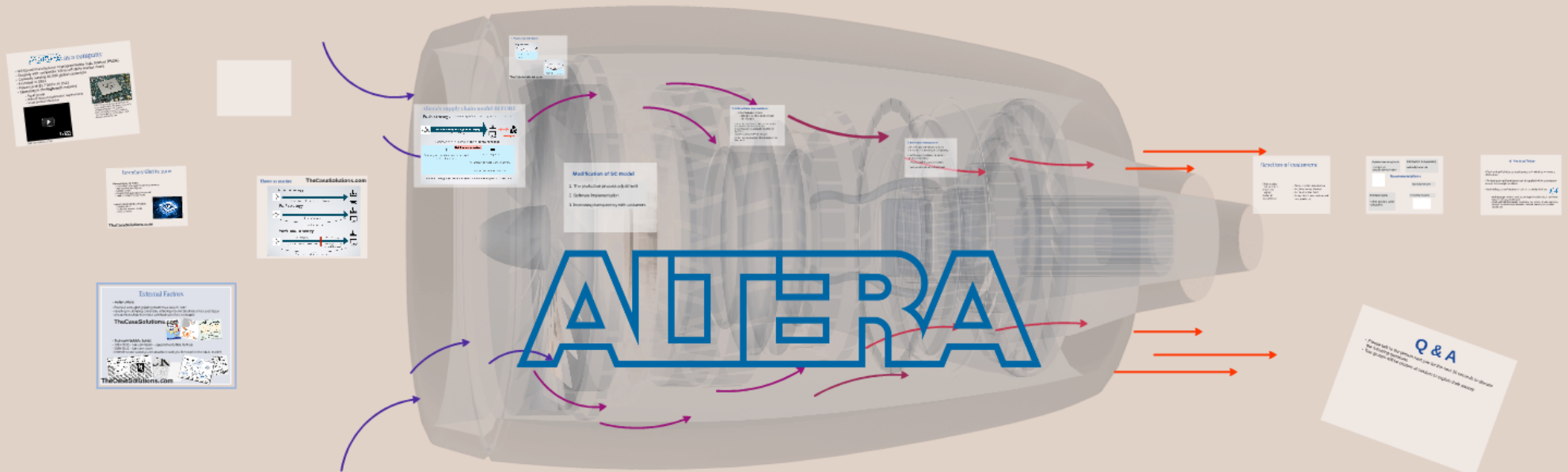


Wheaties: Reinvigorating an Iconic Brand (A)

Audun, Nicole, Daniela, Kenneth, Steven and Thea



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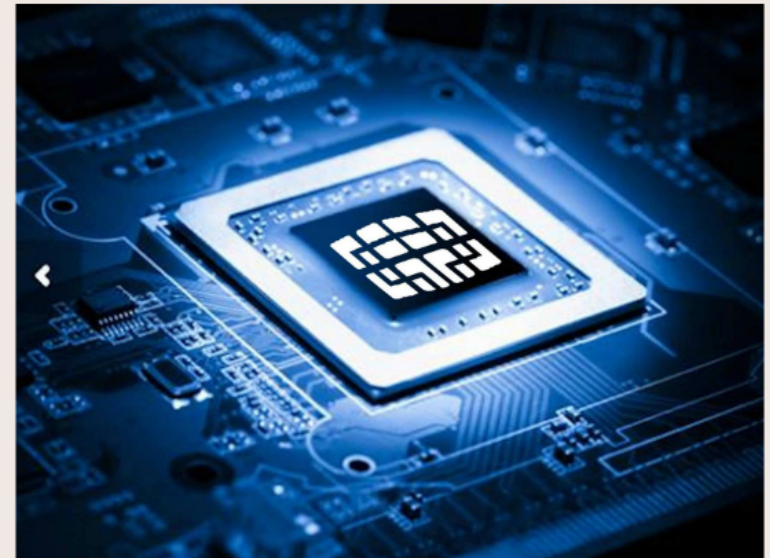
Inventory Glut in 2000

Consequences for Altera:

- \$115 million write-down of unusable inventory
- high inventory carrying cost
- liquidity crunch
- industry-wide aggregated oversupply
- need of a new inventory model

Factors contributing to the glut:

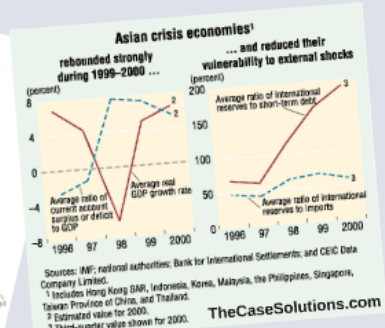
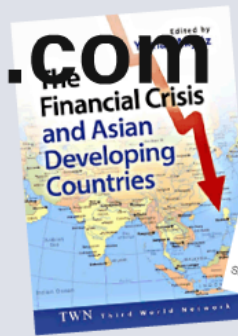
- bullwhip effect
- ineffective inventory model
- external factors



