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Awards & honours

Wickham Skinner
Best Unpublished Paper
“Efficient Take-back Legislation”
ATASU Atalay; SARVARY Miklos; VAN WASSENHOVE Luk
Publications

Books

DOZ Yves L.; WILSON Keeley

Abstract not available.
Journal articles

ATASU Atalay; SARVARY Miklos; VAN WASSENHOVE Luk

Abstract not available.

ATASU Atalay; SARVARY Miklos; VAN WASSENHOVE Luk

Abstract not available.

BOIVIN Jean; GIANNONI Marc; MIHOV Ilian

Abstract not available.

BRANKE Jürgen; CHICK Stephen; SCHMIDT Christian

Selection procedures are used in a variety of applications to choose the best of a finite set of alternatives. “Best” is defined with respect to the largest mean, but the mean is inferred with statistical sampling, as in simulation optimization. There are a wide variety of procedures, which begs the question of which selection procedure to adopt. The main contribution of this paper is to identify, through extensive experimentation, the most effective selection procedures when samples are independent and normally distributed. We also (a) summarize the main structural approaches to deriving selection procedures, (b) formalize new sampling allocations and stopping rules, (c) identify strengths and weaknesses of the procedures, (d) identify some theoretical links between them, and (e) present an innovative empirical test bed with the most extensive numerical comparison of selection procedures to date. The most efficient and easiest to control procedures allocate samples with a Bayesian model for uncertainty about the means, and use new adaptive stopping rules proposed here.

CARLOCK Randel; VAN DER HEYDEN Ludo

Now that the family has put its governing board in place, it faces the challenge of how to effectively communicate with the directors and how to reward them. Randel Carlock and Ludo Van der Heyden offer some advice.

CARLOCK Randel; VAN DER HEYDEN Ludo

Abstract not available.

CHATTOPADHYAY Amitava

Abstract not available.
DELQUIE Philippe  

Users (or would-be users) of exponential expected utility often seek a concrete, intuitive meaning for the risk tolerance coefficient (RT) that they can grasp and explain to others easily. This paper shows an interpretation of RT as the maximum loss the decision maker is willing to be exposed to at a stated probability level, regardless of the upside potential. As an example, if you are facing a portfolio of projects having a 1 in 20 chance of total loss and you indicate that L is the maximum loss you would tolerate, then your risk tolerance is \( L/3 \). Other such examples, which may be better suited to other situations, are presented. In some contexts, this interpretation may be congruent with the way individuals naturally think about their risk-taking propensity, for example, as willingness to be exposed to losses or as in Value-at-Risk. This interpretation can also be helpful in determining whether assuming exponential utility is adequate for the situation being analyzed, and in eliciting the value of RT. The merits of this approach for thinking about RT are discussed.

DERMINE Jean; NETO DE CARVALHO Cristina  

A fair level of provisions on bad and doubtful loans is an essential input in mark-to-market accounting, and in the calculation of bank profitability, capital and solvency. Loan-loss provisioning is directly related to estimates of loan-loss given default (LGD). A literature on LGD on bank loans is developing but, surprisingly, it has not been exploited to address, at the micro level, the issue of provisioning at the time of default, and after the default date. For example, Portugal’s central bank imposes a mandatory provisioning schedule based on the time period since a loan is declared “non-performing”. The dynamic schedule is *ad hoc*, not based on empirical studies. The purpose of the paper is to present an empirical methodology to calculate a fair level of loan-loss provisions, at the time of default and after the default date. To illustrate this, a dynamic provisioning schedule is estimated with micro-data provided by a Portuguese bank on recoveries on non-performing loans. This schedule is then compared to the regulatory provisioning schedule imposed by the central bank.

GALINSKY Adam D.; MADDUX William; GILIN Debra; WHITE Judith B.  

This research explored whether two related yet distinct social competencies - perspective taking (the cognitive capacity to consider the world from another individual’s viewpoint) and empathy (the ability to connect emotionally with another individual) - have differential effects in negotiations. Across three studies, using both individual difference measures and experimental manipulations, we found that perspective taking increased individuals’ ability to discover hidden agreements and to both create and claim resources at the bargaining table. However, empathy did not prove nearly as advantageous and was, at times, detrimental to discovering a possible deal and achieving individual profit. These results held regardless of whether the interaction was a negotiation in which a *prima facie* solution was not possible or a multiple issue negotiation that required discovering mutually beneficial trade-offs. Although empathy is an essential tool in many aspects of social life, perspective taking appears to be a particularly critical ability in negotiations.

GODES D.; OFEK E.; SARVARY Miklos  

Abstract not available.

