



International University in Geneva

MBA 698 – Case Studies

Professor: Pierre-Yves Bénain

Case Study 1: Blue Nile Inc page C-62 from the book

Crafting and Executing Strategy

The quest for competitive advantage

Concepts and cases

16th edition

Authors: Thompson, Strickland, Gamble

Please read the case in advance and perform extra research on the internet if required.

Assignment Questions

1. How strong are the competitive forces confronting Blue Nile and other online retail jewelers? Do a five-forces analysis to support your answer.
2. What key factors will determine a company's success in the online jewelry business in the next 3-5 years?
3. What is Blue Nile's strategy? Which of the five generic competitive strategies discussed in Chapter 5 most closely fit the competitive approach that Blue Nile is taking? What type of competitive advantage is Blue Nile trying to achieve?
4. What do you like and dislike about Blue Nile's business model?
5. What does a SWOT analysis of Blue Nile reveal about the overall attractiveness of its situation?
6. What is your appraisal of Blue Nile's financial performance based on the data in case Exhibit 4? How well is the company doing financially? Is there evidence that Blue Nile's strategy is working—what is the story of the numbers in case Exhibit 4? 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 Blue Nile's recent financial performance.
7. Does Blue Nile have adequate competitive strength to go head-to-head against its rivals? Do a weighted competitive strength assessment using the methodology presented in Table 4.5 of Chapter 4 to support your answer. Has Blue Nile built a sustainable competitive advantage in the online retail jewelry business? Why or why not?
8. What strategic issues and problems does Blue Nile management need to address?
9. What does Blue Nile need to do to strengthen its competitive position and business prospects vis-à-vis other online rivals and traditional jewelry store competitors?
10. Would you buy stock in Blue Nile at this time? Why or why not?

Case Study 2: Nucor corporations page C-113 from the book

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Authors: Thompson, Strickland, Gamble

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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 Study 3: Pepsico page C-273 from the book

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Authors: Thompson, Strickland, Gamble

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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—PepsiCo Beverages North America, Frito Lay North America, PepsiCo International, and Quaker Foods North America.
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 2006? 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? How should it best use its free cash flows of approximately \$15 billion projected for 2007 through 2009?