John Molson MBA International Case Competition Guide for New Schools

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Acknowledgments

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1. Introduction to the Guide

The John Molson MBA International Case Competition is the largest and most highly regarded case competition for students at the MBA level. Approximately 36 teams from countries throughout the world participate in the week long event and their experience varies from first time participant school to veteran schools that have competed for decades.

The purpose of this guide is to help all teams prepare for the competition, in particular first time participants. The guide covers everything from how to select a team, to what to expect at the competition.

The guide will outline basic strategies teams could take when preparing and presenting a case.

Also, the guide will help ensure that teams experience all aspects of the competition including non-case events. The competition offers participants great opportunities to meet new people and network with prominent business people attending the competition either as judges or sponsors. Participants are encouraged to relax and socialize between cases. The organizing committee normally hosts a hospitality suite that offers a relaxed environment to further promote inter-team networking.

Most importantly, teams (coaches included) should have fun!

2. Competition

The John Molson MBA International Case Competition is a not-for-profit event organized by a team of four MBA students from the John Molson School of Business at Concordia University. The competition is opened to top business schools worldwide, and is recognized as the largest competition of its kind. Its main purpose is to bridge the gap between corporate and academic worlds, which ultimately enriches both students and executives alike.

The competition format is a round-robin tournament consisting of five business cases. One of these cases is a live case presentation by a major company about a real-life business challenge they are currently facing.

With three hours to prepare, teams of four students analyze and evaluate unpublished business cases using the skills, knowledge and experience they have acquired from their respective MBA curriculums. Students rely on their own abilities as they are without the aid of tools such as PowerPoint and the internet. The final product is a hand written presentation using acetates that demonstrates the students' ability to dig into the problem and develop a feasible solution. Once preparation is complete, they present their strategic solutions and a detailed plan of action to a panel of senior business executives.

More than two hundred senior business executives serve as judges, using their unique backgrounds, experience and perspectives to critically assess the participants' presentations. Teams are judged on creativity, insight, substance and plausibility of implementation.

The "live case" exemplifies the interaction of the academic and corporate worlds that takes place during the intense week of competition. Company representatives present a current real-life business case to the thirty six teams simultaneously. All thirty six teams rely on the presentation, a brief question period, and supporting materials provided by the company that serve as background for their evaluation. Once the three hours of preparation is complete, teams present their arguments, solutions, and plans for the company to a panel of judges.

Following the round robin tournament, nine teams advance to the semi-finals for the opportunity to compete in the three-team finals.

This information and further details about the competition can be found at the official competition web site: www.mbacasecomp.com

3. Selecting the Team

There are several methods that the coach[1] may use when selecting their case team. One method is to have students' present cases to the coach individually. Another method is to hold open try outs where students are grouped together and present a case to the coach as a group. Finally, there is the course method where the university is able to provide a Business Case Course or Directed Study where students learn how to read, evaluate, and present cases for course credit.

The coach would normally review resumes, transcripts, and any other information provided from students to aid them in the selection process. A sample application template is available in Appendix A – Sample Case Competition Application Form.

3.1 Individual Presentation

The individual presentation selection method can be used to either select 5 individuals that will make up the case team or as a pre-selection tool for the group presentation selection method. With this technique, students should be given a case to prepare in advance. Each student will then be given a maximum of 25 minutes to present the case to the coach using acetates. Students should be provided with the judging criteria that will be used during the competition to score the teams. The judging scoring criteria list is available in Appendix B – Scoring Criteria.

During the presentations, each student should be judged using the scoring sheet provided in Appendix B. After each student has presented, the coach should rank the students. Discretion may be used to decide the five (5) students who will make up the case team; however, normal practice would be to select the top five (5) scores.

3.2 Group Presentation

The group presentation method for selecting a team is used to view how students will work as a team and in the role that they have been designated. The role of the coach is to not only critique the team as a whole, but also to assess individual performance. A group of the top 5 individuals is not always the winning team. It is the group that is able to work together, along with present a strong case that will succeed at the competition.

The coach should form initial groups (teams) based on the background information provided by the students. Well rounded teams should be formed comprising of individuals from diverse backgrounds. For example, one member could have a marketing background, one with an accounting background, one with a science or engineering background, and one with an arts background.

Once formed, the coach should designate roles to the individuals based on the background information provided by students. For example, someone with an analytical skill set may be best suited for the analysis portion of the case presentation. A problem

[1] Within the guide the reference is made to 'the coach'. This will include all coaches involved in selecting the team, but for simplify the guide the singular will be used.

solving skill set may be best for implementation etc. Once the roles have been set, the next step is to decide on the method with which the teams will review the case.

When teams present the first case, the coach should use the same scoring method as the individual case presentations. The coach should also rank the students on their roles in order to determine the suitability of the student for that role. This will allow the coach to rearrange teams to ensure each member is in their strongest role.

One approach the coach may wish to explore is to observe teams as they prepare. The coach could sit with the team(s) for short periods of time while the teams prepare their case. This will allow the coach to see how teams are interacting and organizing their selves and to point out any weak links or overly argumentative individuals.

From the presentations, the coach should be able to determine the best fit for the team and select the individuals accordingly.

3.3 Case Course

Some universities offer a course that teaches students how to evaluate and compose solutions to business cases. This course range from International marketing cases, accounting cases, and general business cases. Regardless of the focus of the course, coaches may wish to tailor the course to focus on training students for the competition. This is a difficult option as it will involve obtaining approval for the course, but if put in place, it can prove to be one of the best methods for selecting a team.

This method is very similar to the group presentation method in terms of how a team is selected, the major difference being that students who wish to try out for the case team will need to enrol in the course.

The first quarter of the course should concentrate on educating students on how to prepare a case (See Section 4 – Preparation for the Competition for more information on preparation). After students receive guidance from the coach, teams should be formed and presentations should begin. The coach may wish to change group members in order to attempt to build the best teams possible. However, too many changes may be counter productive as students will not be able to get to the level of comfort and familiarity needed to perform well as a team.

When the course is approximately three quarters complete, the coach will need to select the team that will attend the competition in order to begin final preparations for the competition. For those students who have not been selected to attend the competition, the coach may wish to either use them as judges or to continue have them give presentations in order to determine grades for the course.

The team selected to attend the competition will need to complete at a minimum of one case per week for the remainder of the course. This will allow the team to become familiar with the time constraint of the competition and with the styles of each team member. If the timetable of the school does not allow for 4 consecutive hours for a class, the team may be required to attend school after hours or on weekends in order to have the amount of time needed to prepare and present a case.

The case course method will benefit the coach as well as they will be able to dedicate time during their workday to improve the team and coaching methods. The course method will also aid in gaining the support of the school to help finance and support sending a team to the competition. With increased support of the school and faculty, the coach will have the ability to attain the resources necessary to fully prepare the team.

4. Preparation for the Competition

Once a team is selected preparation must begin immediately in order to complete enough practice cases prior to the competition. Teams should complete a minimum of 4, to a maximum of 12 preparations cases. Team members should also become familiar with different areas of the world and how they conduct business, as the cases may be set in one or many countries around the world. Finally, the team should familiarize itself with different industries and the nuances they may have.

It is important that when the preparations begin the coach and team members be aware of the official rules of the John Molson MBA International Case Competition. A copy of the 2008 rules can be found in Appendix C. Also it is very important to review and possibly practice with cases used in previous years of the competition. A sample case from the 2007 competition is available in Appendix D.

4.1 Country Research

Due to the international nature of the competition, it is advised that the team becomes familiar with several geographic areas. Each team member should be tasked with one or two areas to which they are to complete a short summary. The summary should include information such as population, geography, political and economic environment, imports, exports, most common industries, infrastructure, etc.

Knowing cultural, political, economic or other local information can add great value when formulating a solution for a case.

4.2 Industry Research

Along with country research, teams should become familiar with several industries to ensure they know how they work and what the key success factors are for the industry. Examples of industries that have been in past cases include:

- Airline
- Pharmaceutical
- General Retail
- Oil and Gas
- Minerals/mining
- Banking

Having an understanding of specific industries will be of great value to teams. Knowing items such as rules and regulation, materials, labour requirements, etc., will all help in the formulation of a solution.

It is also important to understand the products/services of an industry and how they are produces/supplied. For example, knowing that a new drug will take approximately X number of years to get to market will allow teams to bring realism to their solutions.

Teams competing with them who state unrealistic timelines will lose points due to their solutions flaw(s).

Another important reason for conducting industry research pertains to cross industry dependence. In 2007, a live case was presented by Alcan, a Canadian producer of aluminium. The major issue within the case involved obtaining the energy needed to produce the aluminium. Knowledge of the power generation industry would have given teams an advantage during the formulation of an implementation plan for this case.

It is impossible to prepare for every possible type of industry in all regions. These are just suggestions to give teams some guidance when preparing for the competition.

4.3 Preparatory Case(s)

At a minimum, the coach should have the team practice with cases they can retrieve from the competition's web site (http://mbacasecomp.com/). These cases best represent what the team will face when in Montreal. However, the coach should also seek other cases of comparable difficulty to increase the number of practices the team will have. It will take approximately 7-10 cases before the team is able to work efficiently together within the three hour time limit. The following sections present suggestions for how the team should prepare for all of the components of the case from the preparation to the question period.

4.3.1 How to read a case

A case will usually take 30 to 45 minutes to read from start to finish. When the team first receives the case they should read the first and last paragraph of the case to help determine the problem being presented. Knowing the problem while reading will allow team members to filter out the information they need in order to determine the best solution.

While reading, each team member should make note of key issues within the case, along with noting key pieces of information that will help them with their portion of the case. For example, if a member is given the role of presenting the analysis, they should keep notes on strengths and weaknesses of the company, industry information, economical conditions, etc.

