37 ANS YEARS

CONCOURS INTERNATIONAL D'ÉTUDE DE CAS MBA

# JOHN MOLSON

MBA INTERNATIONAL CASE COMPETITION


# Guide for Schools

# Message from the MBA Program Director

I want to extend a warm welcome to all participating schools to the 37th annual John Molson School of Business MBA International Case Competition. I am pleased that the student organizing committee, with the support of our faculty and board of Directors, continually and consistently create an atmosphere of excellence. This world-class competition highlights the strategic challenges and managerial dilemmas faced by global business leaders.

I am proud that the John Molson School of Business MBA International Case Competition, one of the most prestigious and the largest competition of its kind, continues to thrive thanks to participants such as you. Universities all over the world send their strongest and brightest business students to be part of the challenging and exciting competition where their skills, intuition and stamina will be put to the test, all the while forging friendships and international contacts that will last a lifetime.

On behalf of the John Molson MBA program, I look forward to meeting you in Montreal next January.

Sandra B

Bonne chance à tous,
Sandra Betton, PhD
MBA Program Director, John Molson School of Business

# Acknowledgment

The original Guide for schools was prepared in 2007 by Memorial University of Newfoundland who has participated in the John Molson MBA International Case Competition since 1985. It was recognized that providing a guide for schools that were new to the competition would be helpful. The organizers of the 2007 John Molson MBA International Case Competition, together with Sir Wilfred Laurier University and Université Laval helped review and edit the original manual.

In the light of changes implemented at the 2014 competition, this Guide was changed in to reflect the new competition format. Memorial University, along with the organizers of the 2016 John Molson MBA International Case Competition, have further updated the manual for the 2016 competition and we hope you find the document useful.

Dr. Peggy Coady
Memorial University of Newfoundland
September 2015

MEMORIAL UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION

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# 1. Introduction to the Guide

The John Molson MBA International Case Competition is the largest and one of the most prestigious case competitions in the world. Thirty-six teams from countries throughout the globe participate in this week-long event and their experience varies from first time participant to veteran schools that have competed for decades.

The purpose of this guide is to help teams prepare for the competition. The basic strategies teams could take when preparing and presenting a case are outlined. This guide also includes advice on how to select a team and what to expect at the competition. Furthermore, the information provided will help to ensure that teams experience all aspects of the competition including the non-case events. Participants have great opportunities to meet and network with senior business executives attending the competition either as judges or sponsors. Networking with other MBA students from all over the world is also another benefit of participating in this reputable event. A relaxing environment conducive to maximizing the intended benefits of these networking events is provided by the organizing committee.

# 2. The Competition

The John Molson MBA International Case Competition is a not-for-profit event organized by a team of four MBA students from the John Molson School of Business at Concordia University. The competition is open to top business schools worldwide, and is recognized as the largest competition of its kind. Its main purpose is to bridge the gap between corporate and academic worlds, which ultimately enriches both students and executives alike.

The competition format is a round-robin tournament consisting of five business cases. One of these cases is a Live Case presented by members of an organization that is currently facing a real-life business challenge.

With normally only three hours to prepare, teams of four students analyze and evaluate unpublished business cases using the skills, knowledge and experience they have acquired from their respective MBA curriculums. During the preparation time each team is provided 2 laptops with Microsoft Office and no Internet capabilities. The teams are expected to use PowerPoint for their case presentations and the final product should be a PowerPoint presentation that is presented to a judging panel. The presentation should demonstrate the students' ability to analyze problems/issues and develop strategic recommendations and a feasible implementation plan for the organization featured in the case.

More than two hundred senior business executives serve as judges, using their unique backgrounds, experience and perspectives to critically assess the participants' presentations. Teams are judged on the quality of the analysis, presentation, question and answer period and recommended course of action.

## 2. The Competition (Continued)

The Live Case exemplifies the interaction of the academic and corporate worlds that takes place during the intense week of competition. Company representatives present a current real-life business case to all teams simultaneously. All teams rely on the presentation, a brief question period, and supporting materials provided by the company, that serve as background information, for their evaluation of the case. Following a three hours of preparation, teams present their arguments, solutions, and plans for the company to a panel of judges.

Following the round-robin tournament, nine teams advance to the semi-finals for the opportunity to compete in the three-team final.

This information and further details about the competition can be found at the official competition web site: www.mbacasecomp.com

# 3. Selecting a Team

There are several methods that the coach[1] may use when selecting their case team. One method is to have interested students present cases to the coach individually or in groups as part of a try-out session. Finally, there is the course method where the university offers a Business Case Course or Directed Study where students learn how to read, evaluate, and present cases for course credit.

The coach would normally review resumes, transcripts, and any other information provided by students to aid them in the team selection process. A sample application template is available in Appendix A – Sample Case Competition Application Form.

[1] Throughout the guide the reference is made to 'the coach'. This will include all coaches involved in selecting the team.

# 3.1 Individual Presentation Method

The individual presentation selection method can be used to either select 5 individuals that will make up the case team or as a pre-selection tool for the group presentation selection method. With this technique, students should be given a case to prepare in advance. Each student will then be given a maximum of 25 minutes to present the case to the coach using PowerPoint. For the case analysis and preparation Microsoft Excel can be used but no Internet research is allowed. Students should be provided with the judging criteria that will be used during the competition to score the teams. The judging scoring criteria list is available in Appendix B – Scoring Criteria.

During the presentations, each student should be judged using the scoring sheet provided in Appendix B. After each student has presented, the coach should rank the students. Discretion may be used to decide the five students who will makeup the case team; however, normal practice would be to select the top five scores.

# 3.2 Group Presentation Method

The group presentation method for selecting a team is used to view how students will work as a team and in the role that they have been designated. The role of the coach is to not only critique the team as a whole, but also to assess individual performance. A group of the top 5 individuals is not always the winning team. It is the group that is able to work together, and present a strong case that will succeed at the competition.

The coach should form initial teams based on the background information provided by the students. Well rounded teams should be formed comprising of individuals from diverse backgrounds. For example, one member could have a marketing background, one with an accounting/finance background, one with a science or engineering background, and one with a background in arts.

Once the team is formed, the coach should designate roles to each team member based on the background information provided by students. For example, someone with strong analytical skills may be best suited for the analysis portion of the case presentation. A problem solving skill set may be best for implementation, etc. Once the roles have been set, the next step is to decide on the method with which the teams will review the case.

When teams present the first case, the coach should use the same scoring method as the individual case presentations. The coach should also rank the students on their roles in order to determine the suitability of the student for that role. This will allow the coach to rearrange teams to ensure that the roles assigned utilize each team member's skill set to the maximum.

One approach the coach may wish to explore is to observe teams as they prepare. The coach could sit with the team(s) for short periods of time while the teams prepare their case. This will allow the coach to observe how the team members are interacting and organizing themselves and to point out any weak links or overly argumentative individuals. From the presentations, the coach should be able to determine the best fit for the team and select the individuals accordingly.

# 3.3 Case Course Method

Some universities offer a course that teaches students how to evaluate and compose solutions to business cases. The focus of these courses may vary. While some of these courses focus on specific cases such as international marketing or accounting, others focuse on general business cases. Regardless of the focus of the course, coaches may wish to tailor the course to focus on training students for the competition. This is a difficult option as it will involve obtaining approval for the course, but if put in place, it can prove to be one of the best methods for selecting a team and fostering a culture of case analysis within your school.

This method is very similar to the group presentation method in terms of how a team is selected, the major difference is that students who wish to try out for the case team will need to enroll in the course.

The first quarter of the course should concentrate on educating students on how to prepare for a case (for more information on preparation see Section 4 – Preparation for the Competition). After students receive guidance from the coach, teams should be formed and presentations should begin. The coach may wish to change group members in order to build the best teams possible. However, too many changes may be counterproductive as students will not be able to get to the level of comfort and familiarity needed to perform well as a team.

# 3.3 Case Course Method (Continued)

When the course is approximately three quarters complete, the coach will need to select the team that will attend the competition and begin final preparations for the competition. For those students who have not been selected to attend the competition, the coach may wish to either use them as judges or to continue have them give presentations in order to determine grades for the course.

The team selected to attend the competition will need to complete at a minimum of one case per week for the remainder of the course. This will allow the team to become familiar with the time constraint of the competition and with the styles of each team member. If the timetable of the school does not allow for 4 consecutive hours for a class, the team may be required to attend school after hours or on weekends in order to have the amount of time needed to prepare and present a case.

The case course method will benefit the coaches, as it will allow them to dedicate time during their workday to improve the team and coaching methods. The course method will also aid in gaining the support of the school to help finance and support sending a team to the competition. With increased support of the school and faculty, the coach will have the ability to attain the resources necessary to fully prepare the team.

# 4. Preparation for the Competition

Once a team is selected preparation must begin immediately in order to complete enough practice cases prior to the competition. Teams should complete a minimum of 4, to a maximum of 12 preparations cases. Team members should also become familiar with different areas of the world and how they conduct business, as the cases may be set in one or many countries around the world. Finally, the team should familiarize itself with different industries and the cultural nuances they may have.

It is important that, when the preparations begin, the coach and the team members be aware of the official rules of the John Molson MBA International Case Competition, which can be found at http://mbacasecomp.com/competition/rules. Also it is very important to review and possibly practice with cases used in previous years of the competition. A sample case from the 2017 competition is available in Appendix C. Furthermore, a list of previous cases used at the John Molson MBA International Case Competition can be found at http://mbacasecomp.com/competition/cases.


# 4.1 Country Research

Due to the international nature of the competition, it is advised that the team become familiar with several geographic areas. Each team member should be tasked with one or two areas to which they are to complete a short summary. The summary should include information such as population, geography, political and economic environment, imports, exports, most common industries, infrastructure, etc.

Knowing cultural, political, economic or other local information can add great value when formulating a solution for a case.

# 4.2 Industry Research


Along with country research, teams should become familiar with several industries to ensure they know how they work and what are the key success factors for each industry. Examples of industries that have been in the past cases include:

Airline, Pharmaceutical, General Retail, Small business, Minerals/Mining, Banking

Having an understanding of specific industries will be of great value to the teams. Knowing items such as rules and regulation, materials, labor requirements, etc., will all help in the formulation of a solution.

