WORLDWIDE CASE COMPETITION
Guide for Competing Schools

Updated September 2016

Prepared by:
Memorial University of Newfoundland

Updated by:
Rotterdam University of Applied Sciences

© 2016, Network of International Business Schools

This document is provided for educational and training purposes, and is for the exclusive use of teams seeking to prepare for the NIBS Worldwide Case Competition. It may not be used or reproduced for any other purpose without the explicit consent of the Network of International Business Schools.
# TABLE OF CONTENTS

1. Introduction to the Case Competition Guide 4

2. Competition 5
   2.1 Qualifying Round 5
   2.2 Championship Round 6

3. Selecting the Team 9
   3.1 Individual Presentation 9
   3.2 Group Presentation 9
   3.3 Case Course 10

4. Preparation for the Competition 11
   4.1 Country Research 11
   4.2 Industry Research 11
   4.3 Preparatory Case(s) 12
      4.3.1 How to read a case 12
      4.3.2 How to discuss a case 12
      4.3.3 How to divide the work 13
      4.3.4 Presenting the case 14
      4.3.5 Question period 14

5. Materials to Bring 16
   5.1 Attire 16
   5.2 Preparatory Material 16
   5.3 Supplies 16

6. Arriving at the Competition 17
   6.1 Facilities 17
   6.2 Liquids and Snacks 17

7. The First Case 18

8. Double Case Day 19

9. Winning and Losing 20

10. Social Events, Networking, Meeting People 21

11. Next Year 22

12. Conclusion 23

Appendix A – Case Study References 24

Appendix B – Sample Case and Sample Presentation 25
ACKNOWLEDGMENTS

We would like to thank Gerry Mortimer of the Dublin Institute of Technology (Ireland) and Lissa McRae of Bishop’s University (Canada) for their significant contributions in reviewing and editing this manual.

Peggy Coady (Memorial University of Newfoundland), May 2009
Hans van Oudheusden (Rotterdam University of Applied Sciences), September 2016
1. INTRODUCTION TO THE GUIDE

The Network of International Business Schools (NIBS) is a group of business schools from around the world that view the internationalization of business and the globalization of the economy as essential elements in the evolution of managerial practices. NIBS was formed in 1993 and currently has over 70 member institutions in more than 30 countries.

NIBS members believe that higher education and training must integrate a strong international dimension, including the practice of foreign languages, the study of comparative management techniques and the experience of working and studying abroad. They also believe that cooperation between educational institutions in different countries contributes to better understanding between nations by furthering awareness and knowledge of other cultures and social practices.

Members of NIBS recognize each others’ qualifications, have a common goal of collaboration, and encourage participation in the following:

- Student exchanges/interactions
- Faculty exchanges/interactions
- Exchanges of ideas for teaching programs
- Joint teaching and research programs

Membership in NIBS entitles an institution to participate in case competitions and conferences.

The NIBS Case Competition (hereinafter referred to as the Competition) began in 1996, with the first competition hosted by ESC School of Business in Rennes, France. Today, the Competition is one of the oldest and most respected case competitions for business students at the undergraduate level. Sixteen teams (or, in case of an insufficient number of applications, 12 teams) from countries throughout the world participate in the week-long event and their experience varies from first time participant school to veteran schools that have competed for many years. In the early years of the Competition, the winning school hosted the following year. More recently, hosting duties have moved from one NIBS member institution to another, as chosen by the NIBS Board.

The purpose of this guide is to help all teams prepare for the Competition, especially first-time participants. The guide covers everything from how to select a team to what to expect. It also outlines basic strategies teams can take when preparing and presenting a case.

In addition, the guide seeks to ensure that teams experience all aspects of the Competition including non-case events. The Competition offers participants unparalleled opportunities to meet new people and network with prominent businesspeople attending the competition as judges or sponsors. Participants are encouraged to relax and socialize between cases. Teams—including their coaches—should have fun!

This guide is based on the NIBS Worldwide Case Competition Rules and Guidelines document, set and amended by the NIBS Board in September 2016. In the event of any inconsistency between this guide and the aforementioned rules, the official Rules and Guidelines take precedence.
2. COMPETITION

The case method has been the most popular method of teaching strategy and policy in business schools for many years. It provides students with an opportunity to move from a narrow, specialized view that emphasizes functional techniques to a broader, less precise analysis of the overall firm. The case method has been shown to be the most effective teaching tool for problem solving. The Competition is an excellent opportunity to see the application of the case method. (Appendix A contains references to publications about teaching and learning with case studies which coaches might find useful.)

Much of the following material in this section is covered in detail in the Official NIBS Case Competition Rules and Guidelines. It is important to review the official rules of the Competition.

The Competition is open to any student registered, for the duration of the competition, in an undergraduate (bachelor level or equivalent) business program (commerce, administration, management, etc.) at any member institution of NIBS or through special invitation made by the host institution. Individuals studying on exchange at a NIBS member institution for the entire academic year may compete for that member institution, provided they meet other eligibility requirements. The Competition consists of a Qualifying Round and a Championship Round.

2.1 Qualifying Round

Each NIBS member institution may enter one team in the Qualifying Round. This team is composed of four eligible students who have never competed in the Competition in a prior year. The team should have a faculty advisor (often called a coach) who serves as liaison with the host institution.

The Qualifying Round takes place at your individual school. The host institution will make the Qualifying Round case available to your coach by secure download. Each team then has a maximum of eight hours to prepare the case analysis report. The coach will ensure that the time limit is enforced and that the case is not seen before the eight-hour preparation begins. The coach may provide the following materials to the case analysis team:

- four copies of the case;
- a preparation room with blackboards, white boards, or flip chart;
- paper, pencils and pens;
- two computers with word processing, spreadsheet and graphics package (MS Office recommended);
- blank formatted memory stick;

The coach should ensure that computers used in the Qualifying Round do not have internet access.

Each member of the team may bring into the preparation room one reference book and a calculator. Team members should coordinate so that they do not duplicate reference books. In addition, each team member is allowed to bring into the preparation room a dictionary in print form, one English-language grammar text, rulers, and other drawing aids. Teams are not allowed to have access to internet or any electronic devices (mobile phones, etc.).
The case analysis must be typed using double-spacing; no handwritten material of any sort will be accepted. A margin of at least 1 inch (2.54 cm) must surround the text. A table of contents is not required. The text of the case analysis—i.e., the content of the document that follows the title page—must be no longer than 1,500 words. In addition to the main body text, the report may include a maximum of five (5) pages of appendices, the purpose of which is to provide support for the assertions and conclusions expressed in the body of the report. This content is separate from the main text and will not count toward the word limit. Appendices should be numbered, titled, and appropriately referenced within the body of the report. Although teams may use this space as they see fit, appendices in case analysis reports commonly include elements such as:

- Financial statements
- Analytical models
- Diagrams / illustrations
- Itemization / categorization of key information
- Implementation timeline

As in all business writing, appendices should be succinct, well laid out, and professionally presented. Teams should avoid the temptation to cram excessive content into these pages or employ overly small type. In addition, appendices should not be viewed as an opportunity to circumvent the length restriction on the main body of the report; any effort to do so will be poorly received by the judges.

The host institution will assign an identification number to each case analysis report after its title page has been removed. Three judges from the host institution will evaluate all case analyses independently. The judges’ scores will be added and the teams ranked based on cumulative score. The top teams will be invited to compete in the Championship Round.

Every effort will be made to ensure that the cases chosen are unpublished. In addition, cases will be at the MBA level, international in scope and content, strategic in nature and broad-based. In terms of how to analyze a case and prepare a written case analysis report, consider the suggestions provided in Section 4 of this guide.

2.2. Championship Round

The top 14 teams from the Qualifying Round will be invited to compete in the Championship Round along with a team from the host institution and a team from the previous year’s host institution, who both receive a bye into the Championship Round. In addition, one spot in the Championship Round will be reserved for a team that is a ‘new entrant’ so that the competition remains accessible to all NIBS member institutions and enriched by diverse perspectives. A new entrant is a team that has not previously advanced to the Championship Round of the Competition.

