

CASE (MEMO) GUIDELINES

Although the following guidelines are written primarily for memos to management (cases), many of the ideas are broadly applicable to other projects.

Probably the most important charge of businesses executives is to *make decisions* about what the firm should be doing now and in the future—and how we can prepare for the future. **IT IS NOT ENOUGH MERELY STUDY WHAT HAS MADE THE FIRM SUCCESSFUL SO FAR.** Instead, we must focus on what will make us successful in the future. The market changes in many ways. For example:

- *Change in customer tastes, expectations, or product knowledge.* During the 1980s, for example, the beef industry in many industrialized countries was faced with a consumer trend toward healthier diets.
- *Change in the competitive scene.* U.S. and Japanese high tech firms are facing increasing competition from firms in developing countries. Where in the past vast capital investments were required to enter a market, the technology is now more affordable, and developing countries can add to this factors such as a labor cost advantage.
- *Change in technology.* Travel agents, as they existed in the past, are an endangered species because they can easily be bypassed by buying tickets directly on the Internet. To survive, they must offer something that Internet based sellers do not.
- *Change in the firm itself.* A firm changes over time, both in positive and negative ways. Firms like IBM have been accused of growing “stale” and may have become stifled by a large bureaucracy, a contrast to the firm’s more entrepreneurial days. On the positive side, the firm has gained new assets—including knowledge, technology, brand equity, and cash reserves.
- *Other changes* (e.g., economic cycles, emerging political pressures).

In approaching your memo (case analysis), you should pretend to be a consultant hired by the firm. Your charge is to apply class concepts to the needs of the firm--what can the firm do to improve its marketing efforts in the given situation and/or remain successful in the future? **Note that the emphasis should be on what the firm *should* be doing, or thinking about doing, rather than what is currently being done--today's solutions are unlikely to work tomorrow in a rapidly changing global environment.**

(If this charge sounds ambiguous, keep in mind that a firm needs to rely on the self-direction and insight of a manager or consultant to recognize and attack issues that are most critical and relevant. At the risk of using a cliché, as in learning to ride a bicycle, there is no substitute trying on one’s own).

ANALYZING THE CASE

Identifying issues. Keeping in mind that the firm has hired you to give advice on how it can best prepare for future success, you will first need to identify important issues facing the firm. Some will be evident in the main case article, and others may “creep up” as you read other articles. The following, for example, could be a “red flag” calling for the management’s attention:

- Your firm is currently the market leader, but new competitors are emerging in developing countries. So far, they have not been able to secure much of the market, but they are aggressively investing in R&D. What is more, the lower labor costs that some of these firms use could be a real threat.
- Walt Disney has been successful marketing its films around the World. On the one hand, many foreign consumers are fascinated with “things American;” on the other hand, some of these consumers worry about Hollywood’s potential to erode their national cultures.
- The Russian economy is improving dramatically, and there is a growing segment of consumers who can afford luxury products. L’Oreal would like to take advantage of this, but it is very difficult to have its product distributed outside Moscow and St. Petersburg—a lot of merchandise simply disappears. There is also a serious concern about organized crime.

Situation analysis. Each case is different, and different issues will be important for each one. Which of the following types of questions are most important, and what are the implications for the firm?

- **Who are the current and potential competitors?** Note that identifying competitors is *not* simple! For example, all of the following compete in some sense against Disney movies: Fast food restaurants, children’s books, cable television, films from other labels, the Internet, and toys. These all serve the purpose of entertainment and compete for the consumer’s time and money. Some obviously are more significant than others—for example, school supplies represent a small threat to Disney and are not worth managerial attention. However, note that the competitive structure might be different between countries. For example, in the U.S., McDonald’s and Starbuck’s are not serious competitors—they provide very different benefits, often consumed at different times of the day. In China, however, both of these provide an expensive opportunity to take in the American mystique!
 - What are the main competitors’ strengths and weaknesses?
 - What appears to be these competitors’ strategy? Do they compete aggressively or try to “carve up” the market into different segments?
- **The consumers and/or other customers.** U.S. markets are generally dominated by the middle class, although we do have large markets for premium and budget products, too. In Brazil, in contrast, the middle class is modest. Although there are some very wealthy consumers, most of the country is made up of very poor people. Some possibly relevant issues:
 - How large is the market? How large a part of the population could become potential customers?
 - Realistically speaking, how many can afford the product?
 - Do consumers tend to have relatively uniform preferences, or are there large segment differences?
 - How rapidly is the market likely to grow?
 - How does the country’s culture impact how the product is likely to be received?
- **The country.**
 - How stable is the country politically? If unstable, what are implications for the firm?
 - What might be some relevant country laws, and how consistently are they enforced?
 - How favorable is the country’s government toward your firm, country, and/or product?

