

## **Implementing a Strategic Vision**

**Taught by Hrishu Bhattacharyya**  
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### **Course Goals**

Delivering sustained business results is a complex task and is achieved only when a compelling vision is combined with consistent high quality execution. This course develops a foundation of how to start with a vision and then implement a program on a global scale. It takes a micro-perspective (it is for managers in a company faced with profitable growth and implementation issues), and a practitioner-perspective (it is taught by an experienced top-management level multinational executive). The emphasis is on how to convert ideas into action and on MNCs with a global agenda for implementation.

It will

- articulate the ideas behind vision, targeted future and strategic principle
- explain the mindset required on the core dimensions of strategy
- identify the drivers to challenge industry assumptions
- teach practical techniques to achieve revenue and profit growth
- discuss globalization and integrating the emerging world opportunities
- demonstrate ways to sustain long-term business performance

The focus of the course is to understand how business processes are managed at the level of a brand, a business unit or a division. While the purpose of the course is to impart a ‘generalizable set of concepts’, it is based on a deeply managerial orientation. We will move from the vision at the top of the firm to the actions at the micro level – the locus of interest for young MBAs.

Core takeaways for the students will be: *A strong conceptual framework on how to start with a vision and implement a program at a company or business unit level; and a set of practical techniques to engineer short, medium and long term profitable growth.*

### **Teaching Method**

There will be 12 classes each of 2.25 hours duration. The teaching style will promote interactivity, participation and sharing.

Detailed company examples will be picked from the literature, cases and the instructor’s direct experience to demonstrate the processes through which brands and business units succeed in

planning and building sustained profitable growth. These examples will also cover how these companies deal with market and competitive reactions and refocus their program. Conceptual takeaways will be discussed mid-semester.

The instructor has worked in a large and complex MNC at a top management level. He will bring to the class his global perspective and experience in implementing business programs in Asia, Europe, the US and Latin America. In the course of his career he has created successful brands in emerging countries, headed operations at a division and country level, and managed global product group strategy from the headquarters.

### Assignments

Readings and a stream of individual and group assignments will be a primary learning tool. Groups of 4-6 students will be formed with the members chosen by each team.

The assignments for this class are:

- Each group will prepare one PowerPoint presentation for one class during the semester. This needs to be submitted electronically before the start of the class. The presentation will earn 20% of the final grade.
- Each student will also submit two individual case analyses. These are also to be handed in at the start of the relevant class. Each write-up will earn 10% of the grade.
- See the Case Assignments table below.
- *The assignments together will earn 40% of the final grade.*

### Assignments Table

| <u>Class #</u> | <u>Case</u>  | <u>Group #</u> | <u>Deliverable</u>                  |
|----------------|--|----------------|-------------------------------------|
| 2 on 10/30     | Ikea   | All            | Individual Write-up<br>(not graded) |
| 3 on 11/04     | Corning  | All            | Individual Write-up                 |
| 6 on 11/13     | GE's Two-Decade Transformation: Jack Welch's Leadership. | All            | Individual Write-up                 |
| 7 on 11/18     | Swatch & the Global Watch Industry                       | 2,4,6,8,10     | Group Presentation                  |
| 8 on 11/20     | Apple Inc., 2008   | 1,3,5,7,9      | Group Presentation                  |

No discussion and collaboration with classmates or others is permitted for individual assignments. For group assignments, full discussion, sharing of notes and collaboration will be required within the team, but none of these are permitted with the other teams.

### **Term Paper**

Each team will choose a high growth company from any industry and from any region. The chosen company must have been in business for a minimum of 8-10 years so that there is little doubt about the sustainability of their strategy and their performance.

The assignment is in 2 parts:

In the first part, the group will analyze in depth the reasons why and how the company achieved those exceptional results both in absolute terms and in relation to competitors in their industry. What worked for them? What did not? How did they get back on track when performance was behind ambition?

In the second part, the team has to create a hypothetical growth strategy for the same company for the coming 3-5 years. In doing this, the students are encouraged to use and apply the various methodologies taught in the course. They will obviously have the freedom to go beyond what was taught in this class and use all their knowledge and experience to articulate an exciting but doable program.