A divisional round robin will be played in four divisions of four teams each; each team will compete head-to-head with each of the other three teams in its division.

Composition of the divisions will be determined using the rankings established in the Qualifying Round, in the following manner:
Teams ranked 1, 2, 3 and 4 will be in Category A;
Teams ranked 5, 6, 7 and 8 will be in Category B;
Teams ranked 9, 10, 11 and 12 will be in Category C;
Teams ranked 13, 14, 15 and 16 will be in Category D.

Every division in the Championship Round must have one team from Category A, one team from Category B, one team from Category C and one team from Category D.

Divisional match 1: Category A Team vs. Category C Team; Category B Team vs. Category D Team
Divisional match 2: Category A Team vs. Category D Team; Category B Team vs. Category C Team
Divisional match 3: Category A Team vs. Category B Team; Category C Team vs. Category D Team

A random draw will be held in order to assign teams to divisions. All teams in the Championship Round will take part in a draw at the opening ceremony held on Sunday evening. Teams in Category A will be given a new number between 1 and 4, in Category B a new number between 5 and 8, in Category C a new number between 9 and 12, and in Category D a new number between 13 and 16.

Each team will be assigned a Team Ambassador (also known as a “buddy”). The Ambassador’s task is to assist the team, serving as a liaison between the team and the Competition organizers. While the team is in case preparation for the Competition, the Team Ambassador will serve as a runner assisting in any way that s/he can. No communication is permitted between team members and anyone else except their team monitor from the beginning of the preparation time to the time of presentation. This specifically and explicitly includes team coaches.

A preparation room will be provided for each team with the following materials:

- Four copies of the case
- Black board, white board, or flip chart
- Paper, pencils, and pens
- Two computers with MS Office, including Word, Excel, and PowerPoint
- Two blank memory sticks

Each member of the team is also permitted to bring into the preparation room one reference book and one calculator (NOTE: devices with internet access are strictly prohibited). Team members are encouraged to coordinate so that they do not duplicate reference books. In addition, each team member can also bring into the preparation room one dictionary (in print form), one English-language grammar text, rulers, and other drawing aids. Teams are also permitted to bring their own keyboard and presentation clicker, if desired.

Each team may also bring a single memory stick containing one or more ready-made presentation templates. All templates must be contained within a single PowerPoint file. Templates may contain school/other logos and graphic designs, such as background, color set-up, arrows, boxes, organization charts, etc. However, no text (including formulas) other than the name of the team is allowed. Before each case preparation, the team monitor will inspect the template memory stick. If any template is deemed inappropriate, the memory stick will be confiscated and withheld for the match immediately following. The team may update their template memory stick between matches but must keep the memory stick in its possession, ready for inspection at any point.
Each team has four (4) hours to prepare its case analysis during the Championship Round week with the exception of Wednesday (when the final round of divisional matches is followed immediately by the Quarter-Finals) and the Championship Final. On these occasions, teams will have three (3) hours to complete each case analysis. Normally the cases used on that day are shorter in length than those used for a 4-hour preparation. Coaches will receive a copy of the case after all teams have begun their preparation.

Each team will have 20 minutes for the formal oral presentation. Normally, teams use the entire 20 minutes; presentations that exceed this period will be stopped, while those that are noticeably shorter typically lead judges to infer that more could have been done. Each member of the team must participate in the oral presentation. Following the presentation, there will be a 10-minute period for questions from the panel of judges. Teams may show new slides during this Q & A session if they are relevant to questions asked, but may not continue the presentation. Furthermore, the total amount of slides may never exceed 30, including any slides retained by the presenting group for use in answering questions.

Teams should consult with the host institution for a list of materials to be provided during the preparation and presentation (e.g., presentation clicker, laser pointer) as these may vary from year to year and host to host. Since keyboard standards differ by country, teams are permitted bring their own keyboard and mouse if desired.

Judges for the Competition are normally selected from the business community, government leaders, university faculty members or alumni by the organizers. Each judging panel will normally consists of at least three judges. The formation of the judging panels is the sole responsibility of the organizers and cannot be contested.

After both teams have presented, the judges will determine a winner on an eleven-point scale, i.e. the total of the points to both teams must be eleven. Judges are allowed to use 0.5 fractions in their scoring (i.e., 6.5 to 4.5), but ties are not permitted. The following will be used as a guide:

- 6 to 5: Winning team marginally better
- 7 to 4: Winning team better
- 8 to 3: Winning team decisively better
- 9 to 2: Winning team outstanding; losing team extremely weak

After both teams have presented, the judges will give feedback to each team in private, except in the semi-finals, where it is provided to both teams together. Team coaches are permitted to attend feedback sessions with their team. Scoring will be announced after the feedback sessions.

After the three divisional matches are complete, each team’s scores will be aggregated and the total used to rank the four teams in the division; top 2 teams in each division will advance to the Quarter-Final round. The winners of the quarter-finals advance to the semi-finals. The winners of the semi-final round advance to the final round. The winner of the final round is the champion; the loser of the final round is the second-place finisher (or “silver medallist”); and the losers of the semi-final round are third-place equal finishers (or “bronze medallists”).

It is important that both the coach and team members be aware of the official rules of the NIBS Case Competition. The host institution will have a copy of the current year’s rules and guidelines.
3. SELECTING THE TEAM

There are several approaches that the coach may wish to consider when selecting the case team. One method is to have students individually present their analysis of a case to the coach. Another is to hold open tryouts where students are grouped together and present to the coach as a group. Finally, there is the course method, in cases where the university can offer a Business Case Course or Directed Study to teach students how to read, evaluate, and present cases for course credit.

The coach will normally review resumes, transcripts, and any other information provided from students to aid them in the selection process. The coach may also involve other faculty members in the team selection process.

3.1 Individual Presentation

The individual presentation selection method can be used to either select four individuals for the case team or as a pre-selection tool for the group presentation selection method. With this technique, students should be given a case (or partial case) to prepare in advance which they would then present to the coach. Students should be familiarized with the judging criteria that will be used during the Competition to score the teams. A sample has been provided in Appendix B.

During the presentations, each student should be judged using a scoring sheet. After each student has presented, the coach should rank the students. Discretion may be used to select the students who will make up the case team; however, normal practice is to choose the top four scorers.

3.2 Group Presentation

The group presentation method for selecting a team is used to assess how students will work as a team and in the role that they have been designated. The role of the coach is to not only critique the team as a whole, but also to assess individual performance. A group of the top four individuals is not always the winning team. It is the group that is able to work together and present a strong case that will succeed at the competition.

The coach should form initial groups (teams) based on the background information provided by the students. Well-rounded teams should be formed comprising of individuals from diverse backgrounds. For example, one member could have a marketing background, one with an accounting background, one with a human resources background, etc. depending on the courses offered in your school.

Once formed, the coach could, as one possibility, designate roles to the individuals based on background information provided by students. For example: a student with a strong analytical skill set may prefer to concentrate on the analysis; a student whose strength lies in the financial area may prefer to work the numbers; a student that is creative and has insight into customer decision-making may prefer to focus on the marketing strategy.

When teams present the first case, the coach should use the same scoring method as the individual case presentations. The coach should also rank the students on their roles in order to determine
the suitability of the student for that role. This will allow the coach to rearrange teams to ensure each member is in their strongest role.

One approach the coach may wish to explore is to observe teams as they prepare. The coach could sit with the team(s) for short periods of time while the teams prepare their case. This will allow the coach to see how teams are interacting and organizing their selves and to point out any weak links or overly argumentative individuals. From the presentations, the coach should be able to determine the best fit for the team and select the individuals accordingly.

### 3.3 Case Course

Some universities offer a course that teaches students how to evaluate and compose solutions to business cases. This course can include international marketing cases, accounting cases, and general business cases. Regardless of the focus of the course, coaches may wish to tailor it to focus on training students for the competition. This is a difficult option, as it will involve obtaining approval for the course. If put in place, it is often the best method for selecting a team.

This approach is very similar to the group presentation method in terms of how a team is selected, the major difference being that students who wish to try out for the case team will need to enroll in the course.

