation booking business that spanned the world. Airbnb used its business model to carve out an extremely important space in an already crowded industry. However, along with success came challenges in terms of the scalability of its business model. In 2014, Airbnb was also facing legal challenges by state attorneys general that could make its business model suspect. The founders had to decide whether to defend their business model in a court of law and in the court of public opinion, or change it.

Learning Objective: This case is intended for senior undergraduate, MBA, and EMBA strategy classes. After completing the case, students should be able to understand how the different components of a strategy combine to create a competitive advantage; recognize that although competitors may be able to copy one or more parts of a strategy, the holistic manner in which the different parts combine makes it difficult to copy the entire strategy; and decide between different options.

Publication Date: November 24, 2016

Discipline: General Management/Strategy; International

Business; Entrepreneurship;

Issues: sharing economy, network model, business model innovation, design

Industry: Accommodation & Food Services;

Setting: United States, Medium organization, 2014

Difficulty: Undergraduate/MBA

9B16M077

Building a Backdoor to the iPhone: An Ethical Dilemma

Tulsi Jayakumar; Surya Tahora

In February 2016, Tim Cook, Apple's chief executive officer, challenged a U.S. Federal Court order for Apple to assist the Federal Bureau of Investigation (FBI) in a case involving suspected international terrorism. The government wanted Apple to provide the FBI with access to encrypted data on an Apple product, the iPhone. Cook's refusal to acquiesce to the government's demands drew strong public debate, pitting the proponents of national security against those in favour of customers' digital privacy and security. The case invoked an ethical dilemma faced by management in issues involving right-versus-right decisions. Which right should Cook choose? What are the ethical dilemmas involved in making this decision? How should Cook resolve the dilemma?

Learning Objective: This case can be taught in a 90-minute session of a business ethics course in a postgraduate or executive MBA program. It may also be used in an information management course to teach a module on ethics in information management, focusing on the moral and ethical dimensions of information handling and use, including gatekeeping. The case will help students to:

Distinguish between various kinds of executive management decisions: right-versus-wrong compared to right-versus-right.

Recognize and understand the moral dilemmas facing management involving right-versus-right decisions or "the dirty hands problem."

Understand the frameworks used in developing practical approaches to resolving these dilemmas.

Publication Date: April 28, 2016

Discipline: General Management/Strategy; International Business;

Issues: customer digital privacy, Apple, iPhone, Tim Cook, right-vs-right decisions, ethical or moral dilemmas

Industry: Information, Media & Telecommunications;

Setting: United States, Large organization, 2016

Difficulty: MBA/Postgraduate

9B16M070

Netflix: International Expansion

Won-Yong Oh; Duane Myer

Netflix adopted an aggressive growth strategy to establish itself as a global force in the video streaming industry. To solidify its position as an industry leader, Netflix invested heavily in the production of in-house content. In January 2016, to deal with slow growth in the domestic market, the company announced an aggressive expansion of its services into a total of 190 countries, thereby giving Netflix coverage over nearly the entire world. International expansion did not come without its challenges. Netflix faced regulatory compliance issues in its targeted markets, competition with domestic competitors, and the need to satisfy local preferences. Was the enormous cost of such an aggressive expansion strategy the right direction for the company?

Learning Objective: This case is suitable for various business courses, including international management, technology management, international marketing, and strategic management, at both the undergraduate and graduate (MBA) levels. By understanding these objectives, students can also learn the process of a firm's strategic actions, such as international expansion, and they can think about how to effectively implement such strategic initiatives.

After completion of this case, students should be able to:

Understand a company's motivation to expand internationally.
Assess the structure and technological development of the industry.
Identify a firm's competitive advantages.
Evaluate the benefits and costs of international expansion.

Publication Date: April 26, 2016

Discipline: General Management/Strategy; International Business;

Issues: international expansion, entertainment, Internet, online streaming

Industry: Arts, Entertainment, Sports and Recreation;

Setting: United States, Large organization, 2016

Difficulty: Undergraduate/MBA

9B16M040

Apple and Its Suppliers: Corporate Social Responsibility

Sun Hye Lee; Michael J. Mol; Kamel Mellahi

AWARD WINNING CASE - STRATEGY AND GENERAL MANAGEMENT CATEGORY - THE CASE CENTRE AWARDS AND COMPETITIONS 2019. In a 2014 documentary, the multinational technology company Apple Inc. was implicated in alleged human rights violations at Pegatron, a large Chinese supplier that assembled Apple's iPhones. The allegations followed similar, well-publicized violations in 2009 at another China-based Apple supplier. Although Apple had promised to improve its practices, doing so had clearly proven to be a difficult task. How should Apple respond to these new allegations? Should it evade the accusations and instead point to its existing efforts? Could it do more to protect workers? Should it rethink its offshoring and outsourcing strategy? Is it fair to blame Apple for the activities of its suppliers? Where does the blame fall?

Learning Objective: The case is ideal for undergraduate, graduate, and executive courses. It is particularly well suited to ethics and corporate social responsibility (CSR) courses and is also suitable for courses in strategic management, international business, and operations management. After completion of the case, students will be able to understand:
The trade-off between being profitable and doing well for society at large.

The challenges of matching CSR practices to CSR expectations.

The challenges of managing and monitoring outside suppliers.

The hard realities of managing CSR across institutional boundaries.

The complexity of managing CSR issues across multiple levels.

Publication Date: March 22, 2016

Discipline: General Management/Strategy; International Business;

Issues: Customer service, relations, supply chain, offshoring, CSR, worker safety, ethical business operations, regulations, public image, worker rights, Foxconn, original design manufacturer, ODM, fair labour, responsibility

Industry: Manufacturing;

Setting: China, Large organization, 2014

Difficulty: Undergraduate/MBA

**Nora-Sakari: A Proposed JV in Malaysia
(Revised)**

Paul W. Beamish; R. Azimah Ainuddin

This case presents the perspective of a Malaysian company, Nora Bhd, which was in the process of trying to establish a telecommunications joint venture with a Finnish firm, Sakari Oy. Negotiations have broken down between the firms, and students are asked to try to restructure a win-win deal. The case examines some of the most common issues involved in partner selection and design in international joint ventures.

Learning Objective: This case was prepared for a course in international management to meet the needs of a section covering the formation of international joint ventures (IJVs). The case examines some of the most common issues involved in a negotiation between two companies. At the end of the case discussion, students should be able to recognize the nature of a good deal and the process involved in reaching a win-win situation. Because the negotiation involves companies from two different countries located in two different regions of the world, this case is also suitable for modules dealing with cross-cultural management where instructors focus on cultural and behavioural factors in cross-cultural cooperative endeavours.

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Discipline: General Management/Strategy; International Business;

Issues: Intercultural Relations; Third World; Negotiation; Joint Ventures; Finland; Malaysia

Industry: Information, Media & Telecommunications;

Setting: Malaysia/Finland, Large organization, 2013

Difficulty: Undergraduate/MBA

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