

Vejledende løsning, økonomi

1.1 8%

Kompan oplevede i 2010 et rekord år med stigning i såvel omsætning og resultat, omsætningen alene 25% op ift. 2009 men kun 6% skyldes organisk vækst.

Ledelsen forventer altså fortsat stigning og hertil følgende kommentarer ift. de givne oplysninger:

1) Makroøkonomi – GDP vækst og Public finances.

Det er min opfattelse at økonomisk vækst er vigtig i relation til at købe Kompan's legepladser da det formodes at være relative store investeringer, ligesom det kræver gode solide offentlige budgetter, idet Kompan primært sælger til offentlige myndigheder.

GDP

På baggrund af forventningerne til GDP vækst ser deres mål lidt ambitiøst ud, idet GDP stort set overalt ift. Til 10 vil falde og at der vil opleves lavkonjunktur (under 2%) i rigtig mange af de modne markeder som USA, Euro, Danmark, UK, sydeuropa og at det primært er østeuropa og kina der trækker op. Verden er efter en kort opblussen i 2010 på vej i lavkonjunktur igen. Det vil trække op såfremt den studerende inddrager aktuel viden.

Public finances

På de offentlige budgetter ventes ingen fremgang ift. 2010, tværtimod forventes en forværring, hvilket ikke giver meget nogen mulighed ekspansiv finanspolitik men derimod meget stram finanspolitik, hvilket for Kompan betyder vanskelige afsætningsvilkår.

2) Informationen her gør netop at deres mål for 2011 synes ambitiøst idet de offentlige myndigheder skal spare og dermed betyder det vanskelige afsætningsvilkår, som Kompan også anfører i appendix F

3) Fordeling af omsætning med indsatte makroøkonomiske kommentarer

- a. Norden 28% ser fornuftigt ud på nær i Danmark
- b. Vest Europa 30% ser dårligt ud på nær i Tyskland
- c. Syd og Øst 22% dårlige udsigter for Syd, men OK for Øst
- d. Asien 12% her ser det positivt ud
- e. Amerika 8%, her ser det svært ud

Umiddelbart en god spredning, men i relation til makroøkonomi problematisk idet der opleves lavkonjunktur på de største markedsområder.

1.2.1 4%

ABC – opgøre lønsomhed pr. aktivitet, pr. produkt

Opdele i *high cost to serve* og *low cost to serve* for herved at foretage bedre prisfastsættelse (menu based pricing). Mapping customer profitability

Whale curve....

CRM

Dupont analyse .

1.2.2 4%

CLV er nutidsværdien af en kunde , her over 5 år eller

" the total profits earned over all time periods of a customer's relationship with the company, measured by subtracting the initial cost of acquiring the customer from the discounted sum of annual net profits during the years that the customer maintains a relationship with the company; often CLV is estimated prospectively for newly-acquired customers."

Det er vigtigt at den studerende udviser forståelse for CLV .

En beregning kunne se sådan ud

CLV Public	185	171	119	110	34
Samlet PV	620				
- Acquisition cost	300				
CLV Public	320				
CLV Agent	93	86	119	147	136
Samlet PV	581				
- Acquisition cost	300				
CLV Agent	281				

I beregningen er i (cost of capital) sat til 8% for public og 10% for Agent fordi Kompan i appendix F skriver at der er større risiko på agents.

Alt andet lige vil der være størst CLV på public , da i er lavere og det forventede net result er større i starten

Det vil trække op såfremt den studerende diskutere at FOR Agent kunne tale at net resultatet er stigende i perioden og derfor kunne tænkes at vokse ud over den periode der her er medtaget.

1.2.3 4%

De kritiske parametre er :

- Acquisition cost
- Estimeret profit eller tab
- Ekstra omkostninger til evt. at vedligeholde kunden
- Længden af kundeforholdet (antal år)

Morten Lynge , EASJ

mlan@zbc.dk

Vejledende løsning, økonomi

1.1 8%

Kompan oplevede i 2010 et rekord år med stigning i såvel omsætning og resultat, omsætningen alene 25% op ift. 2009 men kun 6% skyldes organisk vækst.

Ledelsen forventer altså fortsat stigning og hertil følgende kommentarer ift. de givne oplysninger:

1) Makroøkonomi – GDP vækst og Public finances.

Det er min opfattelse at økonomisk vækst er vigtig i relation til at købe Kompan's legepladser da det formodes at være relative store investeringer, ligesom det kræver gode solide offentlige budgetter, idet Kompan primært sælger til offentlige myndigheder.

GDP

På baggrund af forventningerne til GDP vækst ser deres mål lidt **ambitiøst ud**, idet GDP stort set overalt ift. Til 10 vil falde og at der vil opleves lavkonjunktur (under 2%) i rigtig mange af de modne markeder som USA, Euro, Danmark, UK, sydeuropa og at det primært er østeuropa og kina der trækker op. Verden er efter en kort opblussen i 2010 på vej i lavkonjunktur igen. Det vil trække op såfremt den studerende inddrager aktuel viden.

Public finances

På de offentlige budgetter ventes ingen fremgang ift. 2010, tværtimod forventes en forværring, hvilket ikke giver meget nogen mulighed ekspansiv finanspolitik men derimod meget stram finanspolitik, hvilket for Kompan betyder **vanskelige afsætningsvilkår**.

2) Informationen her gør netop at deres mål for 2011 synes **ambitiøst** idet de offentlige myndigheder skal spare og dermed betyder det **vanskelige afsætningsvilkår**, som Kompan også anfører i appendix F

3) Fordeling af omsætning med indsatte makroøkonomiske kommentarer

- a. Norden 28% ser fornuftigt ud på nær i Danmark
- b. Vest Europa 30% ser dårligt ud på nær i Tyskland
- c. Syd og Øst 22% dårlige udsigter for Syd, men OK for Øst
- d. Asien 12% her ser det positivt ud
- e. Amerika 8%, her ser det svært ud

Umiddelbart en god spredning, men i relation til makroøkonomi problematisk idet der opleves lavkonjunktur på de største markedsområder.

1.2.1 4%

ABC – opgøre lønsomhed pr. aktivitet, pr. produkt

Opdele i *high cost to serve* og *low cost to serve* for herved at foretage bedre prisfastsættelse (menu based pricing). Mapping customer profitability

Whale curve....

CRM

Dupont analyse .

1.2.2 4%

CLV er nutidsværdien af en kunde , her over 5 år eller

" the total profits earned over all time periods of a customer's relationship with the company, measured by subtracting the initial cost of acquiring the customer from the discounted sum of annual net profits during the years that the customer maintains a relationship with the company; often CLV is estimated prospectively for newly-acquired customers."

Det er vigtigt at den studerende udviser forståelse for CLV .

En beregning kunne se sådan ud

CLV Public	185	171	119	110	34
Start CLV	620				
- Acquisition cost	300				
CLV Public	320				
CLV Agent	93	86	119	147	136
Start CLV	581				
- Acquisition cost	300				
CLV Agent	281				

I beregningen er i (cost of capital) sat til 8% for public og 10% for Agent fordi Kompan i appendix F skriver at der er større risiko på agents.

Alt andet lige vil der være størst CLV på public , da i er lavere og det forventede net result er større i starten

Det vil trække op såfremt den studerende diskutere at FOR Agent kunne tale at net resultatet er stigende i perioden og derfor kunne tænkes at vokse ud over den periode der her er medtaget.

1.2.3 4%

De kritiske parametre er :

- Acquisition cost
- Estimeret profit eller tab
- Ekstra omkostninger til evt. at vedligeholde kunden
- Længden af kundeforholdet (antal år)

Morten Lynge , EASJ

mlan@zbc.dk

PBA – ISM ordinær eksamen 12. januar 2012 - 1. Semester

Input til løsning af spørgsmål 2:

Spørgsmålet lyder:

" Du bedes gennemføre en analyse af Kompan's forretningsmodel og deres innovative kompetencer, samt vurdere om virksomheden besidder de kompetencer der skal til, således de kan forsætte med at være en global markedsleder indenfor deres område."

Og den engelske version

"Please complete an analysis of Kompan's business model and their innovative competencies, and assess whether the company has the skills needed so they can continue to be a global leader in their field."

Generelt:

- Spørgsmålet ligger primært inden for logistik og ledelse/organisation, men elementer fra andre fagområder kan sagtens inddrages i besvarelsen. (Især Markedsføring=
- Opgaven vægter med 25%. Fraregnes 1 time til at læse opgaven igennem, må det med andre ord forventes, at den studerende bruger ca. 1 time og 15 minutter på at løse opgaven. Ved vurdering af besvarelsen er det vigtigt at huske dette.
- Den studerende bør have et sådant overblik, at vedkommende kan planlægge og administrerer sin tid på en sådan måde at alle opgaver bliver besvaret på et acceptabelt niveau.
- Den studerende bør vise en struktur i sin besvarelse der viser et overblik og forståelse for de valgte teorier og/eller de faktorer som den studerende mener er relevante for besvarelsen af denne opgave.
- Den studerende skal inddrage relevante metodemæssige overvejelser i besvarelsen. Dette kunne f.eks. være struktur for besvarelse af spørgsmålet, kritisk stillingtagen til de anvendte modeller og teorier, vurdering af deres egnethed til at besvare spørgsmålet etc.
- Den studerende skal inddrage case materialet i løsningen af opgaven. Rent teoretiske løsninger "one size fits all-løsninger" bør derfor vægtes lavt.
- Nogle studerende vil måske vælge at henvise til besvarelser fra de øvrige spørgsmål.
- De enkelte akademier/skoler har naturligvis metodefrihed til at vælge de modeller og teorier som den enkelte underviser vurderer dækker studieordningen bedst. Specifikke modeller og teorier kan derfor ikke forventes at være kendt på alle akademier. Forretningsmodel er en del af det obligatoriske uddannelseselement – kunden som udgangspunkt under elementet salg/markedsføring og under elementet ledelse/organisation er – virksomhedens strategiske grundlag og fokus.

- Som nævnt tidligere kan elementerne fra studieordningen dækkes igennem flere tilgangsvinkler. Ifm. Forretningsmodel benytter nogle Akademier Hutt & Spehs model "Components of a Business Model" andre Akademier benytter Osterwalders "9 Building Blocks ." nogle Akademier benytter sikkert nogle helt andre modeller til at strukturere og forstå en virksomheds forretningsmodel.
- Kompan Forretningsmodel er illustreret vha. The Butterfly Organization.
- Det vigtige er at den studerende benytter en logisk form for struktur i beskrivelsen.
- Innovation er en del af 3. obligatoriske uddannelseselement på 1. semester, hvor den studerende skal kunne give en "Vurdering af den innovative platform, samt virksomhedens innovative processer og drivkræfter"
- I del element 1 er et af fokus områderne for Ledelse/organisation, Kompetenceanalyse, hvilket spørgsmålet også lægger op til.

Konkret:

- 35 år gl. virksomhed som blev startet af en kunstner. Child-focus play equipment. Siger lidt om virksomhedskulturen og focus på end-user – børnene.
- Et ønske om vækst, både organisk og igennem opkøb – 8 opkøb af andre virksomheder på 7 år.
- Deres kunder er spredt på mange markeder, hvilket har medvirket at den økonomiske krise ikke har ramt Kompan så hårdt. En del markeder i Asien har klaret sig ok + de har vundet markedsandel på stagnerende markeder.
- Har investeret i bl.a. nyt HQ med frie midler.
- Stor fokus på salgstræning igennem "Sales Excellent" programmet og CRM.
- Kompan er global markedsleder i udvikling, produktion og markedsføring af outdoor playground equipment.
- Har styrket sine distributionskanaler på forskellige geografiskemarkeder igennem opkøb bl.a. Go Play, Unique playground m.m.
- Forskellige segmenter, Nordic region, Western Eur., Southern & Eastern Europe, Asia/Pacific, Amerca, Special segment.
- Centres of excellent – CoE -> Value Proposition
- Ovenstående + en række andre informationer fra casen kan indplaceres i en Forretningsmodel.
- Mht. deres innovative kompetencer, vil den gode studerende forholde sig til hvad innovation er. Et referencepunkt kunne være Doblins 10 typer af innovation <http://www.doblin.com/AboutInno/typesofinnovation.html> hvor Kompan casen kan henføres til flere af disse områder, f.eks. brand, selve "offering", Channel,....
- Hvorledes Kompan historien bliver fortalt – Story Makers. Play Valve, design, safety, engineering.
- Om de kan forsætte med at være en global markedsleder – er lidt af en tro sag! Det der taler for det er at de har en solid økonomi i vækst, kontinuerligt opkøber andre virksomheder der understøtter og udvikler deres internationale kompetencer.
- Virker til at være en skabende og kreativ kultur i virksomheden, nye produkter, nyt HQ, CSR, ..

Det skal pointeres at ovenstående er eksempler på områder den studerende kan komme ind på. Der er i vejledningen med vilje ikke anbefalet eller brugt specifikke modeller, idet skolerne har/kan have brugt forskellige modeller i undervisningen.

Dette notat er udarbejdet af Lars Davidsen, Erhvervsakademiet Aarhus lada@eaaa.dk , mobil 7228 6219

Marking Key for Assignment 3

**PBA- ISM Exam 12th January 2012; End of 1st Semester Exam
Exam Case: Kompan**

The exam question is stated as:

Assignment 3 (40%)

Assignment 3.1. (10%)

Identify the different types of customers that Kompan has by analyzing the customer profiles in Appendix B. Argue for the differences in the buying processes.

Assignment 3.2. (15%)

Using examples of Kompan's market segments, suggest possible ways that Kompan can:

- 1) *maintain these markets*
- 2) *acquire new customers in the same markets and*
- 3) *win customers in new markets.*

Assignment 3.3. (15%)

Make a critical assessment of the factors that drive Kompan's strategic development in the market segments you have outlined in Assignment 3.2. In your assessment, consider the strategic significance of Kompan's distributors. Please note the detailed list of distributors given in Appendix C.

The exam question in Danish is stated as:

Opgave 3 (40%)

Opgave 3.1 (10%)

Identificer de forskellige kundegrupper som Kompan har, ved at analysere kundeprofilerne i Appendix B. Argumenter for forskellene i købsprocesserne.

Opgave 3.2 (15%)

Med udgangspunkt i en analyse af Kompan's markedssegmenter bedes du foreslå mulige løsninger, så Kompan

- 1) *kan bevare disse markeder*
- 2) *erhverve nye kunder på de samme markeder og*
- 3) *vinde nye kunder på nye markeder.*

Opgave 3.3 (15%)

Du bedes foretage en kritisk vurdering af de faktorer der er afgørende for Kompans strategiske udvikling i de markedssegmenter som du har skitseret i opgave 3.2. I din vurdering bedes du forholde dig til den strategiske betydning af Kompans distributører. Vær opmærksom på den detaljerede liste af distributører, der er angivet i Appendix C.

General assessment considerations

- It should take the student approximately 1 hour to read the exam case and questions. As the weight of Assignment 3 is 40%, it would be fair to expect the student to dedicate a total of 2 hours to answering this part of the exam. When assessing this question, it is important to consider the time limit within which the candidate has been able to answer the question.
- The questions asked in this section relate to the International Marketing part of the course, however, due credit should be given to an answer that demonstrates application of other subjects apart from Marketing into the answer, as this shows a holistic appreciation and analysis of the question on a cross-functional basis. This is the desired level of cross-curricular application that a student at this level of education is expected to attain.
- The student must use relevant models, frameworks and theories in order to answer the question. Should there be a lack of application of relevant models, frameworks and theories, the student should be assessed with a lower grade which may be liable to a failing grade. It is therefore key that the student is analytical and not descriptive. Typically, a descriptive answer is one that simply copies what the case text says without further application nor consideration of theoretical appreciation.
- It is cardinal to assess the performance of the essays based on whether the candidate demonstrates a clear progression based on the analytical level of the answer from AP degree level to PBA degree level. As such the question may call for an analysis taking a point of departure in AP Degree theories that require to be built up by PBA degree analytical depth in order to answer the question satisfactorily.
- The student is expected to use material presented in the case and apply analytical theories in answering the question. A "one size-fits-all solution" is unacceptable and should therefore result in a lower weight.

Detailed Assessment Guide

Assignment 3.1: Identify the different types of customers that Kompan has by analyzing the customer profiles in Appendix B. Argue for the differences in the buying processes.

- This question should respect the logical assumptions made by the student in the event of missing case information regarding customer buying details. The logic of

argument where the organizational buying process is applied and used for further analysis with key case examples should be given credit.

- From the portfolio of Kompan's customers in Appendix B, the student should be able to see that the list consists entirely of B2B (organizational) buyers. The student should be able to recognize that the organizational buyers are further divided into distinct types: commercial enterprise, government and institutions. Examples in the case for US commercial enterprise can be Related Affordable in real estate, Nike and LA84 in the FREEGAME Project; whereas Chinese commercial enterprise can be residential projects listed, and the KFC Store Chain. UK commercial enterprise examples are the housebuilders listed. Government buyers in the UK are local authorities and district councils, and in Australia the municipality for the park project. Institutions are the schools in the UK and China customer profiles.
- The student could also argue that some institutions may be privately owned (eg schools in China and some in the UK)
- Extra credit can be given to the student who recognizes the not-for-profit (NGO) institution, MIR in New Orleans, which Kompan has donated a project to. This qualifies as a customer type.
- The question further asks the student to argue for differences in the buying processes. Here, the student should be able to argue for how the organizational buying processes would differ from the various client types. The ability for the student to point out that there are distinct variations in the way that projects are acquired and that these do not necessarily follow the generic organizational buying processes (cited in Hutt & Speh, or Kotler or other key reading sources used in theory). The student should then be able to outline what the buying processes may be for commercial enterprise buyers. For instance, it is plausible that commercial buyers might engage in direct order purchase which would mean that there would be the absence of the supplier selection stage and a selection of order routine stage as the project is on direct award basis. Government projects may have to go through the many typical buying stages among which are problem recognition, request for proposals, acquisition of tenders, and supplier selection to performance review. Institutions are likely to follow the same process as government buyers- eg calling for more than one quote in the case of Abbey Children's Center, Nuneaton, UK. There can be exemptions for schools, if privately owned, that might follow the buying process type seen in commercial enterprise.
- It is however key for the student to point out Kompan's ability to understand the importance of the problem recognition stage and description of need stage. See examples that may indicate this in Appendix B- UK customer comments by Hardingstone School and Cotteridge School.
- Due credit should be given to the student who links the CSR strategy of Kompan to the philanthropic action of donating a playground to MIR, the New Orleans NGO, following Hurricane Katrina.
- The student should be able to outline that the information suggests that the buying situations outlined in Kompan's case are new tasks as opposed to modified rebuy

opportunities. There is an indication that due to customer satisfaction, Kompan has the opportunity for a straight or modified rebuy. This may call for additional relationship management strategies such as follow-up of customer needs. See comment by Abbey Childrens Centre, Nuneaton (last line of caption). Welwyn Hatfield Borough Council and Abbey would not hesitate to recommend Kompan to others- hence a strong indication for the potential of referrals.

Assignment 3.2: Using examples of Kompan's market segments, suggest possible ways that Kompan can:

- 1) *maintain these markets*
- 2) *acquire new customers in the same markets and*
- 3) *win customers in new markets.*

- This is an intentionally broad question which should give the student the opportunity to make a logical and methodological analysis supporting a clear argument for the answer given. A good response should be able to identify the cross-functional nature of the question and draw on innovation, relationship management strategies and marketing and corporate strategy theories.
- It is important for the student to outline the evident segments that Kompan operates in. These can be characterized by various geographical markets across at least three distinct organizational customer types. Hence Kompan Nordic, West Europe, Southern and Eastern Europe, Asia/Pacific, America and Special Segments characterizes the segment types. The student should be able to draw on the answer in Assignment 3.1 (various customer types) and show the complexity of operations by the many regions worldwide that the company operates in, as substantiated by the wide base of distributors in Appendix C or as seen in the pie chart showing details of more than 17 country markets (case page 10 of 31).
- The goods produced by Kompan may qualify as foundation goods (installations), and due credit should be given to answer justifying this.
- Applying the segmenting purchase category analysis, the student should be able to comment on how the buy can be segmented and how the buyer complexity for this type of business product is. For instance Hutt and Speh Ch. 2 "Segmenting purchase category" or a relevant model can be referred to where the complexity of the cost drivers is discussed. Here technology and design, and supply chain integration and are key cost drivers for Kompan's projects. A main consideration for supply chain integration is the wide base of distributors that Kompan has worldwide (Appendix C). These are key for the installation-type products that are produced by Kompan.
- From an innovational perspective, Appendix B shows evidence of customers appreciating Kompan's creativity. Additionally, it works towards the student's advantage if the essay attempts to classify the innovation development stage that appears to appeal to Kompan customers. Here, platform projects could be mentioned as these projects create the design and components shared by a set of products and

will often involve a number of changes in both the product and manufacturing process (Hutt and Speh Ch. 9) exemplified by Hardingsstone School and St Teresa's School, Dagenham, UK.

- Tied to the creativity challenge that Kompan is faced with to design different play environments for different situations, its innovative capacity calls for constant new product development in order for it to meet various solutions for its customers. The challenge for Kompan to build on its strategic objectives (such as renewing the Product Lifecycle) is key, especially at growth stage of its designs and installations.
- The student should be able to draw on strategic thrust alternatives. Here the reference to Ansoff's Product Market Matrix strategic options would be relevant (Jobber, Kotler etc). However, it is not sufficient for the student to end here as this would be the start of an argument building up to relationship management strategies according to 1) maintaining, 2) acquiring and 3) winning customers (as the question indicates). If the student's response is limited to Ansoff's Product/market Matrix, this should not be graded with a low weight basis as it would show poor knowledge progression of the student from AP degree to the demands of a higher PBA education. However, if the student extends the answer to include relationship management in the context of buying occasions, in and out-seller considerations, this should be given due merit.
- 1) Maintaining its current markets: Due credit could be given to the student that combines strategic thrust options and relationship management in establishing ways that Kompan can maintain its present markets. Market penetration strategies can be given as examples. For instance working with distributors in the local markets in maintaining a customer information database whereby continuous improvement on existing customer installations can be made is a way forward. As such referrals in current geographic markets can grow in number leading to an increase in project number. This would work positively for Kompan's distributors as well. Hence a good supplier-distributor relationship is key to maintaining markets.
- In straight rebuy situations, Kompan could maintain its current markets and customers in being an "in-seller", and as such would require to constantly reinforce its services, meet buying expectations, continue developing relationships and be responsive to changing needs.
- 2) Acquiring new customers in the same markets: This requires referrals from existing customers, and on the UK market there is indicative evidence for this opportunity. One would assume that the customer profile within residential projects in China would also suggest a positive reputation for Kompan on this market in China.
- In straight rebuy opportunities, in a situation of Kompan being an out-seller, in order for it to get in, then it would need to convince the buying organization that: their current supplier is not doing their job, they are experiencing problems that they were not aware of earlier, their purchasing requirements have changed and that they should consider other alternatives.
- Where Kompan is an out-seller for modified rebuy situation, good salesmanship is required where Kompan maintains contact with key decision makers in various companies. As such key drivers where Kompan could capitalize on its strengths are

within changes in styles, materials or even alternative solutions to facilitate this review. Another reason for Modified Rebuy is dissatisfaction with present suppliers- and as such Kompan would have to follow-up on competitor performance in being able to find the competitor supplier's weaknesses and be able to offer potential buyers new alternatives to "fix" their problem(s).

- This would also call for product development strategies in line with how Kompan would provide innovative solutions to outcompete other in-sellers.
- 3) Win customers in new markets: The student combining the importance of building up on market development strategies and product development strategies in an innovative sense deserves extra credit. For instance mention of blue ocean strategy opportunities of how Kompan could eliminate competition is meritable.
- Winning customers in new markets would also require Kompan to work closely with its distributors in proximity of markets that Kompan is not currently present in. The student should be credited if the answer demonstrates suggestions on how marketers can gain an edge if they initiate problem recognition, get involved very early in the decision-making process of potential customers, get involved early in the procurement process or understand the buying organization's behavior patterns. For instance, maintaining dialogue with end-users and their experiences with the children using the installations would be a key method of researching customer needs. Direct research on children eg observational study, interviews can lead to valuable insights for service offerings to new customers. Cultural influences in various environments in the world should be considered in how Kompan perceives its product solutions.
- The student scoring a higher mark should additionally be able to focus on the merits for successful marketing strategy development of Kompan. The answer could include some of the following points:
For Kompan to develop and maintain effective marketing strategies, it must show responsiveness to market needs as seen in the institutions in the UK, have the ability to exploit the organizations special competencies such as stimulating creativity and design in the organization for effective innovative development, have the ability to take advantage of competitive behavior such as monitoring performance of its competitors on a regular basis in order to achieve an in-seller status and build a realistic basis for securing and sustaining a competitive advantage through continuous improvement and hence maintain the in-seller status.
- A key statement in the case text (page 9 of 31) reads:
"In 2010, KOMPAN conducted further training of its sales staff in sales techniques and CRM tools under the "Sales Excellence" project. The project has fostered a high degree of focus among the sales staff, allowing them to spend more time on customer affairs..." Customer proximity is a key strategy for Kompan to develop a good relationship and retain its customer base.
- With the above statement, the distinctive answer should outline the importance that Kompan has placed on maintaining a long term relationship with its customers as there is a high correlation between retaining customers and building profitability. The RM strategy that Kompan has adopted shows the following elements that are key to

building strong customer relationships as evident in the comments by the institutional and government buyers in the UK:

- Orientation to customer retention
 - High emphasis on customer service
 - Commitment to meeting customer expectations
 - Quality as the concern of staff
 - Continuous customer contact
- Key relationship marketing approaches that the student could outline would include database marketing, interaction marketing and network marketing, with examples in these various approaches. (Hutt and Speh Ch 4; and Egan, or other texts adopted by the respective school).
 - Another tool that the student can draw on for RM is clearly the “Categorising Relationship model” (Egan Ch 3) showing Kompan’s motivational investment in the relationship and the buyer’s motivational investment in the relationship. The student should be able to deduce that a seller-maintained relationship is key and this can be augmented by a bilateral maintained relationship. However, the student should be able to justify what circumstances lead to differences in the relationship maintenance. For instance, the buying process calls for a bilateral relationship maintenance whereas the post purchase long term strategy would be maintained by the seller to, for example, secure in-seller status.
 - The foregoing categorizing relationship could lead to customer loyalty, where the Customer Loyalty Framework (Egan Ch 3 or other relevant theory introduced in the curriculum) could be used. The key aim is for “repeat patronage” shown in the framework.
 - A more holistic analysis of customer loyalty can be derived from applying the framework (Egan Ch3 “Customer Loyalty- an integrated model” or other similar frameworks or theories covered in various courses can be used) where image, quality and price are the major impetus to value relative to competition, attraction and loyalty leading to market share and profitability. Relevant examples from the case can be used to exemplify this.

Assignment 3.3: Make a critical assessment of the factors that drive Kompan’s strategic development in the market segments you have outlined in Assignment 3.2. In your assessment, consider the strategic significance of Kompan’s distributors. Please note the detailed list of distributors given in Appendix C.

- This question focuses on the student’s strategic appreciation. Here the student may choose to develop the analysis based on the business model analysis in Assignment 2, as this question has elements of the business model such as customers, distributors and channels of distribution and production and business growth considerations. Reference can be Osterwalder’s (Business Model Generation) or Hutt and Speh.
- Alternatively the student could choose to approach the question from the supply chain strategy perspective where partnership strategies with customers, internal, external

relations and suppliers relations can be analyzed to the extent possible in the case. Egan Ch. 7-10, and Hutt and Speh, Hollensen and Kotler are some valid references that can be acknowledged. Other texts used to cover these theories from either the organizational and logistics/supply chain management theories or from other marketing texts are also plausible.

- As a point of departure, the student should be able to use the examples of the market segments outlined in Assignment 3.2 above to develop the strategic growth aspect of the question here as directed by the question.
- As the question draws the student to the distributors in Appendix C, it is an indicator that the essay must consider the alternative distribution strategies available to Kompan.
- The first part of the question focuses on assessing the factors that drive Kompan's strategic development. The student is credited if the answer appreciates the external environmental factors affecting Kompan in the various markets it is operating in. For instance use of macro frameworks to show the relationship of various theoretical models as applicable to the analysis is a plus. For instance, adoption of some elements of STEEPLE plus the Five-Sources Model or extending Porter's 5-forces model, integrating this with horizontal and vertical integration strategies and organic growth activities of Kompan, are key elements of analysis. Alternatively, the use of the TELESCOPIC OBSERVATIONS framework (Panagioutou 2003) by selecting aspects of it that are relevant for Kompan is a plus. Social influences caused by areas of environmental catastrophe resulted in a positive impact on Kompan business activities with a focus on normalizing children activities through play. Ethical organizations in the US that worked with Hurricane Katrina victims predisposed Kompan to demonstrate its CSR and philanthropic values with the MIR NGO in New Orleans.
- It suffices to say that a helpful (but not necessary) tool of analysis that would be complemented by Panagioutou's model can be the basic SWOT. Here the case information available for plotting key SWOT elements is not exhaustive; hence only relevant points can be used in the SWOT (or a mini-SWOT). Most points available in the case relate to Strengths and Opportunities, with minimal Weaknesses and Threats. These can later be related to key aspects of strategy in the second part of Assignment 3.3.
- *Note that if the student does not use a SWOT approach in the exam, it should not be considered a weakness in overall performance.* However, the student should be able to show an appreciation of knowing Kompan's distinct strengths and related opportunities that can be deduced from the case material as these can then be drawn into the analysis of the second part of Assignment 3.3.
- Organizationally the "value, rareness, imitability and organization" (VRIO) model could also be used in order to identify relative organizational competitive advantages and barriers to imitation could be used as a complementary analysis.
- Five-force model and/or the Five-source model analysis could focus on the supplier side and the ambitious vertical integration strategy that Kompan has used in acquiring suppliers. The student should be able to draw an inference on the competitive climate

of the outdoor playgrounds and playground equipment industry, despite details of industry competition not being mentioned in the case. However, overall competitive indicators show that Kompan has a stronghold on the European market whereas it faces challenges resulting into negative growth in the Americas. The industry in the US can be characterized as oligopolistic (4 large players controlling the market) forcing Kompan to assume a niche market.

- The inference of growing global competition could be drawn from Kompan's propensity to acquire 8 suppliers/installation companies between 2004 and 2011 that would otherwise have been a source of competition. However this horizontal integration suggests market maturation in some European markets and in Australia. Further vertical integration by acquisition of distributors in Ireland, Scotland, Norway, Sweden and Denmark may suggest the importance Kompan is placing on competing aggressively in these markets. Added to this is the strategic control of the supply chain hence gaining effective supplier advantage and securing consistent quality assurance.
- The growth by acquisition strategy shows that Kompan has increased its revenues by purchasing of companies within special markets since this is an example of strategic leapfrogging to acquiring a large customer base that is owned by companies that Kompan has purchased. The companies purchased in special markets enable Kompan to reach customers in these markets and thereby have relevant resources that can enable it to in the special markets.
- Kompan has used a differential branding strategy (multi-brand strategy) approach in Sweden and Norway, which may suggest a response to strong competition on these markets.
- The first part of the question would be exceptionally well credited if the student makes reference to the link between Kompan's business model considerations with an example of developing a simple Kompan Strategic Map by using the Balanced Scorecard. The scorecard should exemplify Market Leadership by developing a valid argument demonstrating an internal company analysis focusing on the four perspectives: the financial perspective, customer perspective, internal process perspective, and learning and growth perspective. The student could draw a figure of a strategy map and apply Kompan examples in the strategy map. These could be:
 - Learning and growth: eg for human capital focus Kompan has placed deliberate attention in training of sales staff initiatives and customer relationship management
 - Internal process: eg within Management of customers, operations and innovation Kompan shows focus on long-term relationship strategies, timely operations, and creativity in innovation
 - Customer perspective: Strong product/service attributes where value for money pricing, quality production and completion of projects on time are key attributes in favour of Kompan. Additionally relationship towards distributors (in less important markets still carries on) and customer value is key, whereas within the image considerations brand portfolio strategic management of the acquisitions is a key area of activity. Additionally Kompan's actively stands on a well instituted CSR

strategy exemplified by car for children, ethics and environmental values and the 10 key UN Global Compact Principles as guidelines to their CSR objectives.

- The financial perspective argues strongly for Kompan's 6% growth in revenues and its aggressive growth by acquisition strategy leading to deriving 80% of their revenues on the European market.
- The student could also draw on examples from Law where for instance performance guarantees are given for particular periods of project performance and service assurance free of charge is also provided within the guarantee period. This gives customer confidence in the supplier.
- The second part of the question focuses on Appendix C, with a list of various Kompan distributors. Here the student could relate to the strengths and opportunities listed in the "mini-SWOT" analysis earlier outlined in the first part of Assignment 3.3. This however is not a must and the student not using the SWOT approach should not be downgraded.
- A good response by the student would be credited by exemplifying forward integration (vertical integration) downstream of the value chain by Kompan's acquisition of distribution companies such as GO Play, Unique Playgrounds and Play Practice, including other examples discussed in the case and listed in Appendix C. Horizontal integration is exemplified by Kompan's acquisition of at least 8 suppliers and installation companies.
- Vertical partnerships are a strategy adopted by Kompan through working with suppliers in less significant markets such as the Middle East, Africa and Central Asia.
- Kompan also shows maintenance of horizontal supplier partnerships, for instance, with contracting companies in the UK.
- With the FREEGAME project partnership Kompan demonstrates an external partnership or collaboration strategy with Nike and LA84 for multiple communities in Los Angeles. By partnerships and integration strategies, Kompan is securing a larger market.

Please note that the above serves as an example of areas the student could focus on or draw answers from and not necessarily an exhaustive account of the answer.

Summary

- A good performance is analytical and bases its responses on applying the facts presented in the Kompan case with analytical models to assess the company situation, applied correctly and referenced clearly. It is permissible, where possible, for the student to make logical assumptions in the absence of case fact as long as the assumptions are in line with the main line of argument. The good performance also shows coherence of analysis to all the questions asked without skipping parts of the sub-questions. The student should be able to refer to relevant analyses made in previous answers either in other parts of the same main assignment question or in other questions either from organization, economics or law where relevant. Here

significant progression from the AP Degree level to the PBA degree level is demonstrated by the student's ability to analyze the case competently.

- The less satisfactory or poor performance is characterized by a descriptive answer, typically repeating the case information with no application of theories or models to justify the answer. Here the student shows inability neither to draw on previous answers in other subjects nor to apply relevant theory in other subjects. A weak grade is characterized by the student's reliance only on the theories that were delivered at the AP degree level and failing to apply PBA level analytical tools. This thus results in weak performance and shows a clear lack of progression from the AP degree level to the PBA degree level.

**This marking key has been developed by Charlie Mpengula
Niels Brock/ Copenhagen Business Academy of Higher Learning
chmp@niels.brock.dk**

PBA – ISM eksamen 12. januar 2012 (Kompan)

Input til løsning af opgave 4 (15%-jura)

Opgave 4.1. (3%)

Giv en juridisk begrundet forklaring på fordelene ved at købe det hollandske og det norske firma i 2011 sammenlignet med andre former for distribution i Holland og Norge.

Det fremgår af casen, at Kompan i 2011 har købt et hollandsk og et norsk selskab. Opgaven er knyttet til studieordningens læringsmål hvorefter den studerende som kompetence skal *"kunne anvende reglerne om de forskellige distributionsformer i en analyse med henblik på valg af distributionsform i forbindelse med eksport, herunder direkte salg, handelsagenter, salg gennem filialer, salg gennem datterselskaber, franchising, joint venture/strategiske samarbejder og e-handel"*.

Den studerende skal derfor kunne nævne at der ved køb af et selskab på den ene side ofte stilles kapitelkrav mv. i henhold til lokal lovgivning, mens et egentligt selskab også gør, at krav mod disse selskaber ikke juridisk rammer det danske moderselskab.

Opgave 4.2. (2%)

Kompan giver en garanti "warranty" (se Appendix A) for deres produkter. Giv en juridisk begrundet forklaring på, hvordan garantien afviger fra reglerne i CISG.

Opgaven er knyttet til studieordningens læringsmål, hvorefter den studerende som kompetence skal *"kunne analysere og vurdere spørgsmål i relation til international handel med varer og tjenesteydelser, herunder lovvalgsregler og regler for aftaleindgåelse internationalt med hovedvægt på Den internationale købelov (CISG)"*.

Efter CISG artikel 39, 2 bortfalder købers mangelsindsigelser senest efter 2 år, idet artiklen dog nævner *"medmindre denne tidsfrist er uforenelig med en aftalt garantiperiode"*. Det skal af svaret fremgå, at garantien udvider mangelsbeføjelserne for køber ud over 2 års-perioden for de nævnte typer af fejl.

Opgave 4.3. (10%)

Forestil dig, at Kompan har leveret varer til en legeplads i Tyskland i juni 2011. I den første uge af januar 2012 klager køberen over, at materialet ikke er i overensstemmelse med Kompan's warranty. Men Kompan benægtede dette. Den tyske kunde har allerede har betalt købsprisen, og kunden ønsker nu i det mindste pengene tilbage. Giv en juridisk begrundet forklaring på, i hvilket land en eventuel retssag vil finde sted (væretning), og de retsmidler, den tyske køber har, og de handlinger, som Kompan kan gøre, for at undgå sådanne retsmidler så meget som muligt.

Opgaven er knyttet til studieordningens læringsmål, hvorefter den studerende som viden skal *"have kendskab til EU's domsforordning og til forskellige internationale konfliktløsningsmetoder herunder væretningsreglerne, fordel og ulemper ved domsafgørelser set i forhold til voldgift og mediation/mægling"* og som kompetence skal *"kunne analysere og vurdere spørgsmål i relation til international handel med varer og tjenesteydelser, herunder lovvalgsregler og regler for aftaleindgåelse internationalt med hovedvægt på Den internationale købelov (CISG)"*.

Da det er den tyske køber der ønsker sine penge tilbage og derfor ønsker ændring af status, vil den tyske køber skulle sagsøge Kompan, dvs. en eventuel retssag - med mindre andet er aftalt - vil foregå i Danmark efter EU-domsforordningens artikel 2 eller retsplejelovens § 246.

Da det er et internationalt køb, vil Haag-konventionens artikel 4, stk. 1 (§ 4, stk. 1 i lov om hvilket lands retsregler der skal anvendes på løsøre køb af international karakter) føre til at sælgers lands regler som hovedregel skulle bruges, dvs. dansk ret i dette tilfælde. Undtagelsesbestemmelsen i § 4, stk. 2 om at købers land regler gælder, hvis eventuel køber afgiver bestilling til Kompan's repræsentant i Tyskland kan

også nævnes, men ændrer ikke så meget da det under alle omstændigheder er CISG der skal bruges i det omfang der ikke er aftalt fravigelser.

I tilfælde af mangler har køber derfor ret til

- efter CISG artikel 46-2 at kræve omlevering, hvis manglen er væsentlig, og kravet om omlevering fremsættes inden rimelig tid efter reklamationen og
- afhjælpning efter CISG artikel 46-3 medmindre det under hensyn til samtlige foreliggende omstændigheder er urimeligt at kræve dette. Et krav om afhjælpning skal fremsættes senest inden rimelig tid efter reklamationen og
- hæve købet, hvis manglen er væsentlig, efter artikel 49 og
- erstatning for økonomiske tab

Kompan kan tilbyde afhjælpning af manglerne hvis dette kan gøres uden urimelig forsinkelse for køber, og uden at denne udsættes for en urimelig ulempe efter artikel 48, 1 og derved hindre køber i at kræve noget. Køber bevarer dog sin eventuelle ret til at kræve skadeserstatning, efter artikel 48, 1, 2. sætning.

Dette notat er udarbejdet af Henrik Steen Andersen, Erhvervsakademiet Lillebælt, hsan@eal.dk, 2242 4023