External Factors

- Asian crisis
- financial contagion gripping South East Asia in 1997
- resulting in slumping currencies affecting most of Southeast Asia and Japan
- cheap microchips from Asia contributing to the oversupply

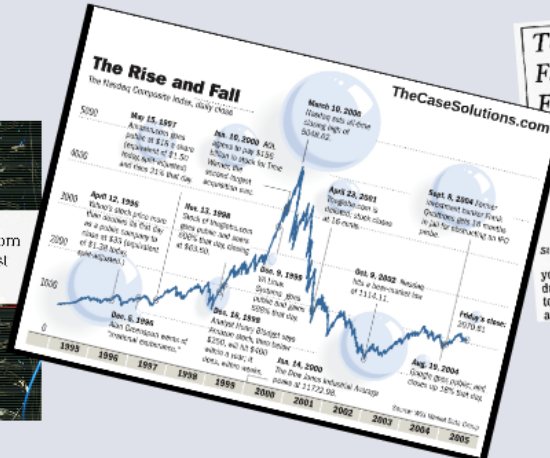
TheCaseSolutions.com



- Dot-com bubble burst:
- 1997-2000 - Dot-com boom - speculative bubble built-up
- 1999-2001 - Dot-com crash
- Internet sector causing overvaluation leading to the crash in the stock market



When The Dot-Com Boom Went Bust



Technology Investors Fall Head Over Heels For Their New Love

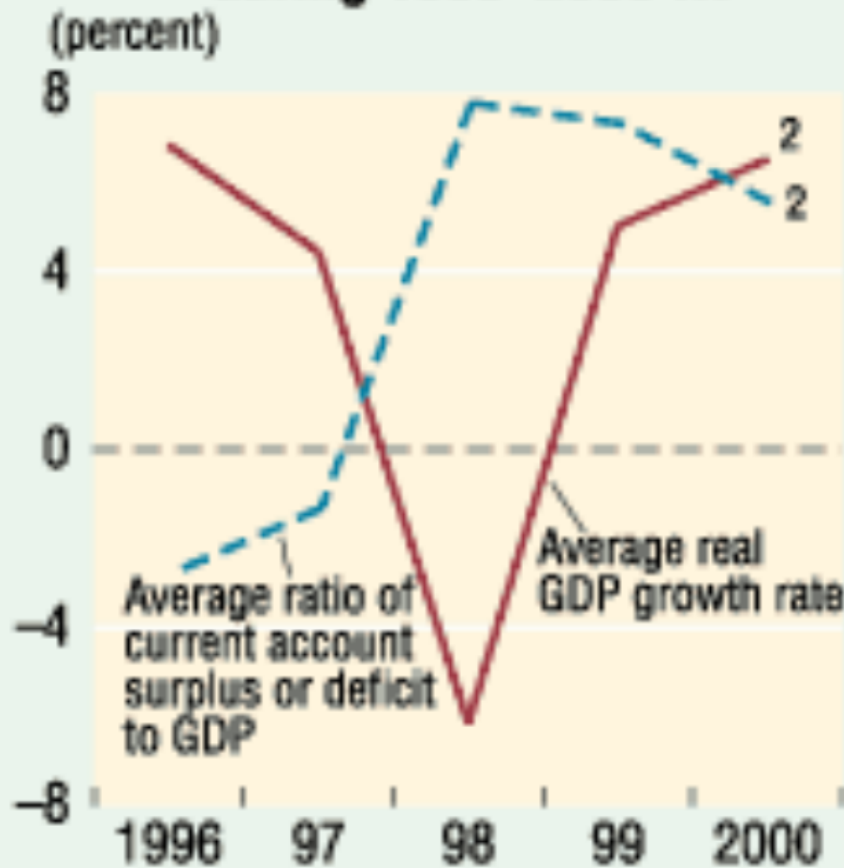
... the Stock Called Netscape Is Lofted to the Heavens In a Frenzy of Trading

By MOLLY BAKER
 Staff Reporter of THE WALL STREET JOURNAL
 It took General Dynamics Corp. 43 years to become a corporation worth today's \$2.7 billion in the stock market. It took Netscape Communications Corp. about a minute.