It is also important to understand the products/services of an industry and how they are produced and supplied. For example, knowing that a new drug will take approximately X number of years to get to the market will allow teams to bring realism to their solutions. Unrealistic timelines used might cause the team to lose points, as it will impact realism and practicality of solutions.

Another important reason for conducting industry research pertains to cross industry dependence. In 2007, a live case was presented by Alcan, a Canadian producer of aluminum. The major issue within the case involved obtaining the energy needed to produce the aluminum. Knowledge of the power generation industry would have given teams an advantage during the formulation of an implementation plan for this case.

It is impossible to prepare for every possible type of industry in all regions. These are just suggestions to give teams some guidance when preparing for the competition.

## 4.3 Preparatory Case(s)

The list of previous cases used at the John Molson MBA International Case Competition can be found at http://mbacasecomp.com/competition/cases.

These cases best represent what the team will face when in Montreal. The coach should also seek other cases of comparable difficulty to increase the number of practices the team will have. It will take approximately 7-10 cases before the team is able to work efficiently together within the three-hour time limit. The following sections present suggestions for how the team should prepare for all of the components of the case from the preparation to the question period.

## 4.3.1
## How to read a case

A case will usually take 30 to 45 minutes to read from start to finish. When the team first receives the case they should read the first and last paragraph of the case to help determine the problem being presented. Knowing the problem while reading will allow team members to filter out the information they need in order to determine the best solution.

While reading, each team member should make note of key issues within the case, along with noting key pieces of information that will help them with their portion of the case. For example, if a member is given the role of presenting the analysis, he/she should keep notes on strengths and weaknesses of the company, industry information, economical conditions, etc.

It is very important to note exactly where is the information within the case as the team will not have enough time to read it a second time. One alternative is to take note of pages that contain vital information. Another alternative is to simply highlight key points and make short notes next to each highlight that will allow the student to identify the type of information that is highlighted. Whatever the method, each team member should ensure that they stick to one method to avoid confusion during the three-hour preparation time.

As the team becomes more familiar with reading cases they will soon learn which information needs their attention and which can be skipped over.

# 4.3.2 How to Discuss a Case

The discussion must begin immediately after the team has completed reading the case. If a team member finishes earlier than the rest of the team they can begin preparing the slides (heading, design, cover sheet, etc.). This will ensure that the team is utilizing the three hours to the maximum.

One person should be designated as the note taker and it will be their job to put all ideas that are mentioned on display (whiteboard, paper, etc.). It is important to take down all ideas as this will help to narrow down the correct problem, solution, and implementation. The brainstorming period should not exceed 10 minutes. After that, the team will need to begin filtering ideas and making a decision as to what the problem is and what are the possible solutions.

During the discussion, one person should be designated as the timekeeper to ensure that the team does not spend too much time on one topic. The timekeeper should continually inform the team of the remaining of the preparation time.

A good starting point for the team discussion is to identify the main problem presented in the case. The team should spend no more than 15 minutes determining the problem statement. Once the problem is defined, the next logical step is to list all of the key issues presented in the case. This step will help the person who is presenting the analysis, as it is their portion of the presentation that sets up the recommendation and implementation. Furthermore, recognizing the key issues allows the team to formulate a solution that will address most, if not all, key issues within the case.

## 4.3.2 How to discuss a case (Continued)

Next, the team must come up with a minimum of 2 additional solutions to the problem. Presenting additional solutions demonstrates that the team has fully understood and discussed the problem at hand. In addition, it clarifies that the selected solution is the optimal one. Every alternative should have advantages and disadvantages, with the final recommendation having the most advantages. It should be noted that status quo is usually not a solution. A team that presents status quo ('Do nothing'), as an alternative will be seen as one that has not fully thought out how to handle the case.

After the alternatives and the recommendation are completed, an implementation plan needs to be created. The discussion should simply allow the team to present, in point form, ideas that will allow the member responsible for implementation to formulate a complete plan. Items that should be discussed include timeframe (how long will it take), cost (order of magnitude estimates), how it will solve the problem, and resources (who will be involved).

Once the implementation plan has been discussed, the team should take a few minutes to review. Once a consensus has been reached, the discussion should end and members should begin to prepare their slides.

# 4.3.3
# How to divide the work

Each team member should have a role in the team. Based on the way the cases are judged the natural roles that emerge are as follows;

**1. Introduction, key issues/ problem statement**

The key issues and problem statement within the case should be clearly stated.

**2. Analysis**

The environmental, economical, financial, and political factors of the case should be reviewed in terms of what is relevant to the key issues. The analysis should have an external and an internal focus in term of the organization. One example would be the use of a SWOT analysis to review the organization.

**3. Alternatives and recommendation**

A minimum of three alternatives should be analyzed one of which will be the recommended solution. The recommended solution should address the key issues and solve the problem stated.

**4. Implementation**

The implementation is an action plan that the company in the case will use to implement the recommendation. The implementation must fit the organization and should be attainable. The implementation should address all areas of the organization including operations, marketing, human resources, and finance. The plan should have a timeline along with a break down of the costs associated with the implementation.

**5. Financial analysis, and conclusion**

All cases should address how the recommendation will affect the organization financially. If the case does not provide any financials, students can still address how the plan will affect them, however specific numbers will not be available. Items that may be considered in this section are: Stock/share price, profits, revenue, expenses, IRR, NPV, etc.

The coach should provide guidance as to how the teams can put their own unique spin on each section to enhance the overall presentation. For example, teams may wish to choose a color scheme for their slides that will remain constant throughout the competition. They may also wish to decide on a team name that will be used consistently throughout each case.

## 4.3.4
## Final 5 minutes

When the timekeeper announces the five-minute remaining mark, the team will need to begin saving their presentation to both provided USB keys and make sure that the presentation is saved. Once the three-hour time limit passes, the team hosts will not give teams extra time for making any final additions or changes to their presentation or for saving the presentation. The team will have to give the USB keys immediately to the team host. When practicing, coaches should follow these rules in order for the team to become comfortable with the time constraints and the strict rules of the competition.

The teams do not need to worry about their personal belongings, as they will have time to clean up once the USB keys are handed over to the team host. The team should take a minute to relax and mentally prepare themselves for their presentation. If a bathroom break is required, teams should let their team host know and they will be escorted to the nearest washroom. Teams should attempt to be on time because the judges will not want to delay the presentation.

# 4.3.5
# Presenting the case

When entering the presentation room, team members normally introduce themselves to the judges and wait for instructions form the judge coordinator. The USB drive containing the teams' presentation will be given to the judge coordinator who will transfer the presentation to the desktop of the computer connected to the projector. Teams may sit or stand during the presentation. All members of the team should present a part of the case. There should be balance and flow between members.

Prior to presenting it is suggested that the team designates a team member(s) to change slides. For example, once the first team member has finished speaking, that person can become the one responsible for changing slides for the remainder of the presenters. Or individual team members can control their own slides. Practice with these transitions is just as important as the presentation itself. Sloppy transitions are distracting, will waste time, and may be seen as lack of preparation to the judges.

## 4.3.6 Question Period

Prior to the competition, the coach should attempt to bring in judges for the practice presentations. The coach may act as judges at first, but to avoid the team from becoming comfortable, external judges should be used.

When the team has completed the presentation, they should all stand and wait for the judges to begin their question period. When a judge asks a question, be careful not to hastily jump into an answer. Everyone should pause and take 3-5 seconds to ensure they understand the question. If the question is unclear, ask for clarification before trying to present an answer.

After a team member has answered a question, a follow up answer should only be given if it will add value to what was already been said. Teams must also ensure that they do not contradict each other while answering questions. When one team member gives an answer that another may not agree with, they should first determine if their answer will give the impression that there is conflict within the team. Contradicting a team member will show that the case was not discussed fully or that the team did not agree on their recommendation. If the answer is sufficient the team should leave it and not attempt to correct the mistake. Only when the answer is 100% incorrect should a member give a different answer. Even during this contradiction, the person speaking should formulate their response in a manner that, although contradictory, is in agreement with the previous answer. Confidence in the solution proposed along with the answers being given is very important when judges are scoring teams.

# 4.3.6 Question Period (Continued)

At no time should a team argue with a judge. Many times judges will tell teams they do not agree at all with the solution presented. Some may even tell the team that they are wrong. When this occurs, becoming confrontational will only hurt the team. At this time, confidence in the solution must be presented. Teams should still support their answer, but they should do so by revisiting the facts they presented and assuring the judge that their plan is the optimal one. The result will almost always be one of these two scenarios; i) the team convinces the judge or ii) the team gains the judges respect since they were able to back up their solution, even if they still disagree.

Finally, teams should pay attention to the body language of the judges. When a judge begins to nod their head in agreement or present other body language that sends similar signals, the person answering the question should wrap up and allow for the next question to be asked. The objective is to efficiently answer questions in the 15-minute period.

# 5. Materials to Bring

It is important to dress professionally while participating in the competition. The dress code for the competition is business professional. It is important that team members not only wear professional clothing, but also that they are comfortable in their attire.

The three-hour preparation period along with the 40 minutes teams have to stand in front of the judges is a stressful experience and adding discomfort to the equation can lead to the team underperforming. If team members are not accustomed to wearing business professional apparel, it is highly suggested that they complete all of their practice cases in full formal attire.

Each member should bring multiple shirts and ties (for male participants). Although the competition is located near many clothing shops, last minute purchases will only add to the stress of the event. Hotel laundry is of course available, but it is another area where problems may occur. We recommend bringing multiple outfits in order to reduce the need to have items laundered.

We also recommend bringing travel stain remover and clothing repair kit. Finally, teams should have comfortable clothing to wear when not participating in a case. As it has been mentioned throughout the guide, teams will participate in many social events with ranging in formality. This will allow teams to relax and socialize more comfortably, which will help lower the stress level in between cases. The organizers of the competition normally hold a Theme Party during the competition and most schools do come with costumes/attire in line with the theme. This usually becomes one of the highlights of the competition and a great opportunity to show originality and foster team spirit.