GREVE Henrich

Research on pricing, profits, and firm survival has shown that multimarket contact causes mutual forbearance against competition, but has not considered the consequences of imperfect observability of competitive moves. Here, predictions are developed to explain how mutual forbearance occurs – but sometimes fails – in markets with imperfect observability. Mutual forbearance means that firms do not seek to take market share from one another through price cuts or non-price competition, and thus that sales grow at uniform rates. Firms defect from mutual forbearance and hence have higher sales growth if the potential rewards are high and the likelihood of being discovered is low. This theory is tested on a panel of firms operating in the Norwegian general insurance industry. The evidence suggests that sales growth is most rapid in firms that do not meet many multimarket competitors in a given market and firms that are economically troubled. Growing or highly concentrated markets have higher heterogeneity of growth rates.

HARSTAD Ronald; PEKEC Aleksandar; TSETLIN Ilia

Information aggregation, a key concern for uniform-price common-value auctions with many bidders, has been characterized in models where bidders know exactly how many rivals they face. A model allowing for uncertainty over the number of bidders in an auction is developed. Such a model is essential for capturing a critical condition for information to aggregate; as the numbers of winning and losing bidders grow large, information aggregates if, and only if, uncertainty about the fraction of winning bidders vanishes. It may be possible for the seller to impart this information by precommitting to a specified fraction of winning bidders, via a proportional selling policy. Intuitively, this could make the proportion of winners known, and thus provide all the information that bidders need to make winner’s curse corrections.

HE Donghai; CHICK Stephen; CHEN C.-H.

Ordinal Optimization offers an efficient approach for simulation optimization by focusing on ranking and selecting a finite set of good alternatives. Because simulation replications only give estimates of the performance of each alternative, there is a potential for incorrect selection. Two measures of selection quality are the alignment probability or the probability of correct selection, \( P\{CS\} \), and the expected opportunity cost, \( E[OC] \), of a potentially incorrect selection. Traditional ordinal optimization approaches focus on the former case. This paper extends the optimal computing budget allocation (OCBA) approach, which allocated replications to improve \( P\{CS\} \), to provide the first OCBA-like procedure that optimizes \( E[OC] \) in some sense. The procedure performs efficiently in numerical experiments.

KATONA Zsolt; SARVARY Miklos

Abstract not available.

KUMAR V.; VENKATESAN Rajkumar; REINARTZ Werner J.

Through a field experiment conducted in a multinational organization, we evaluate the financial and relational consequences of adopting a customer focus in sales campaigns. Salespeople adopting the customer-focused sales campaign coordinated their sales calls with the objective of selling all the
products that a customer was predicted to purchase only at the time period the customer was expected to purchase. This strategy was compared to the current practice in the organization wherein salespeople for each product category independently contacted the customers who were expected to purchase in that category without any guidance on the expected timing of customer purchase. The experiment shows that adopting a customer-focused sales campaign can significantly increase firm profits and return on investment. The total incremental profits obtained from implementing the customer-focused sales campaign in the test group was more than $1 million. Improvements in the efficiency of marketing contacts were observed for high-revenue customers whereas low-revenue customers were the source of improvements in effectiveness of the marketing contacts. A customer-focused sales campaign also improved the relationship quality between the customer and the firm. Our field experiment provides empirical evidence for theoretical expectations of the benefits provided by a customer-focused sales campaign. It offers a template for implementing the first step in migrating to a customer-centric organization.

LEUNG Angela K-Y; MADDUX William; GALINSKY Adam D.; CHIU Chi-Yue

Many practices aimed at cultivating multicultural competence in educational and organizational settings (e.g., exchange programs, diversity education in college, diversity management at work) assume that multicultural experience fosters creativity. In line with this assumption, the research reported in this article is the first to empirically demonstrate that exposure to multiple cultures in and of itself can enhance creativity. Overall, the authors found that extensiveness of multicultural experiences was positively related to both creative performance (insight learning, remote association, and idea generation) and creativity-supporting cognitive processes (retrieval of unconventional knowledge, recruitment of ideas from unfamiliar cultures for creative idea expansion). Furthermore, their studies showed that the serendipitous creative benefits resulting from multicultural experiences may depend on the extent to which individuals open themselves to foreign cultures, and that creativity is facilitated in contexts that de-emphasize the need for firm answers or existential concerns. The authors discuss the implications of their findings for promoting creativity in increasingly global learning and work environments.