- How large are applicable taxes, fees, and import duties?
- To what extent might the country favor domestic manufacturers?
- What is the country infrastructure like, and are specific implications for the firm? Some variables might include:
 - Availability of a steady, reliable power supply.
 - Access to markets—both through deep harbors, roads, rail-roads, and through existing distribution structures.
 - Extent of media availability—e.g., few Indian consumers have television sets.
 - Repair and service facilities for the product.
- **The firm's resources**
 - Globally:
 - Technology
 - Financial resources
 - In the host country/countries:
 - Financial resources allocated to the venture
 - Understanding of the local market, either through locally experienced staff or partnership with a domestic or regional firm
 - Brand equity among local consumers/country of origin effects
 - Favorable relations with the national and local governments
 - Access to distribution

Can anything be learned from the firm's experiences? When a firm has learned something from its past experiences, recounting these may be useful *but only to the extent that this discussion has clearly articulated implications for present and future decisions*. For example, if a case observes that a firm got "burned" in its early entry because it underestimated the importance of quality packaging to the Japanese consumer, this should lead to the offering of *solutions* to the problem.

Note that we can usually learn a great deal from studying (a) the firm's experiences in other countries and (b) the experiences of competitors. Note, however, that we must try to adapt learning to the present situation.

Options, opportunities, contingencies, and additional research needed. Even if, on the surface, the question appears to be whether a firm should enter a particular market or not, we will usually find that if entry has any merit, a more important question is **HOW?** Is the right strategy, for example:

- To enter the market alone, setting up local production facilities and investing a great deal in advertising and brand building?
- To enter cautiously, mostly to learn about the market, and only gradually committing more resources?
- To partner with a local firm?

Other questions might address issues such as how the product should be positioned (e.g., in the U.S., should Mercedes-Benz emphasize its safety record, the performance and driving experience, or both?)

It is useful to identify several different strategic options available to the firm and discuss the pros and cons of each—ultimately, it is the management and not its consultant who will make the decisions. Also note that although you may strongly favor one strategy, few strategic options are completely without downsides or risk. What are some problems or risks associated with each idea you present, how serious are these problems, are there any ways to mitigate

these problems, and what are the potential rewards for taking identified risks? How do these compare between the options?

Note here that some questions cannot be answered definitely. Therefore, you will provide a valuable service by pointing out to the management the *specific issues* that deserve additional market research and how this research should be performed.

CRITERIA USED IN GRADING THE CASE

Ultimately, the grade on a memo will be based on its perceived value to the management that invested in it. This is a somewhat subjective measure, but that is how people are evaluated on the job! The following criteria are likely to influence a report's value, however:

- Quality of research—the number, scope, currency, and credibility of sources and how well the writer appears to have understood and integrated these sources.
- Focus on NEW ideas, as opposed to dwelling on what has already been done.
- Focus on significant and actionable issues.
- Quality of analysis, as evidenced by
- Use of good and explicit logic and facts in reaching and supporting conclusions.
- Reasoning being clearly spelled out.
- A clear indication to where in the world a discussion applies. When information from one country (e.g., the U.S. market) is applied in a different area, the rationale and justifications for this are spelled out.
- **“Tailoring” to the specific firm, with the report written with its management as readers in mind.**
- Quality of writing.
- Overall level of professionalism.
- Extent to which issues discussed relate to course topics. **THIS IS A COURSE IN INTERNATIONAL MARKETING!**

SOME CLOSING COMMENTS

Some things to do:

- **Creativity is strongly encouraged.** It is better to come up with several new ideas of things that might be done even if some of these will eventually prove unrealistic or otherwise infeasible. These can always be discarded by the firm after additional research and analysis.
- To illustrate an idea, it is often useful to come up with a **sketch of a creative advertising campaign or other appropriate marketing effort**-e.g., what might be a good slogan or advertising copy? Although this will not be the final thing, it will help the management relate.

Some things to avoid:

- Hyperbole or other exaggerations.
- Belaboring what has been mentioned in the case. If you raise such points, you must add value in the form of discussion on how these issues should be addressed.
- Empty “buzz” words. Fancy words mean little if it is not evident that you know what they mean.
- Cliches.
- “Journalize” and sensational writing (words such as “mania,” “craze,” “guzzle,” “binge”).

