What?

Compare and assess the competitive strategies of two US-based publicly traded companies in the same industry, as defined at the four-digit NAICS code level, and present your findings in both written and video formats. These companies must have annual revenues between $50 Million and $10 Billion.

Present your conclusions regarding the relative competitive strengths of these two firms and select the company that, in your team's opinion, is likely to be more successful during the next three to four years. Your conclusions should be based on logical analysis that includes at least:

- **An overview of the industry.** In this overview, you should identify major trends that have shaped the industry during the last five to ten years and are likely to affect your chosen firms in the future. (Remember the five-plus forces and more.)
- **A comparative analysis,** covering at least a three year period, of the companies':
  - Overall business strategies. You should try to understand how the companies differentiate themselves and seek competitive advantage. (Remember product and geographical scope, scale, mergers and acquisitions, core competencies, use of technology and more.)
  - Marketing strategies and approaches. You should understand and assess each firm's marketing strategies. (Remember issues of market segmentation, targeting and positioning. Product definition, pricing, promotion, distribution (place) and more.)
  - Financial position. You should present a clear picture of the evolution of each firm's financial position and profitability over time. (Remember financial ratios, financial risk and more.) To help you with this task, you will complete the “Corporate Comparisons” Excel™ workbook that is available through our course’s website and answer the questions asked in it.
  - Human Resources strategies.
  - Operations Management issues. (Remember operating efficiency, just-in-time inventory management, total quality management, supply chain management and more.)
  - Use of Technology and Information Systems. (Remember e-commerce, executive-support (ESS), decision-support (DSS), knowledge work (KWS) and transaction processing (TPS), functional support systems and more.)
  - Leadership. You should get a sense of the people leading the organization, their leadership style, values, and the corporate culture they engender.
- **Primary field research** that gives you a first-hand indication of how the two companies are perceived by one or more of the following groups:
  - buyers of the companies' products;
  - the companies' direct customers; or,
  - the companies' employees.

This primary research should serve as part of your analysis and help you reach your conclusions. Remember that your conclusions need to be based on your analysis as described in the preceding paragraphs.

You should include exhibits, charts and spreadsheets as your analysis dictates. You should also include an appendix in which you briefly describe your primary research activities and findings, including presentation of your primary research instrument(s) and its/their analysis. (Note: this does not mean a diary of who did what, when. It means what you did, why you did it, and what you concluded as a result.) These findings must be incorporated into the report and your overall conclusions should take your own findings into account. You should start the design of the primary research questionnaire(s) after the Research Workshop.

Your conclusions should make explicit your
definition of success, explain why yours is a logical definition and describe the criteria with which you measure it. The definition of success and the criteria used to measure it must be consistent with the way the companies define success and with the characteristics and practices of the industry. In every case, you must include in your definition of success the firms’ ability to sustain and/or improve on their competitive position within their industry. (Possible definitions of success include market share, share price, financial stability, steady growth, customer and employee satisfaction, ROE, etc.)

Note that each company may define success differently, depending on its stated goals and/or mission. Therefore, it is possible for two competitors to succeed simultaneously. Nevertheless, you must choose the company you believe will be more successful and convince your audience of the logic of your conclusion.

Company Selection

You should be aware that every team in SM122 will have to research a different pair of US-based companies. To help you in the process, we have scheduled a CAP Pairs Selection workshop on Friday, January 28. Every team must propose the pair of companies it intends to study by Monday, January 31. (See Appendix 1) At that time, the team should also propose at least two alternative pairs (indicating its order of preference).

We remind you that your choice of companies is important. You should start with the preliminary research on the companies you wish to consider as soon as possible. The SM122 faculty will review the company proposals and notify you what company pair your team will research on Wednesday, February 2. Some teams may be required to search out alternative pairs if, based on a random drawing, their primary and alternative company choices have been assigned to another team. You should realize that your team is most likely to have its proposed company pair approved if it seeks less “obvious” company pairs. We urge you to see if you can take advantage of what you learned when you followed companies in your SM121 Portfolio Tracking Project.

