Digital Strategies in Action

The Center for Digital Strategies at the Tuck School of Business develops case studies that help students examine how digital strategies are changing the way firms compete. Our cases illustrate how these strategies can enable the supply chain, marketing, manufacturing, services, innovation, and product development.

What are digital strategies?
Digital strategies focus on the use of technology-enabled processes to leverage an organization’s unique competencies, support its business strategy, and drive competitive advantage. They can help organizations use information technology to better manage operations in the global marketplace, direct organizational change, enable supply chain integration, and create revenue opportunities in customer service.

As the cases in this catalog illustrate, digital strategies are implemented in a variety of industries including communications, manufacturing, retail, biotechnology, and humanitarian relief.

tuck.dartmouth.edu/digitalstrategies/cases

FEATURED CASE

Norwegian Cruise Line
David P. Sibley T’13, M. Eric Johnson, 2013
Subjects covered: operations and marketing strategy
Case #6-0037

Norwegian had experienced a dramatic turnaround, largely due to his efforts to help the organization deliver on the promise of Freestyle. Allowing guests the freedom to choose between many different dining and entertainment venues, Freestyle was an industry first and an immense operational challenge. When first introduced, the execution of the game-changing strategy failed with guests waiting in long-lines for poor quality food. A veteran of private equity turnarounds, Sheehan systematically integrated technology and process improvement to build an organization that could deliver Freestyle cruising. This case allows students to explore the challenges of aligning marketing and operations strategies and the competitive advantage that can be achieved through such integration.

Sotera Wireless
Johnny Kaye T’12, Ron Adner, M. Eric Johnson, 2012
Subjects covered: operations, innovation and product development
Case #6-0035

“Healthcare game-changer.” This was Sotera’s dream in the spring of 2012. The ViSi Mobile platform allowed for continuous, non-invasive monitoring of a host of critical vital signs that could reduce patient length of stay, increase Intensive Care Unit (ICU) throughput, improve patient safety, and reduce frequency of uncompensated events like bed sores and pressure ulcers. “Continuous vital signs monitoring is crucial to detecting early deterioration in a patient’s condition and facilitating early intervention or rapid response,” said Tom Watlington, Sotera’s CEO. “The ViSi Mobile System will stretch the boundaries of patient monitoring by enabling clinicians to receive this information without limiting a patient’s freedom to move about the hospital.” ViSi Mobile’s potential for value creation was clear to many and the complete system was now ready for sale. But success would require cooperation, investment, and operational changes across a range of actors in the healthcare ecosystem. This case provides a view into the challenges facing medical technology startups. Students are asked to consider Sotera’s underlying business model and the challenges the U.S. healthcare ecosystem presents new ventures.
**Groupon**

*Cassie Young T’11, M. Eric Johnson, John Marshall T’92, 2011*

Subjects covered: marketing strategy, innovation and product development

Case# 6-0034

One of the fastest growing businesses in history, Groupon and its latest daily deals were news the business media could not resist. From the local corner bakery to national retailers such as Gap, sizzling offers were projected to triple Groupon’s 50 million subscribers by the end of the year. But while the limelight remained focused on the headline “feature” deals, Groupon was quietly testing new models to expand this core platform. In late 2010, the company introduced Groupon Stores, a self-service model that equipped stores with the tools to build their own promotions. Sales chief and co-founder Eric Lefkofsky mused that when customers could “go on their own and put up a deal, Groupon would become their commerce strategy,” alluding to yet another new angle of the business, Merchant Services. The Groupon case provides a vehicle to unpack web 2.0 business strategies. It also challenges students to consider the impact of social marketing on traditional service businesses, including the operational implications of flash sales and deals sites.

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**Mattel, Inc: The Lead Paint Recall**

*M. Eric Johnson, 2010*

Subjects covered: supply chain, manufacturing

Case# 6-0033

Supply chains face many risks, from material flow disruption and quality failures to information security. In some cases those risks come from suppliers in other cases they come from downstream partners. For example, in 2010, Toyota faced global criticism over its handling of a recall related to sticking accelerator pedals. Likewise, in 2007 product safety problems led many toy makers to recall products during the holiday season. Mattel, the world’s largest toymaker with years of experience working in China, found itself in the middle of very negative global publicity. This case inquires as to what went so wrong?
Hulu
Rama Oruganti and Alea Taylor, 2009
Subjects covered: growth, strategy, disruption
Case #6-0030

Los Angeles-based Hulu.com had finished 2008 with impressive growth in both viewership and market visibility. The video portal startup, established in 2007 with the backing of NBC Universal and News Corp., had 227 million video views and had become the sixth most-visited online video web site. Popular media had taken notice and prominently featured the company. Even the harshest Hulu skeptics, like Michael Arrington of the popular TechCrunch blog, acknowledged its success. But Jason Kilar, the CEO, was cautious about the future. This case examines the explosive growth of Internet TV and potential for significant change in a well-established industry.

