

Case study assignment: CARLSBERG

1. Objectives of the case work

- to understand the background of the alcohol (beer) industry in Russia;
- to examine the international expansion strategy of Carlsberg in Russia over time;
- to analyze how Carlsberg has managed geopolitical risks in Russia over time;
- to assess the viability of the strategic actions taken by Carlsberg in response to Russia's invasion of Ukraine.

2. Assignment questions

1. Examine the development and the competitive landscape of the beer industry in Russia;
2. Analyze Carlsberg expansion strategy in Russia over time (e.g. with respect to the former Soviet Union in the 1990s and early 2000s, later in 2000s, after the annexation of Crimea in 2014);
3. Assess the challenges and opportunities Carlsberg faced in Russia before February, 2022;
4. Examine the resource-dependencies between the parent and its Russian subsidiaries in the case of Carlsberg;
5. Analyze the concerns and pressures associated with a). Carlsberg's decision to stay in Russia after Russia's invasion of Ukraine, b). Carlsberg's decision to exit Russia;
6. Assess the viability of strategic actions taken by Carlsberg since Russia's invasion of Ukraine and develop your (alternative) recommendations for the company's disengagement strategy;
7. As a foreign MNC, how could you manage your foreign assets in a situation when your foreign subsidiary was nationalized? How do you operate in the environment where there is no transactional counterparty?

3. Analysis

Begin your case study analysis with examination of the beer 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/services offered by the key players. To understand the background of the beer industry you could use Michael E. Porter's "Five Forces Model". Analyze and compare Carlsberg's strengths and weaknesses with those of the competition.

Continue with a historical analysis of Carlsberg's strategy in Russia with respect to the former Soviet Union in the 1990s and early 2000s, later in 2000s, after the annexation of Crimea in 2014. Assess the challenges and opportunities Carlsberg faced in Russia before February 2022. How the challenges and opportunities evolved for Carlsberg over time? Provide explanations supported by factual data why so. Examine the resource-dependencies between the parent and its Russian subsidiaries in the case of Carlsberg.

Then, analyze the concerns and pressures associated with a). Carlsberg's decision to stay in Russia after Russia's invasion of Ukraine, b). Carlsberg's decision to exit Russia. What decision criteria could be used for assessing impact of political disruption caused by Russia's invasion of Ukraine? Based on this analysis, assess the viability of strategic actions taken by Carlsberg since the invasion and develop your (alternative) recommendations for the company's disengagement strategy.

Finally, examine how a foreign MNC could manage its foreign assets in a situation when its foreign subsidiary was nationalized. How could a firm operate in an environment where there is no transactional counterparty?

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

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>

Meyer, K. and Li, C. (2022) The MNE and its subsidiaries at times of global disruptions: An international relations perspective. *Global Strategy Journal*, 12: 555-577.

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)

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.