

MAN 4633 Homework 8

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Assurance of Learning Exercises

1. See if you can identify the value chain relationships that make the businesses of the following companies related in competitively relevant ways. In particular, you should consider whether there are cross-business opportunities for (1) transferring skills and technology, (2) combining related value chain activities to achieve economies of scope, and/or (3) leveraging the use of a well-respected brand name or other resources that enhance differentiation.

Bloomin' Brands

- Outback Steakhouse
- Carrabba's Italian Grill
- Roy's Restaurant (Hawaiian fusion cuisine)
- Bonefish Grill (market-fresh fine seafood)
- Fleming's Prime Steakhouse & Wine Bar

L'Oréal

- Maybelline, Lancôme, essie, and Shu Uemura cosmetics
- Redken, Matrix, L'Oréal Professional, Garnier, Kiehl's, and Kérastase hair care and skin care products
- Ralph Lauren, Yves Saint Laurent, and Giorgio Armani fragrances
- La Roche-Posay, Vichy Laboratories, and SkinCeuticals dermocosmetics

Johnson & Johnson

- Baby products (powder, shampoo, oil, lotion)
- Band-Aids and other first-aid products
- Women's health and personal care products (Stayfree, Carefree, Sure & Natural)
- Neutrogena, Lubriderm, and Aveeno skin care products
- Nonprescription drugs (Tylenol, Motrin, Pepcid AC, Mylanta, Monistat)
- Prescription drugs
- Prosthetic and other medical devices
- Surgical and hospital products
- Acuvue contact lenses

- **Bloomin' Brands**

Each of these restaurant brands is different from each other and covers a different cuisine. The only real overlap is between Outback and Fleming's and that's only because they're meat focused. They're all restaurants so technology can be shared between them. Supply chain can be negotiated jointly for all brands. It's the same idea as "From the Director of ..." in a movie trailer.

- **L'Oréal**

I don't know the differences between points 1, 2, and 3. But I'm assuming they're makeup or self-care

brands dedicated to different things. Hair care, maybe? Third one is fragrances. They're all different kinds of self care products from different, mostly higher-end price tiers.

- **Johnson & Johnson**

Johnson & Johnson does so many things. They're the embodiment of "too big to fail." Not because they have so much money, but because they have so many fingers in so many pies.

2. Peruse the business group listings for Ingersoll Rand shown below and listed at its website (company.ingersollrand.com/ircorp/en/discover-us/our-global-brands.html). How would you characterize the company's corporate strategy— related diversification, unrelated diversification, or a combination related-unrelated diversification strategy? Explain your answer.

- Club car—golf carts and other zero-emissions electric vehicles
- Thermo King—transportation temperature control systems for truck, trailer, transit, marine, and rail applications
- Ingersoll Rand—compressed air systems, tools and pumps, and fluid handling systems
- Trane—heating, ventilating, and air conditioning systems
- American Standard—home heating and air conditioning systems
- ARO—fluid handling equipment for chemical, manufacturing, energy, pharmaceutical, and mining industries

- I would classify it as a combined related-unrelated diversification strategy. They have related brands such as Gardner-Denver compressors and Ingersoll Rand compressors. They also have unrelated brands such as Club Car and Trane. They are all, however, some form of machinery or tooling system.

3. ITT is a technology-oriented engineering and manufacturing company with the following business divisions and products:

- Industrial Process Division—industrial pumps, valves, and monitoring and control systems; aftermarket services for the chemical, oil and gas, mining, pulp and paper, power, and biopharmaceutical markets
- Motion Technologies Division—durable brake pads, shock absorbers, and damping technologies for the automotive and rail markets
- Interconnect Solutions—connectors and fittings for the production of automobiles, aircraft, railcars and locomotives, oil field equipment, medical equipment, and industrial equipment
- Control Technologies—energy absorption and vibration dampening equipment, transducers and regulators, and motion controls used in the production of robotics, medical equipment, automobiles, subsea equipment, industrial equipment, aircraft, and military vehicles

Based on the previous listing, would you say that ITT's business lineup reflects a strategy of related diversification, unrelated diversification, or a combination of related and unrelated diversification? What benefits are generated from any strategic fit existing between ITT's businesses? Also, what types of companies should ITT consider acquiring that might improve shareholder value? Justify your answer.

- It looks like they're trying to produce all the mechanical components for trains, planes, and automobiles. That means related diversification. They can sell a bunch of related parts that they can guarantee will work together in the final product. If they were to expand, I would recommend getting into wiring and electronics for planes, trains, and automobiles. Specifically the system level components such as brake wiring, etc.

Ford Motor Company

2. Please read Case Study- FORD MOTOR COMPANY- New strategies for International Growth.

All uncited quotes are from the textbook

An Analysis of the Ford Motor Company in SWOT format.

Topic

This SWOT analysis discusses the Ford Motor Company and their foray into intelligent mobility with their Ford Dynamic Shuttle program. The goal of the program was to fill a gap in the transportation market in high population density areas by creating what were essentially on-demand and custom carpools. Ultimately, the venture shutdown in 2019 (<https://techcrunch.com/2019/01/10/ford-is-shutting-down-chariot-shuttle-service/>). While no details were given about why the program shutdown, it is speculated that it was due to failing ridership numbers.

Strengths

- Ford has a global automotive manufacturing network
- Ford has many properties and different R&D departments that can work together
- Good idea
- Air conditioning is a big draw in India

Weaknesses

- Weak financial position in the 21st century after the Great Recession in 2009
- No large scale prior experience in the intelligent mobility sector
- Untested idea from an automotive company
- Does not work well on a small scale

Opportunities

- There is a gap in the transportation market between taxis and ride hailing and mass transit services
- Ford has the manufacturing chops to custom-build vehicles that are able to best serve the needs of the program

Threats

- Existing mass transit such as subways or buses
- Uber, Lyft, and other ride hailing services
- Taxis
- The program not catching on