The first quarter of the course should concentrate on educating students on how to prepare a case. After students receive guidance from the coach, teams should be formed and presentations should begin. The coach may wish to change group members in order to attempt to build the best teams possible. However, too many changes may be counterproductive as students will not be able to get to the level of comfort and familiarity needed to perform well as a team.

When the course is approximately three quarters complete, the coach will need to select the team that will attend the competition in order to begin final preparations for the competition. For those students who have not been selected, the coach may wish to either use them as judges or to continue have them give presentations in order to determine grades for the course.

It is recommended that the team selected to attend the Competition should complete a minimum of one case per week for the remainder of the course. This will enable them to become familiar with the time constraint of the competition and with the styles of each team member. If the timetable of the school does not allow for four consecutive hours for a class, the team may be required to attend school after hours or on weekends in order to have the amount of time needed to prepare and present a case.

The case course method will benefit the coach as well as they will be able to dedicate time during their workday to improve the team and coaching methods. The course method will also aid in gaining the support of the school to help finance and support sending a team to the competition. With increased support of the school and faculty, the coach will have the ability to attain the resources necessary to fully prepare the team.
4. PREPARATION FOR THE COMPETITION

Once the team has been selected, preparation should begin immediately to complete enough practice cases prior to the Competition. It is recommended that teams complete a minimum of two practice cases, preferably more. Team members should also become familiar with different areas of the world and how they conduct business, as the cases may be set in different parts of the world. Finally, the team should familiarize itself with different industries and the nuances they may have.

It is also helpful to review and practice with cases used in previous years of the Competition. Schools are permitted to videotape their own team’s presentations at the Competition; this can be useful for practices with teams in subsequent years. A sample case from the 2009 Competition and a copy of a team’s PowerPoint presentation is included in Appendix C. Also, some coaches from schools that have competed in previous Competitions may be able to help in providing cases.

4.1 Country Research

Due to the international nature of the Competition, teams should strive to familiarize themselves with several geographic areas. Each team member should be tasked with one or two areas to which they are to complete a short summary. The summary should include information such as population, geography, political and economic environment, imports, exports, most common industries, infrastructure, etc.

Knowledge of cultural, political, economic or other background information can add significant value when formulating a solution for a case.

4.2 Industry Research

Along with country research, teams should become familiar with various industries to ensure they know how they work and what the key success factors are for the industry. Examples of industries that have been in past cases include:

- Airline
- Pharmaceutical
- General Retail
- Oil and Gas
- Minerals/mining
- Banking

Such understanding will be of great value at the Competition. While it is impossible to prepare for every possible type of industry in all regions, familiarity with items such as rules and regulations, materials, labour requirements, etc., will all help in the formulation of a solution.
4.3 Preparatory Case(s)

At a minimum, the coach should have the team practice with cases at the MBA level, international in scope and content, strategic in nature and broad based. It will take a few practice cases before the team is able to work efficiently together within the three- or four-hour time limit. The following sections present suggestions for how the team should prepare for all of the components of the case from the preparation to the question period.

4.3.1 How to read a case

A case will usually take around 45 minutes to read from start to finish. When the team first receives the case they should read the first and last paragraph of the case to help determine the problem being presented. Knowing the problem while reading will allow team members to filter out the information they need in order to determine the best solution.

While reading, each team member should make note of key issues within the case, along with noting key pieces of information that will help them with their portion of the case. For example, if a member is given the role of presenting the analysis, they should keep notes on strengths and weaknesses of the company, industry information, economic conditions, etc.

It is very important to note exactly where information is within the case, as the team will not have enough time to read it a second time. One suggestion is to use short hand and take note of pages that contain vital information. Another would be to simply highlight key points and make short hand notes next to it that will allow the student to identify the type of information that is highlighted. Whatever the method, each team member should ensure that they stick to one method to avoid confusion during the preparation time.

As the team becomes more familiar with reading cases they will soon learn what information needs their attention and what can be skipped over.

4.3.2 How to discuss a case

There are many different approaches to discussing a case; this section will detail one approach. The discussion must begin immediately after the team has completed reading the case. If a team member finishes earlier than the rest of the team they can begin preparing their slides. This will ensure that the team is utilizing the three or four hours to its maximum.

One person should be designated as the note taker; it will be their job to put all ideas that are mentioned on display (whiteboard, paper, etc). It is important to take down all ideas as this will help to narrow down the correct problem, solution, and implementation. Initially, the team might brainstorm and then begin filtering ideas and making a decision as to what the problem is and what are the possible solutions.

During the discussion, one person should be designated as the timekeeper to ensure that the team does not spend too much time on one topic. The timekeeper should continually let the team know how much time is left in the preparation period.
A good starting point for the team discussion is the main problem presented in the case. Once the problem is defined, the next logical step is to list out all the key issues presented in the case. These issues will help the person who is presenting the analysis, as it is their portion of the presentation that sets up the recommendation and implementation. Knowing the key issues allows the team to formulate a solution that will address most, if not all, key issues within the case.

After key issues, the team should come up with alternative solutions to the problem. Presenting a single option suggests that the team did not fully discuss the alternatives, and is generally unconvincing when making the case that the proposed solution is optimal. Every alternative should be discussed in terms of its advantages and disadvantages, with the final recommendation being the superior one on balance.

After the team has defined the alternatives and settled on a recommendation, an implementation plan should be created. Items to discuss include timeframe (how long will it take), cost (order of magnitude estimates), how it will solve the problem, and who will be involved (resources).

Once the discussion has ended, team members should begin to prepare their slides. Alternatively, the discussion can continue and those team members designated to prepare the slides can begin to prepare them.

4.3.3 How to divide the work

There are many different approaches to dividing up the work of preparing the case analysis and this section will detail one approach. Each team member may have a role on the team. The natural roles that could emerge will follow how the cases are judged. These include:

1. Introduction, key issues/problem statement
2. Analysis
3. Alternatives and recommendation
4. Implementation
5. Financial analysis, and conclusion

Key Issues / Problem – The key issues and problem statement within the case should be clearly stated.

Analysis – The environmental, economical, financial, and political factors of the case should be reviewed in terms of what is relevant to the key issues. The analysis should have an external and an internal focus in term of the organization. One example would be the use of a SWOT analysis to review the organization.

Alternatives – Normally 2-3 alternatives should be analyzed. The recommended alternative should address the key issues and solve the problem stated.

Implementation – The implementation is an action plan that will be used to implement the recommendation. The implementation must fit the organization and should be attainable. The implementation should address all areas of the organization including operations, marketing, human resources, and finance. The plan should have a timeline along with a breakdown of the costs associated with the implementation.
Financial Analysis – All cases should address how the recommendations will affect the organization financially. If the case does not provide any financials, students can still address how the plan will affect them, however specific numbers will not be available. Items that may be considered in this section are: Stock/share price, profits, revenue, expenses, IRR, NPV, etc. Financials presented should be realistic and based on factual information found in the case.

The team members assigned to each section could be responsible for creating the slides, presenting, and responding to questions on their section. As stated above, this is not the only way to proceed and may not always be the best way for any specific team. Other team members are encouraged to help out where they can during the three-hour preparation time. It is the responsibility of the coach to provide guidance to the team with regards to approaching each role.

Normally teams take on the role of consultants and thus they may also wish to decide on a name that will be used consistently throughout each case (e.g. Global Consulting). As consultants, it is assumed that the team is presenting their findings to the specific individuals in the case, or the board of Directors.

Once the three- or four-hour time limit passes, the monitors will not give teams extra time to make any final additions or changes to their presentation, and will ask for the memory stick immediately. Not having the slides in the proper order, or asking for 5 minutes from the judges to reorganize slides shows that the team was unable to complete their case analysis in the time permitted. When practicing, coaches should follow these rules in order for the team to become comfortable with the time constraints and the strict rules of the competition.

4.3.4 Presenting the case

When entering the presentation room, team members should introduce their selves to the judges and quickly take their position. Teams may sit or stand during the presentation. Prior to presenting, it is suggested that the team designates a team member(s) to change slides. For example, the second person to speak should turn the slides for the first. Once the first has finished speaking, that person can become the one responsible for changing slides for the remainder of the presenters. Or individual team members can control their own slides. Practice with these transitions can be as important as the presentation itself. Sloppy transitions are distracting and may show lack of preparation to the judges.

