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LIST OF CASE STUDIES ON OPERATIONS AND PRODUCT MANAGEMENT

IBS Case Development Centre

Efficient Project Management at TransWorks Information Services Pvt. Ltd., an Indian-based BPO Company

This is a real life case taken from a service industry; it discusses the real life problem faced by a BPO Company. It focusess on the problems faced by the calling agents and the management as a whole, many a times it so happens that the management perceives a problem in a different angle and the solution eludes them; this causes a lot of frustration on the part of employees and management resulting in mass attrition. The real concern today for any call centre company is its high attrition rate; the basic reason being the discord between the management and the employee. The employees look out for a congenial and empathetic management and shift to the other competing companies when offered a good work environment. This case study throws light on one such aspect where a mass attrition was avoided by the top management by strategic and lateral thinking.

Pedagogical Objectives

- How a manager dealt with such a challenging project with support of his team of 14 fresh trainees
- How he managed to save the project and bring about some wonderful changes to glide through the difficult times
- How innovation and teamwork can change things for an organisation.

Industry	Business Process Outsourcing (BPO)
Reference No.	OPS0022
Year of Pub.	2008
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Project; Team Work; Innovation; Troubled Times; CHASE MANHATTAN BANK USA; CRM; TransWorks Information Services Pvt. Ltd; Management; Manager; Operating Strategies Case Studies; BPO; Services

CISCO Systems: Implementing "Customized" ERP in Nine Months

Cisco Systems, the well-known data communications company, faced a software systems failure in January 1994. The business was stuck for almost two days. As result, Cisco decided to change the UNIX based legacy systems of the company to a modern ERP based software package. The case discusses why the company decided to go for an ERP package rather than enhancing the legacy systems that it followed, the implementation life cycle of the ERP software package, and the problems they faced during the entire exercise.

Pedagogical Objectives

- To analyse the software systems failure at Cisco system in 1994
- To understand the importance of ERP based system
- To discuss CISCO's restructuring process.

Industry	Routing and Switching
	Equipment
Reference No.	OPS0021K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Cisco Systems; Enterprise resource planning (ERP) package; Implementation; Operating Strategies Case Study; System failure; Information technology (IT) systems; IT strategy; Oracle ERP product; ERP implementation; Rapid application development; Conference room pilots; Problems

Will UTC's Transition to "Growth through Operations Transformation" Payoff?

United Technologies Corporation (UTC), a universally recognised market leader in several sectors with its presence in over 180 countries had worldwide revenue of \$42.7 billion in 2006. Recognising a need to better leverage the purchasing power of UTC and to manage its diverse businesses, the management decided to implement Supply Chain Management (SCM).

In 1997, Kent Brittan, an experienced executive of UTC was given a target of reducing indirect expenses at UTC. By 2000, he not only successfully achieved the target but also surpassed it. In 2001, he designed a program called UT500 through which he saved \$1.5 billion. In 2005, Jothi Purushotaman was made Vice President of Operations and supply management team started reporting to him. Purushotaman's main aim was the growth of UTC through operational excellence. He started an initiative in 2005 called 'Growth through Operations Transformation', whereby the growth of UTC was envisaged as a program that would bring in operational excellence by combining supply management, manufacturing and quality.

After deploying SCM in 1997, UTC made 31% increases in their revenue from 1997-2001 and an increase of 53% from 2001-2005. But Jothi Purushotaman's initiative of "Growth through Operations Transformation" had a disastrous start with just an increase of only 9% in the first two quarters of 2006. Emphasizing on the development in SCM, UTC intended to prove that it could help in cost-reduction of indirect expenses and add to its growth. Would the transition to "Growth through Operations Transformation" payoff?

Pedagogical Objectives

- To discuss UTC's "Growth through Operations Transformation" initiative
- To discuss the reasons for its disastor in 2006
- To discuss the transition to "Growth through Operations Transformation" and its payoff?