Supplemental Material
"Video: Winning the Battle for People, Platforms, and Profits," Center for Digital Strategies, 2009

Dell
Jennifer M. Farrelly and Paul Argenti, 2009
Subjects covered: marketing, media, product development, public relations
Case #6-0032

Every second, two blogs are created, seven PCs are sold, 2.2 million emails are sent, 520 links are clicked, 1,157 videos are viewed on YouTube, 31,000 text messages are sent. With the explosive growth of social media, society and corporations are embracing this phenomenon as much more than a passing trend. This case focuses on computer manufacturer Dell Inc.’s social media strategy and how it has successfully integrated digital communications into every aspect of its business model. Case readers are put in the shoes of Bob Pearson, VP of Dell’s “Conversations & Communities” team, who is tasked with developing Dell’s social media strategy. After a rocky start with social media — including an actively blogged service crisis termed “Dell Hell” — Pearson is challenged with not only creating a department and strategy from scratch, but with developing internal buy-in and skill sets needed to get Dell started with Web 2.0. Pearson faced important decisions including how to structure the internal team, what guidelines to set for blogging and social media participation, and how to measure success. The Dell case focuses on how new social media technology is changing not only corporate communication but also business functions such as product development, customer service, marketing, and customer engagement. It offers many valuable lessons for both students and business professionals as they continue to join the Internet age.

Supplemental Material

Information Risk Analysis at Jefford’s
Hans Brechbühl, Stephen Powell, Chris Dunning, and Scott Dynes, 2008
Subjects covered: risk analysis, information risk management, investment decision making, Monte Carlo simulation
Case #6-0029

Jefford’s faces several information security threats and must decide which risks to mitigate and at what cost. Headquartered in the U.S., Jefford’s, a fictitious Fortune 500 company, is growing rapidly, with much of the expansion coming in emerging markets. They face numerous risk management decisions, including how to mitigate problems with stolen/lost laptops, malware, fraudulent web site transactions, and protection of personally identifiable employee data. Each information security risk is presented in context with the overall scenario and issues presented in Part A and further details in Part B.

The case can serve as a good basis for a discussion on information security and risk management approaches in this arena but also can be approached as a more generic investment decision-making and risk-analysis challenge. In Part B, the case provides detailed data on which to do a cost/benefit analysis and, with the help of the teaching note, creates a robust Monte Carlo simulation using Excel and Crystal Ball or similar software. The case includes an appendix provided by the Ponemon Institute on the cost to companies of actual data breaches involving the loss or theft of employee information.

Supplemental Material
S. Powell and R. Batt, Modeling for Insight, John Wiley & Sons, 2008
Social Media and the Burger King Brand
Andrew Schneller and John Marshall, 2007
Subjects covered: marketing, branding, digital media, food service
Case #6-0025

With profits decreasing and franchisees unhappy, Burger King needed to take dramatic action and redefine how it was perceived by customers. Instead of traditional advertising and sponsorships to build the brand, the company created and distributed Burger King-related content intended to entertain consumers, give the brand social currency, and create a sense of mystery. The firm was media agnostic and often chose inexpensive, non-traditional media channels such as Internet micro-sites and social-networking sites to reach target consumers.

This case study examines how the use of digital communication, media channels, and Web 2.0 changes the way firms build their brands.

Supplemental Material

Strengthening the Distribution Channel at Steinway
Robert Batt and M. Eric Johnson, 2007
Subjects covered: supply chain (distribution), marketing, product development, musical instruments
Case #6-0027

Few brands enjoy the quality image of Steinway & Sons. For nearly two centuries, Steinway pianos have set the world standard in product excellence. While quality has also been the cornerstone of Steinway’s manufacturing and marketing strategy, its channel strategy was less well aligned. What were the strengths and weaknesses of Steinway’s distribution network?

