



# PRACTICE PACKET

## Case Analysis Basics

A case describes a business problem or situation. It is meant to provide an outline of what is happening, but does not always contain every detail about the business or the market environment. When you receive a case, you should first try to find and mark the most important pieces of information. There might also be pieces of information that you think are not important.

一份案例描述了一个公司或者行业所遇到了何种问题，并帮助读者对该公司或者该行业所发生的事情有一个大致了解，但通常情况下一份案例并不会涵盖所有相关市场的细节信息。当你拿到一份案例，你应该尽量找出那些你认为最重要的信息并作上标记；同时你也许会发现案例中有部分信息对你的分析是没有实质性帮助的。

After deciding on the most important information, you can begin to follow the presentation guidelines. You should start by deciding on the problem and the goals of the company, and then move forward to the analysis piece. It is OK if later on you come back and change your mind about what the problem and goals are.

确定好哪些是你认为最重要的信息之后，你就可以开始阅读“案例陈述指南”了。你最先需要做的是判断好该公司需要解决的问题以及该公司想要达到的目标，完成这部分工作后，就可以开始进行分析部分的工作。如果在之后分析的过程中你想要重新对该公司的问题以及目标进行修正，这是完全没有问题的。

The next step is to decide what kind of analysis to perform. This could mean using a tool like SWOT or Porter's 5 Forces, or simply talking about the market and comparing one business to another. University students have learned a greater number of analytical tools, so they are often expected to produce a more detailed analysis. High school students should focus on whatever makes the case problem more organized and easy to understand. As you work on your analysis, you should continue to discuss with your group. Your group may not always agree, and this is good—students have better answers when they talk through the problem and look at all of its pieces.

接下来就要决定选择何种分析工具了。你可以使用“SWOT”分析工具或者“波特 5 力”分析工具；或者仅就目标市场，以及对不同公司或者市场进行比较完成你的分析。因为通常大学生会学到更多更细致的案例分析工具，因此我们希望大学生可以完成更细致的分析。对于高中生来说，他们应该努力对案例中的各类信息进行分类安排，这可以帮助他们更容易的对案例进行解读并完成分析。在分析的过程中，你应该时刻与你的队友保持沟通交流。也许你的队友会与你的意见相左，但不要担心，这是好现象，因为那些更好的答案都是通过队友们不断沟通交流产生的。

## ***Practice Packet Contents***

This document is meant to introduce students to what they will encounter during the case analysis portion of a CYBL tournament. The following content was used in an actual CYBL competition, so students should prepare for the case analysis to be similar in length and difficulty.

这份文件作为一份样例，能为学生们介绍他们在 CYBL 比赛中的案例分析环节会遇到什么。以下内容曾在 CYBL 比赛中使用，该样本案例与比赛正式案例难度相当，所以学生需要准备同等信息量和难度的案例分析。

The **Case** describes a business problem or situation and gives some background information. You should read the case and do some extra research by reading articles or company reports. The case in this packet is about a business called The Habit Burger Grill.

The case asks students to advise Habit Burger on their China expansion strategy, and decide if franchising or corporate ownership of chain locations is a better strategic fit.

The **Case Concepts** define key words and terms used in the case.

以下提供的 Case Concepts 会对一些案例中使用到的关键词汇和术语进行了定义。

## ***How to Use This Document***

Students should simulate the presentation and case analysis format as closely as possible to get the most out of this document. Students should work in a team to read the **Case** and **Case Concepts** and begin developing recommendations for Habit Burger.

学生应尽可能真实地模拟案例陈述和案例分析，才能从这份文件中有所收获。学生应以团队协作的方式阅读 Case 和 Case Concepts，并且提出对 Habit Burger 有利的发展建议。

Students can present their findings to another team of students, or their teacher, to receive feedback on the presentation. Students should then be asked a question listed in the **Follow Up Questions** just like they would be in a CYBL tournament. The presenting team should use some time to create an answer to the question, and then present their answer to the question to the group.

学生可以向另一队学生或他们的老师展示他们的分析结果以获得他人的意见反馈。然后学生需要参照“Follow Up Question”中所列的问题来测试对案例的掌握程度，在正式的 CYBL 比赛中，学生完成案例陈述后同样需要回答 **Follow Up Questions** 中的问题。陈述团队需要一些时间完成问题，并且向他们的组员进行展示。

Finally, students should analyze their performance and ensure that they are consistent the presentation guidelines and to find weaknesses that they can improve.

