School of Economics and Management
Department of Business Administration

Corporate Entrepreneurship and Innovation
Internship and degree project (Master thesis 15 ECTS)

Spring 2013

Strategic repositioning in global manufacturing companies

Authors: Georgi Georgiev & Philip Werner
Supervisor: Joakim Winborg

Acknowledgement

The authors would like to thank the staff at Thule group for their support and stewardship that made this thesis possible, especially Magnus Mattsson and Magnus Welander.

The authors would like also to thank Håkan Lagerquist and Joakim Winborg from Lund University for their supervisions and mentorship.

Title: *Strategic repositioning in global manufacturing companies*

Date: April 29, 2013

Program: Master Program in Entrepreneurship, Corporate Entrepreneurship and Innovation

Course: Internship and degree project (Master thesis 15 ECTS)

Authors: Georgi Georgiev and Philip Werner

Supervisor: Joakim Winborg

Abstract

Thesis purpose: Thule Group is a practical example of a global manufacturing company that is applying a repositioning strategy, for instance, through acquisitions and new product introductions. Therefore, it is suitable to let Thule Group serve as a case to be studied in this context. By acquiring a more extensive understanding of how triggering events affected repositioning strategy at Thule, the researchers will contribute to current research on the topic.

Methodology: Researchers selected the "Case Study Design" for the thesis, which was initiated during a master's degree project at Thule Group. Semi structured interviews were conducted and secondary data was used.

Theoretical perspectives: Ryan, et al. (2007) framework for successful strategic repositioning, company structure, diversification and core competence were used. The study also explores the forms of corporate entrepreneurship and entrepreneurial strategy.

Conclusions: The authors proposed a conceptual model consisting of several factors, considered of major importance for the strategic repositioning process. Three of the nine factors were considered most significant. Researchers concluded that repositioning should be led from the top management of the company. The business should know its consumers very well and the company's core competence will determine the strategic repositioning direction. Thus, top *management commitment*, *high customer awareness and sensitivity* and *core competence* were determined the most important factors.

Keywords: strategic repositioning, corporate entrepreneurship, and entrepreneurial strategy

Table of Content

1. Introduction

In this chapter, a background of entrepreneurial strategy leads to the specific research area of strategic repositioning. A problem discussion concerning the phenomenon of strategic repositioning and the importance of global manufacturing companies then shows the way to the purpose and research questions of this study.

1.1 Background

Companies with mature businesses can often struggle to deliver the growth rates demanded by analysts and shareholders (Lichtenthaler, 2005). As a result of the recessions or other minor economic downturns, many companies have been downsizing and refocusing on their core business. Therefore, many companies end up losing their ability of creating new business ventures separate from their core business. (Lichtenthaler, 2005)

To tackle the issue, businesses today are introducing corporate entrepreneurship strategy, consisting of persistent and innovation-related activities (Ireland, et. al., 2009). The strategy helps revitalize not only their operations but also build new capabilities as a result (Ireland, et. al., 2009). By searching for entrepreneurial strategies, companies place themselves in a position to regularly and systematically recognize and exploit entrepreneurial opportunities (Eisenhardt & Martin 2000).

Renewal and repositioning efforts within established global businesses are essential parts of entrepreneurial strategy, thus paid special attention in this thesis (Ryan et. al., 2007; Ireland et. al., 2009). More specifically, strategic repositioning is defined as a very attractive area for further knowledge exploration (Ryan, et al., 2007). Due to the low amount of studies on the topic, questions arise about the factors influencing strategic repositioning in global manufacturing companies.

1.2 Problem discussion

The role of global manufacturing companies today continues to grow. In next 15 years, 1.8 billion people will enter the global consuming class, which will double worldwide consumption to $64 trillion (Manylka et al., 2012). Manufacturing businesses have helped drive economic growth and living standards for three centuries. They also remain a vital source of innovation and competitiveness while making contributions to research, development and productivity growth (Manylka et al., 2012). When global manufacturing companies struggle with their business, the effects on to the world economy can therefore be severe.

Strategic repositioning efforts as a tool for entrepreneurial strategy implementation can help revitalize these companies, thus creating more jobs and stability in the world. Strategic repositioning is an act initiated by companies as a way to adapt to changing market surroundings (Turner, 2003; Porter, 1996). These strategic changes often represent an important shift in the fundamental value proposition of the company as it seeks to change the market it targets or its fundament of differentiation advantages (Porter, 1996). Turner (2003) describes the phenomenon as "a conscious act undertaken by enterprises as they adapt to a changing commercial environment". Such strategy change often represents a fundamental shift in the underlying value proposition of the enterprise as it seeks to change its targeted market segment. (Turner, 2003)

Researchers identified only two empirical studies closely related to strategic repositioning, including the case study of Cable and Wireless (Turner, 2003) and the case study of Bulmer cider (Ryan, et al., 2007). The Cable and Wireless case is an example of unsuccessful strategic repositioning, where the company expanded too far from its core business (Turner, 2003). With reference to Turner (2003), one can claim that C&W's case is too narrow on the core business with a predominant orientation on the external environment. Also, the attempt to strategically

reposition itself that was too radical and can almost fall into the category of "turnaround" (Bibeault, 1982; Turner, 2003). Meanwhile, the Bulmer cider study is an example of a successful strategic repositioning case where the company followed logical steps of repositioning without steering too far from their core in efforts to change its brand perception (Ryan, et al., 2007). Therefore, we believe through our Thule Group case, we will be able to contribute to existing literature by exploring an interesting case of repositioning while determining the most important factors for the process.

1.3 Research question

By using a single case-study approach, this thesis attempts to explore the following question:

What are the key factors influencing strategic repositioning in global manufacturing companies?

1.4 Purpose

This paper examines the global manufacturing company Thule Group. Thule was owned by three different private equity companies in the past decade which contributed to many operational changes within the company. When EQT acquired Thule, the company was focused on production units expansion and some acquisitions occurred. When Candover acquired Thule, heavy investments were made in car related company acquisitions. Under the current ownership of Nordic Capital, Thule Group is still the market leader in gear transportation solutions. However, the company is slowly repositioning itself from being a Car Accessory Company towards being an Outdoor Sporting Goods Company. For instance, through strategic acquisitions of Case Logic bags and Charriot child carriers, and new product introductions such as bike bags and technical backpacks. Therefore, it is suitable to let Thule Group serve as a case to be studied in this context.

By acquiring a more extensive understanding of the key factors that influenced the strategic repositioning process at Thule Group, the researchers will contribute to current research on the topic is several ways. Firstly, the study reflects how global manufacturing companies can focus their energy and resources on the most crucial factors while implementing repositioning strategy. Secondly, the Thule Group case provides valuable data about important decision making processes during a repositioning strategy. Finally, we believe our study will decrease the gap of existing strategic repositioning studies using the Thule Group case as an example. The study should also have practical application to managers and companies, considering the insights it can provide while taking strategic decisions.

1.5 Disposition of the thesis

Chapter 2 - Theoretical frame of reference

In this chapter the researchers will discuss the theoretical tools, key concepts and theories that will be used to analyze this case study. In the beginning, different forms of corporate entrepreneurship are presented, followed by a discussion of frameworks for strategic repositioning, core competence and diversification.

Chapter 3 - Method

The researchers choose the "Single Case Study Design" for this thesis. The process and the data collection are presented, followed by the method for data analysis and also their reflection of the method chosen.

Chapter 4 - Case introduction

This chapter aims to provide a better understanding of the case. The researchers lay out an overview of Thule Group and a timeline of the company's history. The chapter follows with the key events that lead to the launch of the technical backpacks category.

Chapter 5 - Analysis and discussion

In this chapter authors will analyze empirical data from ch.4. In respect of the proposed theoretical frame of reference, the authors will evaluate if Thule's case of corporate entrepreneurship bears all the traits of strategic repositioning. Secondly, the chapter presents the analyzed interview data compared with the frameworks for successful strategic entrepreneurship from ch.2 in effort to test the models and evaluate the factors affecting the strategic repositioning process.

Chapter 6 - Conclusions and implications

In chapter 6 the researchers conclusion, implication to future research and practical implications are presented.

2. Theoretical frame of reference

The following chapter will present and discuss theoretical tools, key concepts and theories that will be used of the analysis of the case study in Chapter 5.

2.1 Forms of corporate entrepreneurship

Before providing a more detailed discussion of strategic repositioning, researchers believe it is important to introduce the different forms of corporate entrepreneurship, which were analyzed by researchers.

A number of researchers conceptualize several different types of corporate entrepreneurship, including *sustained regeneration, organizational rejuvenation, domain redefinition, strategic renewal and strategic repositioning* (Covin & Miles, 1999; Kuratko et al., 2011; Ireland et al., 2009). *Strategic regeneration* is the most frequent form of corporate entrepreneurship within organizations (Covin & Miles, 1999). It is described as a process where the firm "develops cultures, processes, and structures to support and encourage a continuous stream of new product introductions in its current markets as well as entries with existing products into new markets" (Covin & Miles, 1999).

Organization rejuvenation is targeting firm's internal processes, structures, and capabilities where the focus is on improving its ability to execute strategies. The term is mainly related to the internal areas of the organization, focused on process and administrative innovations rather than product innovations. However, introducing new products and entering new markets with existing products is an integral part of rejuvenation (Kuratko et al., 2011; Dess et al., 2003).

Domain redefinition is defined in firms proactively seeking to create new product market positions that competitors have not recognized yet, where the focus is on exploring "what is

possible" rather than exploring "what is available" (Covin & Miles, 1999). *Strategic renewal* is defined in firms seeking to change the way they compete, allowing the firm to more profitably exploit product-market opportunities (Covin & Miles, 1999). We believe the term *Strategic renewal* is very closely related to *Strategic repositioning,* which is the act of adapt to a changing commercial environment". (Turner, 2003)

After analyzing the given forms of corporate entrepreneurship, researchers believe that strategic repositioning is the most appropriate term of Thule Group's case. A more detailed analysis of strategic repositioning will follow in ch. 2.2.

2.2 Strategic Repositioning

According to Covin and Miles (1999), the areas related to *strategic renewal* are the basis of *strategic repositioning* literature where strategic renewal is a broader concept, also referred to as the "corporate entrepreneurship phenomenon where an organization seeks to redefine its relationship with its market or industry competitors." Agrawal and Helfat (2009) further argue that in strategic renewal, "the content and process of strategy are heavily intertwined, involving multiple dimensions of change" (Agrawal and Helfat, 2009). They argue that strategic renewal involved many aspects of change related to the firm, for example, firm resources and capabilities may be renewed, but also the routines the company uses for decision making (Agrawal and Helfat, 2009). However, Ryan, et al. (2007) state that repositioning is a term more specific to the "change of way in which a firm's product or service in conceived in the marketplace" (Ryan, et al., 2007). Consequently, the term *strategic repositioning* can be found in several different forms by definition. According to Turner (2003), *strategic repositioning* is a "conscious adaptation to a changing environment, representing a fundamental shift in the firm's

value proposition." Turner (2003) argues that repositioning is driven by the gap between the market needs and the capabilities of the business. Repositioning decisions are based on the firm's internal and external environments by finding a match between market requirements with the firm's ability to serve them (Hooley et al., 1998, Zook and Allen, 2001; Baghai et al., 1999; Mintzberg, 1997). *Strategic repositioning* is also related to external environmental changes involving intensity of competition, market and consumer perception and technological change (Ireland, et. al., 2009). It is clearly evident that the authors are disagreeing with the concept of strategic repositioning, which leads us into exploring other business fields in order to get a better picture of the phenomenon.