- The term “et cetera” (“etc.”)—have you really thought out these additional points or instances and even if so, are those readily obvious to the reader?
- Excessive use of quotes (paraphrasing is preferable). A quote should be at the very least be introduced, (e.g., “According to Josephine Doe, international consumer goods analyst at Arthur Anderson...”) and should preferably be paraphrased unless it is exceptionally succinct, insightfully phrased, ironic, otherwise forceful, or revealing, as appropriate, of a significant player’s personality, predisposition, or strategy.

**INDICATORS OF SUPERFICIALITY:
AVOIDING HYPERBOLE, CLICHES, AMBIGUITY,
AND EMPTY “BUZZ WORDS”**

The following are examples of statements made in cases that will tend to prejudice an educated and thoughtful reader against the writer.

MEANINGLESS AMBIGUITY

- “StarMedia should focus on the community it offers, which Latin Americans seem to be demanding, to maintain their early mover advantage.”
- “... StarMedia needs to, nonetheless, persevere and to establish itself as a leader in developing and tailoring the market to appeal to Spanish speakers. However, the company must be careful to steer clear of stereotyping and must always be educated and ware of the complexities and the uniqueness of the region.”

HYPERBOLE—general statements that at best represent exaggerations and ambiguity—e.g.,

- “[StarMedia] need only continue the following programs for prosperity in the future.” [First of all, unless the “programs” in question have been specified very precisely, the statement is not meaningful. Secondly, the term “prosperity” is not a business term and is overly vague. Thirdly, there is authority or compelling reasoning to suggest that the programs will continue to work in the future.]
- “Having all these partnerships make it difficult for StarMedia to lose overall market share...” [In truth, losing market share (unlike body weight!) is very easy. A more meaningful statement might be that these partnerships might “help ameliorate threats to market share.”]
- “Everyone has been trying to get a piece of the Spanish-speaking Internet market.”

CLICHES—“over-worn” phrases or “dime-store philosophy”—e.g.,

- “... has grown by leaps and bounds.”
- “Time will only tell what will become of StarMedia....”

EMPTY “BUZZ WORDS”—fancy terms mean very little when it is not demonstrated that the writer fully understands what they mean and how they apply in the respective context—e.g.,

- “Here are three factors that would allow StarMedia to succeed:
 - “Leveraging technological capabilities. [There is no indication that the writer has thought of how the term applies here—but it sounds fancy and profound!]
 - “Forging corporate partnerships early on. [When exactly should these happen? The firm has been in operation for some time now—is it too early, too late, or about time now? What kinds of partnerships should be forged?]
 - Collaborating with customers.” [How?]
- “StarMedia should compete in Latin America and the U.S. by being aggressive and leveraging its brand names, advertisers, and strategic partners.” [Easier said than done! Some relatively specific suggestions are needed for this mouthful to have any value.]

STATEMENTS WITHOUT ARTICULATED OR ADEQUATELY IMPLIED LOGIC [Note: Some of these conclusions might have had merit if supporting evidence or reasoning were to follow immediately after their assertions.]—e.g.,

- “[StarMedia] is the leading Internet site in Latin America, with many dependent customers, so it will continue to grow.”
- [StarMedia] has developed seven different versions ad... This is why StarMedia has survived and why it has been so popular, and why it will continue to be.”
- “One way for StarMedia to generate more revenues is to advertise more.”
- “With a low stock price, but with strong future annual reports, more investors will begin to invest.” [What is a “strong annual report” and how do we know that these will occur in the future?]

OVERLY GENERAL OBSERVATIONS—e.g.,

- “[It] would be more advantageous for Maytag to pursue entry into the Japanese market in conjunction with enterprises that are well entrenched in the market and can bring considerable knowledge and experience to the partnership. Simply, these partnerships should share complementary strengths in business, brands, and products.”

COMMON PROBLEMS IN QUOTATIONS AND CITATIONS

“Citing” and “quoting” involve different techniques. In *citing* a source, one merely gives it credit by indicating it as an authority or source of information for a statement. Suppose you read the following paragraph in the article “Rapping Against a Cultural Wall” by James Q. Interscopulus in the August 23, 2000 issue of *International Journal of Rappology* (volume 4, issue 2), on pages 423-450:

Rap music first spread in major U.S. cities, and subsequently gained a following in suburban areas. It did not take long before this genre spread to Western European and the more affluent Asian countries. However, any promise of sales in Latin America and the Middle East has largely gone undelivered so far.