All members of the team should present a part of the case. There should be balance and flow between members. Awkward transitions will waste time and can distract judges.

4.3.5 Question Period

Prior to the Competition, the coach should attempt to bring in judges for the practice presentations. The coach may act as judges at first, but to avoid the team from becoming comfortable, external judges should be used.

When the team has completed the presentation, they should all stand and wait for the judges to begin their question period. When a judge asks a question to the team, be cognizant that team members do not jump right into an answer. Team members can look to each other very briefly to
indicate which team member would be best responding to the question. If the question is unclear, ask for clarification before trying to present an answer.

After a team member has answered a question, a follow-up answer should only be given if it will add value to what was already said. Teams must also ensure that they do not contradict each other while answering questions.

At no time should a team argue with a judge. Many times judges will tell teams they do not agree at all with the solution presented. Some may even tell the team that they are wrong. When this occurs, becoming confrontational will only hurt the team. It is at this time when confidence in the solution must be presented. Teams should still support their answer, but do so by revisiting the facts they presented and assuring the judge that their plan is the optimal one. The result will almost always be that the team either convinces the judge they are correct or, at a minimum, gains the judge’s respect even if they still disagree.

Finally, teams should pay attention to the body language of the judges. When a judge begins to nod their head in agreement or present other body language that sends similar signals, the person answering the question should wrap up and allow for the next question to be asked. The objective is to efficiently answer questions in the 10-minute period.
5. MATERIALS TO BRING

No matter how good a team may be, without proper tools it is difficult to perform effectively. Veteran schools know exactly what to bring, along with all the time-saving tricks that help their teams gain an edge during the preparation time. One goal of this guide is to level the playing field to allow new schools to compete at the same level as those who have been completed before.

5.1 Attire

It is important to dress professionally while participating in the Competition. Business suits are a minimum requirement in order to be viewed as a professional team. It is important that team members not only wear professional clothing, but that they be comfortable in their attire.

Each male team member should bring multiple shirts and ties. Likewise, female team members should bring several outfits that can be used interchangeably. Although the competition may be located near many clothing shops, last minute purchases will only add to the stress of the event. Sending clothing to be cleaned is possible, but can bring its own problems. Having multiple outfits will reduce the need to have items cleaned and will help to keep the participant comfortable.

It is recommended that teams carry with them items that can be used to help remove minor stains or to repair clothing (such as thread and needle, double-sided tape, etc). Last minute adjustments may be needed and teams should be prepared for every situation.

Finally, teams should have comfortable clothing to wear when not participating in a case. As mentioned throughout the guide, teams will participate in many social events. For less formal nights, teams will likely be more comfortable in other clothing. Sometimes there are athletic events at the Competition so athletic clothing is also a good idea. Having appropriate clothing will allow teams to relax and socialize more comfortably which will help lower the stress level between cases.

An important point to note is that the Competition is generally held in February, March or April. Depending on the location of the event, the temperature may be very cool or cold. As you will likely be leaving the hotel and host institution for various events, warm attire might be required. Be sure to consult the local weather forecast before leaving home.

5.2 Preparatory Material

Most teams will complete research as mentioned in the previous section. Teams should also invest time developing their slide template(s) that they will bring to the Championship Round.

5.3 Supplies

While most of the necessary supplies are provided by the host institution, the team should bring one reference book each. Ensure that each team member brings a different reference book. It is also important to bring calculators, as these are not provided.
6. ARRIVING AT THE COMPETITION

To ensure a smooth first day and to get the week off to a good start, it is helpful to have a good idea of what to expect upon arrival. Teams should familiarize themselves with the process, and have a well-defined plan for managing their first few hours and days at the Competition.

6.1 Facilities

After teams have arrived and checked into their hotel rooms, the next step is to become familiar with the lodging and competition facilities. In particular, teams should be aware of the location of breakfast options and all designated meeting places.

Case preparation and presentations normally take place at the campus of the host institution. Walking into a presentation room for the first time, moments before presenting, can be unnerving and potentially cause a team to fall short of their potential. Following the Welcome Ceremony on the first afternoon / evening of the Competition, teams should try to visit at least one presentation room in order to become comfortable with their surroundings prior to the first case. (This is normally facilitated by the host institution.) Visiting these rooms in advance removes this uncertainty and enhances the team’s ability to have a strong start to the Competition.

Restrooms are the second most important rooms in the Competition. Taking a bathroom break during preparation will mean lost time and searching for restrooms is a task that teams cannot afford. While host institutions strive to have each team use the same preparation room throughout the competition, this is not always possible. Knowing where all restrooms are ensures that teams can find the one nearest to them during their preparation.

6.2 Liquids and Snacks

The Competition may take place in a large city or a small town. It is important for the team to be familiar with the local area around the hotel. Once teams have familiarized themselves with the facilities of the competition, they should acquaint themselves with the shops in the immediate vicinity in case they need to purchase items for the competition. Most importantly, teams should have snacks and liquids for during and after presentations. The competition will likely offer water, coffee, tea and some food during the preparation time. However, to ensure they are completely prepared, teams should have some food and drink with them in case they are not provided or a team member has an aversion or allergy to items provided.

Hunger and dehydration is very taxing on the body and will lead to a decreased ability to concentrate and formulate ideas. Having supplies to satisfy hunger and thirst will ensure that teams are able to perform at their optimal level.
7. THE FIRST CASE

If a team has not competed prior to the NIBS Competition, the first case is always unsettling. This section contains information and tips that will help teams prepare for the first day of a challenging and fast paced week.

Even teams from schools who have competed previously may still find the first day difficult. In order to get off to a good start, teams should ensure that they have a game plan prior to leaving home. Although teams will learn a great deal while at the Competition, they should not stray too far from their plan as this is what they have practiced and what is familiar to them.

Many times, the excitement and adrenaline of competing can lead to teams becoming disorganized and unfocused. To combat this, teams should gather their thoughts prior to entering the preparation room and communicate with each other. Five minutes prior to entering a preparation room, it is helpful to engage in some sort of ritual (be it a pre-case cheer, moment of silence, top-5 keys to success, etc.) that will help them relax and become mentally prepared. Having an established routine prior to every practice case will evoke a sense of familiarity and help the team relax. This is similar to athletes who use a routine prior to a game in order to set the mood and tone before competing.

Communication is the key component that will allow teams to stay on track and complete the case to the best of their abilities. Vocalizing that a plan is going off track or that a member or members are not working as they have practiced can jolt the team back on track. Vocalizing things such as time remaining, roadblocks, new information, etc., will allow all members to fully prepare for the presentation and seem as a single unit.

The most important thing to remember about the first case is that teams need to leave the outcome in the presentation room. Whether teams win or lose or work well or poorly together, this is only the first of three cases in the round robin. Premature celebration or feelings of doubt may cause teams to lose sight of their strategy and not succeed at the competition. Teams should always learn from each case, win or lose, but each case should be attacked as if it was the first or was the deciding case for the competition.
8. DOUBLE CASE DAY

Double case day is the day where teams advancing to the Quarter-Finals will complete two cases in one day. Likewise, the Semi-Finals and the Final are contested on the same day, creating similar circumstances for the two finalist teams.

Having to prepare two different cases in a single day will test teams in different ways. This section aims to help outline how teams can prepare for these challenges.

Double case day is always a challenge to teams, since:

- there is little time between cases to relax, eat, or discuss the previous case, and;
- it is often the final round-robin match that determines whether a team will advance to the playoff round of the competition.

This day is by far the most difficult of the Competition for most teams. Preparation is needed to perform effectively.

A critical aspect of this is to practice completing two cases in one day prior to the competition. This will allow the team to familiarize themselves with the demands of the limited time between the cases, and the lower levels of energy that typically characterizes the second case.

While healthy, energy-sustaining snack food is always helpful, it is especially important on double case day. Sustaining motivation is another critical factor. If a team member shows signs of becoming tired or inattentive, it is the job of the other team members to immediately recognize the behaviour and change it. Every person is motivated in different ways; it will be during practice that teams will become familiar enough with one another to understand exactly what will be needed in terms of motivation.