LOCH Christoph; SOLT Michael; BAILEY Elaine

Many startups undergo major adaptations of original business models before succeeding. When tackling new markets or technologies, unknown unknowns, or unforeseeable influences, emerge that cannot be planned for or mitigated by traditional risk management techniques. At the same time, important decisions about the management systems of the startup must be made at the outset, before unknown unknowns reveal themselves. How can this conundrum be resolved? Based on work in decision theory, we propose that a venture management team can diagnose problem areas vulnerable to the presence of unknown unknowns, although not the influences themselves. A case study demonstrates that a diagnosis of unknown unknowns at the outset of the venture is indeed possible under plausible circumstances. Based on the case study, we propose a diagnosis process for unknown unknowns. Successful diagnosis of unknown unknowns allows the management team to choose appropriate management systems for the venture. Although one case study is not sufficient to establish generalizability, it suggests hypotheses to be tested and avenues for further work in how to address situations of unforeseeable uncertainty.

MAENHOUT Pascal; CREMERS Martijn; DRIESSEN Joost; WEINBAUM David

We use a unique database on ownership stakes of equity mutual fund directors to analyze whether the directors’ incentive structure is related to fund performance. We find that the ownership stakes of both independent and non-independent directors play an economically important and statistically significant
role. Specifically, funds in which directors have low ownership stakes, or “skin in the game”, significantly underperform. We posit two economic mechanisms to explain this relation. First, lack of ownership could indicate a director’s lack of alignment with the interests of fund shareholders. Second, directors may have superior private information on future mutual fund performance. We find evidence in support of the incentive alignment mechanism and against the private information mechanism. Finally, our results cannot be explained by the previously documented relation between fund governance and mutual fund fees.

MEZZETTI Claudio; PEKEC Aleksandar; TSETLIN Ilia

We study sequential and single-round uniform-price auctions with affiliated values. We derive symmetric equilibrium for the auction in which \( k_1 \) objects are sold in the first round and \( k_2 \) in the second round, with and without revelation of the first-round winning bids. We demonstrate that auctioning objects in sequence generates a lowballing effect that reduces the first-round price. Total revenue is greater in a single-round, uniform auction for \( k = k_1 + k_2 \) objects than in a sequential uniform auction with no bid announcement. When the first-round winning bids are announced, we also identify a positive informational effect on the second-round price. Total expected revenue in a sequential uniform auction with winning-bids announcement may be greater or smaller than in a single-round uniform auction, depending on the model’s parameters.

PERESS Joel

We show that the production of information in financial markets is limited by the extent of risk sharing. The wider a stock’s investor base, the smaller the risk borne by each shareholder and the less valuable information. A firm which expands its investor base without raising capital affects its information environment through three channels: (i) it induces incumbent shareholders to reduce their research effort as a result of improved risk sharing, (ii) it attracts potentially informed investors, and (iii) it may modify the composition of the base in terms of risk tolerance or liquidity trading. Our results have implications for individual firms and the market as a whole.

REINARTZ Werner J.; THOMAS Jacquelyn; BASCOUL Ganaël

Cross-buying (i.e., the purchase of products from multiple categories) has been associated with higher levels of customer retention, revenue generation, and loyalty. Despite these claims, debate remains as to whether cross-buying is an antecedent to such behaviors or if loyalty behaviors represent the antecedent, with cross-buying as a consequence. This research investigates the direction, strength and nature of the relationship between customers’ cross-buying behavior and associated behavioral outcomes by using a Granger-type causality modeling and two data sets. The authors determine that cross-buying is a consequence and not an antecedent of behavioral loyalty. Specifically, behavioral loyalty drives both the number of categories from which a person buys and the level of spending dispersion across those categories. These findings have significant implications for cross-selling strategies.

SARVARY Miklos

Abstract not available.

SINGH Jasjit
This paper studies the impact of geographic dispersion of a firm’s R&D activities on the quality of its innovative output. Theoretically, the sign of this relationship is ambiguous since gains from access to expertise and resources from different regions could be offset by costs of coordination and difficulty of knowledge integration across distant units. Empirically, we find no evidence that distributed R&D in itself improves the value of a firm’s innovations. In fact, if anything, innovations from firms with distributed R&D have a slightly lower average value than those from firms with more centralized R&D. However, when geographic dispersion of R&D is also accompanied by a sufficient extent of cross-regional ties across researchers from different R&D units, we find that the above effect gets reversed and an improvement in innovation does occur. More generally, our findings provide new evidence regarding the importance of intra-firm networks for the performance of multi-unit firms.

SMITH N. Craig; VASHANI Sushil

Abstract not available.

WABER Rebecca L.; SHIV Baba ; CARMON Ziv; ARIELY Dan

Abstract not available.
Chapters in books

BIDWELL Matthew

Abstract not available.