The phenomenon is discussed in detail by many key authors in the field of strategy. It is also evident that it bears traits of *turnaround strategy* (Bibleault, 1982), *transformational leadership and organizational change* (Pawar and Eastman, 1997) and *corporate transformation* (Dunphy and Stace, 1993). After reviewing the concept of *corporate transformation*, it became evident that the Dunphy and Stace model (1993) suggest that a corporation undergoing a transformational change at a corporate level should implement a directive management style for their repositioning process (Dunphy and Stace, 1993).

Turnaround strategy is a strategy implemented to turn around and rescue a poorly performing organization to make it profitable again (Hofer, 1980). Bibleault (1982) suggests the importance of involving the managers in the process where the success of turning around a company depends heavily on changing the top management (Bibleault, 1982). According to Ryan, et al. (2007), the *repositioning* process shares parallels with *turnaround, in* terms of *strategic* character and the goal to improve value proposition. However, they note there are major differences in terms of nature, scope and path of a change. *Turnaround* is a more radical form of strategic

transformation triggered by performance change that threatens the existence of the organization (Ryan, et al., 2007). Turnaround is also more related to efficiency-led moves, rather than entrepreneurial initiatives (Hambrick and Schechter, 1983). Williamson (1999) also suggests that a *turnaround* without enough investments in market knowledge and needed capabilities might risk the failure of the company. Thus, companies who invest in experiments for a better understanding of new markets and seeding new capabilities, so called "launching pods", could help the company to change its strategic direction in a more smooth way (Williamson, 1999).

In transformational leadership and organizational change literature, Pawar and Eastman (1997) suggest transformational leadership also relates to strategic leadership, which involves "shaping of an organization's strategy, structure, and processes, in order to influence organizational effectiveness" (Pawar and Eastman, 1997). The role of individual leadership, although considered important is also downplayed by some authors and considered "only one of the several factors in the process of organizational change" (Pettigrew, 1987; Pettigrew, Ferlie, & McKee, 1992).

2.3 Frameworks for successful repositioning discussion

Ryan, et al. (2007) proposes a framework for successful strategic repositioning based on six elements: *core strategic values, strategic flexibility/learning capabilities, customer awareness and sensitivity, external orientation, management commitment, and belief in the product and brand*. Ryan, et al. (2007) argue the *core strategic values* of a company should central to the repositioning process without modifying organizational structure, strategic architecture and management. Thus, the only significant change shall be in made in the strategic thinking of the management team. *Learning capability* shall also be a cornerstone of an effective repositioning

strategy. Furthermore, *High customer awareness and sensitivity* should help the management in targeting the right consumers and will give the management the confidence and insight to make bold entrepreneurial moves required to reposition the business (Ryan, et al., 2007). *Critical external orientation* of the company will also provide the valuable insights needed for the management to take important strategic decisions and convince stakeholders that the company is doing the right move. To accomplish this, *top management commitment* is key for the repositioning process where the focus shall be on the overall good of the company going forward. The management also has the duty to show strong support and *belief in the product and brand* even if the venture is not doing well during some specific period.

Researchers, found all elements of significant importance to the strategic repositioning process. However, the researchers believe the framework is incomplete and further exploration of factors is needed. There, we will explore three factors not included in Ryan, et al. (2007) framework, including *organizational structure*, *core competence* and *diversification*. In the following section these factors will be discussed.

2.3.1 Organizational structure

Aggarwal and Mudambi (2005) propose a framework labeled environment-strategy-structure-culture framework. They argue that in order to address the issue of strategic repositioning, a better understanding of the interplay between key management components and the firm's environment is also needed (Aggarwal and Mudambi, 2005). According to the framework, an important part of the repositioning process is the organizational absorptive capacity of responding to changes in customer demands. In relation, absorptive capacity is referred to "the ability of a firm to recognize the value of new, external information, assimilate it, and apply it to

commercial ends is critical to its innovative capabilities“ (Cohen & Levinthal, 1990; Agarwal and Helfat, 2009). *Organizational structure* is a key element from this framework. The flexibility and independence of strategic decisions taking is largely dependent on the company structure and ownership. This has a significant effect in terms of speed of management decision-making and risk taking.

Core competence is another interesting factor that researchers believe is worth discussing for the purpose of this thesis. As noted in the *core strategic values* factor discussed earlier, the core competence will determine the direction of the strategic repositioning process in a company.

2.3.2 Core competence

Prahalad and Hamel (1990) define corporate core competence as “the accumulated knowledge of the organization, in particular, on how to coordinate the different production skills and the knowledge of organic integration of multiple technologies” (Prahalad and Hamel, 1990). Barney (1995) however describes core competence as “the combination of the enterprises valuables and the difficulties to imitate resources and the company competences that do not have any replaceable strategic alternatives” (Barney, 1995). Rothaermel and Hess (2007) and Helfat, et al. (2007) define the dynamic capability of an organization's core competencies as “the capacity of an organization to purposefully create, extend or modify its resource base.”

Building on the theory of core competence, Bers (1993) introduces a four-part process of strategic repositioning. During this process, a company performs a situation analysis, a capabilities analysis, assesses the market, and finally, undertakes organizational repositioning.

First, the company looks at its current situation and the possibilities in its current market. It also evaluates reasons and motivations to move into a new market and set the business and financial

objectives (Bers, 1993). Second, the company assesses its capabilities and then tries to determine its core competencies – not only the technical and business competencies, but also, for example, project management and the company's relations that might add value in other industrial areas (Bers, 1993).

In the third step, the company searches in other industries for products that the company's core competencies could add value to. Bers (1993) presents an example of a company that has developed a missile tracking system for the military and which may have the skills that could be useful for a wide range of other industries. When analyzing new markets to enter, the search starts with markets that are close to the company's original business and then the moves in small steps further away. The market opportunities are then screened with regards to risk, profitability, market potential, entry barriers, competitive intensity, the strategic fit with the companies core competencies and available potential partners in the new market and if the company lack competencies (Bers, 1993).

In the final part, the company forms an entry strategy and the building blocks needed to be successful in the new market – which it needs to build, what capabilities it already has, what is necessary to restructure and what it must obtain through acquisitions or partnerships. Since the companies systems and capabilities were built and adapted for its old market, these could be dysfunctional in a new market; therefore every area within the company is analyzed, benchmarked and rebuilt if needed. This applies not only to operations, technology and marketing, but also human resources management, training systems, information systems and financial management (Bers, 1993).

Diversification is another interesting factor that researchers believe is worth discussing for the purpose of this thesis. We find diversification very closely related to strategic repositioning. In fact one may even consider *diversification* a competing framework of the strategic repositioning.

2.3.3 Diversification

Montgomery (1994) defines corporate diversification as the participation of a corporation in another market. Lichtenthaler however defines diversification as "an increase in products and markets of a company" (Lichtenthaler, 2005). However these definitions don't give us enough indication about the order and scope of the diversification process. For example, in the concept of *strategic repositioning* it is well defined that the *core competence* plays a vital role in determining the order or the spectrum of the process. For example, a car manufacturing company conducting *strategic repositioning* process will not produce airplanes as part of the repositioning process. However, this appears possible under the umbrella of diversification.

A company that wants to diversify could do this in several different ways (See figure 1). According to Lichtenthaler, "Acquiring already existing or new companies is not a diversification" (2005). However, many other authors (e.g., Granstrand, 1998) are using the term competence diversification for that process (Lichtenthaler, 2005).

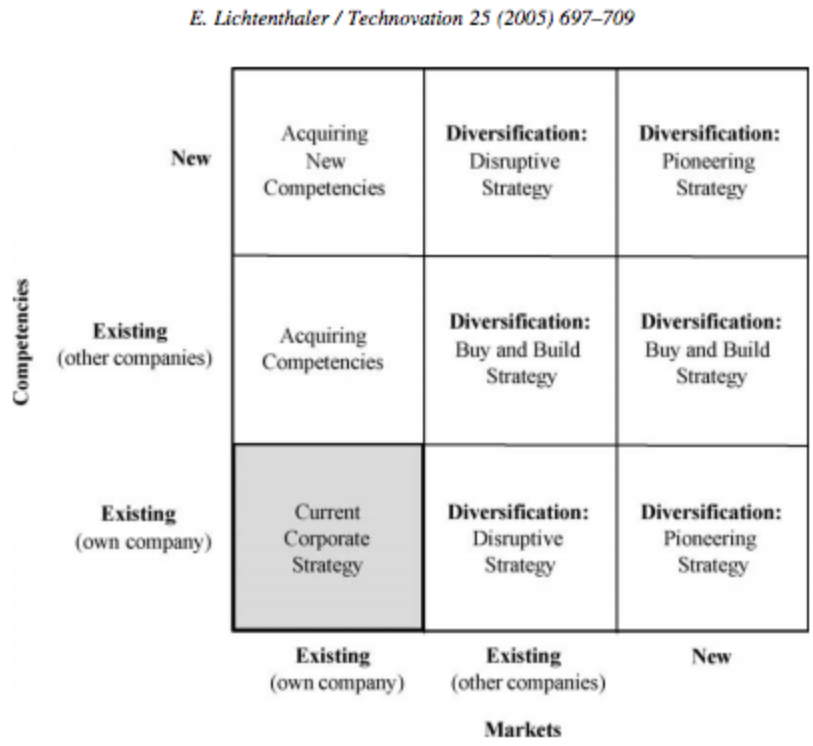


Figure 1. Diversification strategies (Lichtenthaler, 2005)

Lichtenthaler (2005) further argues that entering new markets, where new competencies are needed, normally requires external growth, because building the competencies internally demands too much time – a strategy referred to as "*buy and build strategy*" (Lichtenthaler, 2005). Businesses build their diversification portfolio depending on the company's current growth pipeline and future growth targets. Moreover, some companies have specific competencies only possible to be applied within its given business (Lichtenthaler, 2005).

Very (1993) suggests that portfolio diversification is sometimes the only way to achieve growth for a company, or the only way to survive when sales and profitability of the core business are declining. Consequently, diversification is and will be a strategic option largely used by managers to reach the long-term objectives planned to ensure the future of the firm. (Very, 1993)

For our exploration of the concept of *diversification*, one may argue that the framework is very

similar to *strategic repositioning*. However, Bers (1993) argues that diversification by acquisitions of companies in other markets in general are not the same as strategic repositioning. However, acquisitions in other markets for the purpose of, for instance, solely gaining learning about new markets and technologies, might be considered a part of a company's repositioning strategy. The process is referred to as "educational acquisitions" (Bers, 1993).

