



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 MAY–JUNE 2006

In this update: new publications on IKEA and a research project on Corporate Governance; ongoing research in Business Government & the International Economy, Technology and Operations Management and Strategy; ERC case interviews in Denmark, Belgium, France and Germany and the HBS Alumni Club event in Paris.

### NEWLY RELEASED CASES

#### **Case: IKEA's Global Sourcing Challenge: Indian Rugs and Child Labor (A&B)**

Co-authored with Professor Christopher A. Bartlett, GM. In 1994, Marianne Barner, a newly appointed IKEA product manager, is surprised by a Swedish television documentary on the use of child labor by Indian carpet suppliers, including some that supply IKEA's rugs. She immediately implements a strict policy that provides for contract cancellation if any IKEA supplier uses child labor. Yet soon afterwards Mrs Barner is confronted by a German TV producer who advises her that he is about to broadcast an investigative program documenting the use of child labor in one of the company's major suppliers. The A-case asks students to consider how Mrs. Barner should react to the crisis and how should the company deal with the ongoing issue of child labor in the supply chain. The B-case takes place ten years after the A-case and shows the measures IKEA has put in place, struggling against the issue of child labor.

#### **Research Project: RIETI Corporate Governance Survey**

The HBS Japan Research Center cooperated with the ERC on a corporate governance survey conducted by the Japanese Research Institute of Economy Trade and Industry (RIETI) and initially launched with Japanese companies. The ERC translated and reviewed the survey so that it could be submitted to German companies as well. The survey's results will be used by Professor Krishna Palepu, Senior Associate Dean for International Development, GM, and Tarun Khanna, Jorge Paulo Lemann Professor, STRAT.

### SAMPLE RESEARCH IN PROGRESS

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

- A case on French unemployment, with Professor Laura Alfaro, BGIE
- A case on the growth strategy of a Danish designer with Professor Robert Austin, TOM
- A case on the growth strategy of a French non-for-profit association with Professor Andrei Hagiu, STRAT.

The ERC is also exploring a possible case study project on financial communication in the banking sector in Iceland with Professor Gregory S. Miller, A&M.

---

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

## VISITS INVOLVING THE CENTER

Research activities in May and June involved case site trips for case interviews in Denmark with Professor Robert Austin, TOM, and in France with Professor Andrei Hagiu, STRAT, in Belgium and France with Professor Gunnar Trumbull, BGIE, and in Germany with Professors Pai-Ling Yin and Andrei Hagiu, STRAT.

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

- |                |   |
|----------------|---|
| HBS Faculty    | <ul style="list-style-type: none"> <li>• John D. Black Professor Reinhardt Forest, BGIE, for various meetings in Paris</li> <li>• Baker Foundation Professor Dwight Crane, FIN, to review ERC's progress.</li> <li>• Professor Andrei Hagiu, STRAT, to conduct interviews for the case study on a non for profit organization.</li> <li>• Professor Christopher Marquis, OB, who visited the Center and explored possible collaborations.</li> <li>• Professor Gunnar Trumbull, BGIE, to conduct interviews for a case study on the European Common Agricultural Policy.</li> <li>• Newly appointed HBS Professor Julie Battilana, OB, to discuss her research interests and explore projects.</li> <li>• Professor Pai-Ling Yin, STRAT, for interviews on a case study on a German IT company</li> <li>• Professor Francisco de Asis Martinez-Jerez, A&amp;M, who visited the Center while in Paris for various meetings.</li> </ul> |
| HBS Staff      | <ul style="list-style-type: none"> <li>• Kristin W. Naragon, Assistant Director, External Relations</li> </ul>  |
| Other Visitors | <ul style="list-style-type: none"> <li>• Frédéric Dalsace (MBA 1990), Professor at HEC, to explore future collaborations</li> <li>• Olivier de la Morinière, President of the Fraikin Group and François Gerony, Chief Financial Officer at Fraikin.</li> <li>• Xavier Marin (MBA 1987), Member of the Board and Investment Director at Eurazeo, to discuss about future research projects</li> </ul>   |

## EVENTS

**HBS Alumni Club de France Event in Paris, June 29.** The event, organized by HBS Club de France, gathered around fifty HBS alumni for a half a day meeting. On this occasion, Vincent Dessain presented the Center, its activities and case and research projects. Maurice Tchenio (MBA 1970), CEO at Apax Partners SA, and André François-Poncet (MBA 1984), Managing Partner at BC Partners, made a presentation on private equity funds.

## COMMENTS?

We welcome all suggestions and comments. Please contact us:

- Vincent Dessain, Executive Director, [vdessain@hbs.edu](mailto:vdessain@hbs.edu)
- Elena Corsi, Executive Assistant, [ecorsi@hbs.edu](mailto:ecorsi@hbs.edu)
- Daniela Beyersdorfer, Research Assistant, [dbeyersdorfer@hbs.edu](mailto:dbeyersdorfer@hbs.edu)

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