

## GROUP 18: Evaluation of "Cirque du Soleil" Case - Group 4

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### Three things we liked about the presentation

1. Nice PowerPoint presentation and great Clarification on the TCE theory and implications (hold up theory and specific investment relationship). Not taking for granted that the company understands the TCE concepts and rather taking time to explain them.
2. Giving positive credit to the original business of the Cirque du Soleil and stating that the open book approach is beneficial to business partnerships
3. When trying to diversify into new business ventures: Vertical integration with a company having expertise in the new business aspects in order to diversify its product portfolio, adds credibility and is a better approach

### Three things we did not like about the presentation

1. Too many ideas and recommendations shared, sometimes having conflicting viewpoints. Ex: stating that the model itself is good, then giving contradictory examples on it being not efficient: ex; encouraging the company to take risks but discrediting earlier on in the presentation Laliberté who was pro risk (and promoted instead Gauthier who was more conservative)
2. Associating a sophisticated luxury strategy (differentiation) branch and a low cost strategy (cost leadership) branch shows great risk of being "stuck in the middle"
3. Not developing the ideas enough and giving proper support and explanation to some recommendations. Ex: Recommending penetration of Asian markets in luxury resident shows but not specifying how, where and the details of the business models.

### Three things we disagreed with regarding recommendations and would suggest differently

1. **The rotation management project:** we believe it would damage efficiency, create a huge operating cost and possibly affect creative quality.  
**Our suggestion:** the already existing decentralized creative workflow that Laliberté created seems to work well and should be maintained at least.
2. **Recommendation of external creative consultants:** this also would potentially affect the efficiency of the creative process, shows lack of trust in their own internal creative talents and incur much higher costs that could be spent more efficiently; and would most likely lead to the loss of some if not all creative control.  
**Our suggestion:** we advise on keeping all the creative processes internally, and build on that model by spending on recruitment of fresh creative minds rather than paying for consultants.
3. **Dubai project:** We disagree with them saying that opening business and contracts in Dubai was dangerous and that selling stakes makes them lose creative control.  
**Our suggestion:** selling minor shares in the project does not make you lose creative control, it shows trust to your partner and Dubai is a great market to open business in (gambling or destinations cities), they could follow the same business model as with MGM