Achieving superior performance through diversification is largely based on relatedness. According to the results of Very's study, relatedness is more easily implemented when the competitive structure and the rules of the competition are similar between businesses, in other words, when the top management team can extend its skills to the new business. These findings lead to propose a methodological process for the choice of new businesses. This process does not guarantee success, but limits the risks of failure due to the selection of the "wrong" business (Very, 1993; see figure 2).

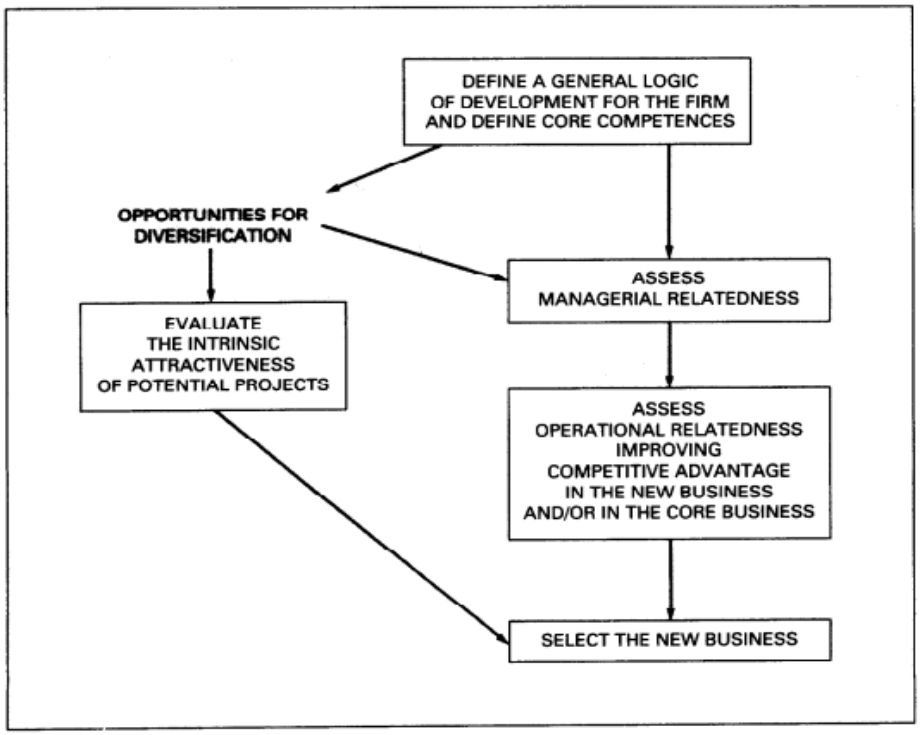


Figure 2. The diversification process (Very, 1993)

Diversification raises the problem of the managerial and operational skills that need to be developed and reinforced over the next years to guarantee the long-term prosperity of the firm. Managers of diversified firms must keep in mind that they not only manage a business portfolio, but that they, first of all, have to manage a portfolio of resources and skills (Very, 1993).

After discussing the proposed frameworks, in the next chapter we will discuss how we will use the frameworks in relation to our research case and present the research method.

3. Method

The researchers choose the "Single Case Study Design" for this thesis. The process and the data collection are presented, followed by the method for data analysis and also their reflection of the method chosen.

3.1 Research design

Empirical research is usually divided into quantitative and qualitative research (Bryman and Bell 2011). Quantitative and qualitative approaches represent different ways of collecting research data and asking research questions (VanderStoep et. al., 2008). In particular, they differ in purpose, method, focus, and criteria looking for the truth. However, no one is considered better than the other and the nature of the research questions should be considered while determining whether to pursue a qualitative or quantitative approach (VanderStoep et. al., 2008)

Qualitative research is more descriptive (VanderStoep et. al., 2008) and is often conducted through case studies (Bryman and Bell 2011). The purpose of the research is to understand the in-depth viewpoint of the participants (VanderStoep et. al., 2008). Furthermore, qualitative research is not only based on using raw data, while implications such as behavioral observations of the participants and company culture can reveal valuable data, but also adding to the quality of the research. (Patton, 1990)

The researchers have selected the "Single Case Study Design" for the thesis. Yin (2009) states "case study is the preferred method when "how" and "why" questions are being exposed and the investigators have little control over events", (Yin, 2009). The case study design provides a vehicle through which several qualitative methods can be combined, thereby avoiding too great of relying on one single approach (Bryman and Bell 2011). The method is also appropriate when combining participant observations with semi-structured interviewing, which are chosen methods

for information gathering by researchers, in addition to documents observation and in-house observations (Bryman and Bell, 2011). Furthermore "case study is the most viable choice of research method, if the phenomena of interest is new or only insufficiently researched" (Eisenhardt, 1989). Thus, researchers strongly believe that case study design is the most suitable choice for our research.

3.2 Process and data collection

According to Eisenhardt (1989), "an early identification of the research question is helpful, but the research question might shift during the research process" (Eisenhardt, 1989). The researchers emphasize that the investigating questions took several forms until the current version. At first, it had a more general nature concerning the "corporate entrepreneurship process" which was later considered too broad. The identification of the research question was also affected by the availability of sufficient literature.

Researchers followed the three principles of data collection as presented by Yin (2009), which included "using multiple sources of evidence, creating a case study database and maintaining a chain of evidence" (Yin, 2009). The given principles are noted to be "extremely important for doing high-quality case studies and help dealing with problems of construct validity and reliability" (Yin, 2009). Researchers also used the six most common sources of evidence in the case study research, including interviews (over the phone, formal and informal), company documentation, archival records, direct observations, participant-observation, and physical artifacts (company products) (Yin, 2009).

To maintain a chain of evidence, researchers collected and preserved all data in a single place, in a form of case study database and carefully dated it so that it was easily accessible. The database

included hand-written notes, voice recordings, archival documents, journalistic articles and interview questions presented in the Bibliography and Appendix sections of this work. All digital files were stored in a specified Dropbox folder and the rest were filed in physical folders. The process of transforming digital data into a simplified and organized form is referred to as "data reduction" (Ehrenberg, 2000). All the data gathered through notes, voice and video recordings, was processed and reduced within 2-3 days after data gathering and even one more time, 2-3 days before the interview, for the preparation (Ehrenberg, 2000). That data was later organized and compressed into the case study database. While interview data was collected, researchers used several sources to compare and verify data aligned with the (Yin 2009) first principle of data collection. Archival documents were also used to get more detailed information about events and occurrences during the interviews.

Patton (1990) suggests, "The quality of the information obtained during an interview is largely dependent on the interviewer". According to Patton (1990), there exist three approaches to gather data through open-ended interviews. The *informal conversational interview* is based on spontaneous generating of answers from implied questions where the interviewed may not even be aware of that it is an interview situation. (Patton, 1990) The *general interview guide approach,* which includes a checklist of information to be obtained but no set of questions, is written in advance. The *standardized open-ended interview* consists of carefully prepared and arranged questions.

Name	Title/position	Interview method	Number	Country	Date
Magnus Welander	CEO Thule Group	General Interview approach	1	Sweden	11/3
Magnus Mattsson	Market Intelligence Analyst	Informal conversational interviews	10	Sweden	10/1 - 25/4
Andreas Holm	Area sales manager	Informal conversational interviews	1	Sweden	1/2
Mike Noer	Head of New Ventures	Standardized open-ended phone interview	1	USA	24/4
Graham Jackson	Head of Hike´n Trek	Standardized open-ended phone interview	1	USA	25/4

Figure 3. Description of the interviews

The set of participants for the interview was assembled according to a method referred to as *snowball sampling,* based on an individual recommendation method where the interviewees name additional respondents who can contribute to the research (Goodman, 1961). The graduate project supervisor at Thule Group, Magnus Mattsson, named all viable potential respondents during the early phase of the data collection process. The researchers university thesis advisors, themselves, also made suggestions. Gaps in research data were also considered while looking for participants. Interviews were conducted by two people, which allowed the use of the technique of unique individual roles (Eisenhardt, 1989), where one interviewer was asking questions, while the other was observing and taking notes. The interviews were also recorded and video taped. The videotaping was considered due to the fact that Thule managers often used gestures and other visuals while explaining themselves, which the researcher found to be useful empirical

data. After the interviews, the researchers gathered the case study research material and explored its relation with the theories that existed at the time of the thesis and also discovered how it could contribute to the knowledge they have gained from previous read literature.

It is important to note that aligned with the research, a business development project was also initiated by the researchers. Magnus Mattsson was appointed mentor for the project and was overseen by Magnus Welander. During the project, a deeper observation of Thule Group's management methods and company culture was conducted. The purpose of the Business Development Project was to provide a European market intelligence material for the Sales and Management team of Thule Group. The finalized report was used by the company while making decision for the channel distribution of the new product line. While proceeding with the project at Thule, the researchers gained extensive knowledge of the background of Thule Group, the decisions behind recent category entries, and Thule's management style and its vision.

3.3 Method for data analysis

During the analysis process, the researchers went back and forth systematically, between various collected data but staying in a close relationship with their existing theories (Bryman and Bell, 2011). This process is argued to be an essential part of building and proving a theory (Eisenhardt, 1989). While attempting to build a theory from cases, the work with analyzing the data was the central and most time-consuming part.

Eisenhardt (1989) suggests the general aim of a case study is to contribute to, test an existing theory or build a new one. Therefore, in the analysis researchers examined empirical data from chapter 4 is in respect of the proposed theoretical frame of reference. First, researchers evaluated whether the Thule's case of corporate entrepreneurship bears all the traits of strategic

repositioning. Secondly, the researchers presented the analyzed interview data, compared it with the frameworks for successful strategic entrepreneurship from chapter 2, in effort to test the models and evaluated the factors affecting the strategic repositioning process.

3.4 Reflection on selected methods.

The fact that the researchers were using the single case study approach has the drawbacks because of the inability to compare the results to other similar cases (Yin, 2009; Eisenhardt, 1989). Even though the researchers believe that discoveries from the study can be applicable to other global manufacturing companies, it has to be taken into account that the range of possible types of companies this list may include, is broad and there are other possible significant company differences; in terms of size, geography, culture, industry etc. (Eisenhardt, 1989). The possibility of bias in the researchers interviews shall also be considered. The first interviews were initiated with the CEO and the mentor of the internship project without any clear guidelines, which on the other hand leaves the interviewees some room for subjectivity.

4. Case Introduction

To better understand what lead to Thule's repositioning strategy, it is important to get familiarized with the significance of the company background, ownership and structure, and M&A's in the past decade.

4.1 Thule Group Background

According to the company website (Thule, 2013), Thule was founded in 1942 by Erik Thulin, functioning as a metal factory at first and making products such as pike traps and belt buckles. In 1955, Thule started making headlight protection grills, which was their first entry into the automotive accessories market. By the 1960s, the company began to concentrate its business to car-related products, and before long, the first roof rack was born in 1962. Car roof products defined Thule for the larger part of the company's early history. New product categories were added in the 1970s and new markets were opened worldwide, including USA and Japan. The Thulin family sold Thule to the publicly listed company Eldon in 1979 and in the last decade the company has changed ownership between three different private equity owners. Since then, the company has been growing both organically and through acquisitions, entering into non-car related segments such as luggage and child carriers but still targeting the same customers and outdoor activities.