It is very important to note exactly where information is within the case as the team will not have enough time to read it a second time. One suggestion is to use short hand and take note of pages that contain vital information. Another would be to simply highlight key points and make short hand notes next to it that will allow the student to identify the type of information that is highlighted. Whatever the method, each team member should ensure that they stick to one method to avoid confusion during the three hour preparation time.

As the team becomes more familiar with reading cases they will soon learn what information needs their attention and what can be skipped over.

4.3.2 How to discuss a case

The discussion must begin immediately after the team has completed reading the case. If a team member finishes earlier than the rest of they team they can begin preparing their slides (heading, design, cover sheet, etc). This will ensure that the team is utilizing the three hours to its maximum.

One person should be designated as the note taker and it will be their job to put all ideas that are mentioned on display (whiteboard, paper, etc). It is important to take down all ideas as this will help to narrow down the correct problem, solution, and implementation. Initially, brainstorming is needed for approximately 10 minutes, after that point the team will need to begin filtering ideas and making a decision as to what the problem is and what are the possible solutions.

During the discussion one person should be designated as the timekeeper to ensure that the team does not spend too much time on one topic. The timekeeper should continually let the team know how much time is left in the preparation period.

A good starting point for the team discussion is the main problem presented in the case. The team should spend no more than fifteen minutes determining the problem statement. Once the problem is defined, the next logical step is to list out all the key issues presented in the case. These issues will help the person who is presenting the analysis, as it is their portion of the presentation that sets up the recommendation and implementation. Knowing the key issues allows the team to formulate a solution that will address most, if not all, key issues within the case.

After key issues, the team must come up with a minimum of 2 alternative solutions to the problem. Only presenting one solution will show that the team did not fully discuss the alternatives, nor demonstrate that the one selected is the optimal solution. Every alternative should have advantages and disadvantages, with the final recommendation having the most advantages. It should be noted that status quo is usually not a solution. A team that presents status quo ("Do nothing") as an alternative will be seen as one that has not fully thought out how to handle the case.

After the team has determined the alternatives and the recommendation, an implementation plan will need to be created. The discussion should simply allow the team to present, in point form, ideas that will allow the member responsible for implementation to formulate a complete plan. Items that should be discussed include timeframe (how long will it take), cost (order of magnitude estimates), how it will solve the problem, and who will be involved (resources).

Once the implementation plan has been discussed, the team should take a few minutes to review. Once a consensus has been reached, the discussion should end and members should begin to prepare their slides.

4.3.3 How to divide the work

Each team member should have a role on the team. The natural roles that should emerge will follow how the cases are judged. These include:

1. Introduction, key issues/ problem statement
2. Analysis
3. Alternatives and recommendation
4. Implementation
5. financial analysis, and conclusion

Key Issues / Problem – The key issues and problem statement within the case should be clearly stated.

Analysis – The environmental, economical, financial, and political factors of the case should be reviewed in terms of what is relevant to the key issues. The analysis should have an external and an internal focus in term of the organization. One example would be the use of a SWOT analysis to review the organization.

Alternatives – A minimum of three (3) alternatives should be analyzed. The recommended alternative should address the key issues and solve the problem stated.

Implementation – The implementation is an action plan that the company in the case will use to implement the recommendation. The implementation must fit the organization and should be attainable. The implementation should address all areas of the organization including operations, marketing, human resources, and finance. The plan should have a timeline along with a breakdown of the costs associated with the implementation.

Financials – All cases should address how the recommendation will affect the organization financially. If the case does not provide any financials, students can still address how the plan will affect them, however specific numbers will not be available. Items that may be considered in this section are: Stock/share price, profits, revenue, expenses, IRR, NPV, etc.

The team members assigned to each section should be responsible for creating the slides, presenting, and responding to questions on their section. Other team members are encouraged to help out where they can during the three hour preparation time. It is the responsibility of the coach to provide guidance to the team with regards to approaching each role. The coach should also provide guidance as to how teams can put their own unique spin on each section to enhance the overall presentation. For example, teams may wish to choose a colour scheme for the acetates that will remain constant throughout the competition. They may also wish to decide on a team name that will be used consistently throughout each case.

4.3.4 Final 5 minutes

When the timekeeper announces the five minute remaining mark, the team will need to begin organizing their slides to ensure they are in the correct order. Once the three hour time limit passes, the moderators will not give teams extra time to make any final additions or changes to their presentation, and will ask for the slides immediately. Not having the slides in the proper order, or asking for 5 minutes from the judges to reorganize slides shows that the team was unable to complete their case analysis in the time permitted. When practicing, coaches should follow these rules in order for the team to become comfortable with the time constraints and the strict rules of the competition.

The team should not worry about their materials such as rulers, calculators, scrap paper etc, as they will have time to clean up once the slides are given to the moderator. The team should take a minute to relax and mentally prepare for their presentation. If a bathroom break is required, teams should let their moderator know they need five minutes. Teams should attempt to be on time because the judges will not want to delay the presentation.

4.3.5 Presenting the case

When entering the presentation room, team members should introduce their selves to the judges and quickly take their seats. Teams are normally allowed to take a few minutes to adjust the overhead projector. Teams may sit or stand during the presentation. Prior to presenting, it is suggested that the team designates a team member(s) to change slides. For example, the second person to speak should turn the slides for the first. Once the first has finished speaking, that person can become the one responsible for changing slides for the remainder of the presenters. Or individual team members can control their own slides. Practice with these transitions is just as important as the presentation itself. Sloppy transitions are distracting and may show lack of preparation to the judges.

All members of the team should present a part of the case. There should be balance and flow between members. Awkward transitions will waste time and can distract judges.

4.3.6 Question Period

Prior to the competition, the coach should attempt to bring in judges for the practice presentations. The coach may act as judges at first, but to avoid the team from becoming comfortable, external judges should be used.

When the team has completed the presentation, they should all stand and wait for the judges to begin their question period. When a judge asks a question to the team, be cognizant that team members do not jump right into an answer. Everyone should pause and take 3-5 seconds to ensure they understand the question. If the question is unclear, ask for clarification before trying to present an answer.

After a team member has answered a question, a follow up answer should only be given if it will add value to what was already said. Teams must also ensure that they do not contradict each other while answering questions. When one team member gives an answer that another may not agree with, they should first determine if their answer will give the impression that there is conflict within the team. Contradicting a team member will show that the case was not discussed fully or that the team did not agree on their answer. If the answer is sufficient the team should leave it and not attempt to correct the mistake. Only when the answer is 100% incorrect should a member give a different answer. Even during this contradiction, the person speaking should formulate their response in a manner that, although contradictory, they are in agreement with the previous answer. Confidence in the solution proposed along with the answers being given is very important when judges are scoring teams.

At no time should a team argue with a judge. Many times judges will tell teams they do not agree at all with the solution presented. Some may even tell the team that they are wrong. When this occurs, becoming confrontational will only hurt the team. It is this time when confidence in the solution must be presented. Teams should still support their answer, but they should do so by revisiting the facts they presented and assuring the judge that their plan is the optimal one. The result will almost always be one where a team may either convince the judge there are correct or at a minimum gain the judges respect since the team was able to back up their solution, even if they still disagree.

Finally, teams should pay attention to the body language of the judges. When a judge begins to nod their head in agreement or present other body language that sends similar signals, the person answering the question should wrap up and allow for the next question to be asked. The objective is to efficiently answer questions in the 15-minute period.

5. Materials to Bring

No matter how good a team may be, without the proper tools it is near impossible to compete at the competition. Veteran schools know exactly what to bring along with all the time saving tricks that help their teams gain an edge during the three-hour preparation time. One goal of this guide is to level the playing field to allow new schools to compete at the same level as those who have been competing for over 20 years.

5.1 Attire

It is important to dress professionally while participating in the competition. Business suits are a minimum requirement in order to be viewed as a professional team. It is important that team members not only wear professional clothing, but that they are comfortable in their attire. The three-hour preparation period along with the 40 minutes teams have to stand in front of judges is a stressful experience and adding discomfort to the equation can lead to team underperforming. If team members are not accustomed to wearing their attire, it is highly suggested that they complete all of their practice cases in full formal attire. The more comfortable the team is, the better they will perform.

Each member should bring multiple shirts and ties (for male participants). Although the competition is located near many clothing shops, last minute purchases will only add to the stress of the event. Sending clothing to be cleaned is possible, but it is another area where problems may occur. Having multiple outfits will reduce the need to have items cleaned, along with keeping the participant comfortable.

The team should carry with them items that can be used to help remove minor stains or to repair clothing (such as thread and needle, double sided tape, etc). Last minute adjustments may be needed and teams should always be prepared for every situation.

Finally, teams should have comfortable clothing to wear when not participating in a case. As it has been mentioned throughout the guide, teams will participate in many social events and ranging in formality. For less formal nights, teams may be more comfortable in other clothing. This will allow teams to relax and socialize more comfortable which will help lower the stress level between cases. The organizers of the competition normally hold a Theme Party during the competition and most schools do come with costumes/attire in line with the theme. This usually becomes one of the highlights of the competition and a great opportunity to show and foster “spirit”.

An important point to note is that in January Montreal can be quite cold and there is often snow on the ground. As you will likely be leaving the hotel for various events winter attire is recommended!

5.2 Preparatory Material

Most teams will complete research as mentioned in the previous section. This research material should accompany the team to Montreal in order to allow brief reviews prior to entering a case. Having this information on hand will allow teams to enter a case with the details fresh in their minds.

Along with the research, teams should have their slide template with them to review prior to entering a case. It is against the rules to have prepared slides or templates with you while preparing a case, however, the team should review the template to ensure that everyone will create their slides in the same manner.

Finally, the team should review their strategy. The three or four month preparation period should result in teams creating a strategy to how they attack a case. This should be documented to allow the team to review their strategy to ensure they utilise the three-hour preparation time to its full extent.

5.3 Supplies

The most important items the team must have are their case supplies. Teams should have a method of carrying their supplies from case room to case room. A popular vehicle to use is a carryon suitcase with wheels. Having all the materials in one place will decrease the chance of lost or forgotten supplies.