An important point to note is that in January Montreal can be quite cold and there is often snow on the ground. As you will likely be leaving the hotel for various events winter attire is recommended!

## 5.2 Preparatory Material

The research material prepared, as suggested in sections 4.1 and 4.2, may accompany the team to Montreal in order to allow brief reviews prior to starting a case preparation. Having this information on hand will allow teams to enter a case with the details fresh in their minds.

It is also helpful for the teams to have a slide template prepared to review prior to entering a case. It is against the rules to have prepared slides or templates with you while preparing a case, however, reviewing the template shortly before the each case will save time, as the team does not need to experiment with the different format available in PowerPoint.

Finally, the team should review their strategy. The three to four month preparation period should result in teams creating a strategy for how to attack a case. This should be documented to allow the team to review their strategy to ensure they utilize the three-hour preparation time to its full extent.

## 5.3 Supplies

Office supplies that are not provided by the completion but are allowed to be used if you bring your own are listed below.

- Large sheets of paper such as Post-it Self-Stick Easel Pad
- Markers for writing on the Easel Pads
- Non programmable calculators
- Tape
- Snacks
- Beverages (Water, soda, etc.)

# 6. Arriving in Montreal

This section will provide information regarding what teams should do once they arrive in order to ensure a smooth first day at the competition.

# 6.1 Important locations in the hotel

After checking into the hotel rooms, make sure to become familiar with the important locations in the hotel such as presentation rooms, the main banquet hall, the hospitality suite, and all the restrooms.

It is highly recommended that teams visit at least one presentation room in order to understand their surroundings prior to the first case. Walking into a presentation room for the first time just before presenting can be unnerving. Having visited these rooms in advance will remove this uncertainty and increase the teams' performance.

Taking a bathroom break during preparation will mean lost time and searching for restrooms is a task that teams cannot afford. As teams will not use the same preparation room for all cases, knowing where all restrooms are will allow for teams to use the one nearest to them during their preparation.

The banquet hall is where the lunches and some breakfasts will be served. It is also where the selection of team groupings occurs. After presentation rooms and hotel rooms, the banquet hall is where teams will spend most of their time. This room does not have assigned seating and the teams can visit the banquet hall before hand and might decide where they prefer to sit.

Finally, the hospitality suite is an important location, as it is a place where teams can relax and socialize with other teams. For more information on the hospitality suite and the importance of social participation see Section 10.

## 6.2 Snacks and Beverages

The host hotel is located at the heart of the cosmopolitan Montreal and is connected to the extensive underground city of thousands of boutiques, restaurants and cafés. The location of the hotel simplifies any personal needs participants might have. Teams should make sure to familiarize themselves with the shops in the immediate vicinity.

The competition will offer water, coffee, tea and some of the meals during the preparation time, however, to ensure they are completely prepared, teams should have some food and beverage with them in case they are not provided or a team member has an aversion or allergy to items provided.

# 6.3 Speaking French

Canada has two official national languages; French and English. Montreal is located in the province of Quebec, which is a French-speaking province. Most people in Montreal do speak English, however, signs are in French. Below you will find a useful list of common French signs.

Entrance: *Entrée*
Exit: *Sortie*
Open: *Ouvert*
Closed: *Fermé*
Pull: *Tirez*
Push: *Poussez*
Cashier/Check out: *Caisse*
No Parking: *Défense de Stationner/Stationnement interdit*
No Entry: *Défenser d'entrer*

If you wish to communicate with Montrealers in their local language, you can find a list of helpful words and phrases and their pronunciations on the following website http://www.linguanaut.com/english_french.htm, or via various Apple or Android Apps.

# 7. The First Case

The first case of the competition normally occurs on the second day after lunch. If a team has not competed in a competition prior to this moment, the first case is always unsettling. This section contains information and tips that will help teams prepare for the first day of five stressful and fast paced days.

The John Molson MBA International Case Competition is the largest competition of its kind. Teams that have competed prior to this competition may still find the first day difficult. In order to get off to a good start, teams should ensure that they have a game plan prior to leaving for the competition. Although teams will learn a great deal while at the competition, they should not stray too far from their plan as this is what they have practiced and what is familiar to them.

Many times the excitement and adrenaline of competing can lead to teams becoming disorganized and unfocused. To prevent this from occurring, the team must gather their thoughts prior to entering the preparation room and communicate with each other. Five minutes prior to entering a preparation room, teams should go through some sort of ritual (be it a pre-case cheer, moment of silence, top 5 keys to success, etc.). Having a routine that they have practiced before each practice case will cause a familiar feeling and help the team to relax. This is similar to athletes who use a routine prior to a game in order to set the mood and tone before competing.

Communication is the key component that will allow teams to stay on track and complete the case to the best of their abilities. Vocalizing that a plan is going off track

# 7. The First Case (Continued)

or that a member or members are not working as they have practiced can jolt the team back on track. Vocalizing things such as time remaining, roadblocks, new information, etc., will allow all members to fully prepare for the presentation and work as a single unit.

The most important thing to remember about the first case is to leave the outcome in the presentation room. Whether teams win or lose, work well or poorly together, team members need to remember that this is only the first of the five cases. Premature celebration or feelings of doubt may cause teams to lose sight of their strategy and not succeed at the competition. Teams should always learn from each case despite the outcome but each case should be attacked with an open mind and as if it is the deciding case for the competition.

# 8. Double Case Day and Live Case

The double case day and the live case can be just as stressful as the first case, but for different reasons. The double case day is the day where teams will complete two cases in one day. The live case is the day where members of the organization upon which the case is based present live to all the teams. Each of these days will test teams in different ways and this section aims to help outline how teams can prepare for the different types of challenges they bring.


# 8.1 Double Case Day

The double case day is always a challenge to teams as there is little time between cases to relax, eat, or discuss the previous case. This day is by far the most difficult day (along with the semi finals where a second case is required in the same day) and preparation is the tool teams need in order to complete two successful cases.

The first thing a team must do is to practice completing two cases in one day prior to arriving at the competition. This will allow the team to be familiar with the limited time between the cases, along with dealing with low levels of energy during the second case. While the first case given on this day follows normal case preparation and presentation time (3 hours and 25 minutes, resistively), the second case is a short case and preparation and presentation time is 90 minutes and 15 minutes, respectively.

This is the most important day, and it is strongly advised that food should be brought to the preparation room. Motivation is another required component for this day. During the practice sessions team members become familiar with one another's moods and motivating or demotivating factors. Learning how to support each other and cheer each other up is a great tool for the entire competition, but especially for the double case day.

Finally, the team must remember that the judges have also had a long day. The team must make a conscious effort to show energy, enthusiasm, and confidence during the second case. Being mentally and physically drained and showing signs of fatigue or inattentiveness could cost them the match.


# 8.2 Live Case Day

The live case day is less taxing on the team in terms of usage of energy; however, it is still a stressful event. During the live case, teams need to listen to the issue at hand as presented by the organization and take notes as this information will not be made available to them during the preparation time. Teams have one hour to listen to the case and pose questions, and only **two hours** to prepare the case.

All team members should take notes during the presentation and question period. It is important that the team also attempt to come up with a large number of questions to pose, as other teams may ask the same question before they are called upon. The team should also discuss the questions together in case the answer was already provided during the presentation.

Asking a question with regards to information already presented will allow other teams to now possess this information that they may have missed. Finally, since the first hour is used to allow the company to present the case and for the teams to ask questions, team members should begin preparing their case as much as possible. The reduced preparation time will result in teams being unable to go through their normal preparation routine(s), and having as much completed as possible during the first hour will reduce the tension during the preparation period.

The rest of the live case follows normal case rules. Teams will have the normal presentation time and question period time. As long as teams prepare for the live case, the only difference should be how the information is presented to them.

# 9. Winning and Losing


In all competitions some teams will win, some will lose, and some will experience both. This section of the guide is not aimed at teaching teams how to do either in terms of strategy, preparation, etc., rather it is to allow teams to win and lose gracefully and to learn from each experience.

Whether it is your first win or your fifth in a row, teams should understand that there is a proper way to celebrate the win. Until a team reaches the semi-finals, no win is worth over celebrating. Even with an 11-0 win over another team, there is always something the team can learn and improve upon before the next match.

Over celebrating will also give the impression that the winning team is not showing the proper respect for the team they just competed against. Spirit is a very large component of this competition and displaying class and respect towards all teams is a contributing factor towards spirit.

Losing is also not to be approached in a negative manner. Review the loss and pick out areas where the team could have approached the case differently to produce a better result. Learn from the loss and then move on. Many times both teams present a strong case and the judges decisions were the result of one particular point such as how a question was handled or a more realistic cost analysis, etc.

Therefore, a loss does not mean the losing team did not present a good analysis and solution to a case, it simply means the other team may have simply performed a little bit better. After the results are posted, teams can review the judges' comments and determine how to ensure they perform better at the next case.

A final note on this section is that no matter what a team's result might be, whether the team has been undefeated or lost every case, no team leaves the competition without learning. All teams will leave feeling that they are stronger and more able to tackle issues and problems that will face them in their careers.

# 10. Social Events and Networking

During the course of the competition, teams and coaches will have several opportunities to socialize with the other teams, coaches, judges, and event coordinators. The competition plans several social events including dinners, sightseeing, sport events, and a theme party at the end of the competition.

A major component to the competition is spirit. The week-long competition is a stressful and tiring time, yet extra effort is made to ensure that all teams not only enjoy the experience of competing against schools from around the world, but that they also get to meet new people and have fun once the work is over.

MBA students do not need an introduction to the benefits of networking, however it is important to remind the teams that this competition is a great chance to not only meet members of other teams, but also to meet executive-level judges and other attendees. Judges of the competition are some of Canada's most prominent businesspeople who have a wealth of knowledge. Team members should take the time to meet and talk to these senior business executives serving as judges and take advantage of their knowledge to exchange ideas and get inspired about their own futures in business.

We recommend that teams take part of the organized social events. Not all teams will be comfortable with taking part in social events, as it is not for everyone.