Industry	Diversified Business
Reference No.	OPS0020B
Year of Pub.	2007
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

UTC; Kent Brittan; Jothi Purushotaman; Supply Chain Management; UT500; Growth through Operations Transformation; Cost-reduction; IBM Global Services; Open Rating; Operating Strategies Case Study; DNBi Supply Chain Management

Wal-Mart: Implementing RFID

In 2004, Wal-Mart announced its plan to implement Radio Frequency Identification Devices (RFID) technology. RFID was to be pilot tested at its three distribution centers at Dallas before being fully implemented. The top 100 suppliers were given a deadline of January 2005 to be RFID compliant. Wal-Mart wanted to revolutionise the supply chain through realtime tracking of products. According to an analyst, Wal-Mart would save around US\$8.4 billion annually once the project was completed. However, during the initial phase of implementation, various issues like cost of compliance, consumer privacy, and insufficient knowledge of RFID tags made the suppliers skeptical about the system. Industry observers in general and suppliers in particular, doubted whether Wal-Mart's RFID implementation was a wise decision.

Pedagogical Objectives

- The efficacy of RFID at Wal-Mart distribution centers
- The reaction of suppliers towards RFID implementation
- The challenges faced by Wal-Mart during RFID implementation.

Industry	Retailing
Reference No.	OPS0019B
Year of Pub.	2005



Teaching NoteNot AvailableStruc.Assign.Not Available

Keywords

Wal-Mart; Radio Frequency Identification Devices (RFID); Tags and readers; Inventory control; Operating Strategies Case Study; Wal-Mart suppliers; Wal-Mart distribution centres; Consumers of Wal-Mart; Data storage; System integration; Tag standards; Linda Dillman; Electronic product code; Barcode; Auto identification standards; MIT (Massachusetts Institute of Technology) centre

Embraer – Flying High Through Segmentation

Embraer, the third-largest aircraft manufacturer in the world focused on the niche market segments. The company focused on regional jets with high growth potential in commercial, defense and executive aviation. The regional jets accounted for 40 percent of the commercial aircraft in the US and Europe. Embraer expected that there would be a market of US\$170 billion for 7800 new jet deliveries worldwide by 2024 and so the company wanted to grab the major share of the expected revenue. The case gives an insight into Embraer's history with a brief overview of the global aviation market and Embraer's outlook.

Pedagogical Objectives

- To understand the global aircraft manufacturing industry
- To understand the evolution of regional aircrafts
- To discuss competitive dynamics of global aviation industry
- To analyse the competitive advantages of the regional jets
- To analyse Embraer's ability to sustain profitability in the long run.

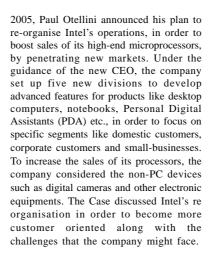
Industry	Commercial Aircraft
	manufacturing
Reference No.	OPS0018K
Year of Pub.	2006
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Embraer; Airbus; Bombardier; Boeing; Aviation.

Intel Corp.: The Customer Oriented Reorganization

Intel Corp. entered a phase of transition, when in November 2004, its board named Paul Otellini (president and chief operating officer), as the new CEO. On 17th January



Pedagogical Objectives

- To analyse Intel's strategy before Paul Otellini
- To discuss Paul Otellini's strategies to reorganise Intel
- To discuss Intel's strategy of emphasising the non PC devices
- To analyse Intel's strategy of entering into different geographical segments.

IndustryMicroprocessor & DSPReference No.OPS0017KYear of Pub.2006Teaching NoteNot AvailableStruc.Assig.Not Available

Keywords

Intel Corp.; Reorganisation; Desk top; LAN; HP; IBM; Paul Otellini.

Fedex: The Cutting Edge

Federal Express (FedEx), globally the second largest express delivery company was one of the most admired company in the US. The company involved in connecting 39 hubs across the globe, operating 677 planes and 90,000 vehicles, monitoring 200,000 employees and delivering six million (mn) packages daily in 220 countries where every second was important. This was the 'FEDEX EDGE', for which the company was known for. Since its inception in 1971 by Fredrick W. Smith FedEx pioneered the express delivery industry. The company focused on the core business of express delivery and provided overnight delivery services to the customers globally. However, the transformation of businesses and customers from old economy to the new economy forced FedEx to reposition itself from 'overnight delivery service' to a 'one-stopshop' for the entire logistics requirement of the business. The company became the logistics service provider of leading organisations, like, General Motors. In the

21st century FedEx transformed both customer and business transportation model with higher speed, reliability, application of information technology, improved material handling system and streamlined logistics network. The company popularised the concepts of 'justin-time' and 'build-to-order' which reduced customer's lead time and increased productivity. Apart from venturing into 'logistics solution provider' the company was able to maintain its leadership position in small package and light freight market through its unique 'hub and spoke' model. The case gave a detailed description of the operational efficiency of FedEx, the way the company operates and the trends in global express delivery industry.