Finally, the team must remember that the judges have also had a long day and it is up to them to ensure that their performance stands out. The team must make a conscious effort to show energy, emotion, and confidence during the second case. Being mentally and physically drained by this point, teams often forget that they still need to present. Showing signs of fatigue or inattentiveness could cost them the match.
9. WINNING AND LOSING

As with all competitions, some teams will win, some will lose, and most will experience both. This section of the guide is not aimed at teaching teams how to do either in terms of strategy, preparation, and so on; rather, it is to allow teams to win and lose gracefully and to learn from each experience.

Whether it is your first win or your fourth in a row, teams should recognize that there is a proper way to celebrate. Until a team reaches the playoff rounds, no win is worth over-celebrating. Even with a decisive win over another team, there is always something the team can learn and improve upon before the next match. Over-celebrating will also give the impression that the winning team is not showing the proper respect for the team they just competed against. Spirit is a very large component of this competition and showing class and respect to all teams is a contributing factor.

Losing is also not to be approached in a negative manner. Review the loss and pick out areas where the team could have approached the case differently to produce a better result. Learn, then move on. Many times, both teams present a strong case and the judges’ decisions were the result of one particular point, such as how a question was handled, a more realistic cost analysis, etc. A loss does not mean the losing team did not present a good analysis and solution to a case, but simply that the other team was judged to have performed better. After the results are posted, teams can review the judges’ comments and determine how to ensure they perform better at the next case.

A final note on this section is that no matter what a team’s result, whether it is going undefeated or losing every case, no team leaves the competition without learning. All teams will leave feeling that they are stronger and more able to tackle issues and problems that will face them in their careers.
10. SOCIAL EVENTS, NETWORKING, MEETING PEOPLE

During the course of the Competition, teams and coaches will have several opportunities to socialize with the other teams, coaches, judges, and host institution coordinators. The host institution generally plans several social events which may include dinners, sightseeing, and sporting events.

A major component to the Competition is spirit. The week long Competition is a challenging and tiring time, yet extra effort is made to ensure that all teams not only enjoy the experience of competing against schools from around the world, but also to meet new people and have fun once the work is over.

Students attending a business school do not need an introduction to the benefits of networking, however it is important to remind teams that this competition is a great chance to not only meet members of other teams, but to meet the judges and other attendees. Judges of the Competition are made up of prominent business people and academics that have a wealth of knowledge. Team members should take the time to meet and talk to them to, at a minimum, take advantage of this knowledge and how it can help them in their career.

It is important that teams socialize. Not all teams will be comfortable with taking part in social events as it is not for everyone. Some teams may believe it will interfere with their ability to perform. However, most teams will find that the social events and simply socializing with others will help to ease the stress and tension the competition brings. Most importantly, an award for spirit is normally presented at the Competition final banquet. Lifelong friendships are often formed at the NIBS Competition!
11. NEXT YEAR

Once the Competition is over, the work does not end for the coaches or team members. Upon returning to their school, we suggest that all teams debrief and attempt to determine how the following year’s team can perform even better. Even if the team is the competition champion, there is always room for improvement.

During the Competition, the coach should keep a journal of how the team performed. They should also attempt to watch other teams as much as possible in attempt to see how others perform. This journal will be very useful in the following year as it will help prepare the next team to ensure they are able to perform to their full capabilities.

The coach should always retrieve the slides used by their team during the Competition. This will allow new teams to view exactly the calibre they must attain prior to leaving for the competition. It will also help give new teams a better idea as to how they should approach their role and tasks for each case.

The coach should also talk to other coaches. Just as it is important for participants to socialize, coaches should strive to forge relationships with other coaches. Many schools have been participating at the Competition for a long time and their coaches are very open and willing to giving advice to other schools. Even though it is the goal of each coach to win the competition, another goal is to continually improve the competition as a whole.

Team members from previous Competitions are a great source of help when new teams are preparing. They are able to describe the competition to new teams in terms of the pressures, stress, levels, and so on. Past participants can also help prepare new teams by participating in the preparation period and attempt to spot pitfalls they encountered. This will give the new team time to remove these pitfalls and ensure greater success at the Competition. They can also act as judges during the practice cases. Having stood in front of judges in the previous year (or earlier), past participants understand the level of questioning that will be present at the Competition.
12. CONCLUSION

The purpose of this guide is to provide advice to all teams that prepare for the NIBS Case Competition. We acknowledge that there are many approaches to case analysis and competition and we have attempted to provide you with some strategies that veteran schools follow. We hope that you find some of this information useful. While we cannot guarantee a win, we can say with certainty that all participants (students and coaches) will experience a challenging yet rewarding week that you will cherish and remember always!


INTRODUCTION

Philip Schiller, Apple’s Senior Vice President of Worldwide Product Marketing, opened the Keynote Address at MacWorld 2009 with: “This is an incredibly exciting time at Apple!” Backed by pictures of new Apple Stores, he talked of the 3.4 million customers that visit the stores on a weekly basis. He spoke of the biggest fiscal year for Mac’s ever—9.7 million units sold with a product growth rate twice the industry average. The iPod line holds 70% of the worldwide MP3 market share. Over six billion songs have been downloaded from the iTunes Music Store by 75 million account holders; the iTunes Music Store has over 10 million songs available for purchase and download. The iPhone has been an incredible success and is revolutionizing the mobile telephone industry.

But all is not well. Although the Mac business has been Apple’s strongest growth driver, a combination of the huge drop in the PC market due to the global economic slowdown, a stale desktop Mac lineup, and a perking up in the one area of the PC market where Apple doesn’t participate (the low-end, ultra-cheap “netbooks”) may lead to a loss this year. At the same time, Fortune magazine reports that the market for MP3 players is “shrinking rapidly”; the year-to-year spending growth rate has flattened and may turn negative in 2009. There is even concern in the iPhone market. Competition from Samsung’s Soul U900, Research in Motion’s Blackberry line and other mobile device producers threatens the iPhone’s position as the market’s innovation leader.

Probably more serious than these concerns is CEO Steve Jobs’ health. A pancreatic cancer survivor, Mr. Jobs has looked notably thin and pale in recent appearances. The condition is serious enough to require a leave of absence for medical reasons. Originally attributed to a hormone imbalance in his first letter to employees and shareholders, the follow-up communication called the condition “more complex.” Given Mr. Jobs’ tenacity and dedication, there is a great deal of uncertainty over his health and his return to Apple. (Figures 1 and 2 provide January’s communications with Apple employees and shareholders.)

COMPANY BACKGROUND

One Infinite Loop, Apple’s street address, is a programming private joke—it refers to a routine that never ends. But it is also an apt description of the travails of parking at the Cupertino California campus. Like most things in Silicon Valley, Apple's lots are egalitarian; there are no reserved spots for managers or higher-ups. Even if you’re a Porsche-driving senior executive, you should be prepared to circle the lot hunting for a space if you arrive after 10 am. But there is one Mercedes that doesn’t need to search for very long, and it belongs to Steve Jobs. If there's no easy-to-find spot and he's in a hurry, Jobs has been known to pull up to Apple's front entrance and park in a handicapped space. (Sometimes he takes up two spaces.) It’s become a piece of Apple lore—and a running gag at the company. Employees have stuck notes under his windshield wiper: "Park Different." They have also converted the minimalist wheelchair symbol on the pavement into a Mercedes logo. Jobs' fabled attitude toward parking reflects his approach to business: For him, the regular rules do not apply.
January 5, 2009

Dear Apple Community,

For the first time in a decade, I’m getting to spend the holiday season with my family, rather than intensely preparing for a Macworld keynote.

Unfortunately, my decision to have Phil deliver the Macworld keynote set off another flurry of rumors about my health, with some even publishing stories of me on my deathbed.

I’ve decided to share something very personal with the Apple community so that we can all relax and enjoy the show tomorrow.

As many of you know, I have been losing weight throughout 2008. The reason has been a mystery to me and my doctors. A few weeks ago, I decided that getting to the root cause of this and reversing it needed to become my #1 priority.