This case examines the integration of operations and marketing strategies. It describes how Steinway used channel consolidation and new product offerings to enhance its distribution strategy and control its quality image.

Supplemental Material
Video featuring Bruce Stevens, former Steinway president and CEO, available on request

Nolej Studios: Growing a Creativity-Based Company
Ashley Martin and Alea Taylor, 2008
Subjects covered: growth, strategy, advertising, interactive advertising, client management, market entry, workforce management
Case #6-0028

In 2007, Alejandro Crawford, CEO and co-founder of Nolej Studios, a small, cutting-edge digital advertising firm in New York City, faced a tough decision: whether to take on a new client in an unfamiliar industry.

Nolej focuses on providing dynamic websites, brand identities, and unique interactive demos primarily for clients targeting a young adult, urban, hip demographic. The company develops cross-platform marketing and advertising that engages the audience and generates visibility for their clients’ products and services. When a new client approached Nolej for help in developing and marketing a new product for the toy industry — a product area new to the company — Crawford knew that taking on this potentially lucrative project would push the company out of its comfort zone.

This case deals with growth, client relations, and changing direction. It describes how Nolej handled a promising opportunity that would push the company’s management team into a high-profile arena.

NetHope — Collaborating for the Future of Relief and Development
Benjamin Farmer and M. Eric Johnson, 2007
Subjects covered: collaboration, resource management, technology development, humanitarian relief
Case #6-0026

Most disasters occur in developing countries, often in remote areas lacking roads, reliable power grids, and telephony. To expedite aid, international relief agencies desperately need effective information communication technology. NetHope’s mission is to collaboratively address similar technology challenges facing relief agencies and to build shared infrastructure to enable humanitarian supply chains. Formed in 2001, it began as a consortium of the world’s largest humanitarian organizations in partnership with technology firms like Cisco and Microsoft. By 2007, NetHope had grown to include 16 member agencies, including World Vision, Oxfam, CARE, and Save the Children.

This case study chronicles the challenges in operations, technology, and business strategy that a nonprofit organization faces, while addressing the needs of its major stakeholders — founders, donors, experts in the field, and member delegates.
XOJET
Jordan S. Esten T’12, M. Eric Johnson, Joseph M. Hall, 2013
Subjects covered: operations and strategy
Case# 6-0036

XOJET was launched in 2006 as an alternative to the fast-growing fractional private aviation model. The founders saw an opening in the market for customers who didn’t want to “purchase” large pro-rated shares of a plane and were looking to fly fewer than 200 hours/year. Unlike its fractional competitors, XOJET would own and operate its entire fleet of aircraft.

Five years later the company had 30 super-mid jets and believed they would need at least 50 planes to reach operational scale. When an opportunity arose to buy twelve Hawker Beechcraft 800XP jets, CEO Blair LaCorte was faced with important questions: would adding the smaller cabin jets be the right decision to increase capacity? On the surface it appeared to be contrary to the original super-mid transcontinental strategy. It also added more operational complexity and risked degrading the premium XOJET brand. The Hawker jets, however, did offer major cost advantages. To make the decision, XOJET needed to balance increased demand against current capacity, provide their customers with best-in-class service, and manage profitability. The XOJET case gives students a wide perspective on the challenges of operating an asset intensive business where capacity decisions must reflect both market strategy and operational capabilities.

Enhancing Service at Southwest Airlines
M. Eric Johnson and Joseph M. Hall, 2009
Subjects covered: operations and marketing strategy
Case #6-0031

Scarcely five years at the helm of Southwest Airlines, CEO Gary Kelly was navigating the high-flying airline through the downturn of 2009. By focusing on simplicity and keeping costs low, Southwest had posted profits in every year for over three decades and had grown to be the fifth largest U.S. carrier. Kelly was faced with maintaining those low costs while readying the airline for growth when passengers returned. Looking to enhance its value proposition, he was considering a number of service refinements including satellite-based WiFi Internet, more extensive wine and coffee service, and even new international alliances with foreign carriers. In each case, the offering would be scrutinized to see if it fit within the Southwest strategy and its legendary operating model.  

Supplemental Material

About the Center

The Center for Digital Strategies at the Tuck School of Business brings together executives, academics, and students to advance the theory and practice of management in a networked economy.

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### Center for Digital Strategies Case Library

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* Cases developed by the William F. Achtmeyer Center for Global Leadership at Tuck. † Teaching note available to professors upon written request. § Spanish version available upon written request.

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