Pedagogical Objectives

- To discuss the global express delivery industry, trends and patterns, major players and market share
- To discuss the concept of multi modal transport operators and third party logistics service providers
- To discuss how logistics operators gradually move up the value chain
- To discuss the operational aspect of companies from express delivery industry
- To discuss the evolution of companies like FedEx from a courier company to third party logistics service providers
- The B2B marketing and B2C marketing and different aspect of these two types of marketing
- The two different operational aspect, hub and spoke model and point to point operational model.

Express Delivery
OPS0016K
2006
Not Available
Not Available

Keywords

FedEx; Hub & Spoke; Build to Order; Point to Point; JIT; UPS; DHL.

Reliance Communications: The Technology Dilemma

It was the year 2006 – boom time in the Indian Mobile Industry. Sales were on the rise and operators had been bombarding the public with promotional offers and value added services in order to increase their subscriber base. Though India had a huge number of subscribers, it generated the lowest revenue in the world due to the poverty of masses, high levels of industry specific taxes and inadequate margins due to high levels of competition. The service providers operated using GSM or CDMA technology.

Till 2003, a typical upper middle class household had an annual income of \$10,000 to \$13,000 and acquiring a GSM handset required \$60 while CDMA handsets required about \$80 and at times more. In spite of the low income levels, technology was an important criterion for Indians. One in ten Indians had access to safe drinking water but one in three had a color television and one in seven had a cable television.

To generate revenues in such a market, mobile operators had to concentrate on the upper segment of the society and charge a premium pricing. This was the case until the entry of Reliance, India's largest business house, into the mobile industry in 2003. Reliance entered the mobile market in a massive way through its subsidiary known as Infocomm and targeted the mass market by adopting cost leadership strategy. Though it faced a lot of teething problems in the initial stages, it was able to overcome them all and achieve the second position in the Indian mobile market within a short span of time. The success formula of Infocomm helped by changes in government policy enabled Infocomm's competitors to adopt a business model similar to that of Infocomm. The higher average revenue per user (ARPU) and economies of scale of GSM technology also enabled the GSM competitors to realise a much higher profit than Infocomm, thus acting as a serious threat to it. Due to this, the parent company of Infocomm planned to enter the GSM segment as well. But it faced government restrictions which would limit its operations. It would also have to incur handset switching costs and infrastructure costs. This left the company in a dilemma about the shift.

The case briefly examines the cost reduction strategies adopted by Infocomm. It also discusses the strategic changes and the feasibility of its GSM venture.

Pedagogical Objectives

- Cost leadership strategy used by Infocomm
- Various strategic changes adopted by Infocomm and the technological dilemma - GSM vs CDMA.

Industry	Mobile Services Industry
Reference No.	OPS0015C
Year of Pub.	2006
Teaching Note	Available
Struc.Assign.	Not Available

Keywords

Technology dilemma; Reliance Communications; 3G GSM; CDMA; Infocomm; Cost leadership strategy; India mobile market; Telecom industry; Entry strategy; Average revenue per user (ARPU); Ambani; Co-branding; Mobile application; Market share of mobile subscribers; Cellular tariffs.

Nestle: Streamlining Operations

Nestlé S.A, the Switzerland-based Food and Beverages Company was the global leader in the industry. The first half year results of 2005 surpassed analysts' predictions. The profits of the company were predicted to fall for the period due to the increasing raw material and packaging costs and the falling demand in France, Germany and Italy. Nestlé was able to achieve higher profits mainly because of its operational reforms, acquisitions, divestments and product innovations for better market penetration. The company had set and achieved targets for considerable reduction in marketing, manufacturing and administrative expenses. The case discusses the various operational efficiency programs and marketing strategies adopted by Nestlé to counter the difficult market conditions in parts of Europe and to exploit the opportunities in the developing nations markets.