最后，学生应对他们的表现进行分析，并确保他们在案例陈述的练习与“案例陈述指南”相一致，找出他们的不足，加以改进。

## Case Presentation

**Goal: You should think about your solution to the case problem, and how you can present it**

The style and content of your presentation is up to you, but it should have the following information:

陈述风格和内容完全取决于你自己，但是你的陈述应该包含以下信息：

**1) Introduction, Problem, and Goals:** Define the problem and goals using information from the case.

**案例介绍，案例问题，以及目标：** 通过阅读你手里的案例找出你需要解决的问题以及你的分析目标。

○ **Problem:** Determine the question you are trying to answer and clearly state it.

问题：确定你要解决的问题并清晰的表达出来。

○ **Goals:** What does the company want?

目标：该公司想要什么样的结果？

**2) Analysis:** Talk about the analysis you used when making your decision.

**分析：** 你是通过什么分析方法来帮助你作出决定。

○ **What information from the case was important to your thinking?**

在案例中，哪些信息可以帮助你进行思考。

**3) Solution:** What solution are you recommending?

**解决方案：** 你会建议怎样的解决方案？

○ **Why not the other choices? Talk about why your solution is the best fit.**

为什么不选择其他方案？解释一下为什么你所提出的方案是最佳方案。

**4) Outcome:** How does the solution solve the problem, and how does it help reach the goals?

**结果：** 你的方案是如何解决案例中的问题的，你的解决方案如何帮助公司达到其目标？

**5) Conclusion, Risks and Mitigation:** No solution is perfect. Smart business people like to plan to protect against risk.

**结论，风险以及风险规避：** 在商业世界中，没有完美的解决方案。精明的商人擅长提前制定好规避风险的方案。

○ **What are some risks or costs involved with your solution?**

在你的解决方案中，有哪些风险？

○ **How will you mitigate (reduce/lower) the risks in your solution?**

你将如何规避或者降低你所提方案中可能存在的风险？

## Practice Case - Habit Burger's Expansion Into China

The Habit Burger Grill (NASDAQ:HABT), founded on November 15, 1969 in California, is an American fast food **chain** restaurant famous for its burgers. The Habit Burger Grill started out as a family-owned business until 2007, when it was purchased by private equity firm KarpReilly. Since then it had began to expand rapidly into every corner across the country, and has been voted the No.1 Burger in America<sup>1</sup>. On November 19, 2014, the chain's parent company, Habit Burger LLC, succeeded in raising \$83.7 million in an **initial public offering (IPO)**. In 2017, the Habit Burger Grill opened its first location in Shanghai.

### The Habit Burger Grill's Selling Points

#### 1) Fresh Raw Materials

The Habit Burger and Grill is dedicated to serving the freshest fast food using fresh meat, vegetables and other raw materials. The chain promises customers 100% fresh ground beef cooked over an open flame. Using fresh materials instead of frozen ones is one of the ways the company tries to differentiate itself from its competitors.

#### 2) Diverse Choices for Customers

In addition to a variety of burger options, the menu offers various sandwiches, salads, snacks, and ice cream.

#### 3) Signature Burgers

The chain's signature burger is called the "Charburger". The burger can be made with single char or double char, different sauces, and bacon or sausage. Each comes with lettuce, tomato, caramelised onions, pickles and mayo.

#### 4) Reasonable Price

The Habit Burger Grill promises food to customers at an affordable price, with one combo (including burger, snacks and a beverage) costing less than ten dollars.