Company selection Hints

As you select your companies, you should look for US-based publicly traded companies that provide great amounts of information. Please note that on Wednesday, March 2nd you have an assignment related to the home pages of your selected company pair. Therefore, you should select only companies that have a home page.

Since you will have to do primary research to learn about your companies and their products, we urge you to research companies whose focus is consumer goods and/or services. To this effect, we recommend that you select companies with a physical presence (headquarters, branches, offices, stores) in the Boston area, to facilitate visits and/or company contacts.

Finally, we urge you to select companies for whom the products/services in which they compete represent a major portion of their revenues. We cannot overemphasize the importance of this last item. You will find that you cannot reach any meaningful conclusions if you compare companies that rely on many diverse products to achieve their results.

Please note that you are responsible for making company selections that fit these characteristics. The SM122 faculty’s role is limited to ascertaining that every team researches a distinct company pair.

Where and When?

- Wednesday, January 19. - Project described and teams formed.
- Friday, January 28 - Company pairs selection workshop.
- Monday, January 31 - Company pairs presentation. (Appendix 1)
- Wednesday, February 2 - Company pairs assignments made by the faculty.
- Wednesday, March 2 - Battle of the WebPages analysis presented to the class. (Appendix 2)
- Wednesday, March 30 - Written analysis (Appendix 3) and executive summary (Appendix 5) due at 5:00 pm.
- Monday, April 11 - Videos due at the beginning of class. The class will view the
videos and question the video authors within each section on Monday, April 11 and Wednesday, April 13. (We will select the order of presentations at random.) Each section’s students, faculty and TA will select a video to represent the section in the course-wide video contest. This will be done taking into account the quality of the videos and the teams’ ability to respond to questions. (Appendix 4)

- Wednesday April 13 - Student-Faculty Volleyball Game to celebrate completion of the CAP project, time and location TBA.
- Thursday, April 14 (If there are no major injuries resulting from the volleyball game.) - SM122 faculty review the nine top rated videos (one from each section). Faculty will discuss each team’s ability to respond to questions, and select the three finalists.
- Monday April 25 - Finalist videos shown in our auditorium to the entire class and to a panel of external judges. The panel of judges will determine the winning team based on an assessment of the video and of the team’s ability to answer relevant questions during a 10-minute Q&A session...
- Sunday, May 1 - Peer evaluations due by midnight.
- Monday, May 2 – Team closure session.

How?

In the seven minute company pairs presentation you should provide enough information to the class so that your classmates have a clear picture of your chosen competitive pair. You should indicate what the companies do (including a description of the industry in which the companies operate) and how they compare along dimensions such as financial characteristics, turnover, market share, geographical reach, diversification, etc. You should also present a brief picture of the alternative pairs you propose in case you are not assigned to research your preferred pair. (See Appendix 1 for more detail.)

The battle of the WebPages will be an eight-minute web-based (no PowerPoint™) presentation. You will tell the class in what ways and for what purposes the companies you selected for the CAP use their home pages. You should comment on which company makes more effective use of its Home Page, indicating why you believe this. You should also indicate what suggestions you would make to each company so it improves its home page. (See Appendix 2 for the evaluation form we will use.)

Your written analysis report will include a cover page, a table of contents page, not more than ten (10) pages of analysis, up to five pages of exhibits, an appendix describing your team’s primary research, a bibliography identifying all sources, and a printout of the completed Excel™ “Corporate Comparisons” workbook. You may use these printouts as additional exhibits for your paper. If you do, you must clearly identify them as such, both in the report text and in the printouts of the workbook.

Neither the appendix, the cover page, the table of contents, nor the bibliography will count in the page limits, but the quality of the appendix, the judicious use of exhibits (with clear references in the text), and the completed workbook will count in the evaluation of your report. Your report should be written with at least size 11 font, with 1 ½-line spacing and with approximately 1-inch margins all around. Please note that we will not accept exhibits created by others, such as Yahoo Charts. (See Appendix 3 for the evaluation form we will use.)

Your video presentation should convey, in no more than ten (10) minutes, the key aspects of your analysis to an audience of SM 122 students, faculty and guests from the business world. Please note that each member of the team should either speak and/or appear in the video presentation in a "substantive" way. As is the case in all SM121 and SM122 presentations, we will have a question and answer session following each video presentation. (See Appendix 4 for the evaluation form we will use.)