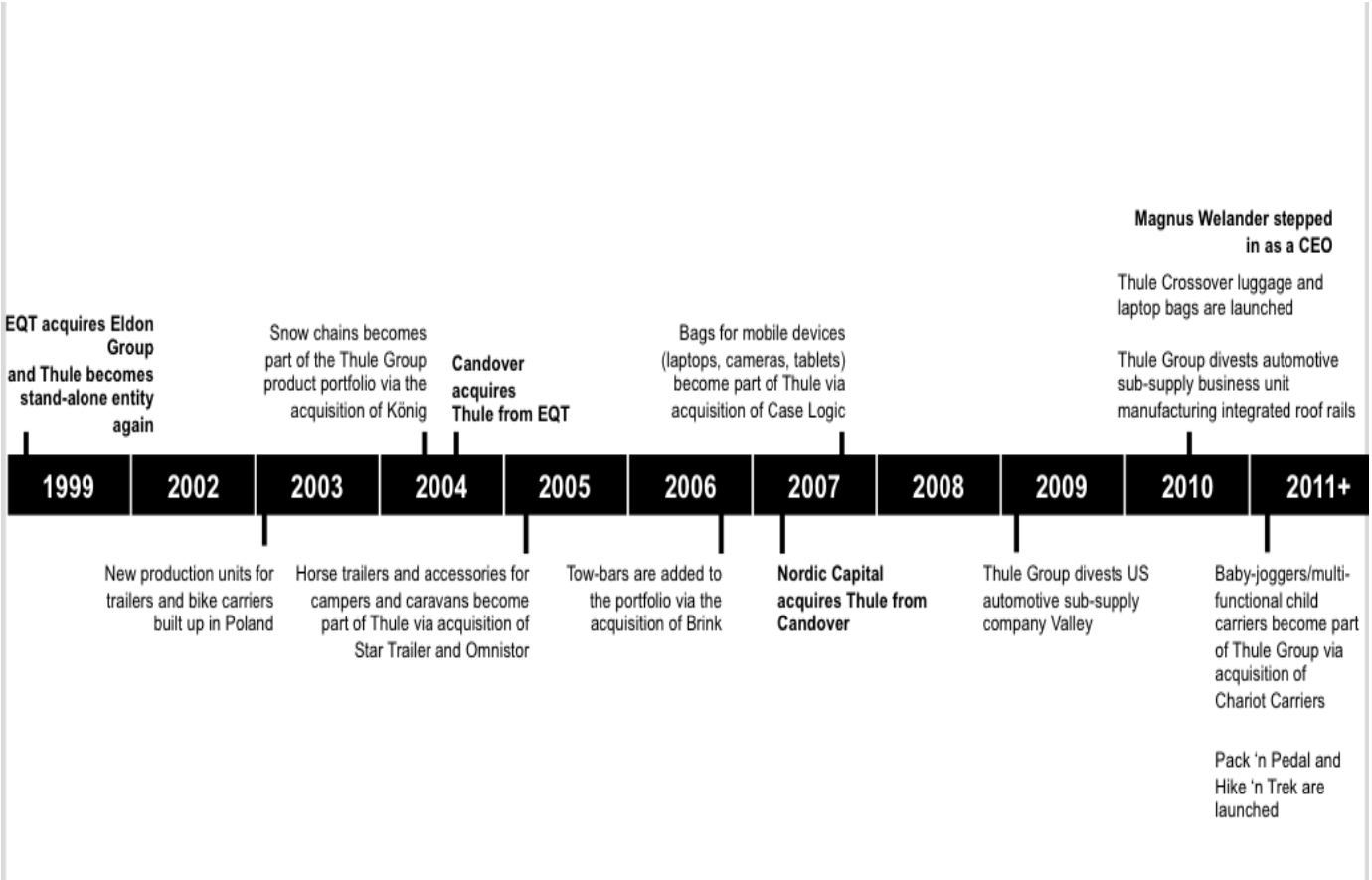


Figure 5. Important company event in the last decade (Thule corporate website)

4.2 M&A's and organic product launches at Thule Group.

Private Equity owner EQT, 1999

König, the Italian maker of snow chains, was acquired in 2004. With the purchase, "Thule was able to centralize König's marketing department and launched Thule-branded snow chains for passenger cars" (The Globe and Mail, 2011). C & C Distributors Inc., a Maine, USA based maker of cargo and snowmobile trailers, was also acquired in 2004 but "never fully integrated into Thule and was sold back in 2006" (The Globe and Mail, 2011).

Private Equity owner Candover, 2004

In 2005, the Belgian company Omnistor, producer of awnings and accessories for RVs and campers, was acquired. It was seen as a "good fit because camper vacations were growing in popularity in Europe, and demand for accessories was increasing" (The Globe and Mail, 2011). Star Trailer, a horse trailers maker, was also acquired in 2005 (Thule corporate website, 2013).

In 2005, the company also bought Sportworks, a "Washington-based manufacturer of front- and rear-mounted bike carriers. Thule acquired Sportworks' small product line and renamed the company Thule TS2. The company was brought into Thule's North American operations and renamed Thule Trailers Inc." (The Globe and Mail, 2011).

In 2006, Thule acquired Brink International, Valley Industries and SportRack Accessories, which were divisions of US based Advanced Accessory Systems LLC (AAS). AAS was a leading global supplier of roof rack systems, towing systems and related lifestyle accessories to the automotive industry. AAS consisted of four operating business units. Three of those were divested to Thule including Brink International BV (tow-bars), Valley Industries (US towing products for the aftermarket) and SportRack Accessories (load carriers) (Snews, 2006). The integration has resulted in a series of tow bars and bike carrier solutions (Thule corporate website, 2013). In 2009, Valley Industries was sold back to previous management (The Globe and Mail, 2011). Thule also acquired Anhaenger-center.com in 2006, a leading German rental trailer company (Thule rental, 2006).

Private Equity owner, Nordic Capital, 2007

In 2007, Thule acquired Case logic. The company has maintained its brand and management (The Globe and Mail, 2011). Also In 2007, United Welding Service, the Florida-based maker of

lockable aluminum boxes and step bars for pickups became part of Thule's North American operations. Headquarters, brand name and management remained the same (The Globe and Mail, 2011).

In 2010, Thule acquired TracRac, an Industry Leading Manufacturer of Truck Racks, Van Racks and Accessories. Operations remained in the United States under the same name (The Globe and Mail, 2011).

In 2010, Thule divested its automotive related integrated roof rail business to Sapa (Sapa, 2010).

In 2010 also, Thule organically launched the Crossover bags, including four roller bags that are built around robust aluminum 'V-Tubing' frames, which take design cues from Thule's rack systems. There are also complementary duffel bags and backpacks, which feature aluminum hardware and share the rolling line's water resistant fabrics (Bike Radar, 2010).

In 2011, Thule Group acquired the Canadian company Chariot Carriers Inc. (The Globe and Mail, 2011).

In 2012, Thule acquired Freeload bike racks. This acquisition was part of the launch of the new Thule Pack 'n Pedal range. "We were looking for a bike rack system that could match the stringent requirements we have at Thule, with smart solutions for an active lifestyle. Freeload had developed some very smart solutions that we felt fit our needs", says Magnus Welander (Thule, 2012). Freeloader is an alloy and plastic racking system that can be fitted to the front and rear of practically any bike using webbing straps rather than mounting bolts (Road CC, 2012).

In 2012, Thule organically launched Pack 'n Pedal, bike cargo bags and EnRoute 2012, laptop daypacks with an outdoor twist. During the summer of 2014, Thule Group is set to launch Hike 'n Trek.

4.3 New category ideas

As Magnus Welander, CEO of Thule Group points out; "Ideas don't come like a flash from a clear blue sky" (Welander, 2013). It is important to understand that the idea for technical backpacks has been growing and thought about in different contexts. The ideas for the recent product launches are linked to previous key events at Thule group, dating from as early as 1999, when Thule was acquired by EQT, a private equity firm (Welander, 2013).

Before EQT came in, Thule had less products and factories than what the company was capable of supplying to (Welander, 2013). The company was underinvested in factories and production, and had better and stronger customer base than they were capable of supplying to (Welander, 2013). Thus, EQT's came in with funding management and focus on expanding the company to additional countries and also increasing the production (Welander, 2013). The move resulted in big investments in what is today Thule's largest factory in Poland. In addition to other factories, which furthermore enabled the company to deliver and sell up to its potential (Welander, 2013). The expansion strategy combined with the favorable world economy made Thule increasingly attractive for the next private equity buyer (Welander, 2013).

When the Private Equity firm Candover bought the company in 2004, the focused on international markets and production expansion strategy (Welander, 2013). However, Candover took a different value adding strategy to increase Thule's attractiveness (Welander, 2013). Candover invested in the "buy and build scenario" where they bought, similar to Thule, smaller companies that can add on to Thule's core business, also referred to as "multiple arbitrage" in finance (Welander, 2013).

Under Candover ownership, Thule Group's management requested a target acquisition study with the help of Boston Consulting Group. At the time, all companies on the list were car related

because Thule perceived itself as a “world leading car accessories” business (Welander, 2013). The Thule brand were mostly to be found in car related sales channels in Europe and the consumers mainly associated Thule with the “cargo/ski boxes” products. However, if looking at the acquisition list today, 90% of the companies specified there will be considered “uninteresting” for Thule (Welander, 2013).

Today, Thule is almost the same company, with same products and core business. However, just because of the mindset of being a “car-related only” business is no longer valid, those companies are of no interest (Welander, 2013). After almost all potential companies on the acquisition list were bought or attempted to be aquired, the list was almost exhausted. This gave an even clearer indication that Thule Group should start looking for other non-car related categories in the future (Welander, 2013).

Magnus Welander, who was the Division President of Car Accessories for Europe and Asia at the time, was the visionary of this evolving repositioning strategy, which he pitched while emerging as the new CEO of Thule Group. He argued that, “If you look at the reason why people buy Thule products, it is not because people bought a new car, it is about the activities they are about to do. The company has always been about the outdoor activities hence a very logical step for us to take” (Welander, 2013).

Consequently, a new management consulting study in 2007 was conducted by Bain and Company to explore new category possibilities for Thule. At the time, the strategy was still focusing on buying more companies, as it was relatively easy to borrow money before the financial crisis. In addition, “buying a business is traditionally the quickest way to get into a new category rather than doing it organically” (Welander, 2013). At that time, Thule’s tagline was “First in Sports Utility transportation,” which opened discussions about new categories to be

added, specifically in the field of “sports”. Thus, discussions about travel and active lifestyle solutions emerged, though still mostly related to the car industry (Welander, 2013).

A management consultant mentioned the Swiss company Wenger as an example for inspiration. Wenger started by offering the Swiss knife and later successfully transitioned to watches, clothing and bags. “Thule has similar brand strength and is capable of an equivalent success”, Thule management and consultants concluded (Thule, 2013; Welander, 2013).