### The Appeal of Chinese Markets

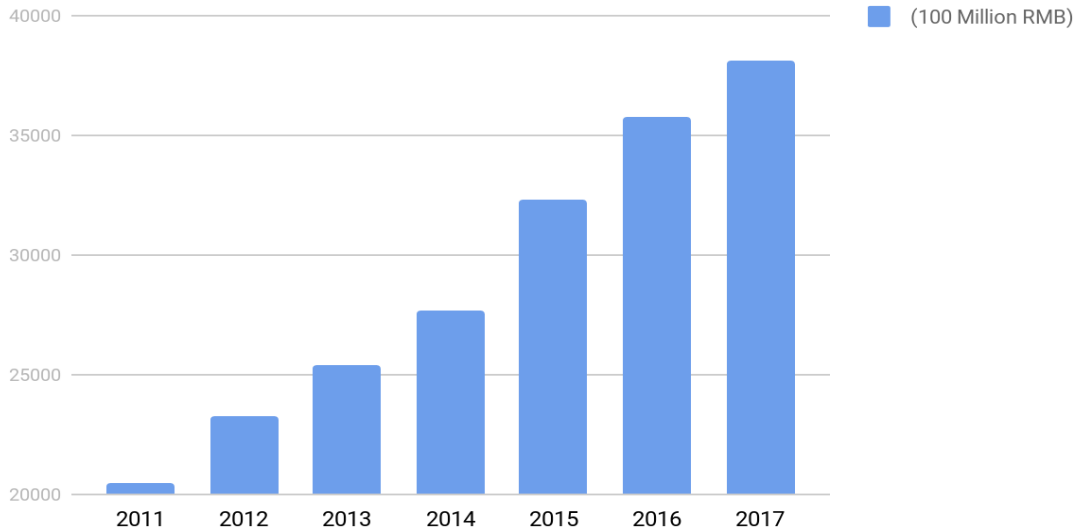
Many companies that want fast growth include China in their plan. Food culture has been important in the lives of Chinese people for thousands of years. The importance of food can be described by the Chinese proverb "Hunger breeds discontentment" (民以食为天) and is seen in countless TV programs dedicated to food. Chinese people across the nation used to greet people with "Have you eaten"(吃了吗) ; and even though

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<sup>1</sup><https://www.consumerreports.org/cro/magazine/2014/08/best-and-worst-fast-food-restaurants-in-america/index.htm>

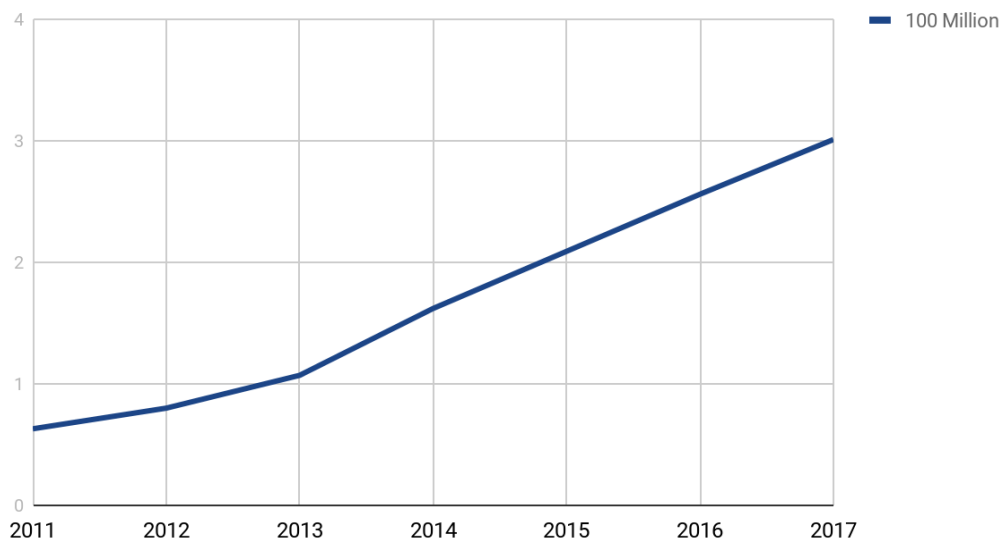
people are replacing this old greeting with more modern ones, food culture survives as a trending topic. The increasing revenue of the Chinese food industry and the increasing number of "Food delivery" users both indicate industry growth.

Total revenue of Chinese food industry



2

"Food delivery" users



3

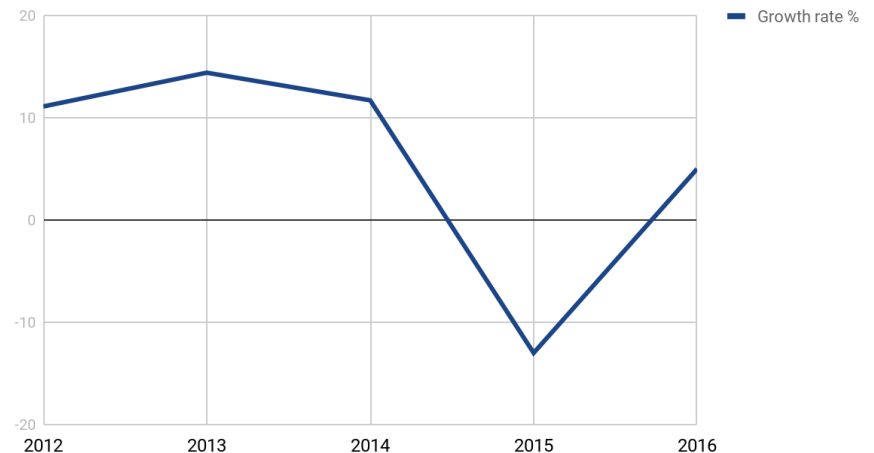
<sup>2</sup><http://enterprise.eastmoney.com/news/1373,20171108799942288.html>