Each group must get instructor approval of the choice of company and example (in order to disallow easy, well-documented examples like Coca-Cola and McDonalds). The length of the paper is up to each group.

*The Term Group Research Paper will earn 35% of the final grade. Final submission is due on the Friday after the last class – on 12/12/08.*

### **Books and Readings**

Books are not prescribed, but students are encouraged to read:

|    |   |                      |
|----|---|----------------------|
| 01 | <i>Alchemy of Growth</i>                        | Baghai, Coley, White |
| 02 | <i>Direct from Dell</i>                         | Dell & Fredman       |
| 03 | <i>Value Migration</i>                          | Slywotzky            |
| 04 | <i>Blue Ocean Strategy</i>                      | Kim & Mauborgne      |
| 05 | <i>The Fortune at the Bottom of the Pyramid</i> | Prahalad             |

Readings will be given for selected classes. Details are shown below in the sessions outline.

The instructor will use a number of presentations / overheads to explain the achievements of selected companies. These will be given to the students both as handouts and electronically through CTools.

### **Preparation**

Preparing well for the class will be the key to getting maximum value. Thinking about the growth issues that companies face and doing the assignments thoroughly will be very important for each student and for the class as a whole. It will be required of each student to bring their personal work experience to the class and show how those relate to the concepts under discussion.

### **Participation**

Participation means sharing of knowledge and experience amongst the individual student, the rest of the class, and the instructor. Analysis, comments, questions and connected examples from one's own experience will all make the class lively and enhance learning. Classes will be interactive with time for discussion, debate and covering multiple perspectives. Participation by each student will therefore be vital both for oneself and for fellow students.

### **Evaluation**

The final grade will be based on class participation, quality of work on assignments and the term project. Weight will be 25:40:35

### **Session Outline**

#### **Class 1 on Tuesday, 10/28/08**

**Reading**      “Managing Differences: The Central Challenge of Global Strategy”  
by Pankaj Ghemawat. HBR, March 2007

**Vision & Globalization Context:** Will define Vision, Core Purpose, Targeted Future and Strategic Principle, and the inter-relationships amongst them. Show the evolution of trade and globalization in the last 200 years and in the last 10 years and the characteristics and implications of today's 'flat' world. Though the playing field is bigger many strategic challenges remain for the successful manager.

This first session will also cover the overall course outline, key takeaways, assignments and evaluation method.

**Class 2 on Thursday, 10/30/08**

**Assignment** (written individual submission – not graded) Case: Ingvar Kamprad and IKEA Questions: 1. What changes in consumer trends and behavior in Sweden did Ingvar Kamprad foresee? 2. What was his Vision based on that understanding? 3. What norms in furniture retailing did he challenge?

**Reading** “How to Use Theories of Disruptive Innovation to Predict Industry Change” by Clayton Christensen, Scott Anthony, Erik Roth, HBS Press 06

Industry analysis is often the starting point for strategy formulation. But great companies start a step earlier with an assessment of ‘Societal’ change. Understanding it leads to an appreciation of changes in customer need priorities and their application to a particular industry. We will study examples from different industries out of Sweden, the US, Belgium and India.

**Class 3 on Tuesday, 11/04/08**

**Assignment** (written individual submission - graded) Case: Corning Inc Questions: 1. Did Corning have a clear technology strategy? 2. Trace the evolution from a R&D Program to a technology strategy. 3. Did they successfully apply a technology strategy to build an effective business strategy?

**Reading** “Creating New Growth Platforms” by Donald Laurie, Yves Doz, Claude Sheer, HBR, May 2006

**Leveraging R&D & Technology:** Will demonstrate the methods to leverage Research, create a technology strategy and finally build a business model. We will see the transition of Corning Inc from an innovator in glass, to a company with a powerful set of technology platforms. Discussions will show how that did or did not get integrated into a business strategy. Will also cover the technology strategy of ‘Sharp’ and how it has evolved to a pre-eminent company in LCD and display systems. We will then compare and contrast the overall strategies of the two companies.

**Class 4 on Thursday, 11/06/08**

**Assignment** (for class discussions) Case: Wal-Mart Stores: “Every Day Low Prices” in China. Questions: What are the sources of Wal-Mart’s competitive advantage in discount retailing? Can they be replicated in China?