In addition to the written analysis and the video, every team will turn in a one-page, double-spaced executive summary of its report. This

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1 Each section will define the details of the process it will follow to select the section’s winning video.
report will be evaluated by the faculty and, for the finalist teams, will be given to the external judges prior to the video presentation during the project finals. (See Appendix 5 for the evaluation form we will use.)

Finally, at the end of this assignment you will turn in Peer Evaluations for all your team members using the same on-line process used in SM121. (Please note that you are already signed into the TLA system. You only need to enter last semester’s password to proceed with the feedback.) These evaluations will cover the entire semester’s activities, not only the activities in this assignment, and shall include each member’s score and a thoughtful and constructive assessment of each team member in which you provide useful feedback and recommendations. Students’ individual score in the CAP will be influenced by the evaluations they receive and the quality of the written comments they provide. We will consider that you are providing good quality written comments when they include a variety of areas, specific examples, and clear action-oriented recommendations based on these examples.

Grading

The Competitive Analysis Project will represent 21% of your course grade, divided as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Battle of Websites</td>
<td>2 percent</td>
</tr>
<tr>
<td>Video Presentation</td>
<td>9 percent</td>
</tr>
<tr>
<td>Written Analysis</td>
<td>9 percent</td>
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<tr>
<td>Executive Summary</td>
<td>1 percent</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>21 percent</strong></td>
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</table>

Resources

We do not intend this assignment to be a race for professional video presentations. Therefore, no team should spend more than US$100 in the process of preparing the video. On the cover page of every written report there will be a signed statement certifying that the team did not exceed this limit. Please note that we will not reward videos by their professional appearance.

Video Presentation Evaluation

Following its chosen process, students, faculty and TA of each section will evaluate the videos. These evaluations will be based on:

Content: Firms are clearly introduced and industry trends well described. Position of firms in the industry is clearly described. Functional areas are well addressed. Conclusions are explicit, persuasive and based on clearly and logically presented analysis.

Execution: Presentation is well organized, focused, and effective. Visual aids are helpful and clearly readable. All team members contribute to the video

Question and Answer Session: Team members demonstrate knowledge and understanding of the subject. Questions are answered clearly, concisely and honestly. There is a sense of a team (not a few individuals) answering the questions.

Workshops

We will conduct many workshops during the semester, mostly during Friday labs, to help teams with the tasks of the CAP. These workshops will take place according to the schedule below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Workshop</th>
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<tbody>
<tr>
<td>Friday, 01/28</td>
<td>Pairs Selection Workshop</td>
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<tr>
<td>Friday, 02/18</td>
<td>Marketing Workshop</td>
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<tr>
<td>Friday, 03/18</td>
<td>OM and IS Workshop</td>
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<tr>
<td>Friday, 03/25</td>
<td>Finance Workshop</td>
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<td>Friday, 04/01</td>
<td>Video Editing Workshop</td>
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While workshop presentations are not graded, we urge you to prepare the deliverables carefully and thoroughly, as doing so will help your team with the many aspects of the CAP project and will contribute to your team’s success and learning. Note that prior to the Friday, March 25, Finance Workshop, every team must have completed its

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2 The quality of your work in the deliverables from the CAP workshop labs may impact the CAP project grade.
work on the “Company Comparisons” Excel™ workbook.

As the semester progresses, you may be asked to submit to your TA and/or section instructor materials in preparation for the different workshops associated with the CAP project. Section instructors may choose to grade these materials. If they do so, the grade on workshop materials will be taken into account when assigning each team’s overall project grade.

Respectful Behavior
During this project you will interview people, visit companies, and gather data from a variety of sources. We urge you to be respectful of the rights of all involved and that you ask for authorization for the activities you undertake.

Specifically, you should be aware that shopping malls and business establishments are private property and that you may not conduct surveys without authorization. Your faculty will, upon request, provide you with an official letter explaining the project and asking for the cooperation of business establishments. You should note, however, that such a letter is no guarantee of access.