SMITH N. Craig

Abstract not available.
Working papers

AGRAWAL Anupam; DE MEYER Arnoud
Managing Value in Supply Chain – Case Studies on Alternate Structures
INSEAD N° 2008/28/TOM

In this paper we explore ways in which firms can influence the sourcing costs of their suppliers, participate in cost improvement at their suppliers’ end, manage the financial flows in the procurement chain and improve their design and development processes. We do so by exploring collaborative relationships involving the firms, their suppliers and their raw material suppliers. We base this exploration on a three-year study of four firms in the automotive industry who are in the process of improving their supply-chain partnerships. Synthesizing the learning from these case studies, we propose the concept of the ‘sourcing hub’. Through cross-case and within-case analyses, we explore the contingencies under which the sourcing hub can operate. Our research shows that developing relationships not only with suppliers, but also with suppliers’ suppliers, can help firms capture some of the value that may be lost in the race to become a lean organization.

ANGEHRN Albert A.; MAXWELL Katrina
Increasing Change Readiness in Higher Educational Institutions Through a Simulation-based Change Management Experience
INSEAD N° 2008/26/OB/TOM/CALT

Although higher educational institutions are increasingly faced with demands for deep changes and innovations, they have a very distinctive culture which makes rapid change difficult. In order to address this challenge, we have developed and validated a new multimedia, team-based simulation, EduSynergy, which provides a rich, realistic experience of a change management project in a university setting, including individual behaviors, group dynamics and cultural factors. Our quantitative research shows a significant measurable increase in players’ understanding of change management.

BARBULESCU Roxana; IBARRA Herminia
Identity as Narrative: Overcoming Identity Gaps During Work Role Transitions
INSEAD N° 2008/27/OB

Self-narratives, defined as accounts of the relationship among self-relevant events over time, play a critical role in helping people adapt, revise and reconstruct identities during work role transitions. Role transitions pose two challenges to a person’s sense of self: they create gaps between past and future work identities, and between identities claimed and identities granted in social interactions. Drawing from the literature on narrative and narration, we identify elements of narrative form and the narrating process that may help overcome these challenges by generating coherence, legitimacy and audience engagement. These, in turn, create feelings of consistency and authenticity and increase the likelihood that claimed identities are granted. With repeated interaction and revision, a more compelling narrative develops, one that helps the narrator incorporate new identity elements into a revised self-concept and gain full membership of the new work group.

ERTUG Gökhan; BENSAOU Ben
Expectations and Satisfaction in Trust-based Relationships
INSEAD N° 2008/30/OB/ST

This paper investigates the relationship between an actor’s initial expectations of cooperation and commitment from their partner and the actor’s subsequent level of satisfaction with the relationship. Drawing from Oliver’s research on expectation disconfirmation (1977, 1980) we suggest that the signals of cooperation and commitment the partner displays prior to the relationship are negatively related to the actor’s subsequent satisfaction with the relationship. The same partner’s trustworthiness
during the relationship, however, should be positively related to the actor’s satisfaction. Empirical findings from a sample of 113 international joint ventures in East Asia support our hypotheses.

KETS DE VRIES Manfred F. R.; HELLovWIG Thomas; GUILLÉN RAMO Laura; FLORENT-TREACY Elizabeth; KOROTOV Konstantin
Long-term Effectiveness of a Transitional Leadership Development Program: An Exploratory Study
INSEAD N° 2008/24/EFE

Although leadership development programs are in high demand, research into their long-term outcomes has been sparse. The main purpose of this article is to explore how a transformational leadership development program can affect the lives of its participants. We address three fundamental questions: (1) What do transformational leadership programs transform? (2) How does the change process occur? (3) How are behavioral changes maintained over time? To set the stage for this research, we begin by looking at why executives attend leadership development programs. Subsequently, we present the results of an exploratory longitudinal outcome study of a leadership development program for senior executives. Changes are evaluated both quantitatively through test-retest results of a 360° survey across 12 key leadership dimensions, taken by 11 senior executives in 2005 and again in 2006. We also explore change qualitatively through semi-structured interviews with the executives in our sample. The results of this exploratory study show that for one cohort of participants who have completed the program, individual 360° ratings one year post-program in several GELI dimensions have improved. Dimensions that show a marked increase in ratings included rewarding and feedback and emotional intelligence, and we posit that this indicates an enhanced level of self-awareness among participants. We identify several positive change factors mentioned consistently by participants in this program: involvement in group coaching; realistic action plans; acting out and experimenting with new behaviors; and follow-up partnerships in a learning community. We look at the best practices that enhance individual development and change, and discuss the limitations of this study as well as implications for future research.