Fortunately, after further testing, my doctors think they have found the cause—a hormone imbalance that has been “robbing” me of the proteins my body needs to be healthy. Sophisticated blood tests have confirmed this diagnosis.

The remedy for this nutritional problem is relatively simple and straightforward, and I’ve already begun treatment. But, just like I didn’t lose this much weight and body mass in a week or a month, my doctors expect it will take me until late this Spring to regain it. I will continue as Apple’s CEO during my recovery.

I have given more than my all to Apple for the past 11 years now. I will be the first one to step up and tell our Board of Directors if I can no longer continue to fulfill my duties as Apple’s CEO. I hope the Apple community will support me in my recovery and know that I will always put what is best for Apple first.

So now I’ve said more than I wanted to say, and all that I am going to say, about this.

Steve
Apple Media Advisory

Apple CEO Steve Jobs today sent the following email to all Apple employees:

Team,

I am sure all of you saw my letter last week sharing something very personal with the Apple community. Unfortunately, the curiosity over my personal health continues to be a distraction not only for me and my family, but everyone else at Apple as well. In addition, during the past week I have learned that my health-related issues are more complex than I originally thought.

In order to take myself out of the limelight and focus on my health, and to allow everyone at Apple to focus on delivering extraordinary products, I have decided to take a medical leave of absence until the end of June.

I have asked Tim Cook to be responsible for Apple’s day to day operations, and I know he and the rest of the executive management team will do a great job. As CEO, I plan to remain involved in major strategic decisions while I am out. Our board of directors fully supports this plan.

I look forward to seeing all of you this summer.

Steve
When Jobs took the helm of Apple in 1997, the company was struggling to survive. Today it has a market cap of $105 billion, placing it ahead of Dell and behind Intel. Its iPod commands 70 percent of the MP3 player market. Over six billion songs have been purchased from iTunes. The iPhone is reshaping the entire wireless industry. Even the underdog Mac operating system has begun to nibble into Windows' once-unassailable dominance; last year, its share of the US market topped 9 percent, more than triple its portion in 2003.

It's hard to see how any of this would have happened had Jobs acquiesced to the standard touchy-feely philosophies of Silicon Valley. Apple creates must-have products the old-fashioned way: by locking the doors and sweating and bleeding until something emerges perfectly formed. In Cupertino, innovation doesn't come from coddling employees and collecting whatever froth rises to the surface; it is the product of an intense, hard-fought process, where people's feelings are irrelevant.

Jobs is a notorious micromanager. No product escapes Cupertino without meeting Jobs' exacting standards, which are said to cover such esoteric details as the number of screws on the bottom of a laptop and the curve of a monitor's corners. "He would scrutinize everything, down to the pixel level," says Cordell Ratzlaff, a former manager charged with creating the OS X interface.

But Jobs' employees remain devoted. That's because his autocracy is balanced by his famous charisma—he can make the task of designing a power supply feel like a mission from God. Andy Hertzfeld, lead designer of the original Macintosh OS, says Jobs imbued him and his coworkers with "messianic zeal." And because Jobs' approval is so hard to win, Apple staffers labor tirelessly to please him. "He has the ability to pull the best out of people," says Ratzlaff, who worked closely with Jobs on OS X for 18 months. "I learned a tremendous amount from him."

In keeping with this culture, Apple's secrecy approaches paranoia. Talking to outsiders is forbidden; employees are warned against telling their families what they are working on. Phil Schiller, Apple's marketing chief, once told Fortune magazine he couldn't share the release date of a new iPod with his own son. Even Jobs is subject to the rules. When he took home a prototype of Apple's boom box, the iPod Hi-Fi, he kept it concealed under a cloth.

Secrecy has also served Apple's marketing efforts well, building up feverish anticipation for every announcement. In the weeks before Macworld Expo, Apple's annual trade show, the tech media has been filled with predictions about what product will be unveiled in his keynote address. Consumer-tech Web sites liveblog the speech as it happens, generating their biggest traffic of the year. In the days that follow, practically every media outlet covers the announcements. Harvard business professor David Yoffie has said that the introduction of the iPhone resulted in headlines worth $400 million in advertising.

Still, Apple's radical opacity has, on the whole, been a rousing success—and it's a tactic that most competitors can't mimic. Intel and Microsoft, for instance, sell their chips and software through partnerships with PC companies; they publish product road maps months in advance so their partners can create the machines to use them. Console makers like Sony and Microsoft work hand in hand with developers so they can announce a full roster of games when their PlayStations and Xboxes launch. But because Apple creates all of the hardware and software in-house, it can keep those products under wraps. Fundamentally the company bears more resemblance to an old-school industrial manufacturer like General Motors than to the typical tech firm.
All this plays to Steve Jobs' strengths. No other company has proven as adept at giving customers what they want before they know they want it. Undoubtedly, this is due to Jobs' unique creative vision. But it's also a function of his management practices. By exerting unrelenting control over his employees, his image, and even his customers, Jobs exerts unrelenting control over his products and how they're used. And in a consumer-focused tech industry, the products are what matter. "Everything that's happening is playing to his values," says Geoffrey Moore, author of the marketing tome Crossing the Chasm. "He's at the absolute epicenter of the digitization of life. He's totally in the zone."

PRODUCT LINEUP

Mac

The Mac line and its predecessors of personal computers has been around in various guises and forms since the mid-1980's. The first iMac was introduced in 1998 and the personal computer line has served as the cornerstone of Apple's lineup ever since. In 1999 the Power Mac G3 Blue & White was introduced. Its mini-tower design included an easy-to-open latch that made it simple to upgrade or repair. The design (or variations of it) has been seen in all Mac mini-towers since its introduction.

Also in 1999, the first iBook was introduced. With its rugged and colorful design, Apple targeted the product to education markets. The iBook sported the first version of Mac OS X Server, QuickTime, and other new server technologies. The 2001 update was the first notebook to have a metal case that has been used in all higher-end Apple notebooks since that time; a more traditional white plastic case was also introduced for Apple's lower-end notebooks.

In 2006, the first Macs to run Intel processors were introduced at the Macworld Expo in January. The first available Intel Macs were the iMac and the MacBook Pro, although Apple completed the transition of all Mac product lines to Intel by the end of the year. Later that year, Mac OS X 10.5 Leopard ships, selling more than 2 million copies in the first weekend. The MacBook Air, released in 2008, becomes the lightest and thinnest Mac notebook ever produced.

The current Mac line features three notebooks (the MacBook, the MacBook Pro, and the MacBook Air) and three desktops (the iMac, the Mac mini, and the Mac Pro). All are marketed as a combination of "brains and beauty"—the world's most advanced operation system in an aesthetically pleasing glass and aluminum case. Each is shipped with the latest operating updates installed and is ready to go when received. Figure 3 shows the 2008 Apple MacBook Line.

Mac sales have increased each year since 2003, accounting for approximately 44% of total revenues for Apple in 2008. This was an increase from 2007 (43%) and 2006 (38%). The rate of recent growth in Mac Sales has outpaced the industry. Apple, like other computer manufacturers, has seen a shift in consumer preference toward notebook computers; this trend continues to accelerate. Figure 4 shows the desktop and notebook sales by year from 1999-2008.
iPod

Tony Fadell, a former employee of General Magic and Phillips, envisioned a brand new MP3 player. Unlike the bulky flash memory-based MP3 players from other companies, Fadell wanted to deliver a small hard drive-based player that was linked with a content delivery system where users could legally obtain and download music. Rebuffed by several companies, Fadell turned to Apple, which years before had sworn off consumer electronics. He was hired in early 2001 and was given a deadline of one year to release a successful product.
The initial iPods used 5 GB Toshiba hard drives that were the size of a quarter, ARM processors, a large high resolution display, a lithium polymer battery, and the most recognizable aesthetic feature of the device - the scroll wheel. Instead of using skip buttons, a user could spin a wheel on the front of the device to scroll through a list of songs to find the song the user wanted to play. The same wheel was also used to control the menus of the system. As a result, it was much easier to navigate through the iPod's playlist than the comparable players.