**Reading** The Innovation Sandbox by CK Prahalad. Strategy+Business, Autumn 06

**Leveraging Business Systems:** Will show how some high growth companies built their core strength by leveraging business systems and then linking those with consumer needs and relevant technology. Will focus on internet retailing, discount retailing and PCs

**Class 5 on Tuesday, 11/11/08**

**Readings** “Industry Structural Change” by Michael Porter, HBS, 1976  
“What Makes an Effective Executive” by Peter Drucker, HBR June 2004

**Mindset of High Growth Companies:** Will introduce the 5 dimensions on which business strategy has to be articulated. Explain how successful companies have a value creating mindset on each dimension of strategy and how they focus on the customer rather than on the competition. Strategy implementation depends on the effectiveness of executives and leaders. Explain the characteristics shared by high performing managers.

**Drivers to Challenge Industry Assumptions:** Will introduce the framework of changes in consumer need priorities, technology and business systems and how to leverage the break points of the 3 cycles. Explain the linkages amongst these forces and the need to integrate them into creation of a new business model. Lead to an in-depth understanding of how to sense changes in consumer need priorities.

**Class 6 on Thursday, 11/13/08**

**Assignment** (written individual submission - graded)  
Case: GE’s Two-Decade Transformation: Jack Welch’s Leadership.  
Questions: 1. What portfolio of businesses did GE have in 1980? In the period 81-85: (a) What was the focus of the business? (b) What measures were used to manage the business? (c) What types of managers survived and succeeded?  
2. In the late 80s-early 90s: (a) What were the changes in the core strategies that were put into play? (b) What was the business focus and measures? (c) How did the people competencies shift? 3. Was value created? And were there distinct phases and priorities?

**Three Horizons for High Growth:** Will introduce the concept of 3 Horizons. High growth businesses extend and defend their core business, build emerging businesses and create viable options. The most successful do all of them in the same time frame so that today’s businesses of tomorrow become tomorrow’s core businesses.

**Class 7 on Tuesday, 11/18/08**

**Assignment** (for group submission) Case: Swatch and the Global Watch Industry  
Questions: 1. Is the watch industry global? How do the drivers of this industry compare with those of a multi-domestic industry? 2. What country advantages did

Switzerland, US and Japan provide to the watch industry? 3. What was the Swatch strategy? How was it different from the Seiko strategy 4. What should Swatch do now? 5. Recommend a strategy for Titan of India.

**Readings** “The Competitive Advantage of Nations” by Michael Porter, HBR,  
“The 12 Different Ways for Companies to Innovate” by Sawhney,  
Wolcott and Arroniz, MIT Sloan Management Review, Spring 2006

**Techniques to Engineer Growth I:** In the first half the class will listen to a presentation of a group assignment on the Swatch watch company. The discussion will analyze the merits of the case presented. In the latter half, we will discuss some techniques that the instructor had successfully deployed in his professional life. This work is training on not just analyzing the past of a company but learning to craft the future by thinking around the customer, the competition and the opportunities.

### Class 8 on Thursday, 11/20/08

**Assignment** (for group submission) Case: Apple Inc, 2008  
Questions: 1. What were Apple’s competitive advantages in the early years?  
2. How have the underlying dynamics of the PC industry changed? Is more coming? 3. Where does Apple fit in this picture? What was the Strategy followed by Sculley? by Jobs after ’97? 4. How important is the iPod business? Is the success sustainable? 5. What are the next steps that the company should follow?

**Reading** “Discovering New Points of Differentiation” by MacMilan, McGrath  
HBR July-Aug 97

**Techniques to Engineer Growth II:** The instructor will start presenting a series of techniques/frameworks that can be used to formulate incremental, above industry average and step-change growth plans for the short, medium and long-term. These are a set of proven and practical techniques used by the instructor in the course of his business career. In the latter half, students will present to the class their group assignment on Apple Inc., 2008

### Class 9 on Tuesday, 11/25/08

**Readings** “Twenty Hubs and No HQ” by CK Prahalad and Hrishu Bhattacharyya  
Strategy+Business Spring 2008  
“Distance Still Matters – The Hard Reality of Global Expansion”  
by Pankaj Ghemawat

**Synergizing Developed & Emerging Countries:** These are 4 billion potential customers today compared to just 1 billion in the triad 20 years ago. Emerging countries are a source of growth for multinationals. But the old ways of thinking and UN- style self-standing organizations covering 100+ countries still persist. These are both complex and inefficient. Which should be

the countries to focus in the developed world? And how to leverage emerging countries as new markets, as places of high quality and low cost sourcing, and also as locations to build global capability by using talented manpower? A new paradigm requires focus in a selected set of countries and networking amongst them. Managing through 10 developed + 10 developing gateway/hub countries can create the next generation of competitive advantage.