<sup>3</sup><http://www.cnad.com/show/1352/283955.html>

Chinese people have been frequenting American fast food restaurants like KFC, McDonald's and Burger King since their first appearance in the market. Customers might even find it difficult to even find a seat inside these restaurants during the day.

However, these fast food chains are not necessarily healthy. Thanks to economic growth making a greater variety of options available, Chinese consumers have started considering freshness and health benefits in their purchasing decisions in addition to flavor. In recent years, news concerning quality of fast food chain restaurants like McDonald's has contributed to changing **consumer perception** of the industry.<sup>4</sup>

McDonald's revenue growth



## Franchising

**Franchising** and chain locations are the most commonly used methods for multinational companies to launch businesses in foreign markets, especially fast food chain restaurants like KFC and McDonald's. The two strategies can both help companies achieve a rapid expansion in different ways. For Franchising, the **franchisee** is bound to pay a specific amount of franchising fee to **franchisor** for using its brand name, **trademarks** and other **intellectual property** to do business locally. The franchisor is responsible for providing staff training and other necessary training to its franchisee. The franchisee takes 100% responsibility for the profit and loss of the business at the franchise location.

Franchising a business comes with advantages. Franchisees have a knowledge of local markets, and can take advantage of the brand name and existing technology to start the business up within a very short period of time. Despite this, they depend heavily on franchisors to run their business and localized feedback may be forgotten in favor of general policy. For the franchisors, it's possible to make money simply by charging the franchisees fees without becoming directly involved in the day to day management of the business or its employees at a given location. This makes it very expensive for the franchisees, as they often have to pay a great deal for licensing the brand name and other intellectual property. However, it is still easy to supervise the operation of a franchised location and provide strategic direction and resources such as advertisements. If a franchisee were to stray from the broader strategy, it could harm the brand. By the nature of this process, individual locations are standardized to some degree- limiting innovation, yet providing consistency in the customer experience.

In a chain restaurant wholly owned by the parent firm, the firm remains in charge of staff assignment, resource allocation, purchasing activities, accounting, marketing, and all other operations. This allows chains to have a single strategy when allocating resources and for operating strategies, making it easy to supervise different chain stores. The single **brand image** is easier to manage, and the total **brand value** easier to calculate. Chains also benefit from **economies of scale**.

<sup>4</sup><https://baijiahao.baidu.com/s?id=1571825546373683&wfr=spider&for=pc>

At a single chain location, since applications and training processes can be standardized, it is easier to spread information and allow talented staff to move where they are needed. However, this means each individual store loses its individual ability to innovate or influence processes, technology, or the brand. It is the responsibility of the parent company to possess enough capital and resources to help its chain stores develop further and achieve expansion. This structure relies on a larger management system, which may cause inefficiency or corruption to reduce profit.

### **Your Role:**

Habit Burger and Grill wants advice on the best way to expand in China.

It is your task to:

- 1) Analyze different aspects of the Chinese market, especially the food industry.
- 2) Choose an appropriate strategy for The Habit Burger- franchising or corporate ownership of chain locations.
- 3) Include risk management strategies for your choice.



## Case Concepts

### Chain ( 连锁直营 )

Chain stores are retail outlets that share a brand and central management, and usually have standardized business methods and practices.

连锁直营店铺由其母公司直接管理负责，双方共用一个品牌商标进行商业活动。通常情况下，一个母公司之下所有的连锁直营店铺都需要采用一套标准化的运行管理模式

### Initial Public Offering / IPO (首次公开募股)

An initial public offering (IPO) is the first time that the stock of a private company is offered to the public.

私有公司首次面向大众发行其股票的商业行为叫做首次公开募股。

**Consumer Perception (消费者体验):** A marketing concept that encompasses a customer's impression, awareness and/or consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews, public relations, social media, personal experiences and other channels.