The most important item to remember is the acetate slides. However, many teams now feel that frames for the slides are equally important. Experienced teams have discovered that cardboard frames that can be taped to the slides will allow for easier manoeuvring of the overheads during the presentation. See Appendix E for an example of a slide with a frame. The frames will also give a cleaner and more professional look to the presentation.

Along with the slides, teams should bring other materials such as permanent markets, tape, highlighters, pen, large sheets of paper (paper with adhesive already on the sheet that will stick to walls is readily available at most office supply stores), etc. While there are office supply stores located near the hotel it is easier if you bring the supplies with you when you travel to Montreal or ship them to the hotel in advance. A checklist of supplies that teams should bring is available in Appendix F.

6. Arriving in Montreal

After months of practice, teams will begin to arrive in Montreal the first week of January for the competition. The majority of the team will have travelled long distances crossing several time zones before finally arriving. Once teams arrive there is a lot of preparation to complete in order to be absolutely prepared for the first day of the competition. This section will provide information regarding what teams should do once they arrive in order to ensure a smooth first day at the competition.

6.1 Facilities

After teams have arrived and checked into their hotel rooms, the next step they should take is to become familiar with the facilities. Teams should become aware of where the presentation rooms are located, the main banquet hall, the hospitality suite (if one has been designated), and all restrooms.

Most importantly, teams should attempt to visit at least one presentation room in order to understand their surroundings prior to the first case. Walking into a presentation room for the first time moments before presenting can be unnerving and potentially cause a team to not perform to their potential. Having visited these rooms in advance will remove this uncertainty and increase the team's ability to have a strong start to the competition.

Restrooms are the second most important rooms in the competition. Taking a bathroom break during preparation will mean lost time and searching for restrooms is a task that teams cannot afford. As teams will not use the same preparation room for all cases, knowing where all restrooms are will allow for teams to use the one nearest to them during their preparation.

The banquet hall is where lunch and some breakfast meals will occur. It is also where the selection of team groupings occurs. After presentation rooms and hotel rooms, the banquet hall is where teams will spend most of their time. This room will usually not have assigned seating, therefore, teams should visit the room and decide where they feel sitting will suit them best. Some teams prefer to be near an exit, while other prefer to be near the stage.

Finally, the hospitality suite is an important facility, as it is a place where teams can relax and socialize with other teams. For more information on the hospitality suite and the importance of social participation see Section 10.

6.2 Liquids and Snacks

Montreal is a large city and teams will not need to venture far to find the necessities they will need during their week long stay. Teams will be within walking distance of several small shops that will offer snacks and drinks. Also, Montreal has a large underground shopping center where teams will be able to find any item they may have forgotten to bring with them, including presentation supplies.

Once teams have familiarized their selves with the facilities of the competition, it is important that they familiarize with the shops in the immediate facility in the case of an emergency (emergency referring to the need to purchase an item for the competition, not a medical or other emergency). Most importantly, teams should purchase snacks and liquids for during and after presentations. The competition will offer water, coffee, tea and some food during the preparation time, however, to ensure they are completely prepared, teams should have some food and drink with them in case they are not provided or a team member has an aversion or allergy to items provided.

Hunger and dehydration is very taxing on the body and will lead to a decreased ability to concentrate and formulate ideas. Having supplies to satisfy hunger and thirst will ensure that teams are able to perform at their optimal level.

6.3 Speaking French

Canada has two official national languages; French and English. Montreal is located in the province of Quebec, which is a French speaking province. Many people in Montreal do speak English, however, teams may find times when they cannot communicate with everyone. Below is a list of helpful words/phrases teams should know prior to arriving in Montreal that will allow them to communicate in the local language.

English	**French**	**Pronunciation**
Yes/No	Oui/Non	wee/non
Yes, please/No, thank you	Oui, s'il vous plaît/Non, merci	wee, seel vou play/nong, mair-see
Please	S'il vous plaît	seel vou play
Thank you	Merci (madame/monsieur)	mair-see (mah-dahm/mer-syer)
You're welcome	De Rien	De ree-en
Here is/are	Voici...	vwah-see
Hello/Good morning/afternoon	Bonjour, (madame/monsieur)	bong-zhoor, (mah-dahm/mer-syer)
Hello/Good evening	Bonsoir (madame/monsieur)	bong-swahr, (mah-dahm/mer-syer)
Goodbye	Au revoir	oh rer-vwahr
Good night	Bonne nuit	bonn nwee
How are you?	Comment allez-vous?	kommahng tahlay voo
Very well, thanks	Très bien, merci	tray byang mair-see
Excuse me	Excusez-moi	ex-kewzay mwah
Do you speak English?	Est-ce que vous parlez anglais?	essker voo pahrlay ahng-glay
Can you help me?	Est-ce que vous pouvez m'aider?	essker voo poovay may-day
I don't understand.	Je ne comprends pas.	zher ner kong-prahng pah
I don't know.	Je ne sais pas.	zher ner say pah
Could you please write it down	Est-ce que vous pouvez l'écrire?	essker voo poovay lay-kreer

Sorry	Désolé(e)	day-zo-lay
Leave me alone!	Laissez-moi tranquille.	lay-say mwah trahng-keel
Where?	Où?	oo
When?	Quand?	kahng
How?	Comment?	kommahng
Why?	Pourquoi?	poor-kwah
Who?	Qui?	kee
Which?	Lequel?/Laquelle?	ler-kell/lah-kell
Where is...?	Où est..?	oo ay
How much?	Combien?	kong-byang
How many?	Combien?	kong-byang
What's that?	Qu'est-ce que c'est?	kessker say
I'd like...	Je voudrais...	zher voodray
I want...	Je veux...	zher ver
I like it.	Ça me plaît.	sahm play
I don't like it.	Ça ne me plaît pas.	sah ner mer play pah
OK/Agreed.	Ça va/d'accord.	sah vah/dah-korr
That's fine.	C'est bien.	say byang

7. The First Case

The first case of the competition normally occurs on the second day after lunch at 1pm. If a team has not competed in a competition prior to this moment, the first case is always unsettling. This section contains information and tips that will help teams prepare for the first day of five stressful and fast paced days.

The John Molson MBA International Case Competition is the largest competition of its kind. Teams that have competed prior to this competition may still find the first day difficult. In order to get off to a good start, teams should ensure that they have a game plan prior to leaving for the competition. Although teams will learn a great deal while at the competition, they should not stray too far from their plan as this is what they have practiced and what is familiar to them.

Many times the excitement and adrenalin of competing can lead to teams becoming disorganized and unfocused. To combat this from occurring, the team must gather their thoughts prior to entering the preparation room and communicate with each other. Five minutes prior to entering a preparation room, teams should go through some sort of ritual (be it a pre case cheer, moment of silence, top 5 keys to success, etc) that will help them relax and become mentally prepared. Having a routing that they have practice prior to every practice case will cause a familiar feeling and help the team relax. This is similar to athletes who use a routine prior to a game in order to set the mood and tone before competing.

Communication is the key component that will allow teams to stay on track and complete the case to the best of their abilities. Vocalizing that a plan is going off track or that a member or members are not working as they have practiced can jolt the team back on track. Vocalizing things such as time remaining, roadblocks, new information, etc., will allow all members to fully prepare for the presentation and seem as a single unit.

The most important thing to remember about the first case is that teams need to leave the outcome in the presentation room. Whether teams win or lose or work well or poorly together, this is only the first of five cases. Premature celebration or feelings of doubt may cause teams to lose sight of their strategy and not succeed at the competition. Teams should always learn from each case, win or lose, but each case should be attacked as if it was the first or was the deciding case for the competition.

8. Double Case Day and Live Case

The double case and the live case can be just as stressful as the first case, but for different reasons. The double case day is the day where teams will complete two cases in one day. The live case is the day where the case is presented to them live by members of the company in question. Each of these days will test teams in different way and this section aims to help outline how teams can prepare for the different types of challenges they bring.

8.1 Double Case Day

The double case day is always a challenge to teams as there is little time between cases to relax, eat, or discuss the previous case. This day is by far the most difficult day (along with the semi finals where a second case is required in the same day) and preparation is the tool teams need in order to complete two successful cases.

The first thing a team must do is to practice completing two cases in one day prior to arriving at the competition. This will allow the team to be familiar with the limited time between the cases, along with dealing with low levels of energy during the second case.

This is the most important day where food that can provide energy should be brought to the preparation room. Motivation is another required component for this day. If a team member shows signs of becoming tired or inattentive, it is the job of the other team members to immediately recognise the behaviour and change it. Every person is motivated in different ways and it will be during practice that teams will become familiar enough with one another to understand exactly what will be needed in terms of motivation.

Finally, the team must remember that the judges have also had a long day and it is up to their performance to stand out. The team must make a conscious effort to show energy, emotion, and confidence during the second case. Being mentally and physically drained by this point, teams can forget that they still need to present and showing signs of fatigue or inattentiveness could cost them the match.

8.2 Live Case Day

The live case day is less taxing on the team in terms of usage of energy; however, it is still a stressful event. During the live case team need to listen to the issue at hand as presented by the company and take notes as this information will not be made available to them during the preparation time. Teams have one hour to listen to the case and pose questions and then only two hours to prepare the case.

All team members should take notes during the presentation and question period. Only having one or two members as scribes could lead to incorrect information being used in the case. It is important that the team also attempts to come up with a large number of questions to pose, as other teams may ask the same question before they are called upon. The team should also discuss the questions together in case the answer was already provided during the presentation. Asking a question with regards to information already presented will allow other teams to now possess this information that they may have missed.

Finally, since the first hour is used to allow the company to present the case and for teams to ask questions, team members should begin preparing their case as much as possible. The reduce preparation time will result in teams being unable to go through their normal preparation routine(s), and having as much completed as possible during the first hour will reduce the tension during the preparation period.