Rather than quoting this in its entirety, you could more concisely write:

It appears that rap music has so far met success in North America, Western Europe, and certain more affluent Asian countries, with penetration in Latin America and the Middle East so far being quite limited. (Interscopulus, 2000).

Either as a footnote, or in a separate bibliography (or “works cited”) section at the end of the paper, you would then need a *complete identification* of this source—e.g.,

Interscopulus, James Q. (2000), “Rapping Against a Cultural Wall,” *International Journal of Rappology*, 4(2), 423-450.

Note that you should refer to the actual publication. **It is irrelevant, for purposes of documentation, that you actually got the article through Lexis-Nexis or Business & Industry.**

Generally, it is better to *paraphrase* statements made in articles and other documents. A direct quote of more than a few words should ordinarily be used only under exceptional circumstances—e.g., when it is exceptionally succinct, insightfully phrased, ironic, otherwise forceful, or revealing, as appropriate, of a significant player’s personality, predisposition, or strategy.

Note that occasionally using just a few judiciously selected words from a quote may add a nice flavor. For example:

John Smith, lead petrochemicals analyst at Arthur Anderson & Co., remarked that it is “quite unlikely” that Nigeria will be able provide a “sufficiently dependable” supply benzine for major industrial customers.

Frequently, direct quotes tend to be longer than a good paraphrase, and the reader will not be spending time thinking about what kind of point the direct quote was intended to make.

If you do decide to use a quote, it must be *introduced* in some way. Examples:

- According to Jack Intrascopolus, a leading authority on “rapponomics” (the economics of rap music), “The prospects for rap music in the Middle East, at the moment, appear to be...”
- One observer suggests that “While Japanese consumers now seem to relatively comfortable with the idea of imported water melons...”
- So far, there appears to be little consensus on prospects for satellite based radio outside the United States. One analyst states bluntly: “Frankly, I do not see how the heavily over-taxed Europeans, who have not grown up with extensive choices in media,”

**SOME CRITERIA USED IN THE EVALUATION OF
MEMOS TO MANAGEMENT**

NOTE: While all the issues below are important when relevant, the ones marked with an asterisk are particularly so. For certain fundamental issues, performance at and above the acceptable level is not rated as it is reflected in more general measures.

CRITERION	RATING
*RESEARCH —as appropriate:	
Sufficient number of sources	F 0 1 2 3 4 5 6 OK
*Consistent quality of sources	F 0 1 2 3 4 5 6 OK
Sufficient diversity of sources	F 0 1 2 3 4 5 6 7 8 9 10 +
Research—overall	F 0 1 2 3 4 5 6 7 8 9 10 +
Country specific	F 0 1 2 3 4 5 6 7 8 9 10 +
Product specific	F 0 1 2 3 4 5 6 7 8 9 10 +
Local market characteristics	F 0 1 2 3 4 5 6 7 8 9 10 +
*Research based on markets, competitors, and environment rather than the target firm itself	F 0 1 2 3 4 5 6 OK
*Sources are explicitly cited and properly documented	F 0 1 2 3 4 5 6 OK
The publisher/writer and its possible biases are clearly identified	F 0 1 2 3 4 5 6 OK
FOCUS AND ORIENTATION	
*Focus on international, as opposed to merely U.S., issues	F 0 1 2 3 4 5 6 OK
*Focus on NEW ideas rather than simply regurgitating current strategy	F 0 1 2 3 4 5 6 7 8 9 10 +
Identification of relevant issues	F 0 1 2 3 4 5 6 7 8 9 10 +
Identification of any relevant assumptions	F 0 1 2 3 4 5 6 OK
Identification of any additional research needed	F 0 1 2 3 4 5 6 7 8 9 10 +
*Tailoring analysis, reporting, and applications to the target firm rather than to the industry in general	F 0 1 2 3 4 5 6 7 8 9 10 +
*Issues addressed focus on course-relevant topics	F 0 1 2 3 4 5 6 OK
*It is clear to which part(s) of the World the discussion applies at all times	F 0 1 2 3 4 5 6 OK
WRITING QUALITY	
*Overall	F 0 1 2 3 4 5 6 7 8 9 10 +
Grammar	F 0 1 2 3 4 5 6 OK
Punctuation	F 0 1 2 3 4 5 6 OK
*Precision, word choice, and readability	F 0 1 2 3 4 5 6 7 8 9 10 +
*Conciseness and organization	F 0 1 2 3 4 5 6 7 8 9 10 +
*Apparent proof-reading	F 0 1 2 3 4 5 6 OK