### **Class 10 on Tuesday, 12/02/08**

**Readings**      “Sustainable Advantage” by Pankaj Ghemawat  
                     “The Contradictions that Drive Toyota’s Success”, Takeuchi, Osono,  
                     Shimizu  
                     “What Really Works” by Nohria, Joyce, Roberson

**Sustaining Growth over Time:** How do some companies manage to keep a high growth record over time when most others fail? The ways to sustain growth will be covered showing the initial business model and how they are modified and strengthened. Will also cover customer focused breakthrough thinking in a stagnant market to turn around the business. The students will participate in a real time class assignment.

### **Class 11 on Thursday, 12/04/08**

**Term Project:** In this class each group will make a 15 minute presentation on the company they are working on for the term paper. They will present an analysis of what made them high growth companies; and their recommendations on the business plan they should follow for the next 3-5 years.

Past experience has shown that students find this and the next class to be highly interesting and valuable. They get an in-depth analysis of the strategy adopted by 10 well known high growth companies spread across multi industries and regions. They also get a first hand feel of how to effectively use many of the concepts and techniques taught in this course.

### **Class 12 on Tuesday, 12/09/08**

**Term Project & Summary of Key Learning:** In the first part of this class each group will continue to make a 15 minute presentation on the company they are working on for the term paper. They will present an analysis of what made them high growth companies; and their recommendations on the business plan they should follow for the next 3-5 years

In the latter part of this last class we will summarize the key concepts and learning from the course.

### About Hrishi Bhattacharyya

Hrishi Bhattacharyya is a Consultant on ‘Business Building’ and ‘Growth Strategies’, and a Visiting Faculty of Strategy at the Ross Business School, Michigan University, Ann Arbor. He has also taught International Business part-time at the London Business School. Formerly, he was a Senior Vice President in Unilever, based at their corporate headquarters in Europe, where he had global responsibility for the ‘Health & Wellness’ category.

A professional manager with 35 years in business, he held multi-faceted senior positions in both the developed & the emerging world. He has managed a global category from the centre, run the company’s large, multi-category Foods business in Brazil and was Marketing and Sales Director of Hindustan Unilever in India. He was appointed to the Board of an operating company when only 36. From early in his career he distinguished himself as a manager with strong conceptual and implementation abilities. He created from scratch the ‘Fair & Lovely’ and ‘Taaza’ brands in India, which became category leaders within 5 years of launch. He was also involved in a number of significant turnaround and growth initiatives. In his global role, he was instrumental in acquiring (in the year 2000) the \$600 million Slim\*Fast Company. He then worked with their management team in the US and guided the company’s dramatic expansion to \$ 1 billion in sales in the next 3 years.

Hrishi has worked in a variety of key positions covering Brands & Customer Management and Commercial & General Management. His multiple assignments with Hindustan Lever, Unilever, and now his consulting work, have given him intimate knowledge of consumers and customers as well as business processes in India, Brazil, Indonesia and the United States; and an in-depth understanding of Asia, Latin America and Europe. His work has taken him to more than 30 countries around the world. He therefore brings to the business scene and to his teaching both local and international perspectives and experience.

Hrishi has a degree with honors in Economics and an MBA. He is an alumnus of the Indian Institute of Management (IIM), and Harvard Business School (AMP). He is married to Avanti, who also has an MBA from IIM. They have two sons aged 32 and 29, both Duke University alumni; the older has an MBA from Melbourne University and is a Director at GE; the younger has an MBA from Sloan, MIT, and is a Consultant at Bain & Company. Hrishi’s leisure interests include playing tennis, swimming, working in the gym, and watching sports. Hrishi and Avanti live in The Netherlands and also travel extensively both on work and on vacation.