# 10. Social Events and Networking (Continued)

Some teams may believe it will interfere with their ability to perform. However, most teams will find that the social events and simply socializing with others will help to ease the stress and tension of the competition. The topic of spirit is an important and celebrated part of this competition and an award for spirit is presented at the final banquet.

The award for spirit is named the "Richard Outcault Team Spirit Award". This award was started by Northeastern University after a member of their 1998 winning team suddenly passed away. Richard attended the competition within days after his father's death and considered the experience one of the greatest of his life. Winning this award is a very prestigious honor, and teams in the past have been very flattered to receive the award as all team members understand the tremendous value for which it stands. For more information on the award please visit http://mbacasecomp.com/about-us/richard-outcault-team-spirit-award.

Another special award at the competition is the Dr. J. Pierre Brunet Coach Award, which recognizes the outstanding leadership, ongoing support and contribution of coaches to the competition. Dr. Brunet taught at Concordia University for 30 years and is a founding Board Member of the John Molson International MBA Case Competition.

# 11. Next Year


Once the competition is over the work does not end for the coaches or for some of the team members. Upon returning to their schools it is suggested that all teams debrief and attempt to determine how the following year's team can perform even better. Even if the team is the competition champion, there is always room for improvement.

During the competition, the coach should keep a journal of how the team performed. They should also attend other teams' presentation as much as possible in an attempt to see how others perform. This journal will be very useful in the following year, as it will help prepare the next team to ensure they are able to perform to their full capabilities.

The coach should always retrieve the slides used by their team during the competition. This will allow new teams to view exactly the caliber they must attain prior to leaving for the competition. It will also help give new teams a better idea as to how they should approach their role and tasks for each case.

The coach should also talk to other coaches. Just as it is important for participants to socialize, coaches should also forge relationships with other coaches. Many schools have been participating at the competition for a long time and their coaches are very open and willing to giving advice to other schools. Even though it is the goal of each coach to win the competition, another goal is to continually improve the competition as a whole.

Past team members are a great source of help when new teams are preparing for the competition. They are able to describe the competition to new teams in terms of the pressures, stress, and competition level, among other topics. Past participants can also help prepare new teams by participating in the preparation period and attempt to spot pitfalls they encountered. This will give the new team time to remove these pitfalls and ensure greater success at the competition. They can also act as judges during the practice cases. Having stood in front of judges in the previous years, past participants understand the level of questioning that will be present at the competition.

# 12. Summary

The purpose of this guide is to help all teams prepare for the John Molson MBA International Case Competition.

By being prepared for the competition, teams are ensured that they will experience a week like no other and one that they will cherish and talk about throughout their careers.

Good luck to all teams!

# 13. Appendices

## Appendix A

Sample Case Competition Application Form

Student Name: -------------------------
Student # or ID: ------------------------

Academic Information
Undergraduate Degree: -----------------------
Other Degree/Diplomas: ----------------------
MBA Area of Concentration: ------------------

Employment History
Company:
Position:
Duties:

Company:
Position:
Duties:

Company:
Position:
Duties:

Reason for wanting to join the case team:

# 13. Appendices

## Appendix B

Team Evaluation Form That will be Used

# Evaluation and Feedback Form

**Presentation:**

Was the team's presentation well organized, timed, and delivered in a professional manner? Was the team consistent and convincing in the role it chose to assume?

Score _____/10 x1 = _______

Comments:

**Analysis and Development of Alternatives:**

Did the team clearly identify the pertinent issue(s) facing the company/individual? Did the team develop a range of credible and creative alternatives to address the identified issue(s) by using relevant case data and making realistic assumptions?

Score _____/10 x2 = _______

Comments:

**Recommendation(s):**

Did the team effectively evaluate each of the alternatives it proposed and, with clear and substantiated criteria, justify its recommended course of action in a realistic and pragmatic manner consistent with the case data and the subsequent analysis?

Score _____/10 x2.5 = _______

Comments:

**Implementation**

Was the team's implementation plan achievable given the case data, and was it consistent with their analysis? Did it include a reasonable timeline, a contingency plan, and was it financially sound?

Score _____/10 x3 = ______

Comments:

**Question Period:**

Did the team use the question period to effectively defend, support, and/or build its recommendation(s)? Were the responses clear, concise, on-point, and given with assurance?

Score _____/10 x1.5 = ______

Comments:

**TOTAL _____/100**

**What did the team do particularly well?**

**What might the team have done better?**

**Where did the team succeed or fall short when compared with the opposing team?**

## Appendix C

Scoring guidelines (may be subject to change)

# Scoring Guidelines

**Team Evaluation and Feedback:**

The panel will evaluate each of the two teams in all five evaluation categories, providing a numerical rating of 1 to 10 for each category. Each category is weighted differently, and the relevant multiplier, when applied, will give the weighted score for that category. Those weighted scores will then be summed to provide a cumulative score, up to a maximum of 100.

Each team's evaluation should be based on what the panel would have expected from a team of four MBA students who have had extensive case study training and practical business experience. An evaluation in the mid-range of a category would indicate that the team met the panel's expectations in that category.

The panel will also be expected to provide as complete and constructive written feedback as possible to each team as outlined in the form.

**Scoring:**

The winning team will be the team with the highest cumulative rating on a 100 scale.

In the event of a tie, the winner will be determined by using the following tie-breaking rules, in the following order:

1. By the highest team score in the I**mplementation** category;
2. If still tied, by the highest cumulative team score in the **Implementation** and **Recommendation(s)** categories;
3. If still tied, by the highest cumulative team score in the I**mplementation, Recommendation(s),** and **Analysis and Development of Alternatives** categories;
4. If still tied, by the highest cumulative score in the I**mplementation, Recommendation(s), Analysis and Development of Alternatives,** and **Question Period** evaluation categories;

5. In the unlikely event that the two teams have identical scores in all of the categories, the Lead Judge will cast the deciding vote as to the winner.

For purposes of tallying the competition's divisional and overall rankings, a total of 11 match points will then be allocated to the two teams (based on the differential in their 100-point scale scores), on the following basis:

| Total Score | 11-point split |
| --- | --- |
| 5 point or less differential | 6 points to winning team<br>5 points to losing team |
| 6-10 point differential | 7 points to winning team<br>4 points to losing team |
| 11-15 point differential | 8 points to winning team<br>3 points to losing team |
| 16-25 point differential | 9 points to winning team<br>2 points to losing team |
| 26 point or more differential | 10 points to winning team<br>1 point to losing team |

In addition to their allocated 11-point split, the winning team will receive an additional 30 points, except in the event of a 6-5 split wherein the winning team will receive an additional 20 points and the losing team will receive an additional 10 points.

Appendix C: Sample Case

# WILL "LINKEDIN LEARNING" DISRUPT THE EDUCATION LANDSCAPE?

*IMD EMBA graduates 2016 Maxim Kolesnik, Mario Perez and Dominik Reinhard prepared this case under the supervision of Professor Stefan Michel as a basis for class discussion rather than to illustrate either effective or ineffective handling of a business situation.*

*This case won **2nd prize** in the **2017 John Molson MBA Case Writing Competition**.*

On September 22, 2016, LinkedIn launched "LinkedIn Learning," which capitalizes on the $1.5 billion acquisition of Lynda.com in April 2015.[1] At that time, it was the fourth-largest acquisition deal ever made in social media.

Leveraging Lynda.com's pedagogical approach and its large video library of over 9,000 courses, LinkedIn Learning is now offering Learning Paths. These are bundles of courses which are recommended in order to qualify for a given job. Learning paths are not developed by HR professionals or academic instructors. They are the result of LinkedIn's "Economic Graph,"[2] which compiles job-related data regarding its 467 million members.

LinkedIn members can recommend courses to one another. They can also see what other members in their network have been watching. Usage statistics are provided for each course, indicating which role the learners hold in their company, what other courses they have taken, and in which companies the course has been particularly popular.

When LinkedIn Learning was first launched, the monthly individual subscription price was set at $29.99. However, the service is offered free of cost charge to LinkedIn Premium members. The courses are accessible through the website and on mobile devices, such as an iPhone (*refer to **Exhibit 1***), thus supporting mobile learning. Other subscription models, such as company licenses for multiple users, will follow.

> "The dream is to create economic opportunity for every member of the global workforce. The idea that you can acquire skills once and have a job for life, those days are over. LinkedIn Learning is one of a few new offerings designed to create more value for LinkedIn's users."
>
> — Jeff Weiner, LinkedIn CEO[3]

This news comes at a time when Microsoft is in the process of acquiring LinkedIn for $26 billion, as announced in June 2016. Consequently, LinkedIn's share price was not affected by the launch, keeping market capitalization slightly below the offered $26 billion.

## LinkedIn and Lynda, Two Very Different Companies

LinkedIn is the world's largest professional social network on the internet, with more than 467 million members in over 200 countries (*refer to **Exhibit 2***).[4] The company is publicly held and has a diversified business model with revenues of $3 billion (*refer to **Exhibit 3***) coming from talent solutions (64%), marketing solutions (19%), and premium subscription products (17%). Headquartered in Mountain View, California, LinkedIn is currently available in 24 languages and has more than 8,700 full-time employees with offices in 30 cities around the world. LinkedIn was founded in 2002 and went public in 2011 after its IPO on May 19. Professionals are signing up to join LinkedIn at a rate of more than two new members per second. There are over 39 million students and recent college graduates on LinkedIn; they are in fact LinkedIn's fastest-growing demographic.

Lynda.com, fully acquired by LinkedIn in 2015, is an online education company offering thousands of video courses in software, creative and business skills. The company produces video tutorials taught by industry experts in each field (*refer to **Exhibit 4** for Lynda's website*). What started out as a series of 20 online video courses had grown to over 6,300 courses in 2015, on every topic ranging from coding to marketing to business, and more than 267,000 video tutorials.