A major hardware revision came in 2003. The third generation iPod had no mechanical buttons. The function buttons were moved to just below the screen and were solid state, like the scroll wheel. The new version also sported a new dock connector that supported both FireWire and USB 2.0, making it easier for PC users to connect to their iPods. In addition, the new model incorporated lithium-ion batteries. Capacities ranged from 10 GB up to 40 GB. The most important 2003 update to the iPod was not actually a hardware or software feature. It was the iTunes Music Store. The iPod now had a fully legal supply of content, and made it easier for Apple to rationalize cutting the price of the iPod now that it had another revenue source.

2004 saw several significant events. Early in 2004, the iPod mini was released. The mini had a capacity of 4 GB and was available in five different colors. Because of its size, the controls of the iPod had to be rearranged to fit on the mini. The function buttons were moved to the scroll wheel under a small screen. At $249, the mini cost much less than many flash-based players available at the time and it had a much higher capacity. In mid-2004, Newsweek featured the iPod and Steve Jobs on the front cover. In October, Apple released the color iPod photo. The iPod photo was identical to an ordinary iPod, but it had a larger battery and more hard drive capacity in addition to a color display. The device did not play movies, but users could browse photo albums. It also showed album covers for songs while they played.

Apple released its first flash-based iPod Shuffle in early 2005. The new player was the size of a pack of gum and costs $99 (for the 512 MB version). This made it a great value among MP3 players, with most comparably priced players providing half the storage capacity. Later that year, the iPod nano was introduced as the successor to the iPod mini and the fifth generation iPod was released. This release was as significant to Apple as the creation of the iTunes Music Store back in 2002; the fifth generation iPod was capable of playing videos purchased online. Both the nano and video-enabled iPod were equipped with more features including a calendar, address book and games, making the devices behave more like PDA’s than pure music players.

In September 2006, Apple replaced the original iPod nano with a more rugged, aluminum-clad model. The 2G nano remained tiny, gained a brighter screen and an improved battery life. At the same time that Apple introduced the second generation nano, the company unveiled the second generation iPod shuffle. Like the new nano, it was encased in aluminum and like the original shuffle, it had no screen. Unlike any previous iPod, it had a built-in clip. And it remained tiny, barely big enough for a clickwheel.

On September 5, 2007, Apple unveiled a completely revised iPod line. The iPod touch, which looks a lot like the iPhone, is basically an iPhone without the phone and camera. The traditional full-sized iPod was renamed the iPod classic and a 160 GB model was released. The iPod nano was morphed from a slim, brushed aluminum design to a wider, powder finished aluminum with a new high resolution two-inch display. The iPod shuffle also received a powdered aluminum
finish facelift. The iTunes Wi-Fi Music Store for the iPhone and iPod touch was also opened. Figure 5 shows the Apple iPod family in 2008.

FIGURE 5
APPLE iPOD FAMILY (2008)

Since its initial release in 2002, iPod sales have grown every year. Apple’s continual innovations and diversification of the product line has maintained the iPod’s position as “the” MP3 player. Many consumers own more than one unit and multiple websites and Internet forums are devoted to rumors and “inside information” about forthcoming models. Table 1 shows Apple iPod sales by year from 2002-2008.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>381</td>
</tr>
<tr>
<td>2003</td>
<td>939</td>
</tr>
<tr>
<td>2004</td>
<td>4,416</td>
</tr>
<tr>
<td>2005</td>
<td>22,497</td>
</tr>
<tr>
<td>2006</td>
<td>39,409</td>
</tr>
<tr>
<td>2007</td>
<td>51,630</td>
</tr>
<tr>
<td>2008</td>
<td>54,828</td>
</tr>
</tbody>
</table>

The iPod has dominated the personal MP3 player market since its initial release, not only in market share as measured by the number of units sold but also in market share as measured by dollar volume of sales. Table 2 shows Apple iPod market share as measured by number of units sold and dollar volume of sales from 2004-2008.
TABLE 2
APPLE IPOD MARKET SHARE 2004-2008

<table>
<thead>
<tr>
<th>Year</th>
<th>By Units Sold</th>
<th>By Dollar Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>56%</td>
<td>71%</td>
</tr>
<tr>
<td>2005</td>
<td>72%</td>
<td>83%</td>
</tr>
<tr>
<td>2006</td>
<td>72%</td>
<td>85%</td>
</tr>
<tr>
<td>2007</td>
<td>70%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Even as sales have increased, the iPod share of Apple total revenue has declined. In 2006, iPod and related music sales accounted for almost one-half of Apple revenues; this percentage declined to 45% in 2007 and 38% in 2008. The further decline in 2008 is at least partially the result of the release of the iPhone. iPhone sales in 2008 accounted for 6% of total Apple revenues.

iPhone

In 2002, shortly after the first iPod was released, Jobs started thinking about developing a cell phone. He saw millions of Americans lugging separate phones and MP3 players; naturally, consumers would prefer just one device. He also saw a future in which cell phones and mobile email devices would amass ever more features, eventually challenging the iPod's dominance as a music player. To protect his new product line, Jobs knew he would eventually need to venture into the wireless world.

If the idea was obvious, so were the obstacles. Data networks were sluggish and not ready for a full-blown handheld Internet device. An iPhone would require Apple to create a completely new operating system; the iPod's OS wasn't sophisticated enough to manage complicated networking or graphics, and even a scaled-down version of OS X would be too much for a cell phone chip to handle. Apple would be facing strong competition, too: In 2003, consumers had flocked to the Palm Treo 600, which merged a phone, PDA, and BlackBerry into one slick package. That proved there was demand for a so-called convergence device, but it also raised the bar for Apple's engineers.

Then there were the wireless carriers. Jobs knew they dictated what to build and how to build it, and that they treated the hardware as little more than a vehicle to get users onto their networks. Jobs, a notorious control freak himself, wasn't about to let a group of suits tell him how to design his phone. Steve Jobs announced the iPhone during the Macworld Expo keynote address in January 2007. The iPod-sized device runs OS X and is unlike any smartphone that preceded it. Unlike any previous iPod, there's no scrollwheel at all. Unlike the traditional cellphone, there are no buttons for dialing phone numbers. The iPhone has only one button; everything else is handled via its 3.5" 480 x 320 touchscreen. The iPhone has all the functionality of a video iPod and the ability to automatically rotate screen content based on the iPhone's orientation.

The iPhone was released on Friday, June 29, 2007. It was first available only in the US and sold exclusively through The Apple Store and AT&T Wireless company stores. Apple reported sales of 270,000 units in its first shipment, and AT&T noted that 147,000 were activated that first weekend. By the end of 2007, it was the best selling cell phone that ATT had ever carried and total sales reached 1.4 million units.
The iPhone 3G was introduced in 22 markets on July 11, 2008, and its software was available as an upgrade for owners of the original iPhone. Perhaps the most significant change was the introduction of the iPhone App Store, where iPhone owners could download free and commercial programs for their iPhones. The '08 iPhone is available in 8 GB and 16 GB configurations worldwide and a 4 GB configuration in select market. Apple sold over 11.5 million iPhones worldwide in 2008. Figure 6 shows the 2008 iPhone.

FIGURE 6
APPLE iPhone (2008)

WHAT’S NEXT FOR APPLE?

The Mac, iPod, and iPhone have been hugely successful products for Apple. Primarily due to sales of these product lines, firm revenues increased almost four-fold from 2004-2008 while earning per share (EPS) increased from $0.36 in 2004 to $5.36 in 2008. Table 3 shows revenue and earnings per share for Apple from 2004-2008.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ billions)</th>
<th>Earnings per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>8,279</td>
<td>$0.36</td>
</tr>
<tr>
<td>2005</td>
<td>13,931</td>
<td>$1.55</td>
</tr>
<tr>
<td>2006</td>
<td>19,315</td>
<td>$2.27</td>
</tr>
<tr>
<td>2007</td>
<td>24,006</td>
<td>$3.93</td>
</tr>
<tr>
<td>2008</td>
<td>32,479</td>
<td>$5.36</td>
</tr>
</tbody>
</table>
However, increased competition and the global economic slowdown have reduced the earnings per share forecast to $5.18 in 2009.