The rest of the live case follows normal case rules. Teams will have the normal presentation time and question period time. As long as teams prepare for the live case, the only difference should be how the information is presented to them.

9. Winning and Losing

With all competitions some teams will win, some will lose, and some will experience both. This section of the guide is not aimed at teaching teams how to do either in terms of strategy, preparation, etc, rather it is to allow teams to win and lose gracefully and to learn from each experience.

Whether it is your first win or your fifth in a row, teams should understand that there is a proper way to celebrate the win. Until a team reaches the semi-finals, no win is worth over celebrating. Even with an 11-0 win over another team, there is always something the team can learn and improve upon before the next match. Over celebrating will also give the impression that the winning team is not showing the proper respect for the team they just competed against. Spirit is a very large component of this competition and showing class and respect to all teams is a contributing factor towards spirit.

Losing is also not to be approached in a negative manner. Review the loss and pick out areas where the team could have approached the case differently to produce a better result. Learn from the loss then move on. Many times both teams present a strong case and the judges decisions were the result of one particular point such as how a question was handled or a more realistic cost analysis, etc. Therefore, a loss does not mean the losing team did not present a good analysis and solution to a case, it simply means the other team may have simply performed a little bit better. After the results are posted, teams can review the judges' comments and determine how to ensure they perform better at the next case.

A final note on this section is that no matter what a team's result, whether it is going undefeated or losing every case, no team leaves the competition without learning. All teams will leave feeling that they are stronger and more able to tackle issues and problems that will face them in their careers.

10. Social Events, Networking / Meeting People

During the course of the competition, teams and coaches will have several opportunities to socialize with the other teams, coaches, judges, and event coordinators. The competition plans several social events including dinners, sight seeing, sporting events, and an end of competition theme party.

A major component to the competition is spirit. The week long competition is a stressful and tiring time, yet extra effort is made to ensure that all teams not only enjoy the experience of competing against schools from around the world, but also to meet new people and have fun once the work is over.

Students attending a business school do not need an introduction to the benefits of networking, however it is important to remind teams that this competition is a great chance to not only meet members of other teams, but to meet the judges and other attendees. Judges of the competition are made up of some of Canada's most prominent business people who have a wealth of knowledge. Team members should take the time to meet and talk to them to, at a minimum, take advantage of this knowledge and how it can help them in their career.

Returning to the topic of spirit, it is important that teams socialize. Not all teams will be comfortable with taking part in social events as it is not for everyone. Some teams may believe it will interfere with their ability to perform. However, most teams will find that the social events and simply socializing with others will help to ease the stress and tension the competition brings. Most importantly, an award for spirit is presented at the final banquet.

The award for spirit is named the "Richard Outcault Team Spirit Award". This award was started by Northeastern University after a member of their 1998 winning team died suddenly. Richard attended the competition within days of his own father's death and considered the experience one of the greatest of his life. Winning this award is a very prestigious honour, and teams in the past have been very flattered to receive the award as all teams understand the tremendous value for which it stands. For more information on the award please visit http://mbacasecomp.com/en/richardoutcault.

11. Next Year

Once the competition is over the work does not end for the coaches or for some of the team members. Upon returning to their school it is suggested that all teams debrief and attempt to determine how the following year's team can perform even better. Even if the team is the competition champion, there is always room for improvement.

During the competition, the coach should keep a journal of how the team performed. They should also attempt to watch other teams as much as possible in attempt to see how others perform. This journal will be very useful in the following year as it will help prepare the next team to ensure they are able to perform to their full capabilities.

The coach should always retrieve the slides used by their team during the competition. This will allow new teams to view exactly the calibre they must attain prior to leaving for the competition. It will also help give new teams a better idea as to how they should approach their role and tasks for each case.

The coach should also talk to other coaches. Just as it is important for participants to socialise, coaches should also forge relationships with other coaches. Many schools have been participating at the competition for a long time and their coaches are very open and willing to giving advice to other schools. Even though it is the goal of each coach to win the competition, another goal is to continually improve the competition as a whole.

Past team members are a great source of help when new teams are preparing for the competition. They are able to describe the competition to new teams in terms of the pressures, stress, competition level, among other topics. Past participants can also help prepare new teams by participating in the preparation period and attempt to spot pitfalls they encountered. This will give the new team time to remove these pitfalls and ensure greater success at the competition. They can also act as judges during the practice cases. Having stood in front of judges in the previous year (or earlier), past participants understand the level of questioning that will be present at the competition.

12. Conclusion

The purpose of this guide is to help all teams prepare for the John Molson MBA International Case Competition. With this guide, teams will be able to attend the competition and perform at a level where they are able to compete with all schools. Even though it is the team members that ultimately determine how they perform, with the help of this guide they should not encounter any surprises.

By being prepared for the competition, team are ensured that they will experience a week like no other and one that they will cherish and talk about throughout their careers.

13. Appendices

Appendix A – Sample Case Competition Application Form

Student Name: ______________________________

Student # or ID: ______________________________

Academic Information

Undergraduate Degree: _______________________

Other Degree/Diplomas: _______________________

MBA Area of Concentration: _______________________

Employment History

Company:
Position:
Duties:

Company:
Position:
Duties:

Company:
Position:
Duties:

Reason for wanting to join the case team:

Why should you be selected for the Team:

What are your top three skills that you can bring to the team:

Appendix B – Scoring Criteria

JOHN MOLSON MBA INTERNATIONAL CASE COMPETITION
JUDGE EVALUATION & COMMENT SHEET

Team: Case Number: Numerical Ranking:

EVALUATION CIRTERIA COMMENTS AND RATING
Range: E=Excellent, A=Average, N=Needs Improvement

<u>Key Issues:</u>

.
Definition of problem and key subsidiary issue

Rating:

<u>Analysis:</u>

.
Qualitative and quantitative analysis

.
Ability to build ideas Rating:
Evaluation of Feasible Alternative, Solutions and Recommendation

.
Realism and practicality of solutions

.
Strategic orientation and focus

.
Logical tie-in to analysis
.. Justification of recommendation

Rating:

<u>Implementation and Plan of Action</u>

.
Consideration of cost and control issues

.

Timeline and analysis of
unforeseen problems Rating:
Handling of Question:

.
Ability to defend position, convincing, consistency with presentation

.
Ability to answer questions

.
Smoothness and balance of group

Rating:

<u>Presentation Form and Style</u>

.. Presentation style/communication skills
.. Creativity, professionalism

.
Use of acetates and time

Rating:

<u>General Comments</u>

Strengths:

Area for Improvement:

Key Reason for Decision:

Appendix C – Official Rules - 2011

1.0 THE COMPETITION

The John Molson MBA International Case Competition (the "Competition") is organized by a team of MBA students from the John Molson School of Business with the support of student volunteers and a Board of Directors which includes a number of senior executives from the Montreal business community.

2.0 ELIGIBILITY

The competition is open to graduate schools offering an MBA program or equivalent program deemed acceptable by the Board of Directors. A student who is registered in at least one course in such program at his/her school in the fall semester immediately preceding the Competition and who has not previously competed in any John Molson MBA International Case Competition is eligible to participate in the Competition.

3.0 THE TEAMS

Each school must be represented by four students and at least one coach. A student alternate may be included as a fifth member of the team at the discretion of the school. The alternate may only participate for his/her school in extenuating circumstances and with the approval of the organizers. An alternate who actually competes for his/her school and team coaches will not be eligible to participate in future Competitions.

In the event there are an odd number of schools registered for the Competition, a team designated as Team Global will be constituted with four of the alternates, preferably one of whom will be from a non North American school, with the others from American and Canadian schools. A member of Team Global may rejoin his/her team at any time during the Competition if circumstances make this necessary. If a member of a team, including Team Global, that does not have an alternate is unable to participate for any reason deemed acceptable by the organizers, an alternate will be asked to join the team for as long as is necessary in the Competition.

An alternate who participates with Team Global or as the fourth member of a team where such is required will be eligible to participate in future Competitions.

4.0 THE CASES

The cases used in the Competition will, to the best of the Organizers' knowledge, be unpublished and untested. Some of the cases will be selected from submissions made to an annual international case writing competition arranged by the Organizers.

5.0 COMPETITION FORMAT

Teams will be assigned to divisions, the number of which will depend on the number of schools registered for the Competition. Divisions will be established by random draw at the opening ceremonies. Each division will have at least one non North American school, one American school and one Canadian school. Non North American schools will be assigned to divisions first, followed by the American schools and then the Canadian schools.

All of the teams will compete one on one in five cases during the round robin phase of the Competition against teams in their divisions as scheduled by the Organizers. The divisional winners will be the team with the highest number of wins in their division. Nine teams including each of the divisional winners and the non divisional winners with the highest point accumulation during the round robin will advance to the semifinals.

Please refer to the section on Scoring. The nine teams in the semifinals will be divided into three groups based on total point accumulation during the round robin. Group One will include teams ranked 1,6 and 9 in point accumulation, Group Two – teams 2,5 and 8 and Group 3 – teams 3,4 and 7. The winning team from each semifinal group will compete in the finals.

6.0 CASE PREPARATION

Teams will normally have three hours to analyze the case and to prepare exhibits in support of an oral presentation to a panel of Judges. No written analysis is required. Each team will be assigned a workroom for their preparation period as well as a team host who will supervise the team during the preparation period and escort them to the presentation room.

While any number of overhead acetates may be used as exhibits for the presentation to the judges' panel, their clarity and relevance will be an important consideration in the judges' evaluation. The number of acetates permitted for certain cases may be restricted by the organizers at their discretion.

Additional exhibits may be prepared at the team's discretion in anticipation of the question period. All exhibits must be handwritten. No material prepared prior to the Competition including blank acetates with school logos, is permitted. Teams are responsible for their own materials including blank flipchart paper, markers and acetates. Cellular phones, computers, programmable calculators, books or any other devices or documentation are not permitted in the preparation room. Cue cards and personal notes are allowed for the presentation.

At the end of preparation time, all presentation exhibits will be given to the team host who will only return them to the team for their presentation. During the period between the end of preparation time and presentation, participants will be allowed to continue discussing elements of the case. However, communication by the four presenters with their coaches, the student alternate or anyone outside of the team other than the team host will not be permitted from the beginning of case preparation to the end of the team's presentation.

Presentation exhibits will be given to the Judges' panel at the end of the question period to assist them in their deliberations. Coaches and alternates must only attend their own team presentation and the presentation of the school with which they are competing in that segment of the round robin. Preparation time may be modified at the discretion of the Organizers on a case by case basis.

7.0 CASE PRESENTATION

Presentations may be made in English or French. Teams will notify the Organizers of the language selected prior to the Competition and will present in that language for the entire Competition.

Teams will be responsible to identify the roles which they and the Judges will be adopting at the beginning of their presentations. Each team will have a strictly enforced maximum of 25 minutes to make its presentation followed by a 15 minute question and answer period with the Judges' panel. There will be a ten minute break before the second team's presentation. The second team will not be allowed in the presentation room until after the question period for the first team. The first team will be allowed to remain in the presentation room during the second team's presentation. The order of presentation will be set by the Organizers but each team will present first at least twice during the round robin phase of the Competition.

In the semifinal and final rounds, there will be three team presentations followed by question periods. The team in each grouping with the highest number of points accumulated during the round robin will have the option of selecting if it wishes to present first, second or third in its grouping. The team with the second highest point total will be given second choice. As in the round robin, a team cannot attend another team's presentation until it has completed its presentation and question period.

Each member of a team is required to participate in the team's presentation but not necessarily in the question period following the presentation. The teams may not interact during the presentations nor should there be any communication with the audience. Teams may record their own presentations. The Organizers may record any presentation for purposes of promoting the Competition.

8.0 JUDGES

Judges are selected by the Organizers from the business community. Panels are constituted at the discretion of the Organizers and will include at least three Judges one of whom will be designated Lead Judge. The Lead Judge will chair the question period, lead the deliberations, cast the decisive vote in the event of a split panel and during the round robin phase, prepare an evaluation sheet for each team's confidential use once the result has been determined. Each team in the semifinals will receive a summary evaluation from the Judges' panel after deliberations have been completed. Judges have a maximum of one hour to render their decision in the round robin phase. There are no deliberation time limits in the semifinals and finals. The panel's decision is final.

9.0 SCORING

During the round robin, Judges are required to allocate eleven points between the two teams for each individual contest. If the Judges agree in selecting a winning team (4 of 5 Judges on a 5 Judge panel and all 3 Judges on a 3 Judge panel), they will award a minimum of seven and a maximum of eleven points to the winning team and a maximum of four points to the losing team. The winning team will also be awarded a 30 point bonus. In the event the panel is split (3-2 on a 5 Judge panel and 2-1 on a 3 Judge panel), the winning team will be awarded six of the eleven points plus a 20 point bonus. The losing team will be awarded 5 points plus a 10 point bonus.

Any team that has not arrived at the preparation room at its appointed time will be disqualified from that round. The competing team will make its presentation and be allocated seven to eleven points by the Judges' panel plus the 30 point award for the win. The defaulting team will receive no points.

There is no point allocation in the semifinals and finals. The Judges will declare a winner in each of the semifinal contests. The three winning teams will then participate in the finals. The Judges decision regarding the first, second and third place winners will be announced at the closing dinner.

9.1 TIE BREAKING

In the event two teams in a division have the same number of wins at the end of the round robin, the divisional winner will be the winner of the contest between the two teams during the round robin. If more than two teams are tied, the winner will be the team with the best record in the contest between them in the round robin. If teams are still tied, the winner will be the team with the highest number of points accumulated during the round robin.

In the event teams are tied for the last semifinal position, the semifinalist will be selected with the application, in sequence, of the following criteria: a) the winner of the contest between the teams; b) the team that defeated the first place team in their division; c) the team with the lowest total margin of loss in losses incurred during the round robin; d) the team with the highest total margin of wins in winning contests during the round robin and

e) a coin toss. The same process will be applied to determine the ranking of the semifinalists.

10.0 GENERAL

The Competition is intended to provide a learning experience for the students that will encourage healthy competition, professionalism and interaction by our future business leaders, both amongst themselves and with our business community. The Rules and Guidelines are not all encompassing and situations may arise that have not been covered. It is the expectation of the Organizers and of the Board of Directors that any issues or disputes will be resolved in the spirit of the Competition.

NOTICE:

Any concerns or disputes regarding the implementation of these rules must be brought to the immediate attention of the organizer responsible for the schools. In the event of a discrepancy between the English and French rules, the English version will take precedence over the French. In exceptional circumstances, a body made up of at least one of the co-organizers and the chairperson of the competition advisory board or his assignee and at least two other members of that board will be available to settle disputes.

*However, please note that **THE DECISION OF THE JUDGING PANEL IS FINAL, AND IS NOT SUBJECT TO REVIEW.***

Appendix D - Sample case

Case Study

British Airways: Responding to Low-Cost Airlines

> Ever since its creation nearly a century ago, the commercial airline industry has been prone to abrupt ups and downs. Yet, few of these periods of change have promised to transform air travel as thoroughly as the wave of increased competition, new entrants and aggressive price cutting now sweeping through the airline business in both Europe and America. A slew of new low-cost airlines is attacking big incumbent carriers, some of whom will probably not survive.
>
> The Economist, July 8, 2004

In the spring of 2006 Willie Walsh, the recently appointed CEO of British Airways plc (BA) and his senior management team faced choices about how to respond to the growing threat of low-cost short-haul carriers who continued to capture market share in British Airway's markets in Europe, and domestically in the United Kingdom. While this problem had existed for many years following the liberalization of the European domestic airline market in 1990's, BA's previous attempts at finding an appropriate strategy to respond to profitable low-cost start ups such as Ryanair and easyJet had not been successful .

BA's options with respect to low-cost carriers seemed clear. Following 911, the option of getting out of short haul routes altogether to focus on its much more profitable long-haul routes had been debated. Robert Boyle who was the BA General Manager Network Development at
that time states that the decision was to stay in short-haul for financial, practical and

©2006 William D. Taylor John Molson School of Business October 2006.
This case has been prepared for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

competitive reasons:

> We looked at the closure of our entire Gatwick operations; we looked at a retreat to long haul - the so-called "BOAC option"; we looked at further significant downsizing of the business and associated 'slashing of the route network', as the press would describe it, over and beyond the 20 per cent reduction in capacity which we had already set in train. Finally, given the shift in the market with considerable down-trading from premium, particularly in

> the short haul business, we looked at whether the time was right to move away from a two-class operation in our short haul business - or at least for a portion of it such as Gatwick. Each of these four options
> were evaluated in some detail but were rejected. Why did we reject them? There are three principal criteria on which we judged whether any of these, or indeed other options, should be taken forward. First and most obviously, financial impact - not just whether the changes would contribute to meeting our 10 per cent operating margin target, but also what impact they would have on the imperative to reduce debt. Critically important also was deliverability. It would have been pointless to come here today and give you a plan which we did not feel was deliverable in practice. Thirdly, a solution in our view had to leave the business stronger competitively at the end of the process rather than weaker.[2]

In 2006, however, the continued success of low-cost carriers, such as easyJet and Ryanair, demanded that BA take another look at its strategy in the short-haul segment. The summer of 2005 was a milestone of sorts in that easyJet and Ryanair announced that their monthly passenger numbers were greater than BA's, although BA questioned the way these figures were calculated. In early March 2006, Ryanair announced a 22% growth in passengers for February over February 2005 and that for the 12 months ending February 28 it carrier 34.3 million passengers. The threat from low-cost carriers was stronger than ever, and BA needed to decide whether it should remain in the short-haul segment, or concentrate on its more lucrative international routes.

The selection of Willie Walsh to head BA was seen by many as a very good choice given the challenges the airline faced with low-cost carriers. Woods, aged 43, had built his reputation transitioning Aer Lingus, which many regarded as a conservative, state-owned flag-carrier prior to his tenure as CEO, into successful and profitable carrier with a much lower cost structure.

Low-Cost Airlines

Low-cost Airlines in the United States

A major driving force in the world airline industry is the growth of new business models.
Discount, or low-cost, airlines have become major players in North America, Europe and Asia.
The concept which first emerged in the United States following deregulation in 1978 in its typical form has key elements:

- limited services for passengers (no frills)
- short haul routes, point to point
- low fares
- use of a single-type of aircraft

[2] Robert Boyle, General Manager Network Development, British Airways, Comments at the British Airways Investor Day, 2002.

- ticket sales through call centers (internet)
- low cost work force and flexible work rules
- low ground costs at secondary airports
- fast turnarounds between flights

While many budget airlines have come and gone, Southwest Airlines has grown to be the fourth largest airline in the U.S. Other airlines in this segment that have expanded rapidly include JetBlue, Frontier, and AirTran (formerly ValuJet). In the last six years, low-cost airlines have expanded capacity by over 40%, and currently these carriers have many orders for new planes. Despite this impressive growth, many argue that discount airlines now represent a mature business concept in the United States.

The first response of network carriers in the United States to these new carriers has been to create their own offshoots: for example, Song by Delta, Lite by Continental, Ted by United. A second stage response has been to try to compete against low-cost carriers by lowering their own cost structures as best they can and matching fares on selected routes. Along with this strategy has been the recognition that low-cost carriers can provide feed to larger carrier's profitable long haul flights.

The low-cost airline segment now has many variations including charter airlines that have become low-cost scheduled carriers in the holiday market, and regional carriers that have transformed their model. An important development in American low-cost airlines is that the leading discount airlines are moving upmarket. As the Economist has noted as low-cost carriers make this move upmarket they begin to compete and clash with network carriers that are moving downmarket.

An assumption made by most airline analysts is that a low-cost business model will not work for scheduled long-haul flights. Service is more important on flights that last many hours and the cost advantages of quick turnarounds are less given the long amount of time these flights are in the air. This may be changing as demonstrated by the example of Emirates Airline flying out of Dubai with a very low cost structure. With the coming of even larger aircraft for long haul flights, such as the Airbus 380, the possibility of low-cost, long-haul carriers successfully gaining market share exists.

Low-cost Carriers in Europe

The creation of the European low-fare airline segment is much more recent than in the United States. Following liberalization of the European domestic airline market in 1997, many new carriers were launched, and now there are close to 60 carriers contesting the market with carriers entering or exiting the market on a regular basis. In 2006, it was estimated that low-cost carriers had obtained about 18% of the total intra-European market in air passenger transport (See Exhibit 1). In Western Europe very high rates of penetration have occurred especially in the United Kingdom and Ireland. The two largest low-cost airlines are Ryanair and easyJet both of which have grown tremendously over the last ten years:

Ryanair: Started in 1985 by Tony Ryan and the Ryan Family, Ryanair was Europe's first low-cost carrier and is still the largest low-cost carrier in Europe. Starting with one plane it has grown into a large airline with over 100 planes, over 30 million passengers per year, and revenues of over 1.3 billion Euros. Ryanair borrowed from the successful Southwest Airlines model by flying into secondary airports to obtain very low costs. Its biggest operational base is London Stanstead Airport. Its rapid expansion really took place after the deregulation of the air industry in Europe in 1997.

easyJet: Starting with only two leased Boeing 737's in 1985 at Luton Airport near London, easyJet has also grown very rapidly. Created by Greek Cypriot businessman, Stelios Haji-Ioannou, it too has borrowed from the Southwest model by flying only one type of aircraft Boeing 737's. Recently, it has added Airbus 319's to its fleet. The growth of easyJet truly has been remarkable. In 1999, it flew about 3 million passengers while today it has over 30 million passengers. In 2005, easyJet had revenues of over 1.3 million British pounds.

Exhibit 2 provides more statistics on these two airlines.

Competition in the low-cost carrier market in Europe is brutal. The influx of new entrants and the over-capacity that exists (along with aggressive pricing that has led to price wars) have created intense competition. Airline analysts predict that a shakeout in the European segment is inevitable, and that the segment is also likely to see movements into new markets. Also, many foresee a dilution of the low-cost carrier business model as some carriers try to differentiate their offerings by flying to more expensive airports and adding some new services such as in-flight gambling and movies (for a charge). On the other hand, the low-cost market is at a much earlier stage of its development in Europe. It is estimated that in the United States 850 jets fly low-cost routes while in the European Union, with twice the population, only 350 low-cost jets are flying.

British Airways

The origin of British Airways can be traced back to 1919 and the period just after WWI. Of its many predecessor companies, the most notable was BOAC (British Overseas Airlines Corporation) which was formed in 1939. BOAC was at the forefront of the transition to jet aircraft and had the distinction of making one of the first overseas jet flights to Johannesburg in 1952 and being the first airline to offer transatlantic jet flights in 1958. The airline acquired its first Boeing 747 in 1970 and had very rapid growth during the 1970's. In 1976, BOAC and BEA (British European Airlines) were brought together as British Airways (BA). In that year, BA with Air France also launched the world's first supersonic passenger service.

Privatization

In 1980, under the Margaret Thatcher, the British government began the long road to privatize BA by appointing Sir John King, who later became Lord King. It took until 1987 for this process to be finalized. Although BA initiated a campaign to be known as "the World's Favourite Airline" in 1983, during the 1980's survival was the major goal of the airline. Following privatization, the airline used its new found strategic autonomy to takeover British Caledonian in July, 1987 with the consequence and BA now flew out of Gatwick Airport as well as its historic hub at Heathrow Airport.

Under Sir Colin Marshall, who served as CEO, and later as Chairman, British Airways during its first 10 years as a private company was quite successful. From 1987 until 1996 it became one of the world's most profitable airlines with profits before taxation climbing to a high of £ 728 million in 1996. The key to BA's strategies during these years was the development of an extensive global route network and the establishment of BA as one of the premier brands in the world. Integral to this strategy was the creation of BA's Club World business class product as part of the overall intent of making British

Airways the world's favourite airline. Costs were also streamlined and the airline reduced its number of employees. During this period BA made several acquisitions and formed equity alliances with other carriers to gain access to feeder markets. In 1992, Deutsche BA was established as a German subsidiary and in 1993 BA purchased 25 % of US Air to have access to the critical US domestic market. This US Air stake was later sold when BA formed a partnership with American Airlines. It also purchased a 25% share of Qantas in the Asian/Pacific market. Along with other carriers BA formed the Oneworld Alliance in 1998.

Turbulent Times and Recovery

In 1999 and 2000, BA's profitability declined sharply, and in March 2000 the Board replaced CEO Bob Ayling, who had been appointed CEO in 1996, with Rod Eddington. Eddington undertook a number of measures to improve BA's performance. He vigorously pursued a strategy of lowering BA's cost structure, invested in an internal e-business infrastructure and took the airline through the 911 crisis, SARS, the Iraq War, and a period of rapidly rising fuel prices.

Over the years certain elements of BA's strategy have remained constant. One element that has not changed is that BA has always supported its most profitable segment which is the premium long-haul business which its global route structure makes possible. What has also been constant is the protection of BA's privileged access to Heathrow Airport -- one of the world's busiest and most important airports. As the former flag-carrier for the United Kingdom, BA has grandfather rights with respect to landing rights and slots at Heathrow. A major part of BA's strategy had been to concentrate on its service offerings in all product segments. Another element of BA's strategy is its fleet which, for the most part, utilized Boeing Aircraft at least up until the late 1990's. With the exception of aircraft inherited when acquisitions were made, BA has stayed with Boeing aircraft although its current fleet now includes about 50 Airbus A319's and A320's. Exhibit 3 presents BA's fleet as of December 2005. The airline has always had a cargo business which in the last few years contributed just under £ 500 million of revenue.

In an interview in Air Transport World in August 2005, outgoing CEO Rod Eddington expressed satisfaction that BA was in better shape than when he took over in 2000. Through restructuring and a rebuilding of its service product, BA has returned to profitability, and its debt has been reduced from £6.5 billion to £ 3 billion (See Exhibit 4). In 2004-2005 British Airways had about 49,500 employees with 86% of these employees based in the United Kingdom. The airline was entirely owned by private investors and 50% of its employees owned stock in the company. In September 2005, BA entered a new era with their new CEO Willie Walsh.

Willie Walsh

Willie Walsh has spent his entire career in aviation. Walsh joined Aer Lingus at 17 as a pilot trainee. A business administration graduate of Trinity College, Dublin he rose through the operations ranks to become chief pilot, and eventually switched to the commercial side when he took on the task of turning around, Futura, Aer Lingus's problem Spanish charter subsidiary, in the late 1990's. He returned to Aer Lingus as Chief Operating Officer in 2000 and became CEO in 2001 one month after the 911 tragedy.

After taking over at Aer Lingus, Walsh lived up to his reputation of being a very focused leader who is intent on achieving what he wants. He was direct in declaring that his goal of having the airline be like a successful, no frills carrier. He cut costs by about 30 %, and he laid off one third of the Aer Lingus's employees. Walsh also took other actions consistent with a low-cost approach: he eliminated business class on short flights, reduced aircraft cleaning expenditures, and stopped catering service on short-haul routes. The results for some industry analysts were like a miracle. Aer Lingus which many had thought would go bankrupt similar to Sabena and Swissair, both smaller European flag carriers, returned to profitability. The new Aer Lingus achieved an operating profit of 63.8 million Euros in 2002 after suffering a 35.3 million Euro loss in 2001. In 2003, the group had an 83 million Euro profit. When the appointment of Willie Walsh was announced the Chairman of BA, Mark Broughton, commented that in hiring Walsh BA had captured "the very best person for the job!" The market seemed to agree that Walsh's expertise in low-cost airline management would help BA. The day of the announcement that he would be the new CEO of the airline, BA's shares closed up 1.63% higher.

BA's Short Haul Strategy

In reviewing BA's response to low-cost carriers it is important to understand the different product segments with which BA operates. Within passenger service BA offers both long-haul and short-haul services. It has four categories of service within long-haul including first, business class, premium economy and economy. Currently, it also has four categories of service within short-haul: Club Europe, Europe traveler, UK Domestic and BA Connect. The impact of low-cost carriers is felt directly in its short haul operations.

The history of BA's short-haul route offerings essentially begins in 1974 when BOAC and BEA (a short-haul carrier) were merged. Similar to BOAC, BEA (British European Airlines) had been formed by the British Government in 1946. By 1974 BEA was the largest domestic carrier in the United Kingdom and also offered flights to Europe and North Africa. Over the years, the BA domestic and European network expanded as BA made acqusitions and responded to growing demand for air transportation in its markets.

At the same time franchise agreements were made to provide service in certain markets and to provide feed BA's long-haul flights. BA's franchise agreement with CityFlyer is a good example of how these agreements worked, CityFlyer aircraft would be painted in full BA livery and its interiors and cabin layout conformed to BA's contemporary, standard two-class European product. Staff wear BA uniforms and all flights are operated with BA flight numbers. British Airways took over CityFlyer's marketing and handled all reservations. In other words, CityFlyer prresented itself and traded as British Airways. By 1999, British Airways had ten franchise partner agreements.

The fragmented and emergent nature of this BA's short-haul network is revealed in Exhibit 5 which shows the timeline of the major events and decisions that were made over the years. The importance of short-haul revenues to BA are revealed in Exhibit 6 indicating that by 1996 40 % of BA revenues by destination came from the UK and Europe, although only 4 % of its large 728 million £ operating profit (Exhibit 7) was generated from these routes.

BA's Competitive Response

The first major strategic move to respond to low-cost carriers was taken by BA in 1998 when it set up a no frills carrier named Go. This stand-alone subsidiary was set up to compete in the low-cost, no-frills market which was starting to grow very quickly. Operating from Stanstead Airport the new airline used leased Boeing 737's to fly first to Milan and Rome and then Copenhagen. During the late 1990's BA also undertook a program to take a billion pounds of opertaing costs out of its entire network including European and UK operations. Along with these moves was a strategy to reorganize and restructure Euorpean and UK services to reduce fragmentation. In the UK, this involved strategic investments to take control of CityFlyer Express based at Gatwick and sale of BA's French subsidiary Air Liberté. More moves to reduce fragmentation in the UK regional network took place in 2001-2002 with the merging of British Regional Airlines Group, Brymon Airways, Manx Airlines and British Airways Regional to form CitiExpress. The benefit was that BA for the first time had a single business unit for all ot its UK operations. In 2003 BA aggressively responded to no-frills carriers by cutting fares on 180 short-haul routes. In the last five years, BA's strategy in the low-cost segment has been to protect its core business class market while learning from its low-cost rivals by offering deals on certain flights. Andrew Crawley, BA General Manger for Western Europe, has explained this approach:

> What is our response? We will strengthen and maintain our offering to the business market. It is a critical market for us. Club Europe and full fare economy passengers are highly profitable for British Airways, so we will strengthen and maintain our positioning on that. We will move short-haul economy closer to the "no frills" model by keeping what we think is good about what we currently offer and using some learnings from what they have on offer too at the moment. Finally, cost efficiency improvements across the whole business -and some of the numbers that Rod showed this morning demonstrate some of the initiatives that will improve our unit cost across the whole business - but specifically on the short-haul piece will bring our unit cost down to enable us to compete profitably.[3]

By 2005, BA had improved financial performance in its short-haul business from an estimated loss of about £ 300 million in 2000 to breakeven. While this improved performance to a breakeven level was commendable, the threat from low-cost carriers had not gone away, and BA still faced real challenges in its short-haul business.

British Airway's Choices: Fight or Flight

The basic assumption about the strategic importance for BA of its short-haul business was clear under Rod Eddington's leadership during the 2000 to 2005 period:

> Our short-haul network is an intrinsic part of our overall network: its important to have a short-haul offering to match to our long-haul offering- feeder represents a quarter and a third of our short-haul network. It will be many years before you will be able to fly from Newcastle to Hong Kong, from Edinburgh to Singapore. Also having a strong network offering to our customers large and small is

[3] Andrew Crawley, General Manager for Western Europe, British Airways, Comments at the British
Airways Investor Day, 2002.

> very important; we still have far and away the most comprehensive network in and out of London. It is a key part of our ability to compete. But, those points in our network have to contribute to our network profitability. That's why we no longer fly everywhere in Europe. We don't fly to Gdansk and Gothenburg and we fly more often to Brussels and Geneva.[4]

Those supporting BA's current approach to short-haul services could point to the progress that the airline had made to reorganize and improve its network offerings. BA Connect had been formed to combine regional operations in one business unit to coordinate competitive strategy in short haul and significant improvements had been made in BA's cost structure and unprofitable units and routes had been eliminated Eddington noted in 2005 before Walsh took over:

> We have the right sort of exposure to short-haul. Short-haul capacity is now less than 20% of total ASK[5]. I worry about the performance of short-haul performance financially. It is much improved. It's no longer burning a £300 million hole in our pocket. Last year we lost £60 million short-haul. But that included Deutsche BA write-off and some write-offs on aeroplanes, which we disposed of.
>
> So the short-haul business is no longer the value destroyer that it was. But it's an essential path of our network. And we substantially reduced our exposure to short-haul. It's one of the reasons why we've come through the last 4 or 5 years, in the face of the trick from the no-frills carriers. That, and the fact that we've got a much better competitive response on the map. It wasn't just aero planes we invested in. We invested in infrastructure before. And that this is essential infrastructure, but it costs money.[6]

Important as well was BA's value proposition in its short-haul services. Many of BA's clients were business people and it was believed that BA offered significant value over low-cost carriers with respect to seat selection, network connections, meals and lounge access. The value of these benefits varied across BA's short-haul segments: UK regional, London operations and European short-haul routes.

BA had resources to compete. Its profit for 2005-2006 of over 700 million pounds was substantially larger than the earnings of easyJet or Ryanair. Many of the smaller European low cost carriers were under-financed and, while they could create temporary problems with disruptive pricing, they did not have the resources for the long-term. BA has an advertising budget of approximately 60 million pounds which could be used to communicate the superior value of BA's services and to push the BA brand.

Senior managers of BA were aware that BA's customers take longer trips than customers of low-cost carriers. Ryanair passengers fly on average 750 km versus 3,000 km for BA customers. This could change in the future as low-cost carriers expand their route networks into destinations such as Morocco, Turkey and Croatia. This difference in profile was reflected in average revenue per ticket for BA and its competitors:

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[4] Rod Eddington, CEO British Airways, Interview with Air Transport World, Aug 2005, Vol. 42, p. 24.

[5] ASK (Available Seat Kilometers)

[6] Rod Eddington, CEO British Airways, Conference call transcript British Airways Investor Day, March 10, 2005.

Average European Fare per Customer (Euros)

BA	114.00
easyJet	61.70
Ryanair	40.77

The expansion of the European Union in 2004 to include 10 more countries including Poland, Hungary and the Czech Republic presented excellent opportunities for BA as investments and projects grew in these new EU countries. At the same time, BA management was well aware that low-cost carriers were targeting these same new markets.

Critics of BA's strategy argue that BA must be able to increase the number of passengers and have tight cost control if their strategy of attacking low-cost carriers "head to head" is to be effective. They wonder if this is possible in an airline where business class and premium customers are the dominant focus. A review of operating costs and margins (See Exhibit 8) shows that BA trails leading low-cost carriers with respect to operating margin.

Both easyJet and Ryanair claim that 40 % of their customers are business customers.
Recent moves by easyJet, in particular, show that low-cost carriers will be trying to attract business customers. Major low-cost carriers are purchasing new aircraft and they have solid cash balances to support any price wars. Their strategies are clear and focused: as Ryanair sales manager, Sinead Finn states. "The lowest fare wins- when you offer the lowest fares, there's no one else to worry about".[7]

With respect to customer service, industry statistics indicate that Ryanair and easyJet have a better record than BA concerning on time arrivals and lost baggage. Recent performance indicators show that BA trails both low-cost carriers in both categories. Exhibit 9 presents these measures and shows BA is on time only 74% of the time, and that it loses 17.7 bags per 1000 bags handled – a relatively poor performance.

As Walsh and his senior team reviewed their options in the short-haul business, other issues were also of concern. BA faces significant challenges in labour negotiations with its unions in 2006 and BA had some very major pension funding issues to address. Similar to all airlines, BA was concerned about high oil prices, and it would need to replace its long-haul fleet in the near future as well. In March of 2008 BA was scheduled move into Terminal 5 at Heathrow. This new facility which will cost £ 4.2 billion would offer state-of-the-art facilities and the capacity to handle 30 million customers per year. It represented a great opportunity but also a threat if the transition was not handled in an efficient way. Competition from other full service network carriers, notably the Star Alliance Group and Skyteam were also of a major concern. Given these threats and stalled negotiations over transatlantic open skies, some believed that BA should divest its short-haul business and concentrate on its long-haul competitive position where it had a competitive advantage. If on the other hand it stays in the short-haul business, it must decide how it will compete with the low-cost carriers.

[7] Sinnad Finn, BA vs. budget airlines: Ba.com uppance for no-frills? 2005, Marketing Week, June 23: pg.28

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Exhibit 1
Market Share of Low-cost Airlines
Selected Western European Countries
July 2004 to February 2006

	Domestic	Domestic	Intra-Europe	Intra-Europe
	07/2004	02/2006	07/2004	02/2006
Austria	0.0%	0.0%	15.9%	24.5%
Belgium	0.0%	0.0%	26.5%	24.3%
France	4.0%	3.8%	20.1%	23.7%
Germany	17.9%	28.6%	16.3%	24.8%
Ireland	0.0%	23.7%	42.2%	51.6%
Italy	13.9%	14.1%	29.6%	35.6%
Netherlands	0.0%	0.0%	19.4%	24.4%
Scandinavia	12.6%	17.3%	20.6%	22.1%
Spain	0.1%	2.1%	28.5%	33.4%
Switzerland	0.0%	17.3%	17.0%	27.1%
UK	41.8%	47.4%	39.4%	47.1%

Source: OAG Worldwide Ltd

Exhibit 2[8]
Key Statistics Ryanair and easyJet
2001-2005

Ryanair (reported in EUROS €)

	2005	2004	2003	2002	2001
Passengers (millions)	27.6	23.13	15.73	11.1	8.1
Revenues (millions €)	1,319	1,074.2	842.5	624	487
Profit before Tax (mil. €)	268	226	239.4	150.4	104.5

Ryanair Fleet
As of March 31, 2006

86 Boeing 737-800
Average Age – 2.4 years

Source: Ryanair Annual Report and Accounts, 2006

easyJet (reported in British Pounds £)

	2005	2004	2003	2002	2001
Passengers (millions)	29.6	24.3	20.3	11.4	7.1
Revenues (millions £)	1,341	1,091	931,8	551,8	356,9
Profit before Tax (mil. £)	67.9	62.2	51.5	71.6	40.1

easyJet Fleet
As of August, 2006

87 Airbus 391-100 (11 placed with easyJet Switzerland)
32 Boeing 737-700
Average Age -2.4 years

Source: EasyJet Annual Report and Accounts, 2005.

[8] March 2006, exchange rates: One British Pound £ = 1.743 USD Dollars $,
One Euro € = 1.20 USD Dollars $

Exhibit 3
British Airways Fleet
As at March 31, 2006

Type	**Total**	**2005-2006 Revenue Hours Flown**	**Average Hours per aircraft**	**Average Age (Years)**
Boeing 747-400	57	275,548	13.25	11.8
Boeing 777	43	211,494	13.47	7.3
Boeing 767-300	21	71,664	9.39	13.1
Boeing 757-200	13	33,363	7.03	11.5
Airbus 319	33	106.809	8.87	5.4
Airbus 320	27	79,340	8.24	8.7
Airbus 321	7	20,238	8.33	1.4
Boeing 737-300	5	16,929	9.28	16.7
Boeing 737-400	19	60,433	9.00	13.6
Boeing 737-500	9	28,157	8.39	13.5
Turboprops	8	18,777	5.99	8.6
Embraer RJ145	28	78,341	7.67	6.1
AvroRJ100	10	34,699	6.38	10.5
British Aero 146	4	10,019	6.41	15.1
Hired Aircraft	-	21,087	-	-
GROUP TOTAL	284	1,066,868	10.14	9.5

Source: British Airways Annual Report, 2005-2006.

Exhibit 4
British Airways
Key Statistics 1997-2006

To March 31

Group results to		2006 IFFG	2005 IFFG	2005	2004	2003	2002	2001	2000	1999	1998	1997
Turnover (Revenue)	£m	8,515	7,772	7,813	7,560	7,688	8,340	9,278	8,940	8,892	8,642	8,359
Operating profit	£m	705	556	540	405	295	(110)	380	84	442	504	546
Profit before tax	£m	620	513	415	230	135	(200)	150	5	275	580	640
Attributable profit year	£m	451	377	251	130	72	(142)	67	(21)	206	460	553
Net assets	£m	2,074	1,397	2,684	2,397	2,274	2,207	2,325	3,340	3,355	3,321	2,984
Basic EPS per share	p	40.4	35.2	23.4	12.1	6.7	(13.2)	6.2	(2.0)	19.5	44.7	55.7
Key statistics												
Airline operations yield	p/RPK	6.10	6.02	6.02	6.30	6,58	6.67	6.37	-	-	-	-
Operating margin	%	8.3	7.2	6.9	5.4	3.8	(1.3)	4.1	0.9	5.0	5.8	6.5
Net debt/total capital ratio	%	44.2	67.7	42.7	54.1	60.7	66.0	64.5	63.9	62.2	58.1	57.0
Group operating statistics												
Passengers carried	'000	35,634	35.717	35,717	36,103	38,019	40,004	44,482	46,578	46,049	40,995	38,180
Revenue passenger kilometers	m	111,859	107,892	107,892	103,092	100,212	106,270	123,197	117,463	118,310	106,739	102,304
Revenue tonne kilometers	m	16,105	15.731	15,731	14,771	14,213	14,632	16,987	17,215	16,831	15,406	14,336
Available tonne kilometers	m	23,106	22,565	22,565	21,859	21,328	22,848	25,196	25,840	25,114	22,403	20,542
Passenger load factor	%	75.6	74.8	74.8	73.0	71.9	70.4	71.4	69.8	70.7	71.3	73.2

Notes: British Airways changed to the IFRS (International Financial Reporting Standards) reporting basis for the year ended March 31, 006. Statistics for the year ended March 31, 2005 have been presented on both a GAAP and IFFG basis.
m=millions, p=pence
Source: British Airways, Annual Reports, Various Years.

Exhibit 5
Timeline
British Airways Short-haul Decisions

1946	British Government BEA to serves domestic and European routes
1974	BOAC and BEA are merged
1980	BA puts new fleet of Boeing 737-236s into service in Europe and
1982	Reorganization to create business: Intercontinental Division for long-haul routes, European Division for short-haul and UK domestics
1987	BA merges with British Caledonian and picks up that airlines commuter subsidiary
1992	British Airways Regional is formed to improve services to Scotland and other large UK markets
	Deutsche BA is created by BA and a German Bank consortium
1993	BA announces new marketing agreement with CityFlyer Express to increase feeder traffic at Gatwick
	Loganair enters franchise agreement with BA for service on Scottish routes
	BA announces new Club Europe brand for key European destinations
1996	BA purchases remaining 50.1% of its French partner TAT European
	Deutsche BA sells its turboprop activities to a French Company to concentrate its jet business
1997	British Airways Regional introduces first Embraer regional jets
1998	BA starts low-cost airline, named Go, its first no-frills venture with leased Boeing 737-300's
`	BA orders 59 aircraft in the Airbus 320 family
1999	Base Airlines of Holland becomes BA's tenth franchise partner
	BA announces £ 50 million investment in Club Europe
	BA completes purchase of CityFlyer Express
	British Regional begins to fly into London City Airport
2000	British Airways announces the creation of first European, multi-airline, on-line travel agency
	CityFlyer Express orders six new Avro RJ100 jets
	Following investments in Club Europe BA increases baggage allowance
2001	BA announces large cuts in many o its fares following changes in payment structures to travel agents
	BA announces new Value Pass which allows passengers to by full fare domestic and Club Europe e-tickets in bulk
	BA makes offer for all shares in one of its franchise partners British Regional Air Lines (BRAL) as plan to better coordinate various short haul businesses and partners.
2002	British Airways sells it n-frills subsidiary, Go, for £100 million
	BA combines its two UK regional subsidiaries British Airways Regional and forms CitiExpress creating the second largest regional airline in Europe
2003	easyJet purchases Deutsche
	BA cuts European fares by up to 80% on 42 routes
	CitiExpress begins operation from London City airport and begins strategy to move to an all jet regional operation
2004	CitExpress is renamed BAConnect and with revamped service and lower fares at 14 airports

Source: British Airways Archives and Museum Collection, http://www.bamuseum.com/museumhistory.html

Exhibit 6
British Airways

Turnover (Revenue) by Area of Original Sale
1996-2005 Millions £

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Europe	5,097	4,940	4,903	5,402	6,054	5,898	5,936	5,632	5,458	5,029
The Americas	1,383	1,347	1,482	1,549	1,745	1,655	1,672	1,610	1,485	1415
Africa, Mid-East, India	751	717	733	789	783	687	624	618	617	546
Far East/ Australia/Asia	582	556	570	600	696	700	660	782	799	770
Total Turnover	7,813	7,560	7,688	8,340	9,278	8,940	8,892	8,642	8,359	7,760

European Turnover (Revenue) by Area of Original Sale
1996-2005 Millions £

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
UK	3,922	3,731	3,634	4,101	4,632	4,062	4,043	4,098	3,581	3,240
Contin.Europe	1,175	1,209	1,269	1,301	1,422	1,836	1,893	1,534	1,877	1,789
Total	5,097	4,940	4,903	5,402	6,054	5,898	5,936	5.632	5,458	5,029

Turnover (Revenue) by Area of Destination
1996-2005 Millions £

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Europe	2,470	2,639	2,838	3,208	3,388	3,400	3,409	3,214	3,168	3,109
The Americas	2,884	2,767	2,763	2,863	3,450	3,253	3,272	3,073	2,861	2,449
Africa, Mid-East, India	1,412	1,253	1,201	1,262	1,304	1,220	1,133	1,118	1,134	1,074
Far East/ Australia/Asia	1,047	901	886	1,007	1,136	1,067	1,078	1,237	1,196	1,128
Total Turnover	7,813	7,560	7,688	8,340	9,278	8,940	8,892	8,642	8,359	7,760

Source: British Airways Annual Report, 2005-2006.

Exhibit 7
British Airways
Operating Profit by Area of Destination

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Europe	**(26)**	**(60)**	**(117)**	**(244)**	**(172)**	**(310)**	**(166)**	**(127)**	**(36)**	**26**
The Americas	**347**	**294**	**223**	**144**	**470**	**308**	**166**	**395**	**316**	**315**
Africa, Mid-East, India	**224**	**210**	**168**	**91**	**92**	**62**	**124**	**125**	**137**	**220**
Far East/ Australia/Asia	**(5)**	**(30)**	**21**	**(101)**	**(10)**	**24**	**33**	**111**	**129**	**167**
Total Turnover	**540**	**405**	**295**	**(110)**	**380**	**84**	**442**	**504**	**546**	**728**

Source: British Airways Annual Report, 2005-2006.

Exhibit 8
Operating Margins
Selected Airlines
2005

	Revenue per Passenger(Euros)	Costs per Passenger (Euro)	Margin %
Ryanair	49	40	18
Southwest	72	66	7
British Airways	351	332	6
Air France	306	293	4
Lufthansa	352	341	3
easyJet	67	65	3
Jetblue	96	97	-1

Source: Ryanair, Various Firm Financial Reports
Analysts Report Ryanair, Davy European Transport and Leisure, March 28, 2006

Exhibit 9
Customer Service Statistics
Selected Airlines
2005

	% on time	Lost bags per 1000 PAX	% completions
Ryanair	90	.5	99.4
Air France	83	15	97.8
Lufthansa	82	16.3	98.7
easyJet	80	n/a	n/a
Iberia	78	15.3	98.8
British Airways	74	17.7	98.5

Source: AEA, Analysts Report Ryanair, Davy European Transport and Leisure, March 28, 2006

Appendix E – Transparency Frames

Appendix F - Checklists

Item	Check
Permanent Markers	☐
Slides	☐
Slide Frames	☐
Calculators	☐
Pens	☐
Scrap Paper	☐
Rulers	☐
Tape	☐
Highlighters	☐
Carrying case for materials	☐
Protractor	☐
Snacks	☐
Liquids (Water, soda, etc)	☐
Post-it® Self-Stick Easel Pads	☐
Easel Pad Markers	☐
Wet Ones or something equivalent to correct slides or wash hands.	☐
	☐
	☐
	☐
	☐
	☐