

MNGT 481 LIVE CASE COMPETITION

MNGT 481 Strategic Management Live Case Competition

Portable Generator Market

Spring 2019

Case Overview:

The total diesel generator market is a \$16B global industry primed for disruption. The diesel generator for power generation has been around for decades and is riddled with many product issues as well as environmental and regulatory challenges. These generators have been typically used in emergency conditions, power outages, film sets, and other locations where power from an electric grid is not available. Exhibit 3 below shows the Existing Generator Landscape in terms of price versus performance (kw) for different portable generator offerings.

Stanley Black & Decker (SBD) is considering the introduction of comparable 'stored power units' that use battery-operated technology to provide clean, quiet power. This technology may be used both indoor and outdoor while diesel is outdoor only. SBD could enter into this new market by partnering with a start-up company that makes a comparable to that of a diesel generator.

SBD already has partnerships for two battery-powered generators, the Freewire and the Portable Electric, as shown below (see Exhibits 1 and 2 for the Freewire and Portable Electric generators below). The Freewire is the much larger of the two units, weighing 1560 lbs. compared to the Portable Electric's 295 lbs. The Freewire is basically self-propelled using a joystick, while the Portable Electric is moved manually. These two battery-powered generators are recharged from the electric grid or solar power, recharging taking 4 to 5 hours.

These existing partnerships are alliances between the technology development and manufacturing capabilities of battery-generator companies and Stanley Black&Decker's marketing and distribution capabilities. SBD has entered these alliances as a means to take advantage of existing battery technology that it does not have and would take a long time to develop. SBD is now examining the growth prospects for these battery-powered generators where it will market and distribute the generators that are manufactured by the generator companies.

By addressing the due diligence questions below, the students should articulate to the Stanley Black & Decker (SBD) leadership team what opportunities exist and where, who the target customers should be, and propose a Go To Market Strategy along with overall program financials (P&L).

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Suggested Financial Targets:

Achieve \$100M in sales

Operating Margin of 10%

Current COGS for products sold by potential partner companies:

Freewire (15kw) = \$21K/unit

Portable Electric (5kw) = \$16K/unit

External Analysis:

- Describe with some detail the Generator industry.
- What is the overall market size of the industry?
- For this industry, identify the primary competitive forces using the 5 forces model
 - Who are the main competitors and what are their relative advantages?
 - What are the likely disruptions in the market, including potential new entrants, technology disruptions and changes in customer behavior?
- Who are the customers and what are their key buying factors? Who are the decision makers?
- What are customers currently buying and how do they buy it (financing, rental, etc.)?
- What is the size and growth potential of the market segment that would be created for the new product?

Internal Analysis:

- What is SBD's competitive advantage/disadvantage? Distribution channels, brand, technology, other resources?
- With reference to the value chain, identify the key activities and interrelationships that SBD needs to exploit to develop the new product.
- What portion of existing player's customer base might switch to SBD? In what time frame?
- Identify the barriers to imitation that SBD can exploit and leverage.

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Strategy and Recommendations:

a) Going to the Market:

- Suggest the best route to the market for SBD?
- How do SBD's capabilities match those needed to penetrate the market? Can any missing skills be acquired or developed organically?
- What marketing/sales communication, message, material, etc. is needed?
- Should SBD choose a partner or use internal development? Explain. If you recommend a partnership:
 - Who are partnership targets?
 - How should SBD structure it (e.g. acquisition, alliance, joint venture, etc.)?

b) Cost Position:

- What is the cost position and selling price SBD can achieve to reach a sustainable product?
- What does the overall 3 year P&L look like?

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Exhibit 1: FreeWire

Mobi Gen

30 kW Peak **15 kW Continuous**

48 kWh Capacity **55 Decibels**

0 Emissions

Weight: 1,560 lbs

Dimensions: 32" W x 48" L x 42" H



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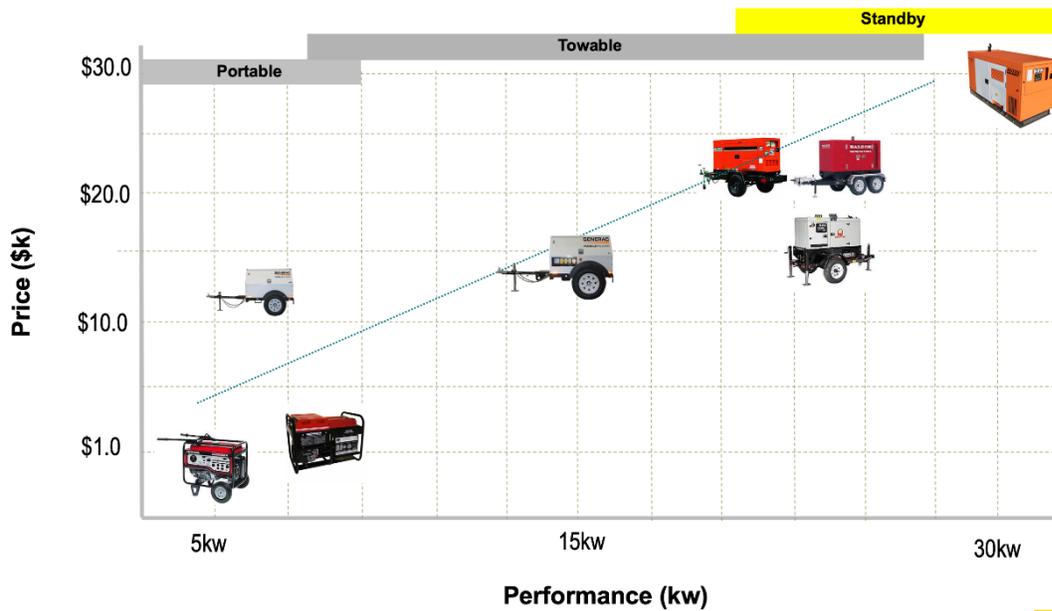
Exhibit 2: Portable Electric



Unit Type	Rated Output	AC Output	Carbon Offset Equivalent at Max Output	Storage	Outlet
5 kW	4.8 kW Pure Sine Wave Inverter (Surge rating: 6 kW 3 seconds, 8 kW peak)	Single Phase 120V @ 40A for 1 hour continuous	34kg of CO ₂ e for 8 hours of operation	5.6 kWh (5 kWh usable)	2 x 120VAC 20 amp receptacles (NEMA 5-20R type) 2 x 20 Amp Circuits 2 x 5 VDC USB Receptacles
Unit Type	AC Charging		DC Charging		
5 kW	2 x 120VAC 15 amp receptacle (NEMA 5-15P type) Recharge time with 20 amps 120V socket is 5 hours		Input Solar Panel Connector supplied by Portable-Electric Max Operating Input Voltage PV: 150 VDC Max Input Current PV Solar: 20 Amps DC Max Input Short Circuit Current: 30 Amps DC Max Output Source Back-Feed: 25 Amps DC		
Unit Type	Dimensions	Weight	Certification	Battery Type	
5 kW	27x18x28	295 lbs	NEMA 4 Rated QAI Special Inspection SPE-1000 CSA Recognized	Lithium-ion	

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Exhibit 3: Existing Generator Landscape



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Spring 2019 Live Case Competition

Important Dates:

Information Session with Stanley Black & Decker Executives

Date: February 26 (Tuesday)

Time: 5:30 pm to 7:00 pm

Location: ST 310

Spring 2019 Live Strategy Competition Day

Date: May 3 (Friday)

Time: 9am to 2 pm

Location: ST 310

Case Presentation Schedule

9:00 AM Professor Jacobson, 401

9:20 AM Professor Thavikulwat, 400

9:40 AM Professor Jacobson, 103

10:00 AM Professor Kopka, 001

10:20 AM Professor Jacobson, 102

10:40 AM Professor Sanford, 003

11:00 AM Professor Obedkova, 004

11:20 AM Professor Kopka, 002

11:40 AM Professor King, 900

12:00 PM Professor Obedkova, 005

12:20 PM Professor Sanford, 101

12:40 PM Professor Brannon, 851

1:00 PM Professor King, 901

Lunch and Break

2:00 PM Recognition Ceremony

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SBD Executive Evaluation Sheet
Competitive Case Presentation, May 3rd, 2019

Team name _____

Criteria	1=needs work					5=excellent				
Overall understanding of the industry and market	1	2	3	4	5	1	2	3	4	5
Analysis of SBD capabilities in relation to developing the new product	1	2	3	4	5	1	2	3	4	5
Barriers to imitation by other firms	1	2	3	4	5	1	2	3	4	5
Recommendation on market entrance	1	2	3	4	5	1	2	3	4	5
Recommendation on cost position	1	2	3	4	5	1	2	3	4	5
Recommendation feasibility	1	2	3	4	5	1	2	3	4	5
Recommendation Creativity	1	2	3	4	5	1	2	3	4	5
Presentation skills and Q&A Responsiveness	1	2	3	4	5	1	2	3	4	5

Rank (in order) the top five presentations:

- 1.
- 2.
- 3.
- 4.
- 5.

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HISTORY AND OVERVIEW OF GOALS

Since Fall, 2015, nearly 3,000 students from across 90 plus sections of our capstone MNGT 481 Strategic Management course have participated in this interdisciplinary, bi-annual live case competition. Each semester, faculty partner with a large organization to develop a current, real-world case emanating from the partner business. Students are supported to 'raise the bar' by applying the tools of strategic management to develop business solutions.

At the conclusion of the term, student teams give formal presentations of their proposals before their respective classes. Faculty members then select the top team from each section to advance to the culminating live case competition and present before a panel of corporate executive judges. Winning teams are recognized at a college-wide ceremony.

Outcomes

- Partner companies receive quality, innovative, polished presentations and recommended solutions to the case challenge from the highest performing students.
- Real world, interdisciplinary, dynamic learning experience & impact for students.
- TU Office of Academic Innovation 2017 Innovation in Teaching Award to faculty
- Partner company engagement and recruiting opportunities with over 400 participating students throughout each semester.
 - *Cintas Recruited 'Implementation Consultant' Jobs for Graduating Students*
 - *SECU Developed the 'Young Professional Advisory Board' Compensated Positions for Students*

Strengthened Inter-Campus & Business Networks

- Goodwill building with the community of supporters of the Live Strategy Competition (students, students' family members, alumni, and the broader TU Community).
- Strengthened relationships between partner companies and Towson faculty, staff and students.

Towson University Commitment

- Full faculty support in the development of the case and administration of the learning experience.
- Complimentary parking and food for all company guests when visiting campus for competition-related events and meetings.
- Breakfast and lunch for judges at the competition finale.

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- Publicity of the company's involvement through TU and CBE media channels including the website, social media, magazine and more.

Partner Company Commitment

- Work with faculty members three to five months in advance of the semester to build a 1-2 page case regarding a current strategic challenge your business faces.
- 1-5 company representatives answer students' questions at one closed information session (1-2 hours). The session will be video recorded and available to students for research purposes via the BlackBoard course site.
- 4-6 company representatives (some preferably from c-suite or director level and above) serve as judges at the competition finale (4-5 hours).

Partner Organization & Student Participant Breakdown by Semester

Spring 2019 SBD: 417 students across 13 sections
Fall 2018 SBD: 309 students from 10 sections
Spring 2018 SECU: 343 students across 11 sections
Fall 2017 SECU: 331 students across 10 sections
Spring 2017 Cintas: 318 students across 11 sections
Fall 2016 Cintas: 314 students across 10 sections
Spring 2016 1st Mariner Bank: 379 students across 12 sections
Fall 2015 1st Mariner Bank: 259 students across 9 sections

Sponsoring Organizations

Fall 2018 – Spring 2019 SBD
Fall 2017 – Spring 2018 SECU
Fall 2016 – Spring 2018 Towson University Bookstore
Fall 2016 – Fall 2017 McGraw-Hill Education
Fall 2016 - Spring 2017 Cintas