While discussing bags as a possible category, difference of opinions occurred. Magnus Welander was behind the idea of bags that complement the activities, which Thule’s current customers are doing - hiking, skiing, etc. – while the CEO at that time was a fan of the Samsonite type of bags, where customers can bring their equipment – laptops, cameras, etc. By chance, around the same time frame, it became evident that Case Logic was for sale for a relatively good price (Welander, 2013). In 2007, Thule acquired Case logic.

The acquisition allowed Thule to expand its presence in the storage and organization market, as well as several other related markets. In a press release, Anders Pettersson, former president and CEO of Thule, stated, "the Case Logic acquisition added a highly complementary line of products to Thule Group’s core line of smart transportation solutions based on functional design. Thule and Case Logic were serving the same end consumer groups, active people that need an accessory to bring their equipment with them safely, easily and in style. A large percentage of Case Logic's products were also offered around or inside the car, where Thule has its strong base" (PRNewswire, 2006).

4.4 Focus on organic growth

Nordic Capital stepped in as the third private equity owner around the time of the world financial crisis in 2007, which meant that buying more companies could be a much harder strategy to execute. The financial crisis also lead to the need for restructuring the company because of the big debt Thule Group had piled up due to the expansion in previous years. Therefore, buying more companies and expanding to new categories was no longer a logical option. Thule management had to convince owners that the core business will do well. Expansion was "put on the shelf" and core business was the main focus (Welander, 2013).

In addition, when Magnus Welander stepped in as the new CEO of Thule Group in 2010, his vision was not focused on buying more businesses. Also, he considered M&A's to be often challenging and not always effective (Welander, 2013). He wanted to focus on organically going into more categories and targets the front end of the business by creating stronger relationships with retailers and consumers. "When building a new products organically, you don't need much money, you have strong control over the product but it takes much longer time (…) Furthermore, when a new product is organically introduced in a company like Thule, which has a turnover of close to 6 billion SEK, the sales from the new product would hardly make any difference, one can barely see it in the financial numbers" (Welander, 2013). It is a product that is expected to reflect to no more than 2-3% of the total turnover of the company (Welander, 2013).

In line with the strategic direction to focus more on branded consumer related products and retail, Thule even started divesting areas which were no longer the focus, including the roof rail business which was divested to Sapa in 2010 (Welander, 2013; Sapa, 2010). Meanwhile, Thule focused on retail and consumer relationships through launching the Thule partner program, Thule concept stores and Thule adventure team.

Before the decision of entering new categories was made, the Thule group management did their own market intelligence study, which was convincing enough to confirm the hypothesis that going into technical backpacks, bike related bags, and child carries was a strategic fit for Thule. However, as Magnus Welander pointed out "to convince a private equity firm to take a major strategic decision, such as expanding into new category, a management led study is often not convincing enough." Thus, Thule management has to look into a leading management consulting firms to help them prove their findings (Welander, 2013).

Though usually very expensive, top management consulting firms can play an important role in the decision process. "They are very analytically driven and they can open more doors than what management can do on its own," said Welander. Moreover, management consulting recommendations installs greater confidence in the client about moving in a particular direction. When the company has greater clarity about and confidence in a particular course of action, the client is much more likely to take action" (Cheng, 2012).

Thule Group management picked Bain & Company for a project to evaluate potential category entries (Welander, 2013). The specific objective of the report was "to develop a specific and actionable acquisition plan, which supports Thule Group's growth strategy to grow as a multi-brand consumer goods company, building on current product and channel presence, expanding into active leisure products" (Bain & Company, project Hermes). According to the report, Bain & Company suggested, "technical backpacks would be a logical extension of Thule Group's outdoor focus, and is a gap in the current product portfolio. Acquiring a major player in this area would significantly reinforce Thule Group's presence in the outdoor channel" (Bain & Company, project Hermes). In addition, a M&A strategy will help Thule Group "significantly grow portfolio in outdoor consumer goods and retail channels and pursue cheap synergies to

existing core business“ (Bain & Company, project Hermes). Among the 35 acquisition targets were identified in several different categories including bike bags/trailers, DSLR bags, technical backpacks and hiking tents (Bain & Company, project Hermes).

The logic was to learn more about the competitors in the market and approach the potential attractive players for acquisition. If acquisition for a good price and strong fit were not possible, the management had even stronger arguments to back up organic product development (Welander, 2013). Thule focused on the top 3 categories that will help the company reposition itself towards the Outdoor market from customer’s and retailer’s perspective. The key was to identify categories that were logical and not too far from Thule’s current offering (Welander, 2013). The categories that stood out the most were:

- Solutions for outdoor activities with children (resulted in Chariot acquisition in 2011)
- Packing items on a bicycle (resulted in Pack ‘n Pedal launch in 2012)
- Carrying items with you while outdoors (resulted on Hike ‘n Trek launch in 2014)

Once the categories were identified, Thule management analyzed the size of markets and also the potential for innovation in these categories. While looking at the size, technical backpacks were identified as the most profitable category (est. 7-11% EBIT), followed by bike bags (7-9% EBIT) (Bain & Company, project Hermes). However, frequency of innovation in the bike bags category was much lower, with fewer established global players, compared to technical backpacks category where innovations are more frequent, style and design are more important and there are several strong global players.

Thus, Pack ‘n Pedal was determined to be the first organic product to be launched (Welander, 2013). Chariot was identified as the most attractive target in the child transportation segment as “a global leader with strong position on both sides of the Atlantic” (Bain & Company, project

Hermes). In addition, Sweden was the 2nd largest market for Chariot after Germany (Bain & Company, project Hermes), which will help with brand repositioning in Sweden (Welander, 2013).

4.5 Pack 'n Pedal launch in 2012

Bike bags were a smaller category but a lot easier to enter into due to the lower entry barriers and less competition. Thule was also well present into biking retail sales channels. The category essentially provided a much bigger opportunity for success (Welander, 2013). The logic was that if Thule does well in that category, the company will gain more credibility to get into technical backpacks. Hike 'n Trek was still in the planning then but from timing perspective, it was more logical to enter with Pack 'n Pedal at first (Welander, 2013).

4.6 Chariot acquisition in 2011

Thule's tagline "Bring your life" stands for bringing with you the things you care the most for. As the majority of Thule management team are parents, they quickly realized they are not currently offering solutions for outdoor activities for children. Naturally, a solution for children was a category that not only fit with other Thule product offerings but also a category that Thule's management team had a genuine interest in (Welander, 2013).

Thule runs Chariot Carriers as a separate business unit in a newly created division, Thule Child Transport Systems Ltd. According to Magnus Welander, there will be a push on product development and testing in the Calgary office, and a focus on getting products to the market faster (The Globe and Mail, 2011).

4.7 Hike ‘n Trek launch in 2014

Hike ‘n Trek is a complete line of family products of technical backpacks, targeted at outdoors and sports activities especially. The project is targeted to meet the desires of the dedicated and extreme outdoor users. It will offer a family of products with strong emphasis on ease of use and safety, positioned at price points where broad premium players act (Thule, 2013). Magnus pitched Hike ’n Trek as a product that will positively contribute to the growth of Thule Group. He convinced owners that Hike ’n Trek will boost the core business by strengthening the Thule brand and making importance with certain retailers in Thule’s core business even more important by adding a category they liked.

Therefore, Hike ’n Trek was not an area that is unrelated to the core business or a product that can lead to losing focus. In fact, Hike ’n Trek is a new category with minimal cannibalization, only additional revenues and profits, helping in terms of brand positioning and supplier strength in negotiation, or becoming more important for retailers (Welander, 2013; Jackson, 2013). See also Appendix: technical backpacks market overview: Europe.

4.8 Thule partner program

The launch of the Thule Partner Program is a part of the strategic decision taken by the Thule Group to increase visibility and awareness of the company’s products and to emphasize the company’s profile among retailers within all the channels where Thule branded products are sold (Thule, 2003). There are two parts of the Thule Partner Program that enables the company to succeed in achieving its vision. The Thule products are presented in an attractive and visible way by the dealers while the staff in the shops is given the necessary knowledge about the products

and how they work (Thule, 2003). The Thule Partner Program is offered to selected retailers in various selected countries, all of which fulfill criteria defined by Thule (Thule, 2013).

The most visible part of the Partner Program is the Thule Store Concept. While the goal of Thule Group is not to focus on in-house retail stores, the main goal of the Store Concept is to visualize how other retailers should be selling Thule Group products. It includes premium displays, eye-catching packaging, informative product films and an innovative on-line fit guide, allowing consumers to choose which product would best suit their needs and illustrate how the product would look in use. All point-of-sale material is designed to help consumers see, feel and experience the depth and width of Thule's product range (Thule, 2013).

A well-perceived brand among adventure and outdoor sports professionals has a positive two-sided impact on both Thule's customers and retail stores relationships. In the past, Thule sponsored the Swedish skier Ingemar Stenmark and the world's best windsurfer, Robby Naish, which was a strategic leap on the growing trend of windsurfing. Today, Thule has an official "Partners in Sports Sponsorship Program" and even a "Thule Adventure Team" which consists of 5 athletes teamed up to compete in the toughest adventure races in the world.

4.9 Situation today

Today, Thule Group is a multinational company that develops solutions for active families, outdoor enthusiasts, and professionals to transport their gear. The company has approximately 3,100 employees at over 50 production and sales locations all over the world. Annual turnover is 5.7 Billion SEK. Thule Group operates in 4 business segments including outdoors, bags, towing and work gear (Thule, 2013).

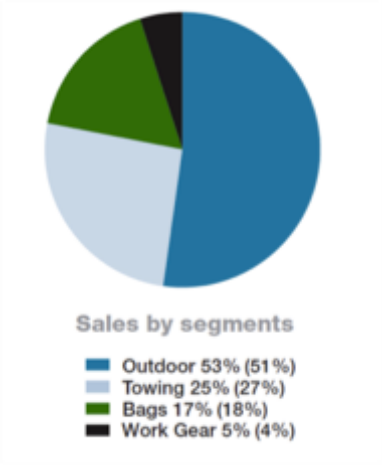


Figure 7. Company sales by segments

Outdoor: Designs, develops, manufactures and markets load-carrying systems for people who want to bring what they treasure most with them (e.g. roof racks, roof top boxes, bike- and water-sport carriers, snow chains, bike pannier bags, child carriers).

Towing: Designs, develops, produces and markets a complete range of towing systems for private cars and a wide range of trailers for leisure (e.g. boat and horses) and professional use as well as integrated bike rack solutions for hybrid cars and cars with no fixed towing solutions.

Bags: Designs, develops and markets a complete range of backpacks and bags for mobile devices such as, laptops, cameras, tablets and has also recently expanded into the luggage market.

Work gear: Designs, develops and markets a range of products for professional users in North America such as pick-up truck toolboxes.

At present, Thule group is owned by Nordic Capital private equity, which acquired Thule in 2007. Thule is currently implementing new consumer-oriented strategy and a new global store concept (Thule, 2013). Thule's main focus today is to grow as a consumer goods company, expanding into active leisure products with strong global and regional brands, and to increase their presence in outdoor and sports channels and gain a critical mass of product offerings outside of transport solutions.