The case provides ample scope for discussion on the effectiveness of Nestlé's strategies in retaining its leadership position. An analysis can also be done on whether exclusive strategies have to be evolved for developing markets which provide ample growth opportunities.

Pedagogical Objectives

- To discuss operational efficiency programmes and marketing strategies of Nestle
- To discuss effectiveness of Nestle's strategies in retaining leadership.

Industry	Food and Beverages
Reference No.	OPS0014C
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assign.	Not Available

Keywords

Nestlé; Operational efficiency; Management strategies; Leadership retention; Nestlé's financial results; Nestlé's Target 2004; Operational Excellence; Nestlé's Fitnes; Global Business excellence; Product innovation; Cost reduction Marketing strategies; Market penetration; Strategic effectiveness; Food and Beverages industry.

Pantaloon Retail India: Creating Successful Formats

The case is set in 2004 and talks about Pantaloon Retail (I) Ltd. (PRIL), which emerged as one of the most successful companies in the still nascent Indian organised retailing industry. The case briefly talks about the changing retail industry in India, and the changing consumer habits, led by its cities, with improving purchasing power. It describes how PRIL was addressing the unique issues that are faced by organised players; how PRIL developed its four main formats to target various segments in the market and the strategies it was adopting for branding, marketing and operating these stores. The case highlights the key elements that go into creating viable retail operations in a dispersed market with diverse buying habits. It also highlights the factors that affect profitability in retailing in developing markets such as India.

Pedagogical Objectives

- Organised retailing industry economics
- Unique issues faced by organised players in the Indian retailing industry
- Building competitive advantage in retailing
- Importance of understanding consumer attitudes in a growing, traditional economy
- Analyse if PRIL can replicate its category management method across all its retail formats
- Can in-house brands succeed the same way in all product categories
- How would PRIL's plans change if foreign investment is allowed in India.

Industry	Organised Retail
Reference No.	OPS0013B
Year of Pub.	2004
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Organised Retailing; Retail Store Formats; Merchandising; Store Design; Consumer Shopping Habits; Category Management; Supply Chain; Private Labels; Innovations in Retail industry; Profitable Retail Operations; Food Retail; Fashion Retailing.

RFID in Wal-Mart: Willy Nilly Compliance by its Suppliers

Wal-Mart is the largest retailer and one of the largest companies in the world based on revenue. In 2005, Wal-Mart reported a net income of US\$10.3 billion on US \$285 billion of sales revenue (3.6% profit margin). Wal-Mart achieved success by focusing on technology enabled supply chain in order to provide service to the customers. In 2003, Wal-Mart deployed RFID (Radio Frequency Distribution) in 8 distribution centers (in cases and pallets) through pilot approach and witnessed 1% improvement in inventory control. In



2005, when Wal-Mart asked 200 suppliers to comply with RFID, they expressed their unwillingness to comply with RFID implementation. In spite of all the objections raised by the suppliers, Wal-Mart wanted RFID enabled supply chain in all its stores and distribution centers by the end of 2006.

Pedagogical Objectives

- To discuss how technology plays a vital role in retailing
- To understand how Wal-Mart witnessed growth through its technology enabled supply chain
- To understand the advantages and disadvantages of RFID in retailing.

Retailer
OPS0012B
2006
Available
Not Available

keywords

Wal-Mart; RFID; suppliers; bar codes; technology; supply chain excellence; challenges; RFID compliance; cost; investment in technology; return on investment RFID tags; IT enabled supply chain.

Blue Nile - A Guy's Best Friend!