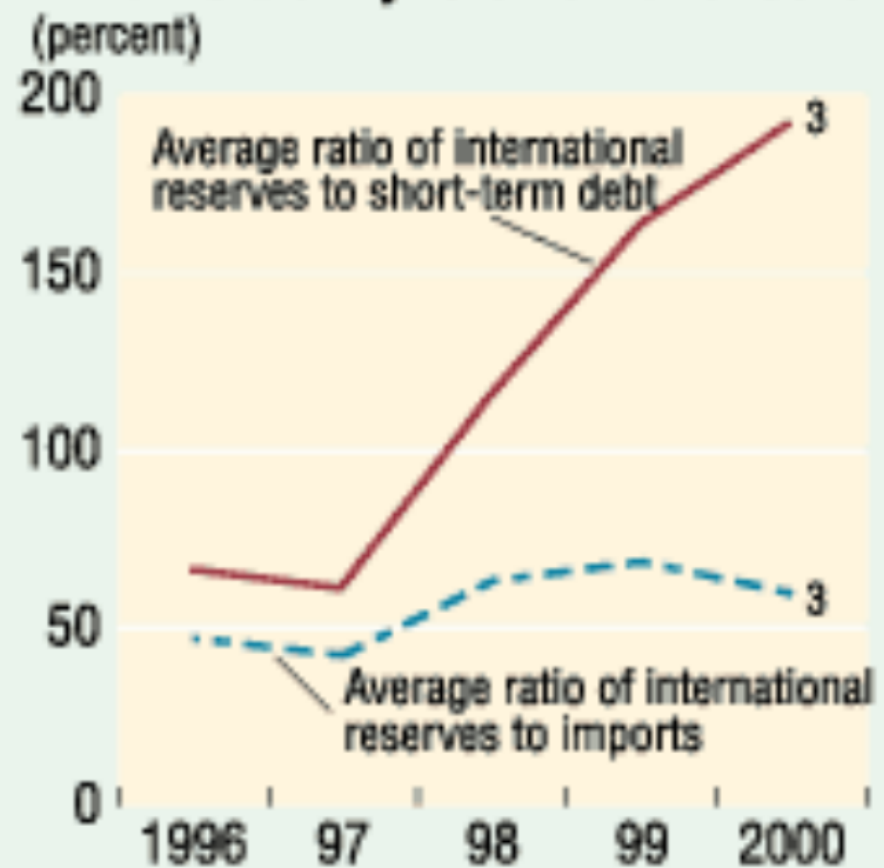
TheCaseSolutions.com

Asian crisis economies¹

rebounded strongly during 1999–2000 ...



... and reduced their vulnerability to external shocks



Sources: IMF; national authorities; Bank for International Settlements; and CEIC Data Company Limited.

¹ Includes Hong Kong SAR, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Province of China, and Thailand.

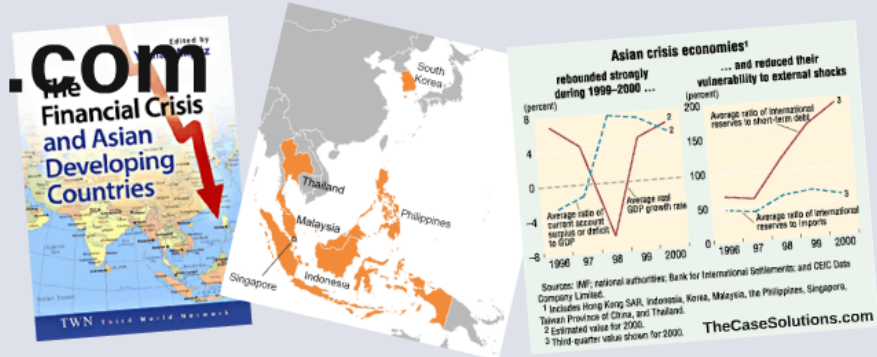
² Estimated value for 2000.

³ Third-quarter value shown for 2000.

External Factors

- **Asian crisis**
- financial contagion gripping South East Asia in 1997
- resulting in slumping currencies affecting most of Southeast Asia and Japan
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TheCaseSolutions.com



