

Case study assignment: DANGOTE

1. Objectives of the case work

- to understand conditions of the business environment in Africa;
- to examine the competitive landscape of the cement industry in Africa and define the competitive advantage possessed by Dangote;
- to analyze the reasons for vertical integration of Dangote;
- to assess the viability of the business conglomerate strategy in emerging markets.

2. Assignment questions

1. Examine the business environment in which Dangote Group operates in Africa;
2. Examine the competitive position of Dangote in the cement industry in Africa;
3. Examine the reasons for vertical integration of Dangote;
4. Assess the viability of Dangote's "conglomerate strategy" in a long run and develop your recommendations for long-term strategy.

3. Analysis

Begin your case study analysis with examination of the business environment in which Dangote Cement operates in Africa. What are the political, economic, social, technological, legal, and environmental conditions for the operations? What are the challenges and opportunities present for domestic firms in Africa?

Continue with analysis of the cement industry in Africa – 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 Dangote's strengths and weaknesses with those of the competition. Where is Dangote positioned in the cement value chain? How does it differ from the strategy of its rivals? Does it give Dangote a competitive advantage in the industry?

Next, examine the reasons for vertical integration of Dangote. What are the advantages and disadvantages of vertical integration of Dangote Cement?

Finally, assess the long-term viability of Dangote's "conglomerate strategy". As Africa develops and some of the reasons to vertically integrate disappear, should Dangote continue its business strategy, or should the conglomerate be split up? Propose a long-term corporate strategy for Dangote.

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

Leke, A., Chironga, M. and Desvaux, G. (2018) Africa's overlooked business revolution. McKinsey Quarterly, <https://africastudygroup.ca/wp-content/uploads/2018/12/Africas-overlooked-business-revolution-web-final.pdf>

Khanna, T. and Palepu, K.G. (1997) Why focused strategies may be wrong for emerging markets. Harvard Business Review, 75(4): 41-51.

Martin, X. (2014) Institutional advantage. Global Strategy Journal, 4(1): 55-69.

Felenbok, J.P., Ojha, N.P., Vestring, T., Apte, S., and Olsen, T. (2018) Asia's conglomerates: End of the Road? Accessed at: https://www.bain.com/contentassets/307fa8f388a04ae2b7ccc6bbb19d873b/bain_brief_asia_conglomerates.pdf

The Economist / Schumpeter (2019) The conglomeratoach: Conglomerates will never die out, but their form is evolving. Vol 430(9131): 76. <https://www.economist.com/business/2019/02/21/conglomerates-will-never-die-out-but-their-form-is-evolving>

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.