**BUS 496**

**Strategic Management and Policy**

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**Sample Questions for the Harvard Business School Cases**

**INSTRUCTIONS: Select the best answer to each question. Then, check your answers. The answer key is on page 6.**

1. **Gucci Group’s purchase of Alexander McQueen in December 2000 is an example of what type of strategy?**
2. **Market development**
3. **Backward integration**
4. **Forward integration**
5. **Horizontal integration**
6. **Harvest**
7. **From 2003 to 2007 the Operating Margin of the Gucci Group was \_\_\_\_\_ the Operating Margin of LVMH.**
8. **less than**
9. **equal to**
10. **greater than**
11. **for some years less than and for other years greater than**
12. **Gucci Group’s purchase of a 51% share of Caravel Pelli (a precious skins tannery) in July 2001 is an example of what type of strategy?**
13. **Market development**
14. **Backward integration**
15. **Forward integration**
16. **Horizontal integration**
17. **Harvest**
18. **In 2007, the Gucci Group entered India for the first time by opening a directly operated store. This is an example of what type of strategy?**
19. **Grow and build**
20. **Forward integration**
21. **Horizontal integration**
22. **Market penetration**
23. **Market development**
24. **Cirque du Soleil expanded its footprint by increasing the number of cities and countries its touring shows visited. This is an example of \_\_\_\_\_.**
25. **product development**
26. **market development**
27. **market penetration**
28. **forward integration**
29. **none of the above**
30. **Cirque du Soleil outsourced many of its activities (e.g., making costumes and constructing scenery).**
31. **True**
32. **False**
33. **For its resident shows, Cirque du Soleil (CdS) always partnered with organizations willing to \_\_\_\_\_.**
34. **assume creative control**
35. **develop strategies to make its shows successful**
36. **support the CdS mission**
37. **invest in the overall production of the show and theater**
38. **sign a 5-tear production contract**
39. **To promote its shows, Cirque du Soleil used international stars as performers.**
40. **True**
41. **False**
42. **With more than a dozen US sales offices and 30 international sales offices, Google sought to attract more advertisers from the 10 million small- and medium-sized businesses in the US and beyond. Google has established its sales offices to \_\_\_\_\_.**
43. **give it a strategic advantage**
44. **decrease its weaknesses**
45. **take advantage of opportunities**
46. **decrease its threats**
47. **provide economies of scope**
48. **Google’s Statement of Philosophy \_\_\_\_\_.**
49. **consists of strategies all Google’s managers are required to implement**
50. **consists of policies that explain Google’s strategies**
51. **includes Google’s vision**
52. **includes 10 core principles that guide Google’s actions**
53. **link Google’s long-term objectives to its mission**
54. **Google’s 10 Golden Rules \_\_\_\_\_.**
55. **include the core principles that guide Google’s actions**
56. **include the key principles that Google uses to make their knowledge workers most effective**
57. **are policies to achieve Google’s mission**
58. **state Google’s long-term objectives**
59. **are Google’s Statement of Philosophy**
60. **Google’s expansion into Gmail, Google Maps, Google Books, Google Finance, and Google Calendar is an example of what type of strategy?**
61. **Market development**
62. **Horizontal integration**
63. **Differentiation**
64. **Focus**
65. **Related diversification**
66. **Though JetBlue Airways’ low fares typically caused it to be grouped in the low-cost carrier (LCC) category, its competitive strategy actually represented a hybrid of the LCC and legacy carrier models. Specifically, while JetBlue offered low fares, it also provided a relatively high level of fringe services to passengers.**
67. **True**
68. **B. False**
69. **A significant benefit of the Embraer E190 was that it allowed JetBlue to serve routes that were \_\_\_\_\_ than those that could be efficiently served by an Airbus A320.**
70. **longer and larger (in terms of daily customer demand)**
71. **shorter and smaller (in terms of daily customer demand)**
72. **larger**
73. **smaller**
74. **none of the above**
75. **The key advantage of the Embraer E190 was its ability to open up smaller, short-haul markets for JetBlue.**
76. **True**
77. **False**
78. **By the end of 2006, it was clear to JetBlue’s senior management that the airline needed to slow its growth due to several factors including \_\_\_\_\_.**
79. **increasing fuel costs**
80. **softening demand for air travel**
81. **competition from Southwest Airlines**
82. **A and B above**
83. **A, B, and C above**
84. **At the 2008 Starbucks annual meeting, company CEO Howard Schultz \_\_\_\_\_.**
85. **reported record profits for the company**
86. **reported the opening of 25 new Starbucks stores in Asia**
87. **unveiled six major initiatives to help Starbucks reclaim its reputation among consumers, employees, and Wall Street**
88. **discussed Starbucks’ strengths, weaknesses, opportunities, and threats**
89. **resigned from his position**
90. **Peet’s Coffee & Tea, the Coffee Bean & Tea Leaf, and Caribou Coffee are \_\_\_\_\_ Starbucks.**
91. **partners with**
92. **owned by**
93. **managed by**
94. **opportunities for**
95. **threats for**
96. **According to the case “Starbucks Coffee Company in the 21st Century,” all of the following are reasons for Starbucks expansion (growth) strategy, *except*:**
97. **Opening new stores tended to have positive effects on the neighborhoods in which the stores operated**
98. **Opening new stores tended to have positive effects for participants in Starbucks’ supply chain**
99. **Opening new stores had a positive impact on the salaries and benefits Starbucks paid its employees**
100. **Opening new stores reduced unemployment in financially distressed parts of the US**
101. **The entrance of competing retailers in the specialty coffee market suggested that Starbucks had much more room to grow**
102. **Starbucks primary strategy for entering new global markets was to \_\_\_\_\_.**
103. **buy existing coffee houses from local entrepreneurs**
104. **create a joint venture with a local firm and then form a licensing agreement with its joint venture partner**
105. **franchise to local business people**
106. **be the sole owner of its coffee shops**
107. **open coffee shops with partial funding provided by local governments**

**Answer Key**

1. **D**
2. **A**
3. **B**
4. **E**
5. **B**
6. **B**
7. **D**
8. **B**
9. **C**
10. **D**
11. **B**
12. **E**
13. **A**
14. **B**
15. **A**
16. **D**
17. **C**
18. **E**
19. **D**
20. **B**