5. Analysis and discussion

In this chapter authors will analyze empirical data from chapter 4 in respect of the proposed theoretical frame of reference. The authors will evaluate if Thule's case of corporate entrepreneurship bears all the traits of strategic repositioning. Secondly, the chapter presents the analyzed interview data compared with the frameworks for successful strategic entrepreneurship from chapter 2 in effort to test the models and evaluate the factors affecting the strategic repositioning process.

5.1 Strategic repositioning

The Thule Group's case can be directly related to several forms of corporate entrepreneurship. Introducing new products and entering new markets with existing products is also an integral part of *rejuvenation*, *regeneration and redefinition* (Covin & Miles, 1999). Magnus Welander's strong position and engagement with the business since his arrival bears traits of *transformational leadership (*Pawar & Eastman, 1997). The case could also bear features of a *turnaround,* though that will be far more extreme as the change was not necessary urgent and core business was still doing quite well.

The data from chapter 4 gives researchers a greater indication of Thule Group's case being of strategic repositioning, under the umbrella of strategic renewal. While Ryan, et al. (2007) argue, "the realm of *strategic change* appears prospective as a theoretical home for repositioning," the definition of Turner (2003) is more suitable in the Thule Group's case.

Researchers can see the new product introductions at Thule Group directly as a conscious adaptation to a changing environment, representing a fundamental shift in the firm's value proposition and finding a match between market requirements with the firm's ability to serve them Turner (2003). The case of Thule Group dictates that global manufacturing businesses must constantly seek competitive advantage without disrupting daily operations (Kotter, 2012). Thule

Group's strategy is framed in a way so that the company constantly seeks opportunities, identifying initiatives that will capitalize on them, and complete those initiatives swiftly and efficiently" (Kotter, 2012). Thule Group does not only act in response to a change in the environment, in fact the company conducts these activities on a regular basis (Agrawal & Helfat, 2009).

Through a repositioning strategy implementation, Thule Group made use of existing knowledge and innovative behavior in order to bring about change in an organization´s core competencies and product market domain (Floyd & Lane, 2000). In turbulent environments such as outdoor and car accessories markets, where high product quality, safety and innovation are key, Thule Group was frequently faced with strategic decision challenges to deliver to those expectations from stakeholders (Welander, 2013; Ireland, et. al., 2009). Thus, strategic repositioning was in the core of the entrepreneurial strategy where the company could constantly steer their direction for a better value proposition (Ryan, et al., 2007) with the potential to substantially affect their long-term prospects (Agrawal and Helfat, 2009).

5.2 Models for successful repositioning discussion

In consideration of the various theoretical frameworks, the authors of this thesis propose a revised model consisting of the Ryan, et al. (2007) six elements framework, company structure, diversification and core competence frameworks. (See Figure 8)

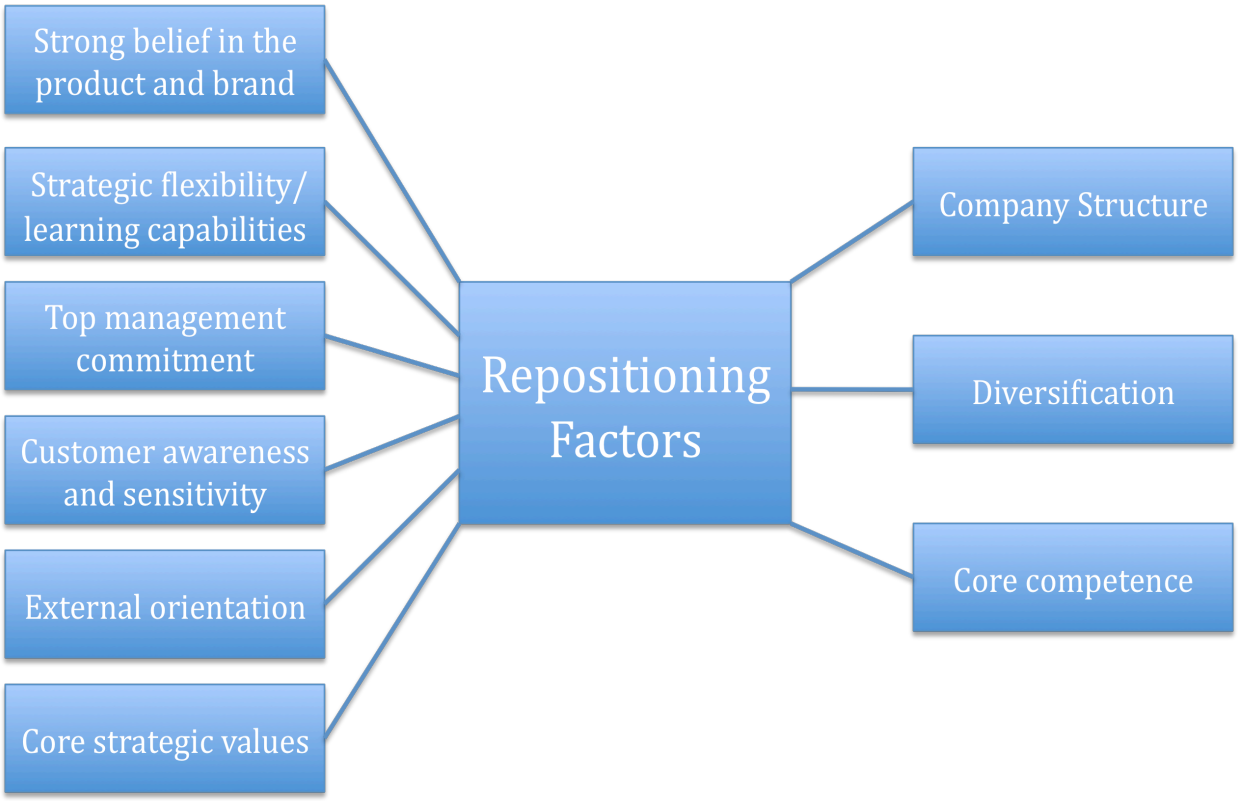


Figure 8. Proposed model for successful strategic repositioning by the researchers.

All frameworks and factors will be discussed in the following sections.

5.2.1 Six elements framework discussion

Core strategic values

Ryan, et al. (2007) argue that repositioning involves realignment and refocusing, not replacement of strategic posture. Thus, product (except for small modifications), organizational structure, strategic architecture and management shall not be changed. The only significant change shall be in the strategic thinking of the management team, the image of the product and in the mind of the consumers. Therefore, strategic repositioning is underpinned by purposeful, enduring and fundamental values (Collins & Porras, 1994). In relation, Thule group entered into several non-

car related segments but still kept the same structure, consumer focus and its core business (Ryan, et al. 2007).

Strategic flexibility and strong learning capabilities

Ryan, et al. (2007) point out that strategy shall be open and receptive to change, allowing it to develop over time. Learning capability shall also be a cornerstone of an effective repositioning strategy. (Ryan, et al., 2007). As we stated in chapter 2, repositioning decisions are based on internal and external factors (Hooley et al., 1998, Zook & Allen, 2001; Baghai et al., 1999; Mintzberg, 1997). Those factors can often change unexpectedly. In the beginning of chapter 4, authors pointed out how the financial crisis had a major effect on the buy and build strategy of Thule's management at the time due to declining budgets (Bers, 1993).

Thus, management should be capable of changing direction affecting the capability of assets and determining how distinctive resources and capabilities sustain. Here one can also point out the role of the entrepreneurial champion in the face of Magnus Welander, who compiles elements of leadership and a certain set of capabilities (e.g. motivation and commitment, knowledge and expertise, networks, etc.) (Kuratko et al., 2011).

High customer awareness and sensitivity

Ryan, et al. (2007) argue that comprehensive awareness of the consumer categories that use the company products should help the management in targeting the consumers most likely to be swayed into buying the product. Moreover, proximity to consumers and sensitivity to their needs should give the management the confidence and insight to make bold entrepreneurial moves required to reposition the business (Ryan, et al., 2007).

As mentioned in section 4.1, even the fact that Thule has entered several new product categories, the company is still targeting the same customer. In fact, it appears that they know their consumers so well that they are completely confident of launching new products. For example, as Thule Group is already very strong in the bike and bags sales channels, the Pack ’n Pedal and crossover bags products were no surprise for retailers and customers. The products were strongly perceived as a very logical step for Thule, it was a must have. On the other hand, child carriers were more problematic. However, Thule management strongly believes they can create products in that category. Customers and retailers also strongly associate the Thule brand with quality and safety, which is very important for child-related products (Welander, 2013).

The chariot acquisition was very logical part of Thule’s repositioning strategy. Thule Group and Chariot share the same philosophy of smart solutions for active lifestyles (Bike EU, 2011). “If you look at the consumers Thule is targeting…the places they go to buy their product…in those stores, in many cases next to Thule’s product, one will find the Chariot” (The Globe and Mail, 2011). The diversification logic is applied here via the “buy and build strategy,” where new competences and markets were needed but it required too much time to grow organically and acquisition was a more logical choice (Lichtenthaler, 2005).

Critical external orientation

Deep and ingrained understanding of external environments and competitive analysis shall steer the management into the right direction. Thule Group’s management had a very solid understanding of its business external environments. According to Magnus Welander, many of the strategic decisions made at the company were backed up by Thule’s own management analysis and those made by management consulting firms (Welander, 2013).

Top management commitment

Ryan, et al. (2007) argue that repositioning shall be led from the top of the company, as in most successful strategic change. Furthermore, the focus in repositioning shall be on the overall good of the company going forward. Specific managerial incentives may not be given while pride and willingness to succeed should be the main factors driving the management. Such affective motivations generate superior commitment (Meyer & Herscovitch, 2001).

The case of Cable & Wireless indicated that its repositioning efforts to the international data markets failed to close the gap between the market's needs and the ability of the company to meet them (Turner, 2003). Thule's repositioning strategy was triggered the market direction as the world car related industry is in decline. Furthermore, Kurtako, Montagno, & Hornsby (1990) empirically identified "reward and resource availability" as a principal determinant of entrepreneurial behavior by middle- and first level-managers. Researchers were unable to relate information from the case study in terms of rewards systems at Thule Group. However, it became evident that the culture of the company is very results driven and all employees take pride and passion in the brand.

Belief in the product and brand

The product shall be central to the repositioning strategy, with strong support and belief from the management even if results are disappointing at times. According to Welander, Thule management strongly believes they can succeed with new products. Customers and retailers also strongly associate the Thule brand with quality (Welander, 2013).

Company ownership and structure

As described in section 4.2, Thule Group has had three different private equity owners in the past decade. This is a huge factor in terms of strategic decision-making. Private equity owned companies are usually being constantly challenged to come up with new ideas and products, which will make the company more interesting and valuable for the next buyer, which is usually not the case for privately owned companies (Welander, 2013).

Most importantly, Thule groups "organizational absorptive capacity of responding to changes in customer demands" is arguably due to the company structure (Aggarwal & Mudambi, 2005; Agarwal & Helfat, 2009). Moreover, the value of a company is greatly increased if it manages to successfully develop products organically. According to Mike Noer, Hike 'n Trek and Pack 'n Pedal directly contributed to the value of Thule overall by building a competence in organic growth (Noer, 2013).