ANALYSIS	
*Analysis of information cited	F 0 1 2 3 4 5 6 7 8 9 10 +
*Evaluation of opinions in cited sources	F 0 1 2 3 4 5 6 7 8 9 10 +
*Adequate elaboration on ideas proposed	F 0 1 2 3 4 5 6 7 8 9 10 +
Facts cited are consistent with the article or differences are explicitly explained	F 0 1 2 3 4 5 6 OK
Adequate elaboration on issues	F 0 1 2 3 4 5 6 7 8 9 10 +
*Identification of advantages and disadvantages of different strategic options	F 0 1 2 3 4 5 6 7 8 9 10 +
*Highlighting of information relevant for managerial decisions rather than info beyond the management's control and not useful in decision making)	F 0 1 2 3 4 5 6 7 8 9 10 +
*Reasoning behind conclusions is adequately spelled out	F 0 1 2 3 4 5 6 7 8 9 10 +
*Conclusions supported by good logic	F 0 1 2 3 4 5 6 7 8 9 10 +
*Conclusions supported by facts rather than mere personal opinion	F 0 1 2 3 4 5 6 OK
*Where information about one country's market is generalized to others, this is done explicitly and with justification	
REPORT QUALITY	
*Thrust toward <i>consulting</i> rather than passive journalism	F 0 1 2 3 4 5 6 OK
*Demonstrated understanding of concepts applied	F 0 1 2 3 4 5 6 7 8 9 10 +
*Extent to which the writing appears aimed at the management of the firm	F 0 1 2 3 4 5 6 7 8 9 10 +
Balance between conciseness and providing sufficient background information	F 0 1 2 3 4 5 6 OK
Report is completed in a manner consistent with instructions	F 0 1 2 3 4 5 6 OK
OVERALL EVALUATION	
Overall level of professionalism	F 0 1 2 3 4 5 6 7 8 9 10 +
*Impression that management would be satisfied with this return on the consulting investment	F 0 1 2 3 4 5 6 7 8 9 10 +

If nothing is indicated for a particular criterion, this will generally indicate that the performance here is acceptable and neither exceptionally good nor poor.

Problems if checked:

- Hyperbole or other exaggerations
- Use of empty "buzz" words
- Over-use of cliches
- Use of "journalize" (words such as "mania," "craze," "guzzle," "binge")
- Use of the term "et cetera" ("etc.")
- Excessive use of quotes
- Quotes not properly introduced
- Ideas are not discussed in sufficient detail to be meaningful.
- Few if any original ideas are added here.
- The memo is not sufficiently "tailored" to the firm—discussion is frequently at the level of generality of a textbook
- Failure to cite sources to an adequate extent
- Failure to address course issues
- Failure to identify relevant assumptions
- Failure to spell out reasoning
- Overall failure to follow instructions

If checked, please see the instructor during office hours to discuss your performance on this memo.

CHECKLIST FOR MEMO TO MANAGEMENT

Name: _____ Target firm or case #: _____

Content:

- ___ The write-up emphasizes what the firm should do or should be thinking about doing rather than what it is already doing.
- ___ When reference is made to current or past practices or past problems/mistakes, implications for current and future decisions are emphasized.
- ___ The report is written *for* the firm and does *not* dwell on information the firm already knows.
- ___ The memo addresses the situation of the target firm rather than the industry in general.
- ___ The memo emphasizes *international* issues.

Research:

- ___ Outside references are cited completely (see p. 6):
 - ___ Name of author and year in text and a full bibliography at the end, or
 - ___ Footnotes giving a complete reference—e.g.,

Interscopulus, James Q. (2000), "Rapping Against a Cultural Wall," *International Journal of Rappology*, 4(2), 423-450.

- ___ Sources used are credible—from legitimate books, periodicals, or U.S. Government web sites only. Other web sites (especially company web sites), personal experience, interviews with individuals are NOT acceptable!

Communication and Writing

- ___ Quotations are used sparingly, and only when paraphrasing would destroy value of an expression (see p. 5).
- ___ Any quotes used are introduced (e.g., "According to...",) establishing the credibility of the source).
- ___ If any more than three consecutive words taken directly from a source, these are put in quotes.
- ___ When technical terms and jargon are used, it is clear from the context that you understand what these mean.
- ___ Your reasoning is completely explained.
- ___ Relevant assumptions are clearly identified.
- ___ Writing is clear and concise.
- ___ The memo has been properly proof-read.
- ___ Hyperbole, exaggerations, and sarcasm are avoided.