



H A R V A R D | B U S I N E S S | S C H O O L

HBS Europe Research Center (ERC) UPDATE APRIL– AUGUST 2009

In this update: New publications on Orange: Read&Go, Groupe Eurotunnel S.A., Generation Investment Management and Socially Responsible Investing; ongoing research in Technology and Operations Management; ERC case interviews and field research in France, UK, The Netherlands and The United Arab Emirates; alumni receptions and faculty presentations in Italy, a European Leadership Council meeting in Paris, and the 2009 HBS European Recruiters' Conference in Paris.

NEWLY RELEASED CASES

Case: Groupe Eurotunnel S.A.

Co-authored with Professor Stuart Gilson, Finance, the case features the chairman and CEO of Eurotunnel Group, who in the summer of 2006 is faced with the decision whether to file for bankruptcy protection, after having failed to gain creditor approval of an ambitious out-of-court restructuring plan. The company, which has been attempting to restructure its debt and operations for the last ten years, faces a number of daunting challenges. Eurotunnel is jointly listed in the U.K. and France, and its shareholders, who are largely based in France, face the prospect of significant dilution under any restructuring plan. The current chairman and CEO has been with the company for only a year-and-a half, following a decade of senior management turbulence in which the company has seen nine different CEOs and chairmen. Eurotunnel's capital structure is staggeringly complex, and a large fraction of its debt has come to be held by U.S.-based hedge funds that specialize in investing in distressed companies. Finally, Eurotunnel's business is extremely challenging to value, and is faced with significant competition. If the current chairman/CEO decides to file for bankruptcy, he faces the additional choice whether to file for bankruptcy in the U.K. or in France, which take quite different approaches to restructuring troubled companies.

Case: Orange: Read&Go

Co-authored with Professors Thomas Eisenmann, Toby Stuart, Bhaskar Chakravorti, EM, the case features Orange (aka France Telecom), France's leading telecoms company, which in late 2008, had to decide if launching Read&Go, an electronic newsstand built around an e-paper reader, would be successful. The student is placed in the shoes of a key decision-maker at Orange determining whether to continue developing this innovative new service, which offers a selection of electronic newspapers using an e-book device linked to the 3G mobile internet. The case describes: 1) Orange's strategy; 2) the company's new product development process; 3) e-paper technology, which simulates the appearance of printed paper on a screen; 4) consumer demand for e-paper services; 5) potential competitors, including Amazon's Kindle; 6) business model options for Orange's service; and 7) the reactions of French newspapers - crucial content partners - to Orange's proposal. This case study is intended for a session of the joint Strategy and the Entrepreneurial Manager RC case.

Case: Generation Investment Management

Co-authored with Professor Sandra J. Sucher, TOM, the case examines the investment process of Generation Investment Management, a "sustainable" investing firm established in 2004 by David Blood and U.S. Vice President Al Gore. The firm considers both profitability and social responsibility criteria when choosing companies to invest in. The case places students in the position of David Lowish, director of global industrials, who must decide whether to recommend an investment in ABB India. Whilst ABB India provides much-needed electricity supply to impoverished villages in rural India, it uses coal-fired power plants to create energy. Lowish must therefore weigh up economic development against environmental damage to decide whether ABB India would meet the requirements of Generation Investment Management.

Note: Note on Socially Responsible Investing

This update from the HBS Europe Research Center summarizes ongoing and future projects at the center. To stop receiving the update, contact omaiboroda@hbs.edu.

Co-authored with Professor Sandra J. Sucher, TOM, this note describes Socially Responsible Investing, providing a brief history, description of different socially responsible investing approaches, and overview of selected players and institutions involved in the socially-responsible investing field. The note has been prepared to provide background for the case study on Generation Investment Management.

SAMPLE RESEARCH IN PROGRESS

The ERC is currently working on several cases and research projects such as:

- A case on diversity in a large oil and gas company with Professor Sandra Sucher, TOM.
- A case on strategic decision-making in the context of crisis in the metals and mining industry with Professor Gary Pisano, TOM.
- A case on industrial design in the information technology sector with Professor Stefan Thomke, TOM.

The ERC is also exploring a possible case on a series of European Union directives applicable to the sale of financial services across national borders with Senior Lecturer Lena Goldberg, GM.

VISITS INVOLVING THE CENTER

Research activities in April through August 2009 involved case site interviews in France with a company in the fashion industry for a case with Professor Zeynep Ton, TOM; case site interviews in The Netherlands and the United Arab Emirates with a company in the oil and gas industry for a case with Professor Sandra Sucher, TOM; case site interviews in the UK with a major global financial services provider for a case with Senior Lecturer Lena Goldberg, GM.