Moreover, an outdoor brand that has strong position in the car accessories segment is far more valuable in the eyes of the financial community that a car accessories brand only (Noer, 2013). Thule management strongly believed that by entering into this field (outdoor, bags), the company would also open up more interest among potential investors in the outdoor industry (Noer, 2013). Thule's management goal was to prove that the company could successfully grow products organically and integrate M&A to their business model most of the time.

An indication that the business has the capability to grow even further makes the company very attractive for future owners or makes a public offering possible (Noer, 2013). Thus, the capacity of both successful M&A's integration and organic growth is seen as a strong competitive advantage. This is in line with Very (2003), who argues that value increase is most likely to be achieved if competitive advantage is generated. (Very, 2003)

5.2.2 Diversification

As mentioned in chapter 2, Aggarwal & Mudambi (2005), emphasized a view on strategic repositioning that embraces the whole product-market-value chain while pinpointing the strategic element of diversification within the strategic repositioning process (Aggarwal & Mudambi, 2005). Furthermore, the conscious adaptation to a changing environment (Turner, 2003) is being driven by the diversification process while "filling the gap between the market needs and the capabilities of the business" is made possible by the company's core competence.

Diversification was an accompanying process during the repositioning process at Thule Group. The researchers identified that one of the most important reasons for Thule to diversify was to fulfill the growth expectations of their private equity owners just like Lichtenthaler (2005) describes the reasoning for diversification in mature businesses. The researchers also found that diversification logic was one of the most important factors for Thule's reasoning of using a *buy and build strategy* (Lichtenthaler, 2005) with acquisitions such as Case Logic, leading the company to their wanted repositioning.

At present, the Thule brand is in many markets strongly and positively connected with the outdoor activities that people pursue. With the extension of the Thule brand into laptop and travel bags with Thule Crossover 2010, daypacks with Thule EnRoute 2012 and bike bags with Thule Pack 'n Pedal 2012, a strong logic existed for a broadening into technical backpacks. Very (1993) also suggests that portfolio diversification is sometimes the only way to achieve growth for a company.

The company had already gained valuable knowledge of the technical backpack retailers through all other products offered in the past. More importantly, new category entries are strategically important for Thule's redefinition from the automotive industry accessories to the outdoors field.

Several companies have used similar concept as anchor for their outdoor stamp of approval (e.g. The North Face, Columbia via Mountain Hardwear) (Thule, 2013).

After analyzing data from interviews, researchers identified Hike ’n Trek backpacks to be the product with the highest significance for Thule’s outdoor repositioning strategy. Researchers analyzed the products and determined the following:

- Crossover bags are travel-focused bags with only a slight touch of outdoor.
- Pack ’n Pedal is a cargo bag, more focused on transportation solutions for bicycles.
- Chariot is a transportation solution for active families with children.

Thus, by entering new categories, Thule is able to strengthen its position as one of the leading outdoor goods companies in the world and to continue to be the undisputed leader in current product categories with the use of the Thule brand. Thule Group is also able to strengthen their position in the Bags segment with a broader offer in both urban and outdoor environments, utilizing the Case Logic and other Thule brands (Thule, 2013).

The importance of company’s credibility is regarded as a strategic driver for the strategic repositioning process and diversification (Bers, 1993). If Thule does well with the Pack’n Pedal launch of bike bags, they could use it as a “launching pod” (Williamson, 1999) to gain more credibility and help them enter the category of technical backpacks” Once entered and established in a new category, Thule can later extend to other categories much easier.

However, the process is done in a logical order that makes sense for retailers and customers. It is much easier to go to already existing customers and retailers and offer them new products in different categories. Part of the success of new category entry lays in the need for social proof from retailers and consumers. “When a company wants to enter into a new category, it should be able to answer the following question: Will it make sense for our company, given the existing

products and sales channels the company already has, to enter into this category? Will it make sense for the retail stores and customers? Will this be a logical step?" (Welander, 2013). After initial discussions with the largest outdoor retailers in the world around the daypack launch in 2012, it became apparent that Thule has a "permission to play" to extend into new products as long as they continue to add something to the segment (Welander, 2013).

5.2.3 Core competence

Rothaermel & Hess (2007) & Helfat, et al. (2007) define the dynamic capability of an organization's core competencies as "the capacity of an organization to purposefully create, extend or modify its resource base." Thule benchmarked and identified the competencies and resources it had in the American part of the business as a benchmark for the current repositioning strategy of the whole business. Therefore they had already learned the necessary competencies needed to not face the possibility of trying to actualize a strategy without needed resources (Bers, 1993).

The events at Thule Group go in line with the four-part process defining strategic repositioning where core competence plays an important role (Bers, 1993). In the first part, which is situation analysis, the company looks into its current situation and the possibilities in that market (Bers, 1993). The Case Logic acquisition was triggered by the urge of Thule's existing customers for active lifestyle products. For years, Thule Group had consumers asking why the company does not make solutions for travel, especially since they are already using so many other Thule products. This can be done by taking the company's core business without focusing into what a company can manufacture and go into these categories but analyze what your stakeholders are prepared to buy (Welander, 2013). 20 years ago people would have said "you are bending metal;

maybe you should start bending spoons. That's the inside out view. Now you need to hear the voice of the customer" (Welander, 2013). From an outside view, Hike 'n Trek, Chariot and Pack 'n Pedal was products that were developed based on the urge of Thule's existing customers (Welander, 2013). In the second part, which is capabilities analysis, the company looks into their capabilities and tries to determine their core competence (Bers, 1993). When Thule acquired Case Logic, the company gained a competence they did not have. Thule group was not strong in the soft-sided goods and fabrics. Thule's core knowledge was metal and plastics (Welander, 2013). Thule gained this new competence with Case Logic. What made Case Logic attractive was the fact that they were in a clear change mode, already mentally open to doing new things. Case Logic had already gone through the dramatic change from only making CD wallets into photo-video, computers and even dipping their toes in luggage. They were mentally prepared. (Bike Radar, 2010; Welander, 2013) (Appendix: Thule Crossover 32L "product").

In the third part, which is *market assessment*, the company searches in other industries for products that their core-competencies could add value to (Bers, 1993). In the past, Thule perceived itself as a "car accessories" company," mostly because in some countries, including Sweden, Thule can be found in car accessories related sales channels. However, in the USA for example, Thule brand is sold mainly through outdoor sales channels, including REI, "America's largest outdoor retail co-op dedicated to inspiring, educating and outfitting its members for outdoor adventure and stewardship" (REI, 2013). Therefore, Thule's brand is perceived as outdoor focused in America already, as REI is the strongest retailer for outdoor enthusiasts. Any other brand that can be found in REI stores offers solutions mainly for the outdoor activities. As a result, in some markets like America, there will be almost no further effort needed to help reposition the brand.

6. Conclusions and implications

6.1 Conclusions

In this work we started by exploring the concept of entrepreneurial strategy, followed by focusing on the specific research area of strategic repositioning. We later discussed in detail the phenomenon of strategic repositioning and all factors affecting the process. By using a single case-study approach the researchers explored the following question:

"What are the key factors influencing strategic repositioning in global manufacturing companies?"

To answer the research question, the researchers used a "case study design" for this thesis. In the study they found several factors that affected the strategic repositioning process at Thule Group. Researchers discussed the factors in the framework presented by Ryan, et al. (2007) - *core strategic values, strategic flexibility/learning capabilities, customer awareness and sensitivity, external orientation, management commitment, and belief in the product and brand* in addition to the frameworks of *organizational structure*, *core competence* and *diversification*.

Researchers found that *core strategic values* of a company are central to the repositioning process only of organizational structure, strategic architecture and management are not modified. *Learning capability* of the organization is also a key competence of an effective repositioning strategy. Furthermore we found that, *High customer awareness and sensitivity* helps the management in targeting the right consumers and provides the confidence and insight to make bold strategic moves. *Critical external orientation* of the company also provides the valuable insights needed for the management to take important strategic decisions and convince stakeholders that the company is doing the right move. *Top management commitment* is also the

key for the repositioning process where the focus is on the overall good of the company going forward with strong support and *belief in the product and brand.*

The *core competence* of a company is a detrimental factor for the direction of the strategic repositioning process. The flexibility and independence of strategic decisions taking is largely dependent on the *company structure and ownership*, which has a significant effect in terms of speed of management decision-making and risk taking. The *diversification* factor, more specifically in the terms of the buy and build strategy with the acquisition of Chariot Carriers and Case Logic, was also a key driver for the repositioning process.

Three of the nine factors were considered most significant. Researchers concluded it is vital that the top management of the company should drive repositioning forward. The business should know its consumer very well and the company's core competence will determine the strategic repositioning direction. Thus, top *management commitment*, *high customer awareness and sensitivity* and *core competence* were determined the most important factors.

6.2 Limitations and implications for future research

Earlier studies on strategic repositioning include the cases of Cable and Wireless (Turner, 2003) and Bulmer cider (Ryan, et al., 2007). However, with acknowledgement of Ryan, et al. (2007), the authors of this thesis would also like to limit their findings in terms of time scope of this research is empirical findings were mainly retrieved from one single company. Strategic repositioning is a long-term process, thus the authors suggests that further research on topics around key challenges of strategic repositioning should take this in consideration. Further research on this topic could investigate more about the factors affecting the strategic repositioning process from external or internal point of view. Differences depending on the size

of the company, the industry the company is in, the company culture or the company's hierarchical structure can be explored. Future research could also explore how the factors behind strategic repositioning of companies are affected by the fast technological development that is taking place today.

6.3 Practical Implications

The research facilitates practitioners to develop an understanding of the factors affecting strategic repositioning in global manufacturing companies. The research provides insights on the factors that should be in focus while conducting *strategic repositioning*. The management should be the driving force of the repositioning process. They must also align the process with their consumer expectations and ensure the core competence of the company is taken in consideration when determining the strategic repositioning direction. We must point out however, not all companies should follow the same strategy as our theoretical conclusions are based on a single case study and may not be suitable for all types of businesses.

Appendix

Interview with Magnus Welander

During the main semi-structured interview with Magnus Welander, the following questions were prepared:

First question: How did the idea about technical backpack (Hike ’n Trek) emerge?

After the question was asked, Magnus Welander responded with a 50 minutes speech that covered details from the early history of Thule Group to the business situation today. The white board was also used to visually explain some concepts.

The following 2 questions were also prepared to be asked, however Magnus Welander unintentionally answered them during his speech:

- Why did Thule choose technical backpacks (Hike ’n Trek) over other possible new products?
- What is the significance of the technical backpacks (Hike ’n Trek) related to Thule's brand perception in the future?

According to other Thule employees, it is Magnus Welander’s style to talk in greater detail about Thule’s project while using visuals.

Interview with Mike Noer

1) How does the BA new ventures operate and what was its role in Hike 'n Trek?

2) What are the challenges of running new ventures Business Area? As Magnus Welander pointed out, “It is much easier to convince your owners to make a cool new bike rack or a roof box where Thule is already a market leader and you have turnover and good margins as soon as the product is launched.”