LAJOS Joseph; KATONA Zsolt; CHATTOPADHYAY Amitava; SARVARY Miklos
CAM: A Spreading Activation Network Model of Subcategory Positioning When Categorization Uncertainty is High
INSEAD N° 2008/23/MKT/ISSRC revised version of 2007/18/MKT

Many new products (e.g., PDA phones) share features with multiple other product categories, but are also substantially different from each of these categories. When consumers encounter such a product, they may create a new subcategory (e.g., smart phones) to accommodate it. In such situations, consumers must decide where within the category structure to position the new subcategory (e.g., under the PDA category or under the phone category). We develop a spreading activation model that we call the Category Activation Model (CAM) to predict where within a category structure consumers are likely to position a subcategory that they have created to accommodate a new, hybrid product. Based on this model, we hypothesize that the probability that an individual will position a new category subordinate to a particular category i is proportional to the relative number of categories that are already subordinate to i. We report the results of three studies that support this hypothesis, and provide evidence that accessibility is an underlying mechanism.

MUKHERJEE Kanchan
A Context Dependent Model of Decision Making Under Risk
INSEAD N° 2008/25/DS/EPS

This paper presents a context dependent valuation (CDV) model of decision making under risk where the valuation of a gamble depends not only on its own probability-outcome structure but also on the other gambles that it is compared with. This descriptive model draws motivation from the range-frequency theory (Parducci 1965, 1968) which states that the subjective value given to a stimulus depends on its position as well as its rank in the set of observed stimuli. The CDV model is based on the value maximization paradigm and is shown to explain and predict (1) violation of non-transparent stochastic dominance (while retaining transparent stochastic dominance), (2) procedure invariance in
the form of a wide variety of preference reversals and elicitation biases, (3) description invariance in the form of juxtaposition, event splitting and framing effects, and (4) classic phenomena such as the four-fold pattern of risk attitudes, violation of monotonicity, the common consequence effect and the common ratio effect.

MUKHERJEE Kanchan
An Investigation of Individual Differences in Expected Utility Violations from the Dual Process Perspective
INSEAD № 2008/29/DS/EPS

Individual differences in five different types of expected utility (EU) violations are investigated using thinking orientation, a construct of dual process theories, as the predictor variable. The effect on choice performance of increasing the relative access of one thinking system or the other is also explored. The key findings are: (a) EU violations are independent of rational thinking, (b) experiential thinking correlates positively with the impossibility effect and negatively with ambiguity aversion, (c) increasing access to both systems improves performance for all participants, except those high on both thinking dimensions, (d) greater deliberation does not lead to lower violations, (e) the common consequence effect and certainty effect are positively correlated and the impossibility effect and ambiguity aversion are negatively correlated, and (f) men are more rationally oriented while women are more experientially oriented, women violate EU more than men, and both sexes show maximum improvement when primed on their respective thinking orientations. Results show that individual differences from the dual process perspective can have predictive implications for decision making under risk. An elementary model of dual process thinking is also proposed.

PLESS Nicola; MAAK Thomas
Business-in-Society Competence for Leading Responsibly in a Global Environment
INSEAD № 2008/22/OB

In a global stakeholder environment, corporations and their leaders are confronted with complex challenges. Leading business in society imposes new demands on leaders, extending their usual set of business responsibilities and requiring “business-in-society” competence that enables them to effectively and responsibly deal with these challenges. While there is a large body of literature on global leadership competencies, “business-in-society” competence (BiSC) has not been discussed so far. In this paper we ask what the qualities are that responsible leaders need in order to cope effectively and responsibly with the business-in-society challenges and how these competencies can be developed. We start this conceptual study with an overview of the challenges of doing business in a global environment, providing the background for developing a definition and a model of BiSC. After having discussed the model’s components, we propose that there are moderating influences that can either enable or prevent leaders from effectively applying BiSC and dealing responsibly with the business-in-society challenges. We conclude the paper by discussing implications for research and leadership development.
Case studies

BRESMAN Henrik; KUHL Carmen
Radio Frequency Identification for Mobile Consumer Applications (A&B)
Case Writer: Kuhl Carmen

The case describes the emergence of a new technology for use in mobile phones, covering the applications and business case as well as technical aspects. It investigates the interests of several industry sectors involved, namely telecommunications, semiconductors, financial institutions and public transport. In addition, it explores the role of international standards organizations.

Pedagogical Objectives:
The first objective is to introduce students to the many aspects that require consideration in order to develop a sound technology strategy. Second, it is intended to enhance students’ awareness of the importance of international standard-setting organizations by examining several concrete examples.