Final Note
Remember that we are in SMG and not in MTV. While the faculty hopes teams will be creative and have fun with this project, you should be aware that we are looking for content more than for entertainment value in your videos.
The purpose of this exercise is to ensure that primary candidates for CAP pairs meet the basic requirements necessary to enable successful completion of the project. Please note that:

- Even if a team completes its presentation with no apparent problems, the team may not be permitted to move forward with its first choice. This may happen if several teams select the same pair (only one team in the entire SM122 class may use any particular pair) or because the faculty envision problems with the pair.
- Even though a team receives permission to move forward with a pair, downstream issues may develop that require the team to start over. It is very rare for a team to face such a terrible consequence and the faculty is predisposed not to allow such a burden to fall upon a team. However, please know that your hard work on the pair selection exercise is instrumental in ensuring that the latter "restart" scenario does not materialize.
- Responsibility for pair selection lies with the team and not the faculty.

The presentation is to focus on the first choice and to a lesser degree on the second and third choices. Team presentations are limited to seven minutes plus five minutes of questions. Each team will turn in hard copies of its presentation. Furthermore, before the beginning of class, each team will email its ranked (first, second and third choice) pairs to the section TA with a copy to the section instructor.

The presentations should include:
- A thoughtful description of the industry (external environment) in which the two firms participate.
- Descriptions of each company that include those characteristics the team considers vital for an adequate description.

Therefore, each team must decide what information it chooses to present. We suggest that, in addition to the topics mentioned earlier in this assignment, teams may wish to mention:
- Location of headquarters
- Brand names each firm owns
- Breadth and depth of product line
- Types of outlets where products/services are sold
- Length of firms’ existence in their current configuration
- Exchange on which each firm’s stock trades
- Recent publicity (good or bad) seen about the firm
- Etc.

Teams should also provide for the three chosen pairs:
- Assurance that at least three years of forms 10K are available for both firms
- Assurance that neither firm seems on the verge of merger or substantial acquisition
- Indications of where the team will collect primary research data. In this regard, the team should mention where there are nearby outlets for the companies’ products or where the team may interview employees of the firms.

We will use the form on the following page to evaluate the CAP pairs presentations.
SM122 - CAP 2005
Company Pairs Presentation

Evaluation Form

Form:
Visual aids were clear and useful ___/ 10
Team provided an image of professionalism (Timing) ___/ 10

Presenters:
- Were professional and communicated clearly ___/ 10
- Had good voice projection ___/ 20
- Had good eye contact (index cards, looking back) ___/ 20
- Avoided use of "ah," "umm," "like," "you know," etc. ___/ 20
- Avoided distracting body/hand/feet movements ___/ 10

Sub-Total ___/100

Content:
Primary Pair:
- Industry was well described ___/100
- Companies were well described and fit selection criteria ___/100
- Availability and Accessibility of Primary Data discussed ___/ 30

Alternative Pairs:
- Industries were clearly described ___/ 20
- Companies were clearly described ___/ 20
- Availability of primary data addressed ___/ 10

In General
- Data availability discussed ___/ 10
- Future research problems addressed ___/ 10

Sub-Total ___/300

Q&A Reflected:
- Thoughtful, concise and convincing and to-the point answers ___/ 70
- A team answering the questions ___/ 30

Sub-Total ___/100

Team Score ___/500

INDIVIDUAL FEEDBACK

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<th>Team Member</th>
<th>Presentation Comments</th>
<th>Q&amp;A Comments</th>
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APPENDIX 2

SM122 - CAP 2005
Battle of the Web Pages
Evaluation Form

Form:

- Website created was designed well and functioned adequately ___/ 60
- The presentation was well organized and well presented ___/ 20
- The website was easy to navigate ___/ 20

Sub-Total ___/100

Content:

- Provided the audience with an understanding of the companies and their websites ___/ 50
- Enabled the audience to get a sense of the goals each company aimed for with its website. ___/ 50
- Clearly identified the company that makes more effective use of its home page ___/ 50
- Presented convincing arguments to support its choice ___/ 50
- Made suggestions for improvement that were wide-ranging, thoughtful, and related to the analysis ___/ 60
- Provided evidence of diligence and creativity. ___/ 40

Sub-Total ___/300

Q&A Reflected:

- Thoughtful, concise and convincing and to-the point answers ___/ 70
- A team answering the questions ___/ 30

Sub-Total ___/100

Team Score ___/500

INDIVIDUAL FEEDBACK

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<tr>
<th>Team Member</th>
<th>Presentation</th>
<th>Q&amp;A</th>
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Revised by TOK 1/18/2005
APPENDIX 3

Sm122 - CAP 2005
Final Written Report
Evaluation Form

Organization and Style:  ______/ 5 %

☐ Does the report follow the recommended format and is it well written and well organized, with a consistent style and approach throughout?

