

WEDNESDAY CASE 2014

THE 9 TEAMS

**Taking dc to the Next Level:
Finding the Pathway to Value Creation**

THE CASE



It was Wednesday April 9, 2014, and the first session of the semi-annual 2-day board meeting in Danske Commodities had just ended. During the meeting CEO, Torben Nordal Clausen, was growing increasingly restless. What he saw as the most important point on the agenda – the discussion of dc’s future strategic direction – was growing into a long discussion with arguments back and forth. Suddenly, Torben Nordal Clausen got an idea. He stood up by the white board and drew a 3x3 matrix:

Future Path	Same business	New Geographic Markets	Vertical integration
Organic growth			
Strategic alliances or joint ventures			
Acquisitive growth			



“Ok, it seems like we can agree on three overall ways to go on from here; same business, new geographic markets or vertical integration. Three possible ways to do so is through: generic growth, strategic alliances or acquisitive growth” he summed up.

“Let’s say we have 100% resources” he continued, while he handed out a blank piece of paper: “How would you allocate 100% between these options to ensure our continued growth? You have five minutes”.

After five minutes of silence, the board members alternated between presenting their allocations. It quickly became clear that the board was in disagreement, which again sparked the discussion on the costs and benefits of each option. Torben Nordal Clausen realised that the discussion was going in circles and decided that the board would benefit from an external perspective.

From: nordalclausen@danskecommodities.dk
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Subject: Taking dc to the next level: Finding the pathway to value creation



Henrik Lind, Chairman of the board, said: “Last year, I was a judge in Aarhus Case Competition and I was really impressed with the work they delivered – how about contacting them?” The board agreed and decided to hear your team’s recommendation. In the following break, Torben Nordal Clausen sent you this email:

Hello team,

Because of your proven track record on case work for both Arla and Blue Water Shipping, I would like to ask for your input on dc’s future strategic direction.

The board agrees that dc has a unique value proposition and should be able to maintain high growth by further developing our business. At our board meeting we have identified three potential future growth opportunities: same business, new geographic markets or vertical integration (Notes from the brainstorm are attached as a pdf). Your task is to recommend how we should allocate our resources between these options to ensure future profitable growth, and build a three-year strategic roadmap that pinpoints the steps that you recommend.

With a CAGR of approximately 53% over the last three years, we believe that your recommendation should at least double the total gross profit figure within the next three years (measured in absolute terms), thereby taking dc to the next level.

The board agrees that your recommendation should consider the extent and return on any new investments. Furthermore, it is important that the recommendation reflects dc’s corporate values.

As both dc’s Leadership and the Board have busy schedules, please submit your answer (in ppt or pdf format) at 14:00 tomorrow and be ready to present your solution shortly thereafter. You will have 10 minutes to present, followed by a 15 minutes Q&A session.

Please find enclosed some background material to get you started, but feel free to find data on your own as well.

The board is looking forward to your presentation.

Best Regards,
Torben Nordal Clausen
CEO, dc

TIME TABLE



Deadline	Description	Must Include	Media
14:00 (Thursday)	Hand in your solution	See judgement criteria	Powerpoint (No slide limit)
12:00 (Friday)	Preliminary round	Presentation of your solution	Oral presentation
16:00 (Friday)	The Final	Presentation of your solution	Oral presentation

JUDGING CRITERIA

FOUR EQUALLY WEIGHTED FACTORS



Presentation 25%	Problem analysis 25%	Solution 25%	Questions from jury 25%
Slide layout and visual presentation	Identifying the underlying problems	Is the problem statement answered	Quality of answers
Body language	Extracting relevant information	Feasibility and implementation	Personal confidence
Member participation	Usage of pyramid principle	Creativity	Precise and clear answers
Time management	Identifying future perspective	Reflection upon risk	Participation of team members

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Special thanks to

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