

**ROBERT H. LEE**  
GRADUATE SCHOOL



# **THE CASE** METHODOLOGY

Orientation



# The Major Purposes of Cases

Cases provide *a context* in which:

- Professors can introduce ***tools and concepts***
- Students can practice applying tools and concepts, and engage in critical thinking

# Traditional Cases & Live Cases/Decision Briefs

## Traditional cases

- **Restricted to info supplied; fixed point in time**

## Decision briefs

- Limited information; live; need to explore and find more information

## For both approaches

- Identify and prioritize issues
- Analyze data
- Make recommendations

## Practice at management decision making

- Systematic
- Logical
- Evidence based

# How and Why we Choose Cases

Choose a variety of:

- Industries
- Geographical settings
- Times
- Integration themes

What ask ourselves is:

What sort of things could you learn in case analysis that might be transferable across industries, geographies, and time periods?

# Macro Elements of the Case Method

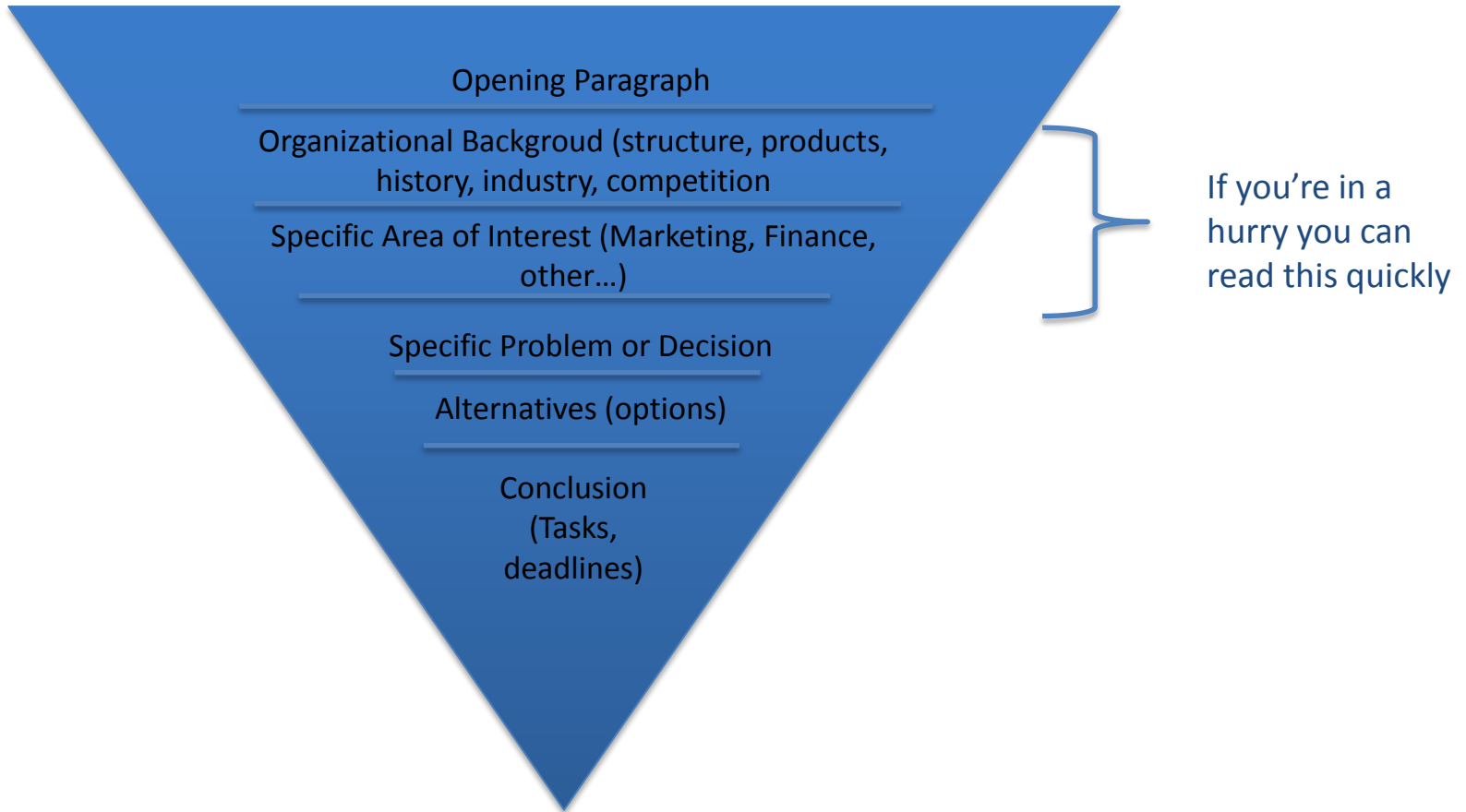
1. **Issues:** identify, organize, prioritize
2. **Analysis:** underlying causes; insights; alternative actions considered
3. **Recommendations:** supported by your analysis; action plan; caveats

# Learning with Cases

This lecture is based on the book: *Learning with cases* (Erskine et al)

- Cases are written and designed in a specific way
- They promote
  - Analytical skills
  - Creativity
  - Judgment
  - Decision making
  - Application skills
- Do not approach a case in a linear way
- Read a case in three stages
  1. Quick look
  2. Strategic Reading
  3. Analysis

# Learning with Cases





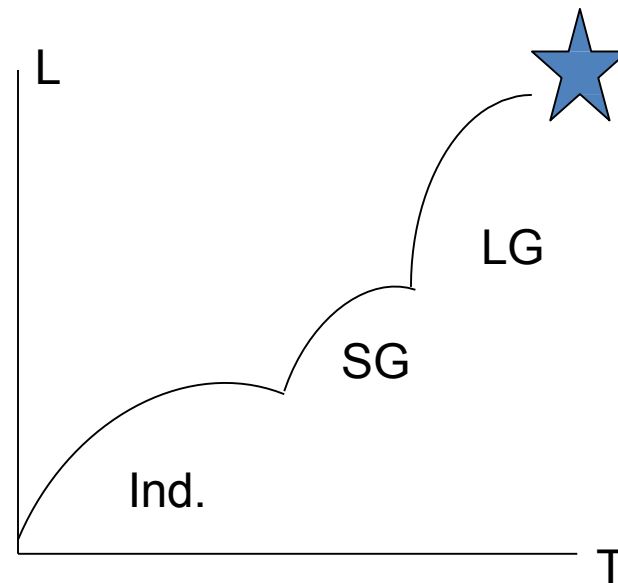
# The Case Preparation Stages

- A) Identify Issues
- B) Analysis
- C) Alternative Generation
- D) Decision Criteria
- E) Alternative Assessment
- F) Recommendation
- G) Action and Implementