

Case study assignment: AUCHAN

1. Objectives of the case work

- to understand the background of the retail industry in Russia;
- to identify and examine the resources necessary to execute a successful international strategy over time;
- to analyze how Auchan has managed geopolitical risks in Russia over time;
- to assess the viability of the strategic actions taken by Auchan in response to Russia's invasion of Ukraine.

2. Assignment questions

1. Please, examine the growth drivers of the Russian retail industry;
2. Analyze the pattern, motives, and key objectives of Auchan's internationalization strategy over time;
3. Assess the challenges and opportunities Auchan faced in Russia before February, 2022;
4. Examine the resource-dependencies between the parent and its Russian subsidiaries in the case of Auchan;
5. Analyze the concerns and pressures associated with a). Auchan's decision to stay in Russia after Russia's invasion of Ukraine, b). Auchan's decision to exit Russia;
6. Assess the viability of strategic actions taken by Auchan since Russia's invasion of Ukraine and develop the recommendations for the company regarding their Russian market engagement.

3. Analysis

Begin your case study analysis with examination of the retail industry in Russia – what are the key supply- and demand-side trends in the industry, who are the leading players in the industry, what are the categories of products offered by the key players. To understand the background of retail industry in Russia you could use Michael E. Porter's "Five Forces Model". Analyze and compare Auchan's strengths and weaknesses with those of the competition.

Then, examine the pattern, motives, and key objectives of Auchan's internationalization strategy over time. How did the internationalization process of the retailer look like? What were the motives and objectives behind the strategic decisions related to business internationalization over time? Reconciling with existing internationalization theories, what pattern(s) did the internationalization process follow?

Continue with assessment of the challenges and opportunities Auchan faced in Russia before February 2022. Take a historical perspective and examine how the challenges and opportunities evolved for Auchan over time, explain why so. Examine the resource-dependencies between the parent and its Russian subsidiaries in the case of Auchan.

Then, analyze the concerns and pressures associated with a). Auchan's decision to stay in Russia after Russia's invasion of Ukraine, b). Auchan's decision to exit Russia. What decision criteria could be used for assessing impact of political disruption caused by Russia's invasion of Ukraine? Finally, assess the viability of strategic actions taken by Auchan since the invasion and develop your recommendations for the company regarding their Russian market engagement.

To facilitate your analysis, you could use the following reading material:

Frynas, J.G., Mellahi, K. (2015) *Global Strategic Management*. Oxford University Press: Oxford. / Lasserre, P. (2007) *Global Strategic Management*. Basingstoke: Palgrave Macmillan (2 ed. or later)

Meyer, K. & Estrin, S. (2023) It's Hard to Say Goodbye: Managing Disengagement during Political Disruptions. *AIB Insights*, 23 (2), <https://doi.org/10.46697/001c.72023>

Meyer, K., Fang, T., Panibratov, A., Peng, M., & Gaur, A. (2023) International business under sanctions. *Journal of World Business*, 58(2), <https://doi.org/10.1016/j.jwb.2023.101426>

Navigating geopolitical risks (2023) *Amplify*, 36(6), <https://www.cutter.com/journal/navigating-geopolitical-risks>

4. Group case study report

Your group case study report needs to consist of three parts: (1) Introduction, (2) Analysis, and (3) Solution. In the introduction, describe the case in brief, provide a description of broader economic and industrial context the case takes place in, and outline the objectives and structure of your analysis. In the analysis, follow the steps guided by the *Assignment Questions* provided in section 2. In the solution chapter, provide managerial recommendations and conclusions driven by your in-depth case analysis.

The length of the report should not exceed 5 pages (font 12, line spacing 1,0, reference style APA). The report is due by midnight on 26 November 2023 (Sunday) and should be submitted only once by any of the group representatives through MyCourses.

5. Group case study presentation

The results of your group case study analysis are going to be presented in the class on 30 November 2023 (Thursday). You will have 20 minutes to present your work. The structure of the presentation could be the following: (1) Summary of the case, (2) Analysis, (3) Solution.

The discussion of the case is going to be facilitated by a group of opponents, i.e. another case study team assigned by the course instructors.