## The First 10 Years of LinkedIn

In late 2002, Reid Hoffman recruited a team of old colleagues from SocialNet and PayPal (Allen Blue, Konstantin Guericke, Eric Ly and Jean-Luc Vaillant) to work on a new idea and, together, they founded LinkedIn. Growth was slow at first – as few as 20 signups on some days – but, by the fall, it showed enough promise to attract an investment from Sequoia Capital. Six months later, LinkedIn officially launched its website on May 5, 2003. At the end of the first month of operations, the LinkedIn network comprised a total of 4,500 members. Growth accelerated with the introduction of address book uploads in late 2003. LinkedIn introduced new features like Groups and partnered with American Express to promote its offerings to small business owners.[5]

In February 2005, LinkedIn moved to its fourth office at 1840 Embarcadero Road in Palo Alto. The office had been previously occupied by PayPal. In March, LinkedIn introduced its first business lines: Jobs and Subscriptions. With the launch of public profiles, LinkedIn began to stake its claim as the global hub for professional CVs. In 2006, the company finally achieved profitability, and core features like Recommendations and People You May Know were introduced.

In 2007, after four years as CEO, Reid stepped aside to run the product development team and brought in Dan Nye to lead the company. LinkedIn moved to Stierlin Court in Mountain View and opened a customer service center in Omaha. Bessemer Venture Partners and the European Founders Fund led LinkedIn's Series C round of funding. LinkedIn became a global company, opening its first international office in London and launching Spanish and French language versions of the site. In June 2008, Bain Capital Ventures led LinkedIn's Series D funding, with additional reinvestments by LinkedIn's existing investors.

In 2009, Jeff Weiner joined the company, first as president, then as CEO, and brought focus and clarity to LinkedIn's mission, values and strategic priorities. LinkedIn opened its first Asia Pacific office in Mumbai and opened its API platform to all developers.

By 2010, the company shifted into hyper-growth mode. By the end of the year, it had 90 million members and nearly 1,000 employees in 10 offices around the world. It also made its first acquisitions – recommendation technology company mSpoke, followed by the B2B review site ChoiceVendor.

LinkedIn celebrated its eighth anniversary in 2011, the year in which it became a publicly traded company on the New York Stock Exchange. It further acquired CardMunch, a mobile business card transcription service, and Connected, a contact management service. It also hosted a search start-up index. By this time, the company boasted 100 million members worldwide. That year, LinkedIn hosted a town hall meeting with President Barack Obama at the Computer History Museum on September 26. "Apply with LinkedIn," a widget enabling job seekers to apply for jobs quickly using their LinkedIn profiles, was launched the same year.

## The LinkedIn Transformation of 2012 and Beyond

In 2012, LinkedIn began to undergo a profound transformation. It acquired four additional companies (Rapportive, SlideShare, Esaya and Mumbo), leveraging new talent, technology and product development to help LinkedIn accelerate its strategy. The website was made available in 19 languages. In April, LinkedIn launched the iPad application. Over the course of the year, it undertook 18 office expansion projects, including opening the company's first offices in the Middle East and North Africa, and setting up new offices in Spain, Perth and Hong Kong.

By 2013, the end of LinkedIn's first decade, the company had reached 225 million members, and was growing at a rate of over two members per second. LinkedIn released its new mobile app designed for the everyday professional and featured alongside the new LinkedIn Contacts application in the App Store. In February, LinkedIn had the highest ratio of female executives in Silicon Valley. In April 2013, one million LinkedIn members had added the Volunteer and Causes section to their profiles, reinforcing LinkedIn's mission to do Good: "Connect the talent and passion of LinkedIn members and employees with opportunities to use their skills to make a positive impact on the world." LinkedIn Contacts launched to help members maintain their most important professional relationships, a direct outcome of the Connected acquisition. It was the first product available simultaneously on desktop and mobile. LinkedIn's flagship Recruiter product was given a major facelift and was launched with new features to help recruiters be more productive and successful.

In 2014, LinkedIn kicked off its second decade by introducing "The Economic Graph" concept, mapping the digital economy, its participants, and every facet of opportunity linking these nodes together. LinkedIn Jobs also got a boost in helping to pair professionals with the perfect job through its acquisition of Bright. Bringing relevant news alerts to professionals, LinkedIn added News to its portfolio in July as well.

## How Lynda Weinman Grew Her Business to a Multi-Million Dollar Enterprise[6]

Lynda Weinman's business dates back to the early days of the Web in the mid-1990s. While teaching web design at the Art Center College of Design in Pasadena, CA, she wrote *Designing Web Graphics*. Considered by many to be the first book of its kind in the industry, it became the de facto textbook for web design for that generation. Hundreds of thousands of copies were sold and "… put Lynda.com on the map because we have used my website, Lynda.com, as the sandbox and sort of experimental area to teach ourselves web design and then explain it to other people," says Weinman.

Building on the book's success, Weinman's husband and Lynda.com co-founder, Bruce Heavin, had the idea of renting a high school computer lab over spring break and offering a week-long web design class. Fast-forward, the married couple moved to Ojai, California. They advertised the class on the site, wondering if anyone would be interested. Not only did the class sell out, but people flew in from as far as Vienna to attend. "It kind of blew our minds," says Weinman. "To put an ad on a website and have people come from all around the world was shocking to us." At its peak, the business had 35 employees and $3.5 million in revenue, but then came the dot-com crash and 9/11, which greatly eroded Web companies' travel and training budgets. The company had to lay off 75% of its staff, with only nine employees remaining. So Weinman and Heavin decided to try something different and shifted their strategy drastically: "We were doing everything and anything and working our fannies off. That was when we decided to put everything online and offer access by subscription," says Weinman.

Success in the online video business didn't come overnight. A decade ago, no one had broadband, YouTube didn't exist, and most people accessed the internet on crummy, low-resolution monitors. The company's radical decision to put its whole training library online for $25 per month (still the basic price today) cannibalized its CD and DVD sales, and "sent us into the desert" for nearly four years, according to the story Heavin tells in one company video. With only about 1,000 initial members, the company was barely surviving. But Weinman was patient. "It was gradual. One day we started to watch the online subscription business and it was doubling every year." By 2006, membership had grown tenfold. When it reached 100,000, Weinman took her 150 employees and their families to Disneyland to celebrate.

In 2007, the company had grown to more than 500 employees, and it decided to bring in a CEO, Eric Robison, to help run the business more efficiently. With Robison's help, Heavin and Weinman's tenacity paid off. In 2012, Lynda.com had 2 million members, over $100 million in revenue, and was adding 400 new courses every year.

## Lynda's Accelerated Growth through Equity Funding

In 2013, Lynda.com received its very first outside investment, raising $103 million in growth equity from Accel Partners and Spectrum Equity, with additional contributions from Meritech Capital Partners. The same year, the company acquired video2brain, an Austria-based provider of online classes in web design and programming, available in German, French, Spanish and English. On April 7, 2014, Lynda.com purchased Canadian start-up Compilr, which provided an online editor and sandbox. On January 14, 2015, Lynda.com announced that it had raised $186 million in financing, led by investment group TPG Capital. On April 9, 2015, LinkedIn announced the acquisition of Lynda.com at $1.5 billion.

In mid-2016, Lynda.com is still in the market with its original brand as an online education company offering thousands of video courses on software, creative and business skills. The company produces video tutorials given by industry experts in each field. Members have unlimited access to the videos for a basic monthly fee of $25. What started out as a series of 20 online video courses has since grown to over 6,300 courses, on everything from 3D animation to word processing, and more than 267,000 video tutorials, which are now accessible using any Web browser, smartphone or tablet. On average, video courses last approximately one hour, broken down into segments of 3-5 minutes. Although the clips are organized into courses, they can be viewed in any order. Users can also choose to watch bits and pieces to learn just what they need. With a premium subscription to Lynda.com ($37.50 per month), users get access to additional course materials, often including "exercise files," which transform the entire course into a hands-on experience. "We are very committed to this idea of see it, do it, learn it," says Weinman.

**What Sets Lynda Apart from YouTube**

Lynda specializes in author selection and content production. The site depends on hundreds of external contributors (i.e., teachers, popular authors, recognized authorities in their fields) for course content. Through this community, Lynda can "pick from the best" to fill its innovation funnel, while growing its course catalogue without incurring the R&D costs of developing its own content. As opposed to other user-generated sites like YouTube, Lynda requires potential authors to submit an application. The application process includes submitting a comprehensive course proposal and an overview of qualifications, as well as an interview with a Content Manager. This is the first key filter in Lynda's innovation funnel, helping screen for end product quality. The second is the course production process itself, which is highly demanding. Only authors who are confident in their content choose to invest the necessary time and resources. Authors draw up their scripts (a process which can take months), then fly to Lynda's production studio in California to record the course with professional producers. Authors are paid based on a multiplier of course viewership and subscription fees, thus aligning the economic interests of both parties. The author's name and face are tied with the course; if it is well reviewed, they benefit from good publicity and emotional reinforcement. Authors claim that the process is enriching and intellectually stimulating.[7]

> "The Company ensures that your presentation is at its best thanks to a crack team of producers, audio and video editors and special effects specialists that treat every course like a Hollywood entertainment…… The gear and facilities are top-notch as well, but it is the attention to detail in each course that makes the difference between the end user actually learning something, and the hit or miss video from the anonymous guy with a webcam so often found not only in YouTube, but other similar sites…"
>
> — Bobby Owsinski

> "…Thanks to the entire Lynda.com crew and everyone I met. Wonderful people and a wonderful experience. Can't wait for the course to be made available; it will be EPIC."
>
> — Karl Kapp

Together with the outstanding quality of production, the highly relevant, comprehensive, skills-focused, and practical content of the videos in the course catalogue creates a strong value proposition for consumers. This contrasts with websites like YouTube, where quality videos are much more difficult to find, or edX, where the course catalogue may be less skills-focused. In return, customers are willing to pay a monthly subscription fee to gain access to Lynda.com's entire video database, contrary to other platforms like Udemy which uses "à la carte" payment to adjust for vastly differing course quality. Subscriptions help build consistent revenue streams, enabling authors to receive higher compensation and thereby incentivizing higher quality content.

This virtuous cycle represents a sustainable competitive advantage for Lynda, and helps explain why so many members are raving about the programs offered on Lynda.com.

> "Despite knowing about Lynda for years, this week I jumped on board and I don't know how I lived without them."
>
> — Justin D.