Interview with Graham Jackson

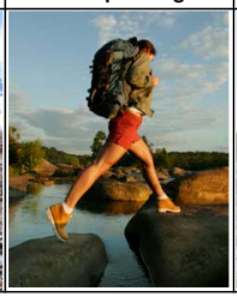
1) What is core competence / strengths that Thule has to pull Hike ‘n Trek project off?

2) How different and unique are the technical backpacks going to be in terms of material collection, design components, etc?

3) What competences did you bring from the outside?
4) Was Hike ‘n Trek all championed by Magnus Welander or the overall management or other departments had influence as well?

Appendix 2: Hike ‘n Trek Product Assortment

Project Hike ’n Trek product overview

Backpacking/ Trekking	Lightweight Backpacking	Child Carriers	Hiking	Ski
				

Climbing	Light ‘n Fast	Bike Hydration Packs	Backpack Accessories
			

Appendix 3: European technical backpacks market overview

The technical backpacks market is currently estimated at approx. 1 billion EUR globally, steadily growing at a rate of 3-5% per year. In addition, it is also one of the more profitable bag sectors with 7-11% EBIT levels (Thule, 2013). The global technical backpacks market has remained relatively steady, even within the context of the recent recessions (Bain & Company, project Hermes).

The European technical backpacks market is estimated to have a market value of just less than 3 billion SEK (0.35-0.4 B€) and it is estimated that the European consumers spend around 6.3 billion SEK (0.7-0.8 B€) on technical backpacks (SSOC, 2013).

Technical backpacks market Europe

Region	**Market size**	**in million Euros**	**in 000' Units**
Nordics	15%	55	650
Central Europe	38%	133	1565
South Europe	9%	32	375
France	14%	50	600
UK & Ireland	15%	55	650
Eastern Europe	9%	32	375
Total	100%	357	4215

(SSOC, 2013)

Appendix 4: Thule Crossover 32L: backpack

With Thule's existing competence in plastic and metal and the soft fabrics competence from Case Logic, Thule is posed to organically deliver a different product that is designed in a way that includes parts from all these areas of competence. For example, looking at the current backpacks one may find details of metal and plastic, which gives the backpacks a unique, look associated with style, quality and safety.

Appendix 5: Key Definitions

M&A = Mergers and acquisitions

C&W = The Cable and Wireless company

Technical backpacks = Backpacks made for outdoor/action sport activities

Hike 'n Trek = The name of Thule's technical backpack project

Pack 'n Pedal = The name of Thule's bike bag project

Organic product launches = Products developed and launched within the company

Organic growth = Growth from organic product launches

New Ventures = Department at Thule responsible for new product/venture development

Child carriers = Child transportation system /stroller

References
Academic sources

Agarwal, R., & Helfat, C. E. (2009). Strategic renewal of organizations. *Organization Science*, *20*(2), 281-293.

Aggarwal, R., & Mudambi, S. M. (2005). Strategic repositioning in industrial distribution: A framework and U.S. case study. Journal of Marketing Channels, 12(2), 27-51.

Bibleault, D.G. (1982) Corporate Turnaround: How Managers Turn
Losers into Winners, New York: McGraw-Hill.

Barney, J. B. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*, *9*(4), 49-61.

Baghai, M., Coley, S., & White, D. S. (1999). *The alchemy of growth: practical insights for building the enduring enterprise*. Da Capo Press.

Bers, J. A. (1993). Toward a strategic-repositioning model for defense and aerospace contractors. *The Journal of Technology Transfer*, *18*(1-2), 67-83.

Bryman, A & Bell, E, (2011). "Business Research Methods", Vol 3, *Oxford University press*, page 41

Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: a new perspective on learning and innovation. *Administrative science quarterly*, 128-152.

Collins, J. C., & Porras, J. l.(1994): Built to last. *Successful Habits of Visionary Companies. New York*.

Covin, J.G. & Miles, M.P. (1999). Corporate entrepreneurship and the pursuit of competitive advantage. *Entrepreneurship Theory and Practice*, 23(3), 47–63.

Dess, G. G., Ireland, R. D., Zahra, S. A., Floyd, S. W., Janney, J. J., & Lane, P. J. (2003). Emerging issues in corporate entrepreneurship. *Journal of management*, *29*(3), 351-378.

Dunphy, D., & Stace, D. (1993). The strategic management of corporate change. *Human Relations*, *46*(8), 905-920.

Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of management review*, *14*(4), 532-550.

Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they?. *Strategic management journal*, *21*(10-11), 1105-1121.

Ehrenberg, A. (2000). Data Reduction. *John Wiley, Chichester. Reprinted in the Journal of Empirical Generalisations in Marketing Science*, *5*, 1-391.

Floyd, S. W., & Lane, P. J. (2000). Strategizing throughout the organization: Managing role conflict in strategic renewal. *Academy of Management Review*,*25*(1), 154-177.

Goodman, L.A. (1961). Snowball sampling. *Annals of Mathematical Statistics* 32(1), 148–170.

Granstrand, O. (1998). Towards a theory of the technology-based firm. *Research policy*, *27*(5), 465-489.

Hambrick, D. C., & Schecter, S. M. (1983). Turnaround strategies for mature industrial-product business units. *Academy of Management Journal*, *26*(2), 231-248.

Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H. T., Teece, D. J., & Sidney, G. Winter (2007) Dynamic Capabilities: Understanding Strategic Change in Organizations. Blackwell Publishing Malden, MA.

Hofer, C. W. (1980). Turnaround strategies. *Journal of Business Strategy*, *1*(1), 19-31.

Hooley, G., Broderick, A., & Möller, K. (1998). Competitive positioning and the resource-based view of the firm. *Journal of Strategic Marketing*, *6*(2), 97-116.

Ireland, R. D., Covin, J. G., & Kuratko, D. F. (2009). Conceptualizing corporate entrepreneurship strategy. *Entrepreneurship Theory and Practice*, *33*(1), 19-46.

Kotter, J. (2012). Accelerate!. *Harvard business review*, *90*(11), 44-58.

Kuratko, D.F., Morris, M.H. & Covin, J.G. (2011). *Corporate Entrepreneurship & Innovation.* International 3rd edition. South Western Cengage Learning.

Lichtenthaler, E. (2005). Corporate diversification: identifying new businesses systematically in the diversified firm. *Technovation*, *25*(7), 697-709.

Meyer, J. P., & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human resource management review*, *11*(3), 299-326.

Mintzberg, H. (1997). A guide to strategic positioning. *In The Strategy Process* , Mintzberg H, Quinn JB (eds). Prentice Hall: London, 69–82.

Montgomery, C. A. (1994). Corporate diversification. *The Journal of Economic Perspectives*, *8*(3), 163-178.

Patton, M. Q. (1990). *Qualitative evaluation and research methods* . SAGE Publications, Inc.

Pawar, B. S., & Eastman, K. K. (1997). The nature and implications of contextual influences on transformational leadership: A conceptual examination. *Academy of Management Review*, *22*(1), 80-109.

Pettigrew, A. M. (1987). Context and action in the transformation of the firm. *Journal of management studies*, *24*(6), 649-670.

Pettigrew, A. M., Ferlie, E., & McKee, L. (1992). *Shaping strategic change: Making change in large organizations: The case of the National Health Service*. London: Sage.

Porter, M. (1996). What is strategy?. *Harvard Business Review* 74, nov-dec, 61-78.

Prahalad, C. K. & Hamel, G. (1990). The Core Competence of the Corporation. *Harvard Business Review*, May-june, 79-91.

Rothaermel, F. T., & Hess, A. M. (2007). Building dynamic capabilities: Innovation driven by individual-, firm-, and network-level effects. *Organization Science*, *18*(6), 898-921.

Ryan, P., Moroney, M., Geoghegan, W., & Cunningham, J. (2007). A framework for a strategic repositioning strategy: a case study of Bulmers original cider. *Irish Journal Of Management*, 28(1), 81-102.

Turner, C. (2003). Issues and challenges in strategic repositioning: the case of Cable and Wireless. *Strategic Change*, *12*(5), 251-257.

VanderStoep, S. W., & Johnson, D. D. (2008). *Research methods for everyday life: Blending qualitative and quantitative approaches* (Vol. 24). Wiley.com.

Very, P. (1993). Success in diversification: building on core competences. *Long Range Planning*, *26*(5), 80-92.

Williamson, P. J. (1999). Strategy as options on the future. *Sloan Management Review*, *40*(3).

Yin, R. K. (2009). *Case study research: Design and methods* (Vol. 5). Sage.

Zook, C & Allen, J. (2001) *Profit from the core.* Harvard Business School Press

Non-academic sources

Bike EU, 2011. *Thule acquires Chariot.* Available at: <http://www.bike-eu.com/Home/General/2011/6/Thule-Group-Acquires-Canadian-Chariot-Carriers-BIK005025W> (Accessed February 18th)

Bike Radar, 2010. Interview: Thule's Magnus Welander [online] Available at: <http://www.bikeradar.com/news/article/interview-thules-magnus-welander-25676/ >(Accessed March 21st)

PRNewswire, 2006. *Thule acquires Case Logic.* Available at: <http://www.prnewswire.com/news-releases/thule-acquires-case-logic-inc-a-global-leading-supplier-of-storage-and-organization-solutions-58887932.html> (Accessed February 18th)

Road CC, 2012. *Thule launch Pack 'n Pedal range [online]* Available at: <http://road.cc/content/news/64308-thule-launch-packn-pedal-luggage-range> (Accessed March 21st)

REI, 2013. REI corporate website [online] Available at: <http://www.rei.com/> Accessed March 31st)

Sapa, 2010. *Sapa acquires integrated roof rail business from Thule.* Available at: <http://www.sapagroup.com/en/newswall/2010/sapa-acquires-integrated-roof-rail-business-from-thule/> (Accessed February 12th)

Snews, 2006. *Thule to acquire Brink, Valley and SportRack.* Available at: <http://www.snewsnet.com/cgi-bin/snews/05205.html>

Thule Corporate Website, 2013a. (online) Available at: <http://thule.com (Accessed 31 January 2013)

Thule Rental, 2006. *Thule acquires Anhaenger-center.com.* Available at: <http://www.thulerental.se/en/nyheter.asp> (Accessed February 21st)

The globe and mail, 2011. *Thule's long ride to buy Chariot Carriers. [online]* Available at: <http://www.theglobeandmail.com/report-on-business/small-business/sbmoney/valuation/thules-long-ride-to-buy-chariot-carriers/article559168/?page=all> (Accessed February 21st)

Interviews

Magnus Mattsson, 2013, Informal interviews. Interviewed by Georgi Georgiev and Philip Werner

Mike Noer, 2013, Phone interview. Interviewed by Georgi Georgiev and Philip Werner

Graham Jackson - Phone interview by Georgi Georgiev and Philip Werner

Welander, 2013, Interview on the emergence of the technical backpacks idea. Interviewed by Georgi Georgiev and Philip Werner

Other sources

James Manylka et. al. 2012. "Manufacturing the future: The next era of global growth and innovation." McKinzey Global Institute.

Victor Cheng, 2012 "Case Interview Secrets." *Innovation Press*