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HBS Europe Research Center (ERC) UPDATE SEPTEMBER–DECEMBER 2007

In this update: New publications on Metro International, Moulin Rouge, PlaNet Finance and Using Investor Relations Proactively; ongoing research in Technology, Operations and Management, and Finance; ERC case interviews and field research in Belgium, France, Germany and the UK; and a working meeting in Germany with the European Foundation for Entrepreneurship Research (EFER).

NEWLY RELEASED CASES AND ARTICLES

Case: Metro International

Co-authored with Professor Tarun Khanna and Professor Felix Oberholzer-Gee, STRAT, the case explores the business model of Metro International, a company publishing 70 editions of its free newspaper in 20 countries. Set in 2007, the case looks at the decision facing top management regarding the company's future strategy. A pioneer in the free newspaper market, Metro had fought incumbent publishers distributing traditional paid-for newspapers, but while the company had also generated profits, new challenges had surfaced; competition had increased and advertising—the free newspaper's only source of income—was shifting from newspapers to the internet.

Case: Moulin Rouge (A & B)

Co-authored with Professor Amy Edmondson, TOM, and Professor Bertrand Moingeon, HEC Paris, the case features the Parisian cabaret after its bankruptcy in 1998. Under court supervision, the family-owned cabaret was forced to let an outside person step in to supervise the company. Set in 2004, the A case follows the new CEO in his attempts to turn the company around and asks participants to consider how leaders can effectively motivate employees to create a successful business in an old, well-known entertainment company. The B case brings the Moulin Rouge turnaround story up to the year 2007 and illustrates the collaboration between external managers and the family and describes the continuous empowerment of the employees.

Case: PlaNet Finance

Co-authored with Professor Andrei Hagiu, STRAT, the case highlights the challenges of the growth strategy of a French NGO. Originally engaged in consulting microfinance institutions, PlaNet Finance had subsequently expanded to rating, advising microfinance investors and investment funds, and finally, to providing microfinance lending through a holding company. However, in a context of rapid change and explosive growth of the microfinance sector, Jacques Attali, the founder and president, wondered whether PlaNet Finance's scope was sufficiently broad to fulfil its mission or, on the contrary, whether it needed to be narrowed in order to eliminate organizational challenges and external perceptions of conflicts of interest.

HBS Working Knowledge Article: Using Investor Relations Proactively

Professor Gregory Miller, Executive Director Vincent Dessain and Daniela Beyersdorfer of the ERC were interviewed for an HBS Working Knowledge article about how a company should deliver financial news—both good and bad—to a broad spectrum of stakeholders, including investors, customers, government, and environmentalists. Investor relations often has a delicate balancing act, it communicates with stakeholders but can also help employees take a step back and analyze their firm as outsiders do. The article presents lessons learned from studying two European firms with strong investor relations departments, energy giants Total and BP (see ERC case studies "Investor Relations at TOTAL" and "IR at BP: Investor Relations and Information Reconnaissance" co-authored with Professor Gregory Miller, A&M). In the article, Miller, Dessain and Beyersdorfer identify trends in financial communication, the importance of delivering a consistent

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message to different stakeholders, and the risks and rewards of introducing external financial information into a firm's planning and operations activities.

SAMPLE RESEARCH IN PROGRESS

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

- A case on socially responsible investing with Professor Sandra Sucher, TOM.
- A case on family and closely held companies with Professor Belen Villalonga, FIN.

The ERC is also exploring a possible case on managing human capital with Professor Boris Groysberg, OB.

VISITS INVOLVING THE CENTER

Research activities from September through December involved case site interviews in Belgium with a steel company for a case with Professor David Godes, MKT; case site interviews in France with a real estate company for a case with Professor David Hawkins; case site interviews in France with a consumer products company for a case with Professor Amy Edmondson, TOM, and Professor Bertrand Moingeon, HEC Paris; meetings in Germany with a media company with Professor Belen Villalonga, FIN; case site interviews with an asset management firm in the United Kingdom with Professor Sandra Sucher, TOM; and an exploratory meeting in the United Kingdom at a fashion group with Professor Asis Martinez-Jerez, A&M.

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

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| HBS Faculty | <ul style="list-style-type: none"> • Professor Forest Reinhardt, BGIE. • Professor Allen Grossman, GM, who came to discuss potential case leads. |
| HBS Staff | <ul style="list-style-type: none"> • Eileen Sullivan, Controller, Financial Office. • Lawrence Bennigson, Senior Fellow, Custom Programs, Executive Education. • Alison McCarty, Associate Director, MBA Admissions, who interviewed candidates from all over Europe for the MBA Program's Admissions, hosted by the ERC. |
| Other Visitors | <ul style="list-style-type: none"> • Karen Wilson, who came to discuss the ERC's involvement in the organization of the fourth edition of the European Entrepreneurship Colloquium on Participant-Centered Learning, scheduled for July 2008. |

EVENTS

The European Foundation for Entrepreneurship Research (EFER) / European Entrepreneurship Colloquium on Participant-Centered Learning (EECPCL) Working Meeting in Aachen, Germany, November. Vincent made a presentation on the "Development of European Case Studies" during a roundtable meeting.

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