> "I learned a new job thanks to Lynda.com, and especially Mr. Ben Long. The production and quality are amazing. If only people would turn off the TV and turn on Lynda.com."
>
> — Alex M.

> "Lynda tutorials are awesome. It's like YouTube on steroids! You couldn't be in a better audience. I learn so much!"
>
> — Cathleen M.

**A New World of Learning: The Rise and Future of Online Education**

Thanks to the spread of broadband internet access and a huge drop in the cost of video production over the last few decades, more and more schools, scholars, start-ups and individual authors have been posting instructional videos online. Much of them can be accessed for free on sites like Khan Academy, YouTube's science and education channels, or MIT's OpenCourseWare site.

Massive open online courses (MOOCs) adopted a fee-free model that threatened the universities and business models that supported them. First introduced in 2008, MOOCs emerged as a popular mode of learning in 2012 with the launch of Coursera, an online education platform at Stanford. Harvard University and the Massachusetts Institute of Technology (MIT) followed suit with edX shortly thereafter. Today, over 400 universities, including some of the world's most elite institutions, have partnered with MOOC providers to offer more than 4,500 courses online free of charge. The number of learners enrolled in MOOCs today exceeds 35 million.[8] The philosophy behind MOOCs is that the power of the internet can open up the rich intellectual resources of the world's top universities to everyone. But it is so far unclear how many online users actually complete the courses, or what practical knowledge they gain. One thing most MOOCs do not yet provide is formal degree credits, meaning auditors do a lot of the same work as tuition-paying university students, but without any formal reward. It also remains unclear how effective they are as stand-alone teaching models. Completion rates are generally poor, hovering around 10%. Another perceived flaw is that the successful completion of a MOOC from an elite university rarely leads to a recognized form of accreditation. While participants can pay for a certificate of completion, its real value remains unclear.[9] Many more courses and resources are available for a per course or subscription fee (*refer to **Exhibit 5** for overview*).

"For a while, everybody thought [MOOCs] would be the future of education," said Weinman. "We were under the radar as far as why we were different." Lynda.com's e-learning offering, along with competitors like Codecademy, Khan Academy, Treehouse, and Udemy, are not really geared toward would-be university students but rather toward self-motivated, mid-career learners who want to update their job skills, forge a new career path or explore a new pastime. On these sites, courses are usually designed specifically for online audiences – in other words, there is no real-world class listening to each "lecture."

The future of e-learning will potentially be a mix of these models. Eric Robison, Lynda.com's CEO, commented:

> "I see options like Lynda.com, Khan Academy, YouTube, and live classroom instruction as complementary, and I think they will all coexist as technology continues to sweep through the education business. But as long as Lynda.com can keep producing up-to-the-minute instructional videos that help people get a job, keep a job, advance in a career, or pursue the hobbies they love, it will have paying customers who are long past their school days." [10]

## LinkedIn Acquires Lynda.com in April 2015

The acquisition price of $1.5 billion that LinkedIn paid for Lynda.com is larger than the $1 billion Facebook paid for Instagram and the $1.1 billion Yahoo paid for Tumblr two years ago. Only Google's $1.65 billion acquisition of YouTube and the two Facebook acquisitions, $2 billion for Oculus and $19 billion for WhatsApp were greater. LinkedIn's acquisition of Lynda.com strengthened its foothold in the career advancement and networking market, and allowed the company to enter the educational technology market overnight. However, there are a number of reasons why this acquisition was so surprising: the price tag, the overnight expansion of LinkedIn's market opportunity, and the fact that Lynda.com – recently crowned leader of the online education space with two recent and massive rounds of funding – was scooped up so early in its ascension to that position.

Naturally, the first question that people are bound to ask is, "Why?"

LinkedIn CEO Jeff Weiner described in a LinkedIn Pulse post his view of the strategic significance of this acquisition:

> "LinkedIn's fundamental value proposition is connecting people to opportunity. We've made significant progress in this area; nearly 400 million members can use LinkedIn to find a job, build a business, and be more successful in their careers. However, matching talent and opportunity is a simplified take on the equation. Without access to education and the ability to acquire skills, many of these opportunities will remain far out of reach for most people. With today's announcement that LinkedIn intends to acquire Lynda.com, LinkedIn has taken a material step forward toward connecting these dots. The combination of LinkedIn and Lynda.com is the kind of fit that benefits everyone. LinkedIn has the members, the jobs, a unique understanding of the skills required to do those jobs, and a publishing platform that can be accessed by roughly 350 million people to share professionally relevant knowledge. Lynda.com's service has the premium library of skills-based courses. Together, we can bring opportunities and access to knowledge that everyone deserves. And together, we can more easily build the Economic Graph by mapping together the people, jobs, skills, and knowledge that are core components of it." [11]

In the same vein, Lynda.com co-founder Lynda Weinman wrote in an article published on Lynda.com in April 2015:

> "When we were approached by LinkedIn, we instantly recognized that the synergy between the two companies offered a match unlike any other. LinkedIn has nearly 400 million members, all of whom potentially benefit from self-paced study of new skills. Jeff Weiner and I both believe that the skills gap is one of the leading social issues of our time — technology changes fast and people need to keep their skills up to date. We have a shared vision of connecting relevant

> knowledge to those in need of new or stronger skills, and believe that together we can positively impact the global job market and economy." [12]

These statements fit into the long-term vision and strategic view of this acquisition of the CEO and co-founder of both companies. However, investors were not as enthusiastic as their stocks declined 5.3% following LinkedIn's announcement of the acquisition in April.

**LinkedIn's Recruiting Value Proposition**

To most people, LinkedIn is just a platform to host their curriculum vitae and an online contact book, a sort of digital Rolodex, to connect with co-workers, prospects and industry peers. Most members are professionals, mainly graduates, neither at the apex of the corporate pyramid nor at its base.

Since LinkedIn offers a premium subscription, people understandably could think that this is its primary business model. However, premium subscriptions only account for 17% of its revenues. Recruiters are LinkedIn's main source of revenue (*refer to* ***Exhibit 6*** *for LinkedIn's free and paid services in May 2016*). They pay for licenses to search for possible job candidates and to email them about vacancies, as well as for placing advertisements on the site. This business called "talent solutions" makes up 64% of its revenue, or $597 million in Q2 2016. The remaining 19% come from "Marketing Solution" – that is, advertising that is not job search-related.

As mentioned in an article in *The Economist*,[13] LinkedIn's main benefit to recruiters has been in helping them identify people who are not looking for a new job, but who might move should the right offer come along. These "passive" job seekers, says Dan Shapero, head of sales in the firm's talent-solutions business, make up some 60% of memberships (active job seekers make up 25%; those who will not budge for any company make up the rest). LinkedIn has made it easier for companies to identify such people themselves, rather than relying on recruitment agencies. In that sense, it represents a challenge to agencies. Rajesh Ahuja, a senior recruiter at Infosys, an Indian software company, says that two years ago he used external agencies to fill 70% of open positions in Europe. Their current share is 16%. Steven Baert, head of human resources at Novartis, a pharmaceuticals firm, says he hired "at least 250 people through LinkedIn last year when we might have used executive search in the past."

By bringing so many professionals into one digital space, LinkedIn has become a honeypot for people like Baert. One corporate recruiter after another has called it a "game-changer."

According to Kirsten Bailey, Director of Online Education Products at Hootsuite Media Inc.:

> "Once you recognize LinkedIn is a recruitment platform, you understand that their clients are the recruiters and hiring managers. These folks are hiring LinkedIn to help them find the best, most skilled candidates to fill their roles. So, it's LinkedIn's job to ensure they have the most skilled and knowledgeable candidate base within their network in order to best serve their clients. That's where Lynda.com comes in. LinkedIn is positioning itself to own the Global Talent Pipeline as a key strategy in dominating the recruitment space, everything from the pool of candidates, to the training and development, to the placement. LinkedIn calls this the "Economic Graph," but I find it easier to understand the potential of what that means by thinking of it as a pipeline." Perhaps, and even more interesting about this acquisition is to look

at the potential for LinkedIn to fill a vacuum in the little-talked about but growing market of non-traditional, micro-credentials." [14]

Every year, the Manpower Group, a human resources consultancy, conducts a worldwide "Talent Shortage Survey." James Bessen at Manpower Group expands:

> "Last year, 35% of 38,000 employers reported difficulty filling jobs due to lack of available talent; in the U.S., 39% of employers did. Why are skills sometimes hard to measure and to manage? Because new technologies frequently require specific new skills that schools don't teach and that labor markets don't supply. Since information technologies have radically changed much work over the last couple of decades, employers have had persistent difficulty finding workers who can make the most of these new technologies. Consider, for example, graphic designers. Until recently, almost all graphic designers designed for print. Then came the Internet and demand grew for web designers. Then came smartphones and demand grew for mobile designers. Designers had to keep up with new technologies and new standards that are still changing rapidly. A few years ago they needed to know Flash; now they need to know HTML5 instead. New specialties emerged such as user-interaction specialists and information architects. At the same time, business models in publishing have changed rapidly. Although it is difficult for workers and employers to develop new skills, this difficulty creates opportunity. Those workers who acquire the latest skills earn good pay; those employers who hire the right workers and train them well can realize the competitive advantages that come with new technologies."[15]

## Can LinkedIn Learning Disrupt the Professional Training Market?

Another argument is that, while some of LinkedIn's acquisitions have fortified its existing business, Lynda.com gets the company into the burgeoning $30 billion professional certification market, as the financial analyst firm CB Insights posted on its blog. However, there is also some skepticism about how Lynda.com will enable new features on LinkedIn, such as displaying certificates for completing courses, and how that will enhance the user experience. The certificates that Lynda.com offers merely reflect the fact that the user has watched every course video. Their significance is very low. The certificate program also faces some tough competition. For example, Coursera already offers a certificate program, which requires the user to earn sufficient grades. Grading is something that is completely missing from Lynda.com; hence its certificates will not carry much weight.[16]

For Kim Celestre, former senior analyst at Forrester, this acquisition is a very smart move for LinkedIn because it increases the value that the professional network provides to its members, recruiters, and marketers:

> "It also helps LinkedIn expand into the schools, businesses and governments that are currently using the Lynda.com platform for large e-learning initiatives. … By integrating Lynda.com tutorials into its platform, LinkedIn could increase the frequency of member visits, the amount of time spent on the network and improve engagement rates overall" [17]

As Kurt Wagner explains:

> "LinkedIn is painting a scenario in which you search for a job, see the skills required for that job, and then are directed to a course from Lynda.com that will train you in those skills. Alternatively, a recruiter could search for available candidates based on the courses they've taken. You can already add courses to your profile, but courses endorsed by LinkedIn may

> carry more clout. This is the element of the acquisition that executives from both companies are touting, and it makes sense. LinkedIn aims to connect people with job opportunities. Lynda.com aims to connect people with an education about those jobs. In the current market, you really won't have the opportunity if you don't have the education needed to go along with it. As for the students market, LinkedIn is keen on getting college students onto its platform, especially college seniors about to enter the job market." [18]

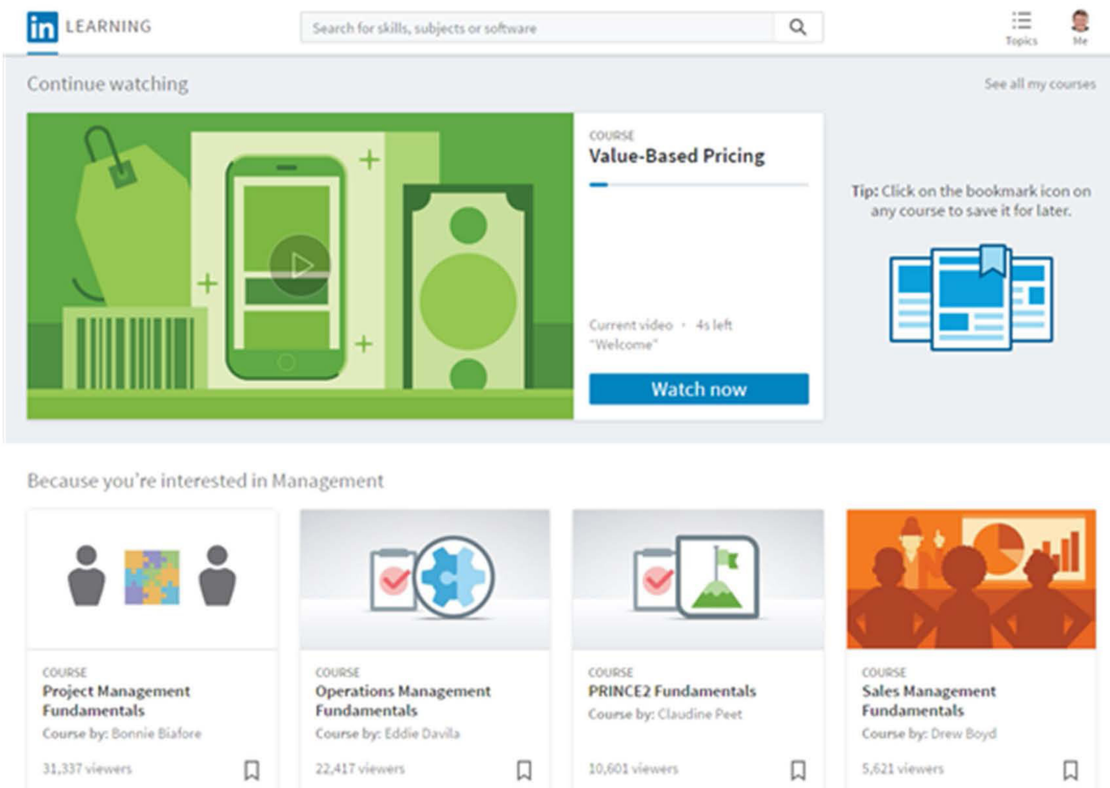
Lynda already works with 40% of the nation's colleges and universities, including all of the Ivy League schools. "Colleges are [using] this platform to help students learn skills they need before they take a class or during a class or to enhance some of the materials these institutions are using in their day-to-day," Roslansky explained. "This platform reaches students." Weiner foreshadowed this concept with Recode in an earlier interview:

> "The biggest focus area for students is going to be helping them to get their first job'. Of course, LinkedIn can't help students who aren't using LinkedIn, and Lynda.com could presumably help with that. There are plenty of competitors, such as Chegg, trying to grab the college market to offer all kinds of services."

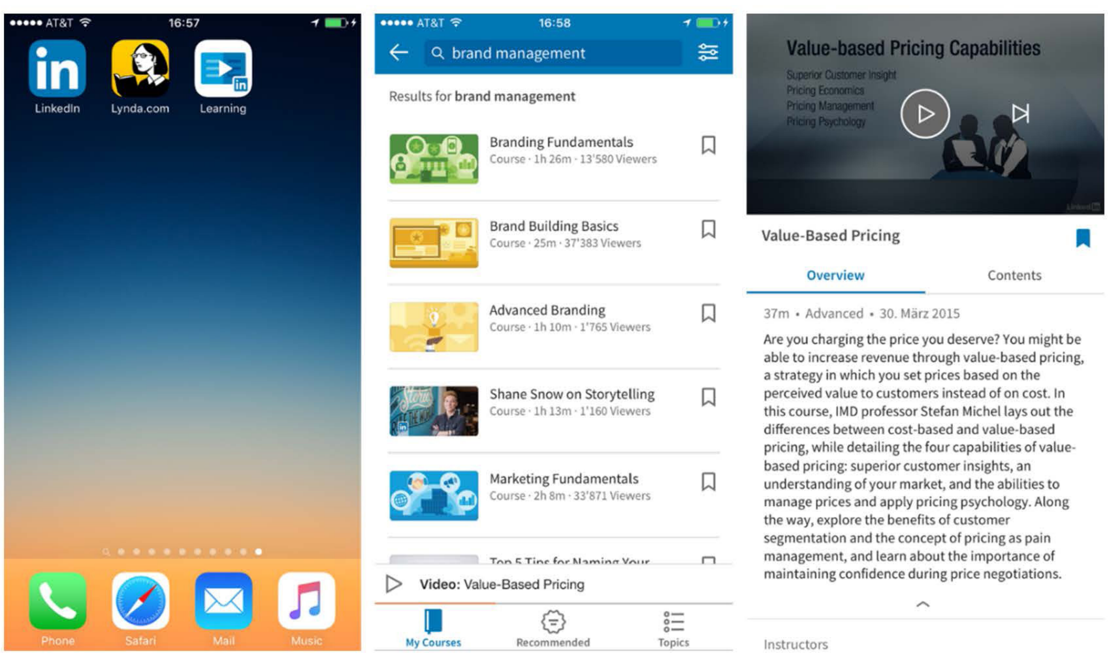
Whether the acquisition aimed at solving the skills gap problem, building a global Economic Graph mapping together people, jobs, skills, and knowledge, dominating the recruitment space by owning the Global Talent Pipeline, tapping into the e-learning/professional certification market, or attracting more college students to its network, that is all well and good for what LinkedIn is trying to accomplish. However, the extent to which this deal will boost LinkedIn's value and drive growth in the short term will depend on how it will promote, integrate, and monetize Lynda.com's catalogue of online video courses into its offering and whether the synergies to be gained will compensate for the price paid, thus creating sustainable value for its shareholders.

In 1997, famous management professor Peter Drucker predicted, "Universities won't survive. The future is outside the traditional campus, outside the traditional classroom. Distance learning is coming on fast."[19]

**Exhibit 1**
**Website and Mobile Screen of LinkedIn Learning**

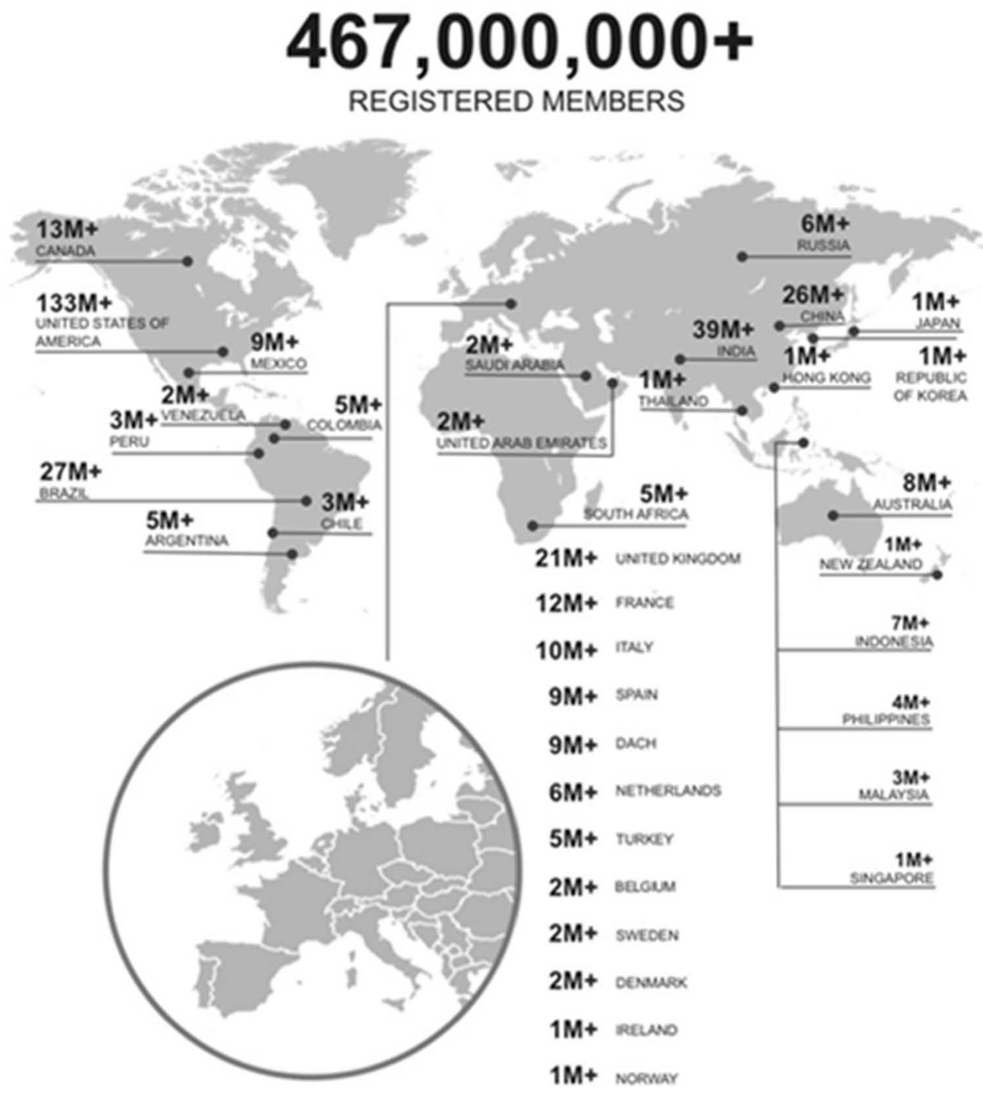



Source: https://www.linkedin.com/learning/, September 2016




Source: LinkedIn Learning App, accessed September 22, 2016

**Exhibit 2**
**LinkedIn's Global Membership Network in 2016**




Regional membership
148M+ EMEA
110M+ Europe
105M+ Asia and the Pacific
65M+ LATAM
20M+ MENA
20M+ Southeast Asia

