# **MNC Crisis Project Assignment**

JP Morgan Chase Crisis

The MNC Crisis Project is a team activity to analyze a specific MNC that has experienced a major crisis. A crisis is “an unstable or crucial time or state of affairs in which a decisive change is impending; especially: one with the distinct possibility of a highly undesirable outcome <a financial crisis> “[http://www.merriam-webster.com/dictionary/crisis. Accessed 7-30-2020].

The objectives of the MNC crisis project include:

1. To recognize how MNC actions in once nation can affect stakeholders in other countries
2. To collect and analyze objective data about MNC performance
3. To report synthesized data about MNC performance to an audience
4. To enhance research and analytical skills
5. To develop written, oral, and visual communication skills

For ease of understanding and organization, the MNC Crisis Project is divided into three broad areas: 1) the national comparative environment, 2) the strategic analysis of the MNC, and 3) the crisis analysis and recommendations.

## Format

# **Each team serves as consultants or an internal task force presenting to the MNC’s top management team. Thus, you should be concerned about keeping their interest and communicating clearly and effectively.**

Your presentation should build from background of the MNC, countries of operation, timeline of crisis, MNC strategy, which ultimately leads to understanding and recommending a crisis response. The focus of the presentation should be convincing your audience of appropriate short- and long-term effective response to the crisis. In short, what should an executive know about the situation, and what can s/he be convinced to do about it? You are encouraged to make *creative* use of your presentation time. For example, you could use videos, slides, posters, product samples, and audience participation to generate and sustain interest in your topic. Although it is perfectly appropriate to refer to prepared note cards during your presentation, do not read your presentation directly from a prewritten script.

You can record the video at a dock or in front of a company headquarters or any other appropriate space. Of course, your options may be limited due to Covid-19 precautions. **Safety and health first**!

**All** team members are expected to participate in the presentation and Q&A. All team members will receive the same grade for the video, except in the cases of exceptionally uneven contribution.

**Part I: The National Environment**

In Part I, I want you to apply class concepts to compare and contrast the national environments of the MNC's home and the host country(s) where the crisis happened.  Unlike typical course assignments, these presentations should be considered a *DECK*, a standalone recordthat contains more details than a typical PowerPoint presentation.

* Consider the MNC's home country
  + What elements of the business environment affect companies and competition in this industry?
  + Consider the entire spectrum of environmental, political, economic, legal, technological, cultural, and social factors
  + Which factors create opportunities and threats for companies in the industry in the next decade and beyond?
* Consider the MNC's host country. Are there elements of the home and/or host country environment that could have led to or exacerbated the crisis?
  + What elements of the business environment affect companies and competition in this industry?
  + Consider the entire spectrum of environmental, political, economic, legal, technological, cultural, and social factors
  + Which factors create opportunities and threats for companies in the industry in the next decade and beyond?
* Are there elements of the home and/or host country environment that could have led to or exacerbated the crisis?
* Or, did differences between the home and host country cause or exacerbate the crisis
  + Include original *analysis* not just repeating facts from secondary sources

**Part II: MNC Strategic Analysis**

The MNC profile applies class concepts to the MNC experiencing the crisis to provide adequate background for the crisis analysis. I would like each team member to have a deep understanding of its focal MNC. There may be some overlap in the responses for the corporate and international strategy. It is okay to recognize that the company's corporate strategy and its international strategy are (or are almost) the same. The information does not need to be presented in this order.

### Corporate Strategy

* Briefly describe your focal firm. What is the MNC’s mission?
* What are the MNC’s key strengths and weaknesses?
* What is its key success factor (core competency)? Does it exploit its core competency to its maximum?
* How has the firm performed financially in recent years? Use key accounting and financial data to support your argument.
* What is its grand strategy (e.g. concentration, diversification, vertical integration, etc.)
* Which businesses generate substantial portions of the revenues?
* Who are its main competitors? Provide comparative data on sales and profitability.

### International Strategy

* In which countries does the MNC operate?
* Which countries are the most important?
* Describe the firm's internationalization strategy [International, Multidomestic, Global or Transnational]?
* Is the MNC outsourcing part of its value chain?
* Which entry mode(s) does the MNC tend to use?
* What kind of synergies exist across products and/or geographic areas? Do you think the company is exploiting these synergies?
* Where does the firm see its future growth and expansion coming from?

Hint: Use tables and charts to present longitudinal and/or comparative data in a succinct, informative manner. Just remember to refer to them in the text. For example: *Chart 1 contains performance data for MNC XYZ and its 3 closest competitors over the last 5 years. Note that in 2007, the year of the crisis sales for most of the competitors declined.*

# **Part III: MNC Crisis Analysis and Recommendations**

# For this part, each team needs to analyze and evaluate the MNC’s actions before, during and after the crisis. From this evaluation, each team will make recommendations to the company’s executives. The focus is on the crisis, the MNC’s response, effects, and recommendations. The bulleted list breaks the content into specific points to be included. Note that ongoing crises will not have long-term effects yet.

Consider this a **checklist** rather than an outline.

### Crisis Description

* Describe the crisis. Include important dates, events, and locations (e.g. timeline); the source of the crisis; the source or responsible party (for example, rogue employee, and natural disaster, boycott).
* Could the crisis have been prevented? If yes, how?

### Crisis Response

* Describe the MNC’s response including timing, location, leadership, and effectiveness for the firm and its stakeholders.

### Crisis Consequences

* Include the crisis’ **short-term** effects on MNC’s financial performance, corporate reputation, stakeholders other than investors, and industry rivals.
* Include the crisis’ **long-term** effects on MNC’s financial performance, corporate reputation, stakeholders other than investors, and industry rivals.

### Strategic Recommendation

* Did the MNC take correct action? If not, what do you recommend?

## Organization

Part I, *National Environment Artifact,* should be between 8 and 10 slides. Exploit the deck format by including graphics such as tables, charts and figures.  Do not add clip art as pure decoration.  Make each slide count!  Include a slide containing references.

Prior projects have been successful when they compared the elements of the home and host country on the **same** slide. For example, compare and contrast culture dimensions between Italian and US cultures.

Part II, *Strategic Analysis,* should be between 3 and 4 slides. Part III, *Crisis Analysis and Recommendations*, should be between 8-10 slides. These are simply guidelines to help you plan out the presentation. In addition to these guidelines for the content of the slide deck, standard presentation format applies (i.e. agenda, summary/conclusion, etc)

Pay attention to the design and flow of your 'deck' to maximize the communication of information. Use objective data.  Proof read for spelling, capitalization, etc.