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Also Available:
- Teaching Note

CARLOCK Randel
Can ABC Telecommunication Manufacturing Be Saved?

After his first week on the job, the new CEO is concerned about his decision to join ABC Telecommunications to lead its turnaround effort. He now realizes that he was overly optimistic when he promised the board a 36-month recovery. Early on, he thought he was the right man for the job but the odds do not look good for one person to change a firm that has a corporate culture based on ten years of missed opportunities and bad execution. Worse still, nobody knows who is really in charge. Is it the supervisory board, the executive committee, or the CEO? The fact is, nobody is taking responsibility for the loss of ABC’s market share or the general decline of the company.

Pedagogical Objectives:
This case helps to understand all the elements that create a healthy company. It allows students to deal with the questions of strategic implementation, strategic turnaround, value for employees and shareholders, identifying goals and a possible business vision.

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CARLOCK Randel; FLORENT-TREACY Elizabeth
Family Governance: Organising a Family Meeting

Andrew Whiteside and his five siblings, owners of a family business, have staged a semi-annual family meeting to review business results with all blood relatives over 21. With the next meeting coming up, many different perspectives and emotions are starting to appear within the senior and next generation. While some people feel these meetings are very effective, others are concerned that the existing family forum may create more problems than solutions because difficult issues, like board seats and family compensation, are not discussed. What can be done to improve communication?

Pedagogical Objectives:
This case allows us to understand the purpose of a family meeting, and the need to establish a structure that encourages family participation in planning, problem solving and decision making. It also deals with next-generation problems and recognition as well as rules to develop the meeting into a formal council.

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GALUNIC D. Charles; CAGNA Anne-Marie
Leadership, Culture Change and Transformation at AVIVA: Norwich Union Insurance (A&B)

This two-part case study describes the initial merger and cultural transformation of Aviva’s Norwich Union (NUI) operation in the UK. It examines the complexities of integration that arose following a series of mergers that created NUI from 1998 to 2000. Case A describes how, after CGU Plc and Norwich Union joined forces to become NUI, top management’s priority was to restore profits. Behind the scenes, however, the need for a whole new corporate culture was becoming increasingly imperative. It shows the tensions that arose between the need for immediate gains in efficiencies and that of longer-term approaches to the business that required careful nurturing and attention. It ends as the executive team’s announcement of the new corporate philosophy – “to be a service provider with insurance at our core and care at our heart” – is greeted with disbelief by employees. Case B describes what was done to overcome their skepticism and successfully implement the new philosophy – actions that required significant change to the organizational culture.

Pedagogical Objectives:
This case does two things. First, it shows how easy it is for strategy and culture to move apart. Firms seek strategic advantage all the time; top executives look for ways to improve the positioning of the firm in the marketplace, often making major and seemingly sudden decisions on how the firm will play the game against competitors – once they see a direction, they expect the change yesterday. If the company culture is important to realizing these strategic ends but is not moving in the same direction or is being asked to move too often, misalignment can occur. Second, the case shows how to go about realigning culture and strategy, following the steps of one large organization in trying to ensure that the people and systems support the strategy.

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HOANG Ha Thi
IBM: Leveraging Ecosystems to Address the “Software-as-Service” Disruption
Case Writer: Hoang Ha Thi

With a fundamental change was occurring in the way companies used software to manage their internal operations and their interfaces with customers, suppliers and service providers, Deborah Magid analyzes and executes a response to the development of Software-as-a-Service (SaaS) by smaller, entrepreneurial firms.

Pedagogical Objectives:
This case illustrates the challenges of corporate venturing and details the issues around strategic partnership selection for large, established companies.

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HOANG Ha Thi; BRICE Franck
Rebuilding LEGO Through Creativity and Community
Case Writers: Brice Franck; Hoang Ha Thi

LEGO Group produces one of the most popular toys in the world. However, the business underwent a difficult restructuring in 2005-2006. To promote future growth, Henrik Lorensen, VP of Business Development, must decide whether to exploit communities that have developed around ‘Mindstorms’ and ‘Lego Factory’, two products that have generated interest among adult fans of LEGO.

Pedagogical Objectives:
This case investigates how a company can employ its user communities to enhance its innovative capabilities.

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Case studies

LOCH Christoph; DE MEYER Arnoud; GARG Sam
Eurotunnel: Eyes Wide Shut
Case Writer: De Meyer Arnoud

Through the example of the high-profile Eurotunnel project, the case shows how important contracts and agreements are in project management. Seen through a retrospective lens, it allows students to analyse the relative contributions of market uncertainty, technical uncertainty, and behaviour alignment through contracts, to the performance problems of the effort to construct the first ever undersea rail link between France and the UK.

