Exercise 1.1: Quick Analysis & Discussion

Objective:

To quickly analyze a real-world business turnaround case study, identify key strategies and actions taken, and discuss the lessons learned with peers.

Preparation:

Participants will be divided into pairs. Each pair will be given a brief summary of a different case study of a successful or failed business turnaround.

Analysis:

Participants will quickly analyze the assigned case study within their pairs, focusing on the following aspects: What were the company's primary issues? What was the key strategy implemented to address these issues? What was the outcome?

Discussion:

Each pair will present their key findings to another pair (creating a small group of four). They will discuss the key takeaways and lessons learned from their case study. Each small group will then have a brief open discussion to relate the case study to their own experiences and highlight one key lesson.

Exercise 1.1: Participant Exercise Handout

Case Study 1 – Successful Business Turnaround – Apple Inc. (Late 1990s)

Faced with declining sales and market share, Apple was on the brink of collapse. In 1997, the company rehired co-founder Steve Jobs, who implemented several strategic initiatives. These included product innovation with the introduction of the iMac and iPod, streamlining the product line to focus on core products, and forming a strategic partnership with Microsoft. These actions revitalized Apple, leading to its current position as a market leader in technology.

Exercise 1.1: Participant Exercise Handout

Case Study 2 – Successful Business Turnaround – Ford Motor Co. (Mid-2000s)

In the mid-2000s, Ford struggled with declining market share, poor product quality, and financial losses. CEO Alan Mulally was brought in, and a comprehensive turnaround strategy was implemented. He focused on simplifying the product lineup, cutting costs, and fostering a culture of collaboration and accountability. Mulally also secured a substantial loan to fund the restructuring. These measures helped Ford return to profitability and regain its competitive edge in the automotive industry.

Exercise 1.1: Participant Exercise Handout

Case Study 3 – Successful Business Turnaround – Starbucks (2008)

By 2008, Starbucks faced significant challenges, including declining sales and overexpansion. CEO Howard Schultz returned to lead the company and implemented a turnaround strategy focused on revitalizing the brand. He closed underperforming stores, improved the customer experience, and invested in employee training. Schultz also introduced new products and revamped the company's marketing strategy. These efforts restored Starbucks' profitability and strengthened its brand presence globally.

Exercise 1.1: Participant Exercise Handout

Case Study 4 – Failed Business Turnaround – Kodak (2000s)

Despite pioneering digital photography technology, Kodak clung to its traditional film business for too long. The management's failure to innovate and adapt to the digital photography revolution led to a significant loss in market share. Efforts to enter the digital market were too little, too late, and lacked the necessary strategic focus. By 2012, Kodak filed for bankruptcy, unable to compete with more agile and innovative competitors.

Exercise 1.1: Participant Exercise Handout

Case Study 5 – Failed Business Turnaround – Blockbuster (2000s)

Once a dominant player in the video rental industry, Blockbuster failed to recognize and respond to the rise of digital streaming services like Netflix. Despite opportunities to innovate and adopt new business models, Blockbuster continued to rely on its traditional retail model. Management's reluctance to embrace digital transformation and change led to its decline. By 2010, Blockbuster filed for bankruptcy and closed most of its stores.

Exercise 1.1: Participant Exercise Handout

Case Study 6 – Failed Business Turnaround – Sears (2010s)

A retail giant, Sears struggled with declining sales and mounting losses for years. Despite several turnaround attempts, including store closures, cost-cutting measures, and diversification into financial services, the efforts lacked a coherent strategic direction. The company's failure to modernize its operations, invest in e-commerce, and improve the customer experience resulted in continued decline. In 2018, Sears filed for bankruptcy, unable to compete with more innovative and customer-focused retailers.