消费者体验是一个营销术语，包括消费者的印象，对某公司及其产品、服务的认知或感受。消费者体验受宣传、评价、公共关系、社交媒体、个人经历和其他方面的影响。

### Franchising ( 特许经营 )

Franchising is based on a marketing concept which can be adopted by an organisation as a strategy for business expansion. Where implemented, a franchiser licenses its know-how, procedures, intellectual property, use of its business model, brand; and rights to sell its branded products and services to a franchisee.

特许经营在公司的扩张活动中十分常见。在特许经营活动中，特许经营授予人会将其拥有的技术，运营模式，品牌，知识产权等与特许经营接受人进行分享；此外特许经营授予人授权接收人权利售卖其品牌产品。

### Franchisor ( 特许经营授予人 )

An entity such as a company or producer that allows its products or services to be franchised.

在特许经营活动中，可以授权其他人或者机构进行特许经营活动的一方就是特许经营授予人。在大部分情况下，特许经营授予人是品牌拥有者。

### **Franchisee ( 特许经营接收人 )**

One who purchases a franchise. The franchisee then runs that location of the purchased business.

在特许经营活动中，向品牌拥有者支付特许经营许可费用的一方就是特许经营接收人；之后特许经营接收人可以在指定区域进行经营活动。

### **Intellectual Property (IP) (知识产权)**

Intangible things owned by an individual or a company, such as designs, ideas, patents, copyrights, and trademarks.

个人或公司所有的无形资产，如设计、想法、专利、著作权和商标。

### **Trademark ( 商标 )**

A trademark, trade mark, or trade-mark is a recognizable sign, design, or expression which identifies products or services of a particular source from those of others, although trademarks used to identify services are usually called service marks.

商标是一种具有可辨识性的设计或者其他表现形式，用来区分不同的产品和服务提供者。在有些情况下，如果商标用来区分不同的服务提供者，那么“trade marks”有时又称为“service marks”。

### **Brand Image ( 品牌形象 )**

The impression in the mind of consumers for a brand's total personality (real and imaginary qualities and shortcomings).

消费者对于品牌的一个整体印象。（包括该品牌的优点，缺点，质量等信息）

### **Brand Value ( 品牌价值 )**

Brand value is also called “brand equity”. Brand equity describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more revenue simply from brand recognition.

“品牌价值”也通常被人们称为“品牌资产”。“品牌资产”多用于市场营销领域，当消费者熟知某一个知名品牌之后，该品牌通常可以为其拥有着创造更多的收入。我们称这种资产为“品牌资产”。

### **Economies of Scale ( 规模经济 )**

Economies of scale is the cost advantage that arises with increased output of a product. When more units of a good or a service can be produced on a larger scale, yet with (on average) fewer input costs, economies of scale are said to be achieved.

某一产品的产量增加通常会伴随着规模经济的产生。对于公司，如果投入更少，但产品或服务的产量更多，那么我们就称该公司做到了规模经济。

## Sample Follow-Up Questions

After giving a case presentation, the judge or panel will typically ask follow up questions about the students' proposed solution. Students should be prepared for questions of all types, and answer in a way that shows they did a complete analysis of the case problem. These question sessions are where the most prepared students can really shine, as they explain how they compared alternative options, touch on the details of their solution, or expand on potential risks.

在完成案例展示之后，裁判一般来说会进一步向学生提问有关学生提出解决方案的问题。学生需要对各种种类的问题做好准备，并且通过回答展示他们对案例问题做了完整的分析。这个提问过程能让最有准备的学生通过解释他们如何准备其他的选项，他们的解决方案的细节，或者拓展到可能的风险，展示自己的出众之处。

1. What are the characteristics of your target consumers?
2. What is Habit Burger's best selling point? Why should consumers choose it over other restaurants? Choose one feature.
3. How can Habit Burger ensure quality of food and service in China?
4. Some restaurants prefer to be next to other restaurants so that consumers can easily choose where they prefer to eat. Do you think this is a good strategy for Habit Burger?
5. Should Habit Burger focus more attention on cities where there is a larger population or should they expand to smaller cities where there is less competition?
6. People might not have heard of this brand before. What are some strategies Habit Burger could use to improve brand awareness?
7. Other brands claim similar benefits to Habit Burger. How can you make the brand stand out among competitors?
8. Some American brands change their menu to fit the tastes and preferences of people in China. Do you think Habit Burger should use a similar strategy in China in order to expand, or should they keep the menu the same as America? Why?