Pedagogical Objectives:
This case allows the instructor to (1) Demonstrate the relative contribution of uncertainty (both in the market and the technology) and of behaviour alignment through contracts to project performance, (2) Outline a broader view of behaviour alignment than merely through contracts (based on the discussion), (3) Show that the effect of contracts on project performance is an important aspect of project management, (4) Illustrate the difficulties of pulling the plug on a project once it has started.

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Also Available:
- Teaching Note

ORSATO Renato; WELLS Peter; VAN WASSENHOVE Luk
Eco-Entrepreneurship – TH!NK’s Bumpy Ride

This case describes the trajectory of a group of Norwegian entrepreneurs to develop and commercialize a battery electric vehicle (BEV) called TH!NK. The business opportunity was for a vehicle intended for eco-oriented niche markets in urban or suburban personal transportation. The car design integrated several innovations, which subsequently motivated Ford to own the enterprise for a short period of time. By 2007 there was renewed hope that the enterprise would finally succeed.

Pedagogical Objectives:
By applying the case, educators will be able to explore (1) How eco-oriented innovation in car design can reduce manufacturing costs and break-even point of new models, (2) the systemic limitations associated with current mobility patterns, which limit the adoption of BEVs, (3) How BEVs fit the strategies of volume car manufacturers, such as Ford, (4) Potential strategies for new entrants in the car industry, such as manufactures of electric vehicles, (5) The business models and associated income revenues of existing car companies.

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SAMII Ramina; VAN WASSENHOVE Luk
Fighting the Flu
Tamiflu Stockpiling: A Pandemic Preparedness Policy

The case narrates the trigger points that encouraged Roche to make a 15-fold increase in its production capacity of Tamiflu, an antiviral pandemic flu drug recommended by the World Health Organisation as of 2004. The case describes how Roche handled the potential risk to its reputation and business stemming from a lack of access to the drug in the case of a pandemic by scaling up production and responding to the specific needs of a wide range of stakeholders.

Pedagogical Objectives:
The case helps discuss the importance of embedding the concept of sustainability and corporate social responsibility in key business decisions. It provides a good example of how timely supply chain decisions, based on network logic and early stakeholder engagement, can contribute to the bottom line of a company and protect its reputational asset.

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This case focuses on the topic of strategic selection, specifically whether or not the Taj Group should invest in The Pierre Hotel in New York. The case write-up includes information about the Taj Group, the Tata Group, The Pierre Hotel, the hotel industry, Taj’s domestic and international strategies, related challenges, investment options and selection criteria. It also includes various exhibits for the user to analyze: Taj’s corporate holding structure, its financial highlights, strategic planning process, organizational chart, and the company’s action plan development and deployment process.

Pedagogical Objectives:
The objective of this case is for the user to make a strategic decision: to invest in The Pierre Hotel or not. The user makes this decision based on an analysis of the Taj Group, various investment options, and the selection criteria used.

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Other publications

BLACK Stewart

Abstract not available.

DERMINE Jean

Abstract not available.

DERMINE Jean

Abstract not available.

DOZ Yves L.

Abstract not available.

DOZ Yves L.

Abstract not available.

DUTTA Soumitra

Abstract not available.

DUTTA Soumitra

Abstract not available.

HAWAWINI Gabriel

Abstract not available.

HAWAWINI Gabriel

Abstract not available.
MAUBORGNE Renee

Abstract not available.

MAUBORGNE Renee

Abstract not available.

MIA Irène; DUTTA Soumitra

Abstract not available.

MIHOV Ilian

Abstract not available.

ORSATO Renato; WARR Benjamin
Empresas dos EUA investem mais em tecnologia verde. Gazeta Mercantil, Brazil. April 2008.

Abstract not available.

SZULANSKI Gabriel

Abstract not available.

WEINSTEIN David

Abstract not available.
Seminars/Workshops

INSEAD Faculty Seminar Series

Accounting and Control Research Seminar Series
For further details, please contact Isabelle Seyrig (Ext. 4-9204).

24 March 2008  Presentation by SCHIPPER Kathrin entitled: *Sell Direct and Mediated Associations Among Earnings Quality, Information Asymmetry and the Cost of Equity.*

07 April 2008  Presentation by HAND John entitled: *CEO Compensation in Private Venture-Backed Firms.*


21 April 2008  Presentation by DARROUGH Masako N. entitled: *Warranty Reserve: Contingent Liability, Strategic Signal, or Earnings Management Tool?*

Brown-bag Conference Seminar Series
For further details, please contact Susan Almstead-Treffel (Ext. 4-4004).