Effort and Creativity:  ______/ 5 %

☐ Do the report, the exhibits, the appendix and the workbooks reflect diligent, thoughtful and creative work?

Content:  ______/75 %

☐ Are the firms, their activities, and their position among competitors well described?
☐ Is the industry well described, are the forces that affect the industry identified, and are the effects of changes in these forces analyzed?
☐ Are the firms objectively compared along several dimensions, including most functional areas?
☐ Are the conclusions explicit, persuasive, and linked logically to the analysis?

Exhibits, Appendixes, Bibliography, and Workbooks:  ______/15 %

☐ Are exhibits well designed, adequately labeled, and properly presented with clearly identified sources? (Are the exhibits “stand-alone”?)
☐ Are all exhibits mentioned in the text and do they serve to support and enlighten the content of the report?
☐ Does the Primary Research Appendix reflect careful work and useful analyses that are incorporated into the report?
☐ Is the “Company Comparisons” workbook diligently and correctly completed?
☐ Are all sources properly cited in the bibliography?

Up to 10 bonus points will be given for reports that used a significant number of non-electronic sources.
APPENDIX 4

SM122 - CAP 2005
Video Presentation
Student/Faculty/TA Video Evaluation Form

Your Name: _______________   Your Team (circle one)   1   2   3   4   5   6   7

Please evaluate each video, except your team's, critically and objectively along the following three dimensions:

Content:
- Industry characteristics and trends (past, present, and future) are well described and analyzed
- Firms are objectively compared -- over a reasonable period of time -- along many dimensions:
  - Overall business strategies
  - Marketing strategies
  - Approach to human resource management issues
  - Financial position
  - Use of information technology
  - Operations management, etc.
- The meaning of “success” is clearly and logically identified
- Conclusions are explicit and persuasive and are clearly related to the industry and company analyses

Execution:
- Presentation is well organized, focused, and effective
- Visual aids are helpful and clearly readable
- Presentation shows creativity that contributes to deliver content
- All team members contribute to the video

Question and Answer Session:
- All team members demonstrate knowledge and understanding of the subject.
- Respondents answer questions thoughtfully, concisely, and convincingly.
- One can hear respondents clearly, with good voice projection and eye contact.

At the end of the presentations, choose the best and second-best videos. Your instructor and teaching assistant will tally the overall scores and your opinions regarding the top two videos to determine which video will represent your section in the course-wide video contest.
APPENDIX 4 (continued)

SM122 - CAP 2005
Video Presentation
Student/Faculty/TA Video Evaluation Form

1. Do not evaluate your team's video
2. Circle your responses

<table>
<thead>
<tr>
<th>Substance of Presentation</th>
<th>Very Weak</th>
<th>Excellent</th>
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<tbody>
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<td>Team # 1</td>
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<th>Video Execution</th>
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<th>Question and Answer Session</th>
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<tr>
<td>Team # 7</td>
<td>1 2 3 4 5 6 7 8 9 10</td>
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</table>

In my judgment, and not considering my group's video, I rank the top two videos as follows:

No. 1 ....... Team # 1 2 3 4 5 6 7 (circle one)
No. 2 ....... Team # 1 2 3 4 5 6 7 (circle one)
APPENDIX 5

SM122 - CAP 2005
Executive Summary
Evaluation Form

Organization and Style:  ______/30 %

☐ Is the summary well written and well organized?

Content:  ______/70 %

☐ Does the summary capture the essence of the report, clearly describing the industry and the companies and giving the reader a clear picture of the conclusions reached and the reasons for reaching them?