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HBS Europe Research Center UPDATE SEPTEMBER–DECEMBER 2006

In this update: new publications on Bang & Olufsen, Château Margaux and SAP; ongoing research in Technology and Operations Management, Organizational Behavior and General Management; ERC case interviews in France, Belgium, Slovakia and the United Kingdom; European HBS alumni events in Germany, France and the United Kingdom, a conference organized by the Central and Eastern European Management Development Association (CEEMAN) in Germany, an International Community of Case Publishers (ICCP) meeting in Paris, a Global Advisory Board and Executive Directors meeting on campus in Boston, an EFER/EECPCL (European Entrepreneurship Colloquium on Participant Centered Learning/European Foundation for Entrepreneurship Research) meeting in Norway and our European Leadership Council meeting in Ireland.

NEWLY RELEASED CASES

Case: Bang & Olufsen: Design Driven Innovation

Co-authored with Professor Robert D. Austin, TOM, the case examines how a company, recognized worldwide for exquisite design of consumer electronics products, strives to better integrate software design into its product design processes in order to meet the demands of a post-iPod world. The case details a very specific "design driven innovation" process which allows the company to produce very high profit margin products. Indeed the Bang & Olufsen products retain their margins for a long time in an industry in which products have a short life span. The case helps students understand practices that support the creation of highly differentiated products. It also deals with issues of change in an already successful context, and of managing highly creative staff, vital to the company's business model.

Case: Marketing Château Margaux

Co-authored with Professor John Deighton, MKT, and Professor Leyland Pitt, University of San Francisco, the case focuses on how Château Margaux, one of Bordeaux's very best wine producers, comes to review its business model in a changing environment. The case details this traditional business and raises questions about the market, positioning and distribution for one of the world's best wines when demand has never been stronger for the finest Bordeaux. Should the Château management team take more control of distribution and can it build marketing and sales capabilities on its own? How should Margaux sustain and grow its business? Should it add a new lower-priced wine to the portfolio?

SAP: Industry Transformation

Co-authored with Professor Andrei Hagiu, STRAT, and Professor Pai-Ling Yin, STRAT, the case describes software company SAP's efforts to seek growth in the small- and medium-sized enterprise market by creating a platform strategy with SAP Netweaver. The case raises questions on the advantages and challenges for an incumbent entering a new market and the benefits and challenges for the company of implementing a platform strategy.

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

SAMPLE RESEARCH IN PROGRESS

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

- A case on leadership during the turnaround of a small show business company with Novartis Professor and Chair of the Doctoral Programs at Harvard Business School, Amy C. Edmondson, TOM, and Professor Bertrand Moingeon, Ecole des Hautes Etudes Commerciales (HEC).
- A research project on corporate social responsibility with Professors Joshua D. Margolis, OB.

The ERC is also exploring a possible case on European business women with Professor Julie Battilana, OB.

VISITS INVOLVING THE CENTER

- Research activities in September through December involved a trip for case interviews in France with Professor Amy C. Edmondson, TOM; in Belgium and in France with Professor Gunnar J. Trumbull, BGIE; in France with Professor Francisco de Asis Martinez-Jerez, AM; in Slovakia with Joseph C. Wilson Professor Rafael Di Tella, BGIE, in cooperation with Professor Laura Alfaro, BGIE, and in the United Kingdom with Professor Gregory S. Miller, A&M.

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

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| HBS Faculty | <ul style="list-style-type: none">• Jacob H. Schiff Professor Josh Lerner, FIN, who came to discuss about ERC's involvement in a case on private equity. |
| HBS Staff | <ul style="list-style-type: none">• David Champion, Senior Editor, Harvard Business School Publishing (HBSP) - Paris, to discuss about ERC activities and explore collaborations.• Susan A. Hamilton, Senior Development Officer, Director of International Relations.• Victoria Winston, Executive Director, Global Initiative.• Eileen Chang, Associate Director, Admissions, to present HBS MBA program in France.• Brooke Wheelan, Assistant Director, MBA Program, for HBS MBA admission interviews. |
| Other Visitors | <ul style="list-style-type: none">• Professor Olivier Meier, Université Paris Dauphine, to discuss research topics.• Michael Zaoui (MBA 1983), Managing Director, Morgan Stanley & Co. and chairman of the ELC. |

EVENTS

Alumni Event in Berlin, Germany, September. The event was organized by the HBS Association of Germany. US Ambassador to Germany, HE William R. Timken, Jr. (MBA 1962), made a presentation on the current economic challenges in Europe and Germany. His speech was followed by a lively and insightful discussion.

MBA Presentation Event, HBS Alumni Club de France, Paris, September. The ERC participated in this event organized by HBS and the French Alumni Club that gathered around 40 MBA candidates. After Eileen Chang, Associate Director, Admissions, presented the HBS and the MBA program, Vincent Dessain and other HBS alumni joined her in a panel discussion with candidates.

Meeting with US Ambassador to France, Paris, September, HE Craig Roberts Stapleton (MBA 1970), to explore future cooperation.

14th Central and Eastern European Management Development Association (CEEMAN) Conference on "Creating Synergies between Business Schools and Business", Berlin, Germany, September. About 150 participants from 35 countries attended the event to brainstorm on how to make educational programs more relevant to the business world. Vincent Dessain made a presentation on how Business and Academia cooperate and made some suggestions on what could be done to strengthen the relationship between the business sector and academics.

International Community of Case Publishers (ICCP) Meeting, Paris, October. The event gathered together around 30 representatives from different case publishers. Vincent Dessain presented a description of the ERC's activities and projects and explained the challenges of cooperating with the private sector.

Global Advisory Boards and Executive Directors (ED) meetings on campus, October. The Global Advisory Boards meeting gathered the members of the regional Advisory Boards of HBS Global Initiative Research Centers. Vincent Dessain and John D. Black Professor Forest Reinhardt, BGIE, participated in the European Advisory Board (EAB). On this occasion, Vincent Dessain also met with several faculty members across all units to discuss ongoing cases and pitch new European case leads. The trip also included meetings with staff members.

European Entrepreneurship Colloquium on Participant Centered Learning (EECPCL) / European Foundation for Entrepreneurship Research (EFER) Meeting in Oslo, Norway, October. This one day event gathered the participants of last year's HBS "Teach the Teachers" program on Entrepreneurship, the EECPCL. Bert W. M. Twaalfhoven (MBA 1954), EFER, Karen Elaine Wilson (MBA 1991), EFER, and Professor Howard H. Stevenson, Sarofim-Rock Professor, Senior Associate Dean, Chairman of HBS Publishing (MBA 1965) organized the event. Mr. Ove D. Hoegh (MBA 1963) gracefully hosted a superb dinner for all participants. Vincent Dessain participated in this event.

European Leadership Council (ELC) Meeting in Dublin, Ireland, November. Over 20 members were welcomed by Professor Forest L. Reinhardt, BGIE, and Michael Zaoui (MBA 1983), Managing Director, Morgan Stanley & Co. and Chairman of the ELC. Professor Andrew P. McAfee, TOM, made an interesting presentation on digital creative destruction and information technology's impact on competition. Vincent Dessain presented ERC's activities and its potential of expanding its scope of activities.

Alumni Event in London, UK, November. The event was organized by the HBS Alumni Association of London and gathered around 30 senior businessmen. Mr. Tom Stewart, Chief Editor of the Harvard Business Review made a presentation on the new challenges facing business. Vincent Dessain participated in this event.

COMMENTS?

We welcome all suggestions and comments. Please contact us:

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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