02 April 2008  Presentation by ANGEHRN Albert A. of all the latest CALT research

Decision Sciences Research Seminar Series
For further details, please contact Melissa Wojcieshowski (Ext. 4-9296).

13 March 2008  Presentation by READ Daniel entitled: *When you’re 64, in Ten Years, on June 1st 2018: The Framing of Time and Outcomes in Intertemporal Choice.*


11 April 2008  Presentation by SHAFER Glenn entitled: *Game-theoretic Probability.*

Joint Research Seminar: Economic & Political Sciences/Marketing
For further details, please contact Dominique Auclerc (Ext. 4-4251).

08 April 2008  Presentation by DRAGANSKA Michaela; MAZZEO Michael; SEIM Katja entitled: *Beyond Plain Vanilla: Modeling Join Product Assortment and Pricing Decisions.*
Entrepreneurship and Family Enterprise Seminar Series
For further details, please contact Hennie Escoffier (Ext. 4-4013).

05 March 2008
Presentation by ZHANG Luyang entitled: Research of Venture Capital Industry in China.

06 March 2008
Presentation by ZHANG Luyang entitled: How to Do Entrepreneurship Research in China.

28 March 2008
Presentation by THORNTON Patricia H. entitled: Built to Last: Founding New Ventures in Markets and Hierarchies.

25 April 2008

Joint EFE-OB Seminar
For further details, please contact Alexandra Capaddoro (Ext. 4-4322).

17 March 2008

Finance Seminar Series
For further details, please contact Muriel Bailleul (Ext. 4-4482).

07 March 2008
Presentation by VERDELHAN Adrien entitled: Common Risk Factors in the Returns on Currencies.

14 March 2008
Presentation by HENDERSHOTT Terrence; SEASHOLES Mark entitled: Liquidity Provision and Stock Return Predictability.

21 March 2008
Presentation by BUBNA Amit; CHOWDHRY Bhagwan entitled: Franchising Microfinance.

28 March 2008
Presentation by HARFORD Jarrad; KLASA Sandy; WALCOTT Nathan entitled: Do Firms Have Leverage Targets? Evidence From Acquisitions.

11 April 2008
Presentation by GOMES Francisco; MICHAELIDES Alexander; POLKOVNICHENKO Valery entitled: Fiscal Policy in an Incomplete Market Economy.

18 April 2008

25 April 2008
Presentation by HE Zhiguo; XIONG Wei entitled: Delegated Asset Management and Market Segmentation.
Marketing Research Seminar Series
For further details, please contact Suzanne Sellier Di Sano (Ext. 4-4248).

07 March 2008  Presentation by DE WILDE Els entitled: *Attentional Contrast During Sequential Judgements: a Source of the Number-of-levels Effect.*

21 March 2008  Presentation by FRANK Robert entitled: *How Rising Inequality Affects Middle-Class Spending.*


18 April 2008  Presentation by MANCHANDA Puneet entitled: *The Effects of Service Quality and Word of Mouth on Customer Acquisition, Retention and Usage.*

Organisational Behaviour Research Seminar Series
For further details, please contact Alexandra Cappadoro (Ext. 4-4322).


18 March 2008  Presentation by SCHULTZ Majken entitled: *Organization Identity Dynamics and Its Relevance for Practice.*


10 April 2008  Presentation by MCGINN Kathleen entitled: *Shall I Stay or Shall I Go? Cooperative and Competitive Effects of Demography on Turnover.*

14 April 2008  Presentation by MORRIS Michael entitled: *Personal Motives and Cultural Conformity.*

29 April 2008  Presentation by PRATT Michael entitled: *Occupations, Professions, and the Meaning of Work.*

Social Innovation Centre Research Seminar Series
For further details, please contact Corinne Covalet (Ext. 4-4295).


Strategy Seminar Series
For further details, please contact Catherine Billault (Ext. 4-4459).

07 March 2008  Presentation by PURANAM Phanish entitled: *Coordination in Vertical

**Joint Research Seminar: Strategy and Accounting and Control**
For further details, please contact Michèle Plu (Ext. 4-4393).


**Technology and Operations Management Seminar Series**
For further details, please contact Corinne Covalet (Ext. 4-4295).

18 April 2008  Presentation by SECOMANDI Nicola entitled: *Optimal Commodity Trading with a Capacitated Storage Asset.*
Off-Campus Conference Attendance


VAN ZANDT Timothy: Information, Control and Communication (10 - 12 April 2008: Berlin, Germany), invited speaker.


ZOTT Christoph: Semi-Annual Meeting of the Executive Committee of BPD of AOM (08 March 2008: Atlanta, United States).
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