Case collection helps firms navigate the unknown

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IESE Publishing has just launched the Focus Case Collection, a series of user-friendly cases to help entrepreneurs and executives reflect on the key challenges that young firms must overcome in their pursuit of growth and success.

When high uncertainty, speed and knowledge intensity are the defining traits of today's business environment, a firm's evolution will be predictably unpredictable. Staying ahead of the curve is no longer merely a recipe for success; it is critical for survival.

To help firms stay that crucial one step ahead, IESE Publishing has launched a new Focus Case Collection. The content and format are different from that of a traditional case study. Instead of one business grappling with several dilemmas, each case tackles one main challenge in depth.

In addition, the text is shorter and more graphically pleasing, with info boxes and sidebars to allow insights to be gleaned at a glance. There is less raw data included, so readers do not get bogged down by balance sheets and extensive appendices.

Though presented as a collection, each case can be used independently and is divided into two parts. Part A outlines the firm's challenges and poses questions to stimulate thinking about the best way forward. Part B reveals what the management team actually did and the consequences of their decisions, with complementary video interviews of the key players.

This launch collection focuses on the growth challenges faced by innovative firms, using the

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diverse challenges faced at various stages of their development as important "teaching moments." Future Focus Case Collections will address different themes.

1. Taking an idea from lab to market

A CEO takes over Nacre, a promising spin-off from a research institute, and tries to turn a lab idea into a prototype, and then get it ready for industrialization.

The case reveals how a small team of 15 was able to overcome significant obstacles to develop a highly innovative and complex product. Then, they were able to sell it in a notoriously difficult market, landing a $30 million military contract.

2. What if you're in the wrong market?

In the late '90s, Argo Interactive, a VC-backed technology company, was on the verge of developing an innovative software product for the newly emerging WAP market. However, after burning through 14 million pounds of venture capital and still finding no real market, investors were beginning to get twitchy.

Following a crisis meeting, the management team decided to shift the company's focus away from its WAP-based product to a more simple software product for testing mobile data services. This decision met with stiff resistance from investors. Managers were left with the stark choice of either shutting down the firm or turning it around.

Part B considers the consequences during and after their make-or-break move, and follows the story for several more years, right up to when the firm achieved an exit through a trade-sale to a large corporation.

3. Leading a turnaround

When Jacob left his safe job at IBM to join Forbind Systems, young VC-backed technology company in the supply-chain software sector, little did he know the arduous road that lay ahead. Following initial challenges — from gaining the trust of an initially hostile workforce to professionalizing the company's operations — there was a disastrous attempt to move the firm's customers from a small-scale to a full-scale software solution, which brought the company to the brink of collapse. Customer satisfaction plummeted. Some clients abandoned the company altogether, and employee motivation dropped to an all-time low.

Part B shares the last-gasp actions taken by the CEO to turn the company around. By

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surrounding himself with a strong team of employees and focusing company strategy on product quality and development, Jacob was able to stave off the firm's collapse and go on to lead a successful management buyout bid in 2008.

4. Keeping the receivers at bay

JacobsRimell had developed a technology that enabled telecoms to manage broadband access, VoIP and digital television services. However, in the wake of the dot-com crash, the firm found itself on the verge of bankruptcy after suddenly losing two large contracts.

As a last resort, the VC firm brought in George Shanks as the new, first-time CEO to see if he could help restore the company to a position of value. Shanks was in an unenviable position, especially given that the founder and former CEO remained at the firm and still enjoyed a strong lobby. Shanks was perceived as the "bad cop," particularly after his decision to halve the company's workforce.

Part B illustrates the decisions the firm took during and after its near-death crisis with regard to financing, market focus, product, HR and positioning. Developments are described over several years, until the firm achieved an exit through a trade-sale to a large corporation.

5. Taking a successful start-up global

Led by a young founder straight out of university, BrapoTech developed innovative mobile solutions. Within a short time, the firm had secured contracts with the largest firms in four different sectors: telecom, retail, utilities and banking.

However, the company wanted to embark on an international growth strategy. Should the CEO take the risk of building only one leading-edge product, or continue to develop tailor-made solutions for large clients? Should the firm pursue growth in all verticals, or focus on only one, and if so, which one? How to build a sales team capable of demonstrating the company's value in multiple languages and far-flung locations around the globe?

Another important decision concerned how to finance the company's expansion. Should they raise VC to finance rapid growth, or continue to self-fund through their own profits? What if, as the scale increased, BrapoTech's successful business model began to break down, as the CEO feared? The wrong choice on any one of these key issues could prove fatal.

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