



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 UPDATE JANUARY – FEBRUARY 2005

In this update: New publications on Nestlé/Alcon and Vivendi Universal, ongoing research in Strategy and Accounting & Control, ERC research trips to Germany and Sweden, and a visit to campus.

### NEWLY RELEASED CASES

#### **Case: "Nestlé and Alcon – The Value of a Listing"**

Co-authored by the ERC with Professor Mihir Desai, FIN/EM, the case describes how Nestlé in 2001 perceived itself to be undervalued by the capital markets. They therefore consider divesting part of its ophthalmology subsidiary, Alcon. The case helps students explore challenges in valuation of a conglomerate as well as trade-offs involved when choosing to list a company either in the U.S. or Europe.

#### **Case: "Messier's Reign at Vivendi Universal"**

Written by the ERC with Professor Rakesh Khurana, OB, the case focuses on a board crisis at Vivendi, when financial and cash flow emergencies force Vivendi's directors to consider dismissing their CEO. Whatever the board's decision, it will be scrutinized by the press and investors, and most likely subject for legal action. The board also has to ask itself what role it played in the events that led to the crisis. The case highlights how pressure from the outside affects boardroom dynamics.

### SAMPLE RESEARCH IN PROGRESS

The ERC is currently working on several projects, such as:

- The investment property evaluation methods applied by European investment property firms, with Professor Edward Riedl, A&C.
- The competitive position of the French within the global wine industry, for Professor Pankaj Ghemawat, STRAT.

The ERC is also in the early stages of other projects, such as the implementation of innovative radio-frequency identification (RFID) technology by a Belgian retailer for Professor Zeynep Ton, TOM.

### VISITS INVOLVING THE CENTER

Research activities in January and February involved several case site trips, for instance for Professor Joel Podolny, OB, to a German medical care company, and for Professor Chris Bartlett, GM, to Sweden and to the U.S. for a European global home furnishing company.

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

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|----------------|---|
| HBS Faculty    | <ul style="list-style-type: none"><li>• Professor George Chacko, FIN, for the finalization of several case projects.</li><li>• Professor Arthur Segel, EM/FIN, for scoping of new case leads and discussing his case interests.</li></ul>   |
| HBS Staff      | <ul style="list-style-type: none"><li>• Deirdre Leopold, Associate Director, Admissions for the MBA Program, who used the Center for one week of interviews with 25 European MBA candidates.</li></ul>  |
| Other Visitors | <ul style="list-style-type: none"><li>• Karen Wilson (MBA 1991), Founder of GV Partners and member of our European Leadership Council (ELC) advisory board.</li><li>• Agnès Deleuse, Communications Manager of ARD Region Ile de France, to interview our Executive Director.</li></ul> |

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*This bi-monthly update from the HBS Europe Research Center summarizes ongoing and future projects at the center. To stop receiving the update, contact [dbeyersdorfer@hbs.edu](mailto:dbeyersdorfer@hbs.edu).*

**EVENTS****Visit to Boston:**

In February, Vincent and Anders spent 3 days on campus. They met with 30 faculty members across all units to discuss ongoing cases, scope research interests and pitch new European case leads. Several new projects were initiated. The trip also included meetings with 15 administrative staff members.

**Meeting with Daniel Lebègue,**

Chairman of the “Institut Français des Administrateurs” (French Institute of Directors) about research in corporate governance.

**Meeting with Claude Janssen,**

Honorary Chairman of INSEAD, to share information about HBS and INSEAD.

**Executive Director’s Conference Call:**

Coordinated by Global Initiative, this monthly gathering allows the Executive Directors of the HBS centers to update each other on the activities at their centers. For the February call, the directors were joined by Dean Kim Clark, Director of Administrative and Educational Affairs Jean Cunningham and Senior Associate Dean for International Development John Quelch.

**COMMENTS?**

We welcome all suggestions and comments. Please contact us:

- Vincent Dessain, Executive Director, [vdessain@hbs.edu](mailto:vdessain@hbs.edu)
- Daniela Beyersdorfer, Executive Assistant, [dbeyersdorfer@hbs.edu](mailto:dbeyersdorfer@hbs.edu)
- Anders Sjöman, Research Associate, [asjoman@hbs.edu](mailto:asjoman@hbs.edu)
- Monika Stachowiak, Research Assistant, [mstachowiak@hbs.edu](mailto:mstachowiak@hbs.edu)

More information about the ERC: <http://www.hbs.edu/global/europe.html>

Best regards,

The staff of the HBS Europe Research Center

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**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&C	Accounting and Control	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