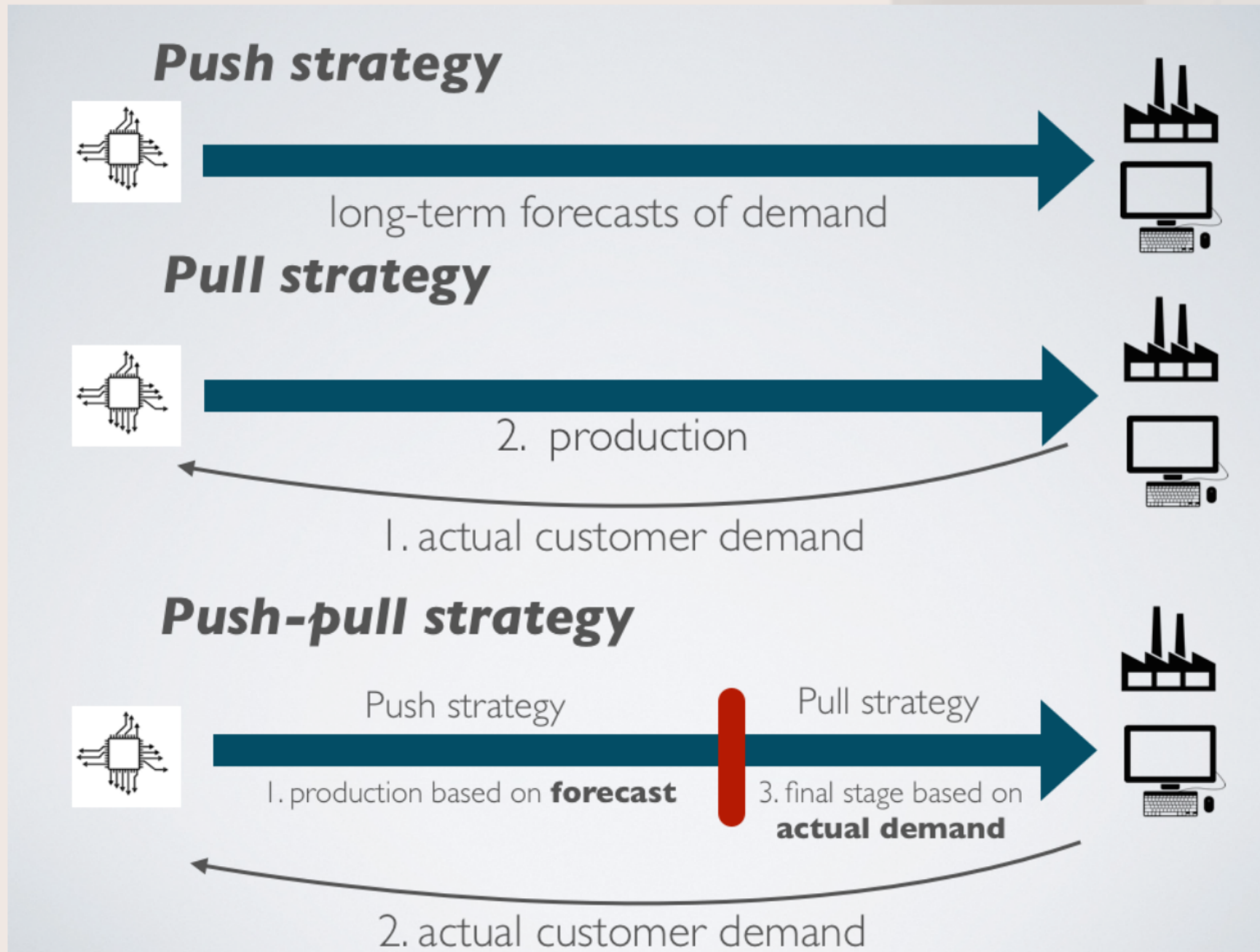
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The Rise and Fall

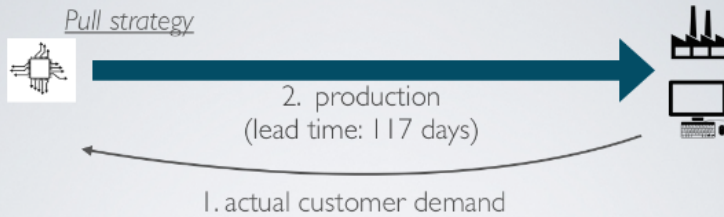
The Nasdaq Composite Index, daily close





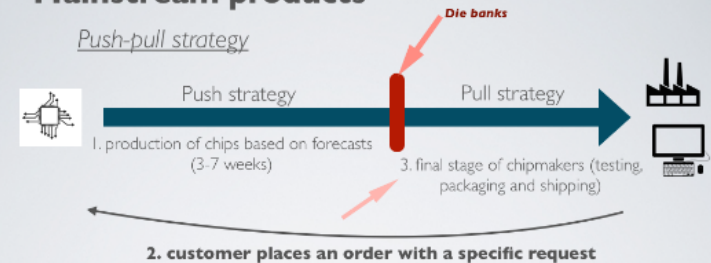
1. Production adjustment

Mature and New products



+	-
minimum holding stock	applicable for certain products and situations
better response to changing industry	economies of scale
higher flexibility	

Mainstream products



Build-to-order system

+	-
forecast and meet demand	holding a certain level of inventory
decrease level of uncertainty	short product cycle
safety stock reduction	