In addition, we were happy to see here in Paris:

HBS Faculty

- Professor Forest Reinhardt, BGIE
- Professor Asis Martinez-Jerez, A&M, who made a presentation at the ERC for the local business community representatives during the HBS European Recruiters' Conference
- Professor Zeynep Ton, TOM
- Professor Sandra Sucher, TOM
- Professor Belen Villalonga, FIN

HBS Staff

- Susan Hamilton, Senior Development Officer and Director of International Relations, External Relations
- Mary Ann O'Loughlin, Director, Corporate Relations & Market Development, Executive Education
- Andrew Elrick, Associate Director, Global Initiative
- Cathy Hutchinson, Associate Director, MBA Career Services
- Alexandra Tsakeres, Marketing Coordinator, MBA Career Services
- Jonathan Shepherd, Associate Director, MBA Career Services
- Laurie Matthews, Associate Director, MBA Career Services
- Timothy Butler, Director of Career Development Programs, MBA Program Administration
- Brit Dewey, Director, MBA Joint Degree Programs and Special Projects
- Deirdre Leopold, Managing Director MBA Admissions and Financial Aid
- Prof. Nabil El-Hage, HBS Associate Dean for External Relations

Other Visitors

- Professor Luc Quoniam, University of Sud Toulon-Var
- Najib Hashem, MBA 1987, Partner at Ernst&Young
- Professor Olivier Meier, University of Paris Dauphine
- Jean-Baptiste Ballif, MBA 2004, Aftermarket Production Unit Manager at Valeo Wiper Systems

EVENTS

HBS Alumni Reception and Faculty Presentation with Professor Gary Pisano, TOM, Milan, April: HBS alumni were invited to a talk on Professor Pisano's research on science-based economy.

European Leadership Council (ELC) Meeting in Paris, April: The ELC members were welcomed by Professor Forest Reinhardt, Faculty Chair of the European Research Initiative, Mr. Jim Barry, Chief Executive Officer of NTR plc, and ERC Executive Director Vincent Dessain. Professor Forest Reinhardt made opening remarks. Mr. Jim Barry, the new Chairman of the ELC, warmly thanked the outgoing Chairman, Mr. Michael Zaoui for his outstanding leadership as founding Chair of the ELC. ERC Executive Director Vincent Dessain presented an update on the Center's activities.

HBS European Recruiters' Conference, Paris, April: This conference gathered over 20 recruiters from several major European companies for a presentation of the HBS and its MBA Program, made by Cathy Hutchinson, Associate Director, MBA Career Services and Brit Dewey, Director, MBA Joint Degree Programs and Special Projects. Vincent Dessain presented an update on the Europe Research Center activities. Tim Butler, Senior Fellow, made a presentation on "Job Sculpting: The Art of Retaining your Best People". An overview on admissions and MBA Career Services was presented simultaneously by Deirdre Leopold, MBA Admissions Managing Director. In order to demonstrate the Harvard Business School teaching methods, Professor Asís Martínez-Jerez animated a case discussion on "Neck & Neck: Leveraging the Club Neck Information". A panel of 2nd-year MBA students, animated by Jonathan Shepherd, Associate Director, MBA Career Services, shared their thoughts on recruitment and working in Europe.

European Entrepreneurship Colloquium (EEC) 2009, Maastricht, July: a one week intensive program, organized by Mr. Bert Twaalfhoven, MBA'54, Professor Michael J. Roberts, and Ms. Karen Wilson, MBA'91. This program was specifically designed for European professors and faculty members seeking to integrate more effective, appropriate and interactive approaches, and practical skills in teaching entrepreneurship. ERC Executive Director Vincent Dessain made a presentation on "European Case studies" describing the insights of developing and using cases as well as examples of outstanding cases and bestsellers.

COMMENTS?

We welcome all suggestions and comments. Please contact us:

- Vincent Dessain, Executive Director, vdessain@hbs.edu
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More information about the ERC: <http://www.hbs.edu/global/europe.html>

Best regards,

The staff of the HBS Europe Research Center

Mission of the HBS Europe Research Center:

The mission of the Europe Research Center is to support faculty in their research and case writing projects throughout Europe. In addition, the ERC builds relationships with European business and political leaders, educational institutions, and alumni.

HBS UNITS LEGEND:

A&M	Accounting and Management	MKT	Marketing
BGIE	Business, Government and the International Economy	NOM	Negotiation, Organizations & Markets
EM	Entrepreneurial Management	OB	Organizational Behavior
FIN	Finance	STRAT	Strategy
GM	General Management	TOM	Technology and Operations Management