Technology remains the most highly competitive industry in the global economy. Apple has thrived in this environment due to a combination of hard work, innovative design, and a focus on customer need satisfaction; a driving force behind their success has been the leadership of Steve Jobs.

What’s next?
Apple: Another Byte
AGENDA

• Strategic Issue
• Recommendation
• Environmental Analysis
• Firm Analysis
• Options
• Implementation
• Conclusion
Strategic Issue

• Apple is facing a projected decline in earnings per share in 2009 and must assess the future leadership of the organization
Recommendation

• Apple must manage, plan, and execute a transition from one CEO to the next emphasizing positive outcomes for all key stakeholders.

• Apple must introduce new products to target the decline in the PC market and to address their stagnant product line.
Personal Technology Industry
Key Success Factors

• **Branding** – Product recognition in the industry
• **Innovation** – Creating new products through R&D
• **User friendliness** – Ease of use for consumer
• **Sales & marketing** – Ability to effectively sell products
• **Strong Management** – Ability to enable the firm to be innovative and efficient
• **Distribution** – Assembly of products, worldwide consumers
Trends

• Increased demand for portability
  - *Increased notebook sales*
  - *Increased “netbook” segment*
  - *Stabilized growth in desktop market*

• Increase in smartphone sales
  - *Increased competition and offerings*

• Decrease in MP3 player sales
Analysis of Apple
<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Loyalty</td>
<td>Steve Jobs – dependency</td>
</tr>
<tr>
<td>Steve Jobs – strong leader</td>
<td>Limited to premium segment</td>
</tr>
<tr>
<td>Corporate culture - innovation</td>
<td>Corporate culture</td>
</tr>
<tr>
<td>Research and Development</td>
<td></td>
</tr>
<tr>
<td>Viral marketing – Consumer promotions through groups</td>
<td></td>
</tr>
</tbody>
</table>
Apple’s Roots of Competitive Advantage

**Resources**
- Capital
- Unique facilities
- Proprietary technology
- Brand

**Distinctive Competencies**
- Superior quality
- Superior innovation
- Superior customer responsiveness

**Capabilities**
- Cultural norms and values
- Innovation
- Control systems

**Differentiation Strategy**

**Competitive Advantage**

**Superior Profitability**
Options
Option 1

Maintain leadership and introduce new products

• Allows Steve Jobs to remain as CEO with Tim Cook running day-to-day operations
• Maintain current roll out of products with incremental innovations as well as introducing a radical new addition to the product line

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Keeps Steve Jobs as focal point</td>
<td>• Does not solve leadership issue</td>
</tr>
<tr>
<td>• Addresses EPS issue through new product</td>
<td></td>
</tr>
</tbody>
</table>
Option 2

Change leadership and maintain status quo in production

• Introduce succession planning
• Maintain current introduction of incremental innovation

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Succession plan in place</td>
<td>• Does not address EPS issue</td>
</tr>
<tr>
<td>• Stock price does not fall due to stability</td>
<td>• Potential loss of customers due to departure of Steve Jobs</td>
</tr>
</tbody>
</table>
Option 3

Change leadership and introduce new products

- Introduce succession planning
- Incremental innovation of existing products
- Introduce new product(s) to consumers

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Addresses EPS issue</td>
<td>• Possible loss of brand loyalty with customers</td>
</tr>
<tr>
<td>• Addresses leadership issue</td>
<td></td>
</tr>
<tr>
<td>• Stock price does not fall</td>
<td></td>
</tr>
<tr>
<td>• Increases product hype</td>
<td></td>
</tr>
</tbody>
</table>
# Decision Matrix

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Innovation</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>User Friendliness</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Strong Management</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Distribution</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>7</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

**Rankings**
- 3 = Focuses On This Criteria
- 2 = Targets Criteria Effectively
- 1 = Somewhat Targets Criteria
- 0 = Does Little To Target Criteria
Recommendation

• Apple must manage, plan, and execute a transition from one CEO to the next emphasizing positive outcomes for all key stakeholders.

• Apple must introduce new products to target the decline in the PC market and to address their stagnant product line.
Recommendation

• We recommend Option 3: Change leadership and introduce new products because it targets:

  – Key success factors identified
  – Growth potential in EPS
  – Leadership issues
Implementation
Implementation

Short Term
Mar 2009 – Sep 2009

• Succession Strategy
  – Board of directors, Steve Jobs and an outside consulting group must:
    • Develop a methodical approach to identify desirable CEO characteristics
    • Draw out a short list of potential candidates
      Tim Cook – responsible for current operations
      Philip Schiller – worldwide marketing
      Tony Fadell – innovator
      External to company – no prior obligations to firm
Implementation

Short Term
Mar 2009 – Sep 2009

• Research and Development
  – Identify a new product and begin research and design
    • Netbook
  – Continue to develop incremental innovations to exiting product lines

• Marketing
  – Announce that a new product is to be developed – but no further details
  – Allow consumer hype
  – Decrease price of iPhone by 10%
Netbook Life Cycle

- Introduction
- Growth
- Maturity
- Decline

Implication:
- Growing demand
- Willingness to pay
- Potential technological innovation
Implementation

Short Term
Mar 2009 – Sep 2009

• Operations
  – Increase production of iPhone by 100%
  – Maintain current production of iPod Nano
  – Reduce production of iPod Classic by 50%
  – Increase laptop production by 30%
  – Maintain production of desktops
Implementation

Medium Term
Sep 2009 – Mar 2010

• Succession Strategy
  – Determine the candidate whose characteristics best fit the firm’s strategic needs

• Marketing
  – Announce release of Apple’s new netbook line “iNet” at MacWorld Expo 2010

• Operations
  – Reduce production of iPod Classic by 25%
  – Begin production of iNet
Implementation

• Succession Strategy
  – Introduce new responsibilities to the selected candidate such as overseeing management team meetings, approving products, and representing Apple to the public

• Research and Development
  – Develop and modify existing smart-phone technology to target business consumers
Implementation

- Marketing
  - Market new iNet as THE all-in-one, user-friendly netbook
  - Utilize viral marketing resources
  - Increase market share of iPhone especially to businesses

- Distribution
  - Begin distribution through existing channels
    - Apple store
    - Online
Competitive Response

• Competitors in Netbook segment
  – Dell
  – Acer
  – Asus
  – Toshiba
  – Etc.

  • Lower prices of existing products
  • Increase innovation
## iNet Sales Forecast

<table>
<thead>
<tr>
<th>Revenue (millions)</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Sales</td>
<td>5,600</td>
<td>7,700</td>
</tr>
</tbody>
</table>

Assumptions - unit price $700

<table>
<thead>
<tr>
<th>EPS</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth as % of 2008 sales</td>
<td>-</td>
<td>17.24%</td>
<td>27.55%</td>
</tr>
</tbody>
</table>
Conclusion

• Apple is facing a projected decline in earnings per share in 2009 and must assess the future leadership of the organization.

• In order to address this issue, Apple should change leadership and introduce new products.

THANK YOU
Appendices
Competitive Landscape

• Computer Division
  – Toshiba
  – Acer
  – Gateway
  – HP
  – Asus

• Smartphones
  – Samsung
  – Sony
  – Nokia
  – RIM
  – Palm

• MP3
  – Samsung
  – Creative
  – Microsoft
  – Sony
Relevance and EPS growth comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Billions)</th>
<th>% Growth</th>
<th>EPS</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$13,931</td>
<td>-</td>
<td>1.55</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>$19,315</td>
<td>38%</td>
<td>2.27</td>
<td>46%</td>
</tr>
<tr>
<td>2007</td>
<td>$24,006</td>
<td>24%</td>
<td>3.93</td>
<td>73%</td>
</tr>
<tr>
<td>2008</td>
<td>$32,479</td>
<td>35%</td>
<td>5.36</td>
<td>36%</td>
</tr>
</tbody>
</table>

Average Revenue Growth 32.33%
Average EPS Growth 51.67%
EPS Growth / Revenue Growth 159.79%