Source: LinkedIn. https://press.linkedin.com/about-linkedin

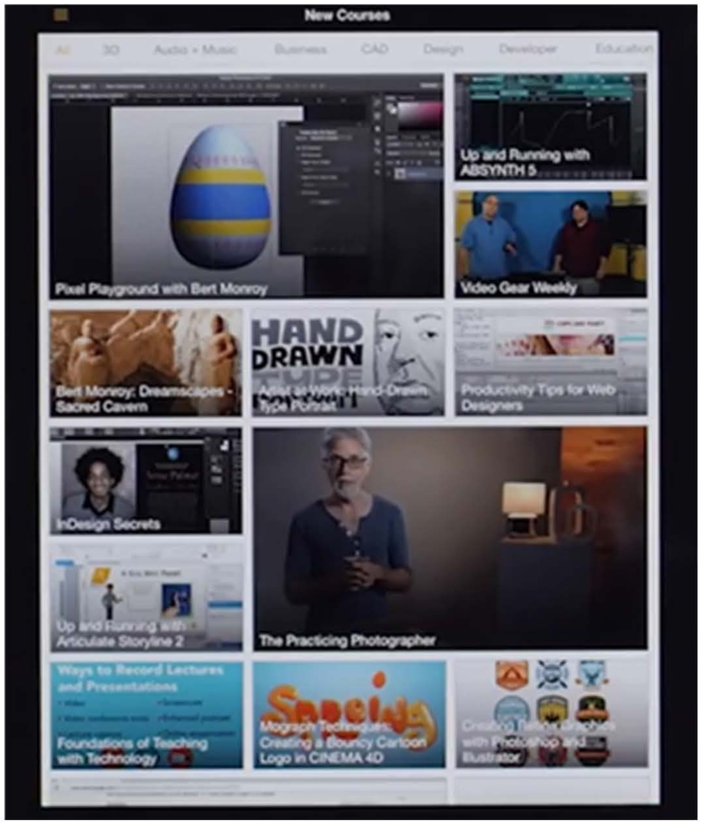
## Exhibit 3
## LinkedIn P&L Statement 2011–2015

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| | Year Ended December 31, (in thousands, except per share data) | | | | |
| **Consolidated Statements of Operations Data:** | | | | | |
| Net revenue | $2,990,911 | $2,218,767 | $1,528,545 | $972,309 | $522,189 |
| Costs and expenses: | | | | | |
| Cost of revenue (exclusive of depreciation and amortization shown separately below) | 418,858 | 293,797 | 202,908 | 125,521 | 81,448 |
| Sales and marketing | 1,048,129 | 774,411 | 522,100 | 324,896 | 164,703 |
| Product development | 775,660 | 536,184 | 395,643 | 257,179 | 132,222 |
| General and administrative | 478,734 | 341,294 | 225,566 | 128,002 | 74,871 |
| Depreciation and amortization | 420,472 | 236,946 | 134,516 | 79,849 | 43,100 |
| Total costs and expenses | 3,141,853 | 2,182,632 | 1,480,733 | 915,447 | 496,344 |
| Income (loss) from operations | (150,942) | 36,135 | 47,812 | 56,862 | 25,845 |
| Other income (expense), net: | | | | | |
| Interest income | 10,571 | 4,971 | 2,895 | 1,025 | 169 |
| Interest expense | (50,882) | (6,797) | — | — | — |
| Other, net | (23,477) | (3,104) | (1,479) | (773) | (3,072) |
| Other income (expense), net | (63,788) | (4,930) | 1,416 | 252 | (2,903) |
| Income (loss) before income taxes | (214,730) | 31,205 | 49,228 | 57,114 | 22,942 |
| Provision (benefit) for income taxes | (49,969) | 46,525 | 22,459 | 35,504 | 11,030 |
| Net income (loss) | (164,761) | (15,320) | 26,769 | 21,610 | 11,912 |
| Accretion of redeemable noncontrolling interest | (1,383) | (427) | — | — | — |
| Net income (loss) attributable to common stockholders | $ (166,144) | $ (15,747) | $ 26,769 | $ 21,610 | $ 11,912 |
| Net income (loss) per share attributable to common stockholders: | | | | | |
| Basic | $ (1.29) | $ (0.13) | $ 0.24 | $ 0.21 | $ 0.15 |
| Diluted | $ (1.29) | $ (0.13) | $ 0.23 | $ 0.19 | $ 0.11 |
| Weighted-average shares used to compute net income (loss) per share attributable to common stockholders: | | | | | |
| Basic | 129,024 | 122,800 | 113,643 | 105,166 | 77,185 |
| Diluted | 129,024 | 122,800 | 118,944 | 112,844 | 104,118 |
| **Other Financial and Operational Data:** | | | | | |
| Adjusted EBITDA(1) | $ 779,804 | $ 592,214 | $ 376,243 | $223,030 | $ 98,713 |
| Number of registered members (at period end) | 413,671 | 346,731 | 276,842 | 201,912 | 144,974 |

(1) We define adjusted EBITDA as net income (loss), plus: provision for income taxes; other (income) expense, net; depreciation and amortization; and stock-based compensation. See "Adjusted EBITDA" below for more information and for a reconciliation of adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles in the United States ("US GAAP").

Source: https://s21.q4cdn.com/738564050/files/doc_financials/annual/2015/LinkedInAnnualReport_PDF, accessed September 21, 2016

**Exhibit 4**
**Lynda.com's Website**

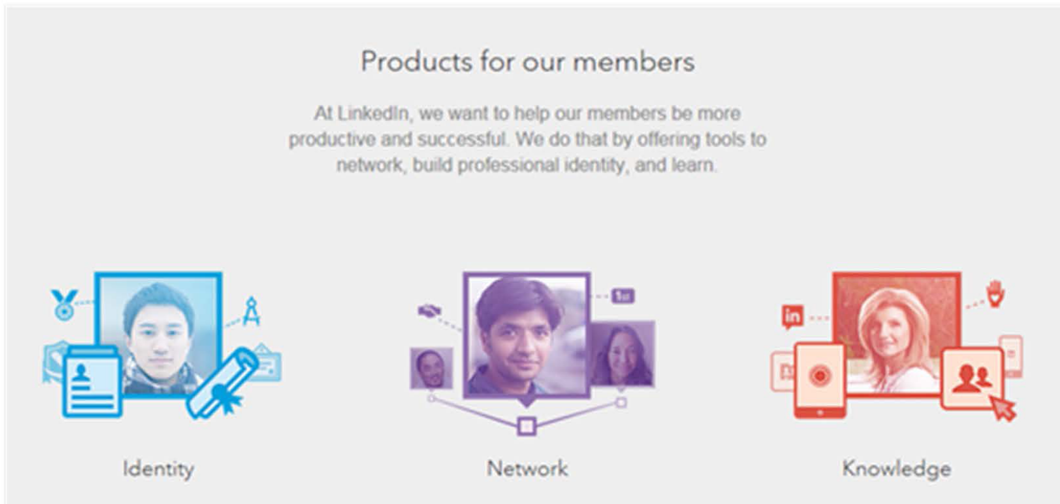



Source: https://blog.linkedin.com/2015/04/09/lynda-joins-linkedin

**Exhibit 5**
**Online Learning Snapshot**


Source: Athentica

**Exhibit 6**
**LinkedIn's Product Portfolio in May 2016**




**Free Solutions**

| Ability to Manage Professional Identity | Enhanced Ability to Build and Engage with Professional Networks | Access to Knowledge, Insights and Opportunities | Ubiquitous Access |
|---|---|---|---|
| Profile | LinkedIn Connections | Network Updates | Mobile Apps (LinkedIn Flagship, Pulse, Connected, Job Search, Slideshare, Recruiter & Sales Navigator) |
| Public Profile | Invitations | Pulse | APIs |
| Who's Viewed Your Profile | Search | Influencers | |
| Profile Rank | LinkedIn Contacts | Slideshare | |
| Rich Media Sharing | Introductions | Groups | |
| Skills/Endorsements | People You May Know | Company Pages | |
| Publishing Platform | Address Book Importer | Jobs | |
| | People Following | University Pages | |
| | | LinkedIn Alumni | |
| | | Personalization Platform | |

**Monetized Solutions**

| Talent Solutions | Marketing Solutions | Premium Subscriptions |
|---|---|---|
| LinkedIn Corporate Solutions (Recruiter, Job Slots, Recruitment Media, Career Pages, Talent Pipeline) | Enterprise Solutions (Display Ads, Sponsored InMails) | Professional/ Individual Subscriptions |
| LinkedIn Job Postings | Sponsored Updates | Sales Solutions (Sales Navigator) |
| Recruiter Lite | LinkedIn Ads | |
| Job Seeker | Ads API | |

Source: LinkedIn. https://press.linkedin.com/products, accessed May 15, 2016

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