

# **VONAGE AT THE CROSS-ROADS: A 2007 STRATEGIC PERSPECTIVE, A STRATEGIC MANAGEMENT PUBLISHER'S CASE STUDY TEMPLATE**

## **SHORTCOMINGS**

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## **ABSTRACT**

This strategic management case study exemplar “Vonage at the Crossroads: a 2007 Strategic Perspective” adheres to CENGAGE LEARNING’s prescribed case analysis and was completed by the authors to illustrate the shortcomings of this particular approach in light of the knowledge base and skills set that are needed today. According to CENGAGE a detailed analysis of a case study should include eight areas:

1. The history, development, and growth of the company over time
2. The identification of the company's internal strengths and weaknesses
3. The nature of the external environment surrounding the company
4. A SWOT analysis
5. The kind of corporate-level strategy pursued by the company
6. The nature of the company's business-level strategy
7. The company's structure and control systems and how they match its strategy
8. Recommendations

As stated (<http://college.cengage.com/business/resources/casestudies/students/analyzing.htm>) the objectives of this particular case study are to familiarize students with a standard strategic analysis template, and to let students apply the concepts they have learned when they analyze the issues facing a specific company. To analyze a case study, therefore, they must examine closely the issues with which the company is confronted. However this template is falling rather short of what is required today in terms of strategic analysis in that it only follows the old established traditional industry analysis with Porter’s Five Forces. We are suggesting that it be complemented for a more systematic competitive advantage analysis with: a) an industry value chain analysis to support and reinforce the findings/recommendations in the external environmental analysis, b) a company’s internal value chain analysis to allow for the identification of resources (Wernerfelt, 1984; Rumelt, 1984) and capabilities (Amit & Schoemaker, 1993), core competencies (Prahalad and Hamel, 1990) and capabilities for a more balanced perspective in line with Barney’s Resources Based View and VRIN criteria (1986a, 1986b; 1991), and c) an institutional perspective as indicated by Peng (2002, 2003) given globalization and the need to adapt strategies to prevalent institutional cultures. Furthermore, given the emphasis on Value Creation and Value Adding, we suggest that more sophisticated financial analysis are needed, entailing the use of pro-forma financials for at least EVA analysis and computations, and possibly the application of Real Options to illustrate financially corollaries associated with the recommended strategic alternatives.