



SSM

Swiss School of Management

ASSIGNMENT

COURSE NAME : STRATEGIC LEADERSHIP AND CHANGE

FACULTY NAME : Swiss School of Management

LO1

Describe the roles of vision, mission, and values in the strategic management process

LO2

Evaluate the strategic implications of product-oriented and customer-oriented vision statements.

LO3

Explain why anchoring a firm in ethical core values is essential for long-term success

LO4

Outline how managers become strategic leaders

LO5

Describe the roles of corporate, business, and functional managers in strategy formulation and implementation

***LO-Learning Objective**

Questions	Marks
Mini Case 1	50
Mini Case 2	50
Total	100
Submission Date	30/01/2023

Assignment

Mini Case 1: Michael Phelps: Strategy Formulation & Implementation

MICHAEL PHELPS, NICKNAMED MP, is the most decorated Olympian of all time. Competing in four Olympic Games,¹ the American swimmer won 22 Olympic medals, including 18 gold! In 2000 at the Sydney Olympics, Phelps at the age of 15 was the youngest U.S. athlete in almost seven decades. In 2008 at the Beijing Olympics, Phelps won an unprecedented eight gold medals, and while doing so set seven world records. Eight short days changed Olympic history and Phelps' life forever, making MP one of the greatest athletes of all time. Immediately after the event, The Wall Street Journal reported that Phelps would be likely to turn the eight gold medals into a cash-flow stream of more than \$100 million through several product and service endorsements.

Phelps did not rest on his laurels, however. In 2012 at the London Summer Olympics, Michael Phelps added another four gold and two silver medals, elevating him to superstardom. Phelps became an Olympic superhero against long odds. How was he so successful?

Strategy Formulation

In his youth, MP was diagnosed with attention deficit hyperactivity disorder (ADHD). Doctors prescribed swimming to help him release his energy. It worked! Between 2004 and 2008, Michael Phelps attended the University of Michigan, studying marketing and management. He had already competed quite successfully in the 2004 Athens Summer Olympics, where he won eight medals: six gold and two bronze. Right after the Athens Games, the then-19-year-old sat down with his manager, Peter Carlisle, and his longtime swim coach, Bob Bowman, to map out a detailed strategy for the next four years. The explicit goal was to win nothing less than a gold medal in each of the events in which he would compete in Beijing. Bowman was responsible for getting MP into the necessary physical shape he needed for Beijing and nurturing the mental toughness required to break Mark Spitz's 36-year record of seven gold medals won at the 1972 Munich Olympic Games. Carlisle, meanwhile, conceived of a detailed strategy to launch MP as a world superstar during the Beijing Games. While MP spent six hours a day in the pool,

Carlisle focused on exposing him to the Asian market, the largest consumer market in the world, with a special emphasis on the Chinese consumer. MP's wide-ranging presence in the real world was combined with a huge exposure in the virtual world. Phelps posts and maintains his own Facebook page, with 7.6 million "phans." MP is also a favorite of Twitter (1.6 million followers), YouTube, and online blogs, garnering worldwide exposure to an extent never before achieved by an Olympian. The gradual buildup of Phelps over a number of years enabled manager Carlisle to launch MP as a superstar right after he won his eighth gold medal at the Beijing Games. By then, MP had become a worldwide brand. A successful strategy can be based on leveraging unique resources and capabilities. Accordingly, some suggest that MP's success can be explained by his unique physical endowments: his long thin torso, which reduces drag; his arm span of 6 feet 7 inches (204 cm), which is disproportionate to his 6-foot-4-inch (193 cm) height; his relatively short legs for a person of his height; and his size-14 feet, which work like flippers due to hypermobile ankles. While MP's physical attributes are a necessary condition for winning, they are not sufficient. Many other swimmers, like the Australian Ian Thorpe (who has size-17 feet) or the German "albatross" Michael Gross (with an arm span of 7 feet or 213 cm), also brought extraordinary resource endowments to the swim meet. Yet neither of them won eight gold medals in a single Olympics.

Strategy Implementation

Although Phelps was very disciplined in executing his meticulously formulated strategy to win Olympic gold medals, this is much less true for his strategy implementation to monetize his stardom outside the pool. Following the Beijing Olympics, a photo published by a British tabloid showed Phelps using a bong, a device for smoking marijuana, at a party in South Carolina. Kellogg's immediately withdrew Phelps' endorsement contract. After the London 2012 Olympics, Phelps (then 25) announced his retirement from swimming. After 20 months, he announced that he would come out of retirement. Just a few months later, however, in September 2014, Phelps was arrested for driving under the influence (DUI). In 2004, Phelps had also been arrested for DUI. After the second DUI arrest, Phelps received a one-year suspended jail sentence and 18 months of supervised probation. Phelps also spent 45 days in an inpatient rehab center for alcohol abuse in Arizona. USA Swimming, the national governance body, suspended Phelps for 6 months from all competitions and from representing the United States at the 2015 world championships. In the spring of 2015, Michael Phelps announced his intention to compete at the 2016 Rio Olympics. Many experts predict that Phelps has a good chance of winning two more gold medals. What sponsors want to know, however, is whether the promised personal change is real, given that Phelps has made such promises before after his first DUI and then again when photographed smoking a marijuana pipe. Retaining a clean public image will also be critical for Phelps because he just launched his own line of swimwear MP, designed in collaboration with Aqua Sphere, a swimming equipment manufacturer. Phelps grew up idolizing Michael Jordan, and his goal is to change the public image and marketing of swimming to something akin to what Jordan accomplished with his Nike sponsorship in basketball.

- i. Olympians generally do not turn into global phenomena. One reason is that they only are highlighted every four years; e.g., not too many people follow competitive swimming or downhill skiing (think Lindsey Vonn) outside the Olympics. How did Michael Phelps turn into a "global brand"?
- ii. Which approach to the strategy process did Michael Phelps, his coach, and manager use? Why was this approach successful?
- iii. Michael Phelps was embroiled in a number of controversies outside the pool. What impact did these shortcomings have on his brand value? What do these incidents tell you about maintaining and increasing brand value over time?
- iv. What does Michael Phelps need to do if he wants to play a similar transformative role in the marketing and sponsoring of swimming as Michael Jordan achieved in basketball?

Mini Case 2: Teach for America: How to Inspire Future Leaders

TEACH FOR AMERICA describes itself as heading the movement of leaders who work to ensure that youth growing up in poverty get an excellent education. Teach for America (TFA) is a nonprofit organization that recruits college graduates and professionals to teach for two years in economically disadvantaged communities in the United States. The idea behind Teach for America was developed by then-21-year-old Wendy Kopp as her senior thesis at Princeton (in 1989). Kopp was convinced that young people generally search for meaning in their lives by making a positive contribution to society. In the first four months after creating TFA, Kopp received more than 2,500 applicants. Her marketing consisted of flyers in dorm rooms. Corporate America donated \$2.5 million in seed grants during TFA's first year. In 2014, TFA's operating budget was \$360 million.

The genius of Kopp's idea was to turn on its head the social perception of teaching—to make what appeared to be an unattractive, low-status job into a high-prestige professional opportunity. Kopp established a mission for the organization she had in mind: to eliminate educational inequality by enlisting the nation's most promising future leaders in the effort. Her underlying assumption was that significant numbers of young people have a desire to take on meaningful responsibility in order to have a positive impact on the lives of others. To be chosen for TFA is a badge of honor. Initially, TFA applicants came from Ivy League colleges; in 2014 the top TFA contributors were the University of Michigan, University of California-Berkeley, University of California Los Angeles, University of Texas at Austin, and the University of North Carolina at Chapel Hill. Today, TFA corps members represent more than 850 colleges and universities throughout the United States. The applicant profile also has changed a bit over time: While initially targeted at college seniors, today, one third of all TFA corps members applied as graduate students or professionals.

In 2014, TFA received more than 50,000 applications for only about 5,000 positions across the country. This translates to a mere 10 percent acceptance rate. TFA corps members receive the same pay as other first-year teachers, ranging from \$30,000 to \$51,500 a year. Since each TFA cohort teaches for two years, in the 2014–15 school year, more than 10,000 corps members taught over 600,000 students. TFA's teaching cohort is also much more diverse than the national average: While less than 20 percent nationwide are teachers of color, about 50 percent of TFA corps members are people of color.

Persuading highly qualified teachers to take up jobs in some inner cities and rural areas has been an elusive goal for many decades. Making TFA highly selective changed the social perception of teaching in underprivileged areas. It is now an honor and great résumé builder to be chosen for TFA. Some notable TFA alumni are now U.S. district judges, state senators, co-founders (of KIPP, Knowledge is Power, college-preparatory schools in disadvantaged communities; and Manhattan GMAT), Olympic medal winners, chancellors of large public-school districts (including the District of Columbia), senior adviser to Hillary Clinton, journalists, actors, and writers. More than 80 percent of TFA's more than 37,000 alumni, however, are still working in the field of education, with the vast majority in public school districts.

Most importantly, TFA makes a significant positive impact on the students. Some 95 percent of all school principals working with TFA members say that these teachers make a positive difference. A detailed and rigorous study commissioned by the U.S. Department for

Education finds that students being taught by TFA corps members showed significantly higher achievement, especially in math and science.

- i. How did an undergraduate student accomplish what the Department of Education, state and local school boards, and the national Parent-Teacher Association could not despite trying for decades and spending billions of dollars in the process?
- ii. Applying the Level-5 leadership pyramid, do you believe Wendy Kopp is an effective leader? Why or why not?
- iii. What are your personal leadership take-aways from Wendy Kopp and the TFA MiniCase? Would you want to apply to be TFA teaching fellow? Why or why not?
- iv. How can the frameworks and concepts you studied in strategic management help TFA achieve its mission “to enlist, develop, and mobilize as many as possible of our nation’s most promising future leaders to grow and strengthen the movement for educational equality and excellence”?
- v. Apply a triple-bottom-line assessment of TFA’s performance. How is TFA doing? What are its strengths and where could its performance be improved?