The case is set in 2004 and talks about Blue Nile, the largest online retailer of diamonds in the US. Blue Nile followed a unique strategy in a very traditional industry. Traditional diamond retailing involved creating and maintaining an aura of mystery and secrecy around a diamond purchase. So, customers never really understood what they paid the premium for or what the true value of the diamond was. Traditional diamond retailing also targeted only women in all its advertising and promotions, though majority of the purchases were made by men. In such an industry scenario, the case talks about how Blue Nile built its online retailing business, its unique targeting and positioning strategy and the way it delivered the promised value to its target customers. The case describes how Blue Nile had taken advantage of the Internet and the gaps left by the brickand-mortar retailers to build a new channel of distribution and emerge as a competitor to established retailers such as Tiffany and Zale.

Pedagogical Objectives

- Rationale behind the targeting and positioning strategy of Blue Nile
- How does an organisation design and implement its marketing and operations based on the target customer?

- Whether Blue Nile will continue to grow with the same strategy, given the competitive scenario?
- If traditional diamond retailers start their own online sales, would Blue Nile get affected?
- What stops other online diamond retailers to follow Blue Nile's strategy successfully?

Industry	Diamond retailing
Reference No.	OPS0011B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Blue Nile; Online retailing; Diamond retailing; Targeting; Positioning strategy; Diamond buying Customer education; Diamond trade; Diamond wholesale; Tiffany; Amazon; Online advertising; Operational efficiency; Diamond rings; Customer service.

Carrefour's survival strategies in France

Carrefour was the second-largest retailer of consumer goods and groceries worldwide, after Wal-mart. The company pioneered the concept of hypermarket in their home country, France, as early as 1960's.However, towards late 1990's; Carrefour saw a decline in their French hypermarkets owing to certain unfavorable government regulations and competition from hard discount stores. Carrefour introduced a series of strategic initiatives in an effort to revamp the ailing French hypermarkets. As a result, French hypermarkets started showing signs of recovery towards late 2004. The case discusses about the emergence and growth of hard discount stores in France. This case also provides scope for discussion of decline of Carrefour's French hypermarkets and its revamp strategies.

Pedagogical Objectives

- The state of Hard discount stores in France
- Impact of government regulations on French retail industry
- Growth of Carrefour's hypermarkets in France
- Revamp strategies of Carrefour hypermarkets in France.

Industry	Not Applicable
Reference No.	OPS0010B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Retailer; Hypermarket; Carrefour; Hard discount stores; Private labels; Price cuts; Retail industry in France; 35 hour week; Galland law; Raffarin law Adoption of Euro; Consumer spending; Hyper market loyalty Programme; Ed; Government regulations.

Strategies of 7-Eleven Stores

In 2003, 7-Eleven was the largest global convenience retailer chain with revenues of \$10,784.7 million. 7-Eleven operated, franchised and licenced around 25,000 stores and served around 7 billion customers daily, 24 hours, seven days a week in 17 countries, apart from the US and Canada. The retailer was facing competition from Wal-Mart and other stores like Walgreen and Starbucks. In order to differentiate itself from its competitors 7-Eleven developed various strategies in IT (Retail Information System), merchandising (including fresh foods in its merchandise), and distribution (combined distributed system). The case discusses in detail these strategies and further discusses on the business model and the network of 7-eleven stores.

Pedagogical Objectives

- The state of convenience store industry in the US and competition from other formats
- How will 7-Eleven maintain its position?
- The network of 7-Eleven stores and the efficacy of its retail information system.

Industry	Convenienve Store
Reference No.	OPS0009B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

7-Eleven stores; Wal-Mart; US Convenience store industry; Retail Information System; Franchising; Licensing; Combined; Distribution centers; Merchandising strategy; Walgreen Starbucks; James W. Keyes; Multi format retailers; Retailing; Starbucks; James W. Keyes; Multi format retailers; Retailing; Convenience Retailing; Business Model.

Safeway Inc.: Is it on a Safer Way?

Safeway Inc., one of the largest grocery chains with over 1,800 stores across the US and Canada ran into trouble in 2000. Safeway was facing internal labor problems and external threats from peers and mega retailer, Wal-Mart. To cope up with the declining profits and to lure back the



customers, Safeway had come up with a new 'Lifestyle' store format and had also introduced a new slogan "Ingredients for Life," to reposition itself as a more upscale market with product selection and services that addressed the lifestyle demands of modern consumers. This case discusses in detail the various phases which Safeway passed through, the obstacles that came in its way, and the recovering strategy of the company.

Pedagogical Objectives

- Study the grocery retail industry and its various store formats
- How strong is Safeway in the competitive world?
- With new Lifestyle format, can Safeway lure back its customers?
- The worth of \$100 million spent in the re-launch of Safeway as 'Ingredients for Life'.

Industry	Grocery Retail Industry
Reference No.	OPS0008B
Year of Pub.	2005
Teaching Note	Not Available
Struc.Assig.	Not Available

keywords

Grocery Retail Industry; Wal-Mart; Albertsons; Retail Operations; Lifestyle; Ingredients for Life; Perishables; Proprietary Brands; Brand Repositioning; Service Management; Store Size; Grocery Industry Strike; Safeway Select; Supermarkets.

Matsushita Electric Industrial Co.'s 'Cost Efficiencies': Should they be Transferred or Shared?

Prior to the Second World War, Japanese products were known to be riddled with defects. The circumstances following the war triggered a quality revolution in Japan that was led by the Toyota Motor Company. Toyota pioneered the Toyota Production System which is considered to be the originator of the famous Lean Production System of Japan. The manufacturing efficiencies resulting from the adoption of the Lean Production System enabled the Japanese manufacturers to develop high quality goods at a lowcost. Japanese products, especially automobiles and consumer electronics, found a big market in the West.

One of the largest consumer electronics companies of Japan is Matsushita Electric Industrial Co. Ltd. From selling a single product at its inception in 1918, the company grew into a consumer electronics behemoth, manufacturing more than 5,000 products, operating in 55 countries. But during the 1990s, Matsushita was unable to respond to challenges in its business environment, resulting in a decline in its profits. Kunio Nakamura became the president of Matsushita in the year 2000 and he aggressively restructured the company, laying special emphasis on remodelling the company's manufacturing techniques. The company adopted many manufacturing reforms in its domestic factories that created cost efficiencies. Within two years, Matsushita witnessed a turnaround in its operations.

Pedagogical Objectives

- To analyse the Toyota Product System (its inception, evolution and benefits)
- To discuss the differences between Mass Production System and Lean Production System
- To discuss the differences between the Japanese and Western management practices
- To identify and analyse the factors which affected Matsushita's profits during the 1990s
- To discuss the restructuring effort of Matsushita
- To analyse whether cost efficiencies should be transferred or shared between the parent company and its subsidiaries.

keywords

Toyota Motor Corporation; Toyota Production System; Japanese quality revolution; Lean Production System; Justin-time (JIT) system; Japanese management practices; Taiichi Ohno; Eiji Toyoda; Kaizen; Jidoka; Andon cord; Kanban cards; Kaoru Ishikawa; Shiego Shingo; Genichi Taguchi; Value Stream Mapping; 5S; Quality Function Deployment; TPM; Quality circles; Matsushita; Panasonic; National; Technics; Quasar; Kunio Nakamura; Super Manufacturing Company; Restructuring; manufacturing reforms; Corporate advantage; Cell manufacturing system; Fumio Ohtsubo.

Maruti-Suzuki's Swift Move

Maruti Udyog Ltd., a joint venture between the Government of India and the Suzuki Motor Corporation of Japan was India's largest automobile company in 2005. It operated in the passenger vehicle market and manufactured affordable and fuel efficient cars for the Indian masses. Maruti 800 was its flagship small sized car and was the best selling car in India since decades. In 2005, Suzuki launched their global car 'Swift' in international markets and later in India. Swift was the first stylish compact car from the stable of Maruti and was a differentiator from its earlier products. The launch of Swift had brought Maruti in limelight and various global international automobile manufacturers announced their plans to boost their investments in India and launch competing cars. The competition was expected to intensify to grab the burgeoning customer base.

The case describes the Indian Passenger car industry and the presence of Maruti in each of the categories. It traces the origin, growth and evolution of Maruti and the role played by Suzuki in enabling it to achieve dominance. The case highlights the global strategy of Suzuki and the marketing strategy of Maruti in launching Swift. It describes the 5P's of marketing around the launch of Swift in an endeavor to change the image of Maruti as a manufacturer of fuel-efficient but nonstylish cars only. The case finally talks about the plans of other competitors and their strategy to gain dominance and the plans of Maruti to sustain its dominance in all segments.

Pedagogical Objectives

- To analyse the passenger vehicle market in India and the presence of Maruti Udyog Ltd., in the various segments
- To examine the marketing strategy of Maruti Udyog Ltd., based on the 5P's, around the launch of the car Swift
- To discuss where India figures in the global strategy of Suzuki and debate on the future potential of the Indian passenger vehicle market.

Automobile industry
OPS0006A
2006
Not Available
Not Available

keywords

Maruti; Suzuki; Swift; India; Asia; Research & Development; New product introduction; global strategy; marketing; promotion; media; advertising; new entrants; competition; market leader; 5 P's of marketing; passenger vehicle industry.

General Motors North America in 2005

In 2005, General Motors, the world's largest automaker, had manufacturing operations in 32 countries and sold its vehicles across 200 countries. For the fiscal year ended December 2004, GM generated revenues of \$193,517 million and net income of \$2,805 million. The company lost \$2.5 billion in the first half of 2005



and lost an average of \$1,227 on every vehicle sold. Health benefits provided to retirees and their dependents, lack of effective brand advertising, deteriorating supplier relations and increasing investor pressure were some of the problems faced by GM in North America. In its recovery plan, GM announced job cuts. But GM had a large number of factory employees nearing retirement age, so the cutbacks would have a major impact on workers. Shutting down several plants meant workers would be laid off or transferred. After gaining a 9.9% stake in GM, the third largest shareholder, Kerkorian demanded a seat on the board of GM.

Pedagogical Objectives

- To discuss the recovery plan of a market leader which is facing fundamental problems like unimpressive revenue growth, damaged brands, mounting losses in home market, and substantial retiree obligations
- To discuss the operating strategies followed by GM
- To debate how a large individual investor can pose a threat to the company's management.

IndustryAutomobile IndustryReference No.OPS0005AYear of Pub.2006Teaching NoteNot AvailableStruc.Assig.Not Available

keywords

General Motors; Automobile Industry; North America; Market Leader; Rick Wagoner; Mark LaNeve; US; United Auto Workers (UAW); Employee pricing for everyone; Delphi; Health Care; Retiree Benefits; Special Utility Vehicle (SUV); Big Three; Ford; Honda; DaimlerChrysler; Supplier Relations; Investor Relations; Strategy; General Motors Acceptance Corporation (GMAC); Restructure; Product Design; Marketing; Brand Management.

Chrysler's Product-mix Challenges: Is Flexible Manufacturing the Answer?

American automobile industry represented by the Big Three - GM, Ford and Chrysler (DaimlerChrysler) had enjoyed a monopolistic environment in North America and their inclination to innovate had been rather limited because of lack of competition. These companies, therefore, maintained production facilities that were suitable for mass production of any single model, which ensured economies of scale and plant profitability. Absence of competition also meant that new model launches were few and far between ensuring full-scale utilisation of plant machinery.

BS

However, the Big Three were challenged not only across the product lines n their home turf, but also across the globe. The competition came in the form of formidable Asian players - Toyota, Honda, Nissan and Mitsubishi from Japan, and Hyundai from South Korea. As a result, the choice of car models available to the US consumers increased and the US manufacturers found their market share decreasing. Shorter longevity of car models made it imperative for the US manufacturers to repeatedly invest in expensive modification of their production facilities, decreasing the profitability of their products. Chrysler Corporation found an answer to address this problem in Flexible Manufacturing System (FMS). It is hoped that this system would help Chrysler to not only improve its profitability but also ensure market leadership.

Pedagogical Objectives

- To discuss the changing competitive dynamics of the US automobile industry
- To discuss the reasons behind the decline in the market shares of the US car manufacturers
- To discuss the concept of Flexible Manufacturing System
- To discuss how Chrysler Corporation implemented Flexible Manufacturing System and improved its profitability
- To discuss how Chrysler integrated its suppliers into its new system of production
- To discuss human resource problems associated with the change in system of production.

Industry	Automobile
Reference No.	OPS0004
Year of Pub.	2006
Teaching Note	Available
Struc.Assig.	Available

keywords

Flexible Manufacturing System (FMS); North America automobile industry; Overseas competition; Flexible robotics; The Big Three; Chrysler Corporation; Build-to-order; Automated guided vehicle; Plant profitability; Product mix challenges.

Avon Product Inc.: Redesigning its Supply Chain

Avon Products Inc., the world's largest direct seller of cosmetics and beauty-related products, began reviving its supply chain by the end of 1990s. Over the previous decade, the company had expanded into several markets launching more brands. It had also opened retail stores and on-line

shopping portals. As it expanded into different markets, Avon had a tough time meeting the spurt in demand and the inefficiencies in its supply chain came to light. To counter the situation, Andrew Jung launched a Business Transformation Initiative in 1999, and later Lou Mignone was made in charge of the supply chainspecific initiatives. A major supply chain overhaul was undertaken, resulting in savings from each stage of the value chain. Inventory was centralised, supplier relations were strengthened and demand forecasting was automated. Supply chain overheads were cut down and the operating margins of the company improved.

Pedagogical Objectives

- To understand the supply chain transformation initiatives of Avon Products Inc., in the light of increasing demand
- To discuss how supply chain strategies, pertaining to subtle elements of the supply chain, can significantly help in improving a company's bottom line.

Industry	Cosmetics and Skin Care
Reference No.	OPS0003
Year of Pub.	2005
Teaching Note	Available
Struc.Assig.	Available

keywords

Avon Cosmetics; Supply chain; Demand forecasting; Centralised inventory; Value chain; Order fulfillment; Supplier relations; Business transformation initiatives; Warehousing; Logistics; Sales representatives; Direct selling; Back end operations; Packaging; Cost cutting initiatives.

BAA's T5: Novel Project Management

BAA Plc., the world's largest commercial operator of airports, resumed its construction of Heathrow's fifth terminal (T5). T5 was not just a terminal building but a transport interchange involving the boring of tunnels, construction of roads, car parking, retail facilities, waste management and airfield facilities. Ever since the idea of the project was proposed, there were different opinions expressed by various people. The plans of T5 were subject to UK's longest ever governmental inquiry lasting for three years and 10 month and costing 80 million pounds. The risks attached to this mega project compelled BAA to tackle them in novel ways.

Pedagogical Objective

• To discuss the novel project management techniques adopted by BAA in managing the T5 project.

IndustryAirport InfrastructureReference No.OPS0002Year of Pub.2004Teaching NoteNot AvailableStruc.Assig.Not Available

keywords

BAAs novel project management; Heathrow Airport's Terminal 5; Tony Douglas; British construction industry; Transportation and logistics; Just-in-time logistics; Architectural design; Linear programming; Operational management; Friends of the Earth; Twin rivers project.

The Evolution of the Toyota Production System

After World War II, engineers and managers from the 'Toyota Motor Co.' undertook a 'pilgrimage' to the US and visited the plants of auto giants like 'General Motors' and 'Ford' to study the production system of the US carmakers. During this trip, Toyota's people noticed many inherent flaws in the mass production system of the US carmakers that generated a lot of 'waste' at every step of the production process. The mass production system was also found out to be unsuited for the then small and fragmented Japanese automobile market. Taiichi Ohno, then a Plant Manager at Toyota (who later became the executive vice president), was given a mission to develop a manufacturing system that used the assembly line, but was still flexible enough to enable low production volumes. The result was the 'Toyota Production System'. Popularly known as the 'Toyota Way', this system was the driving force behind Toyota's phenomenal success, with the company becoming the world's second largest automaker with a 11% market share at the end of 2003.

Pedagogical Objectives

- To understand the evolution of the Toyota Production System
- To discuss how it established it as distinct from other manufacturing systems
- To discuss the backbone behind Toyota's phenomenal success.

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Toyota; Toyota production system (TPS); Taiichi Ohno; The Toyota way; Principles of the Toyota way; Lean production; Justin-time (JIT); Kanban; Kaizen; Poke yoke; Heijunka; Mass production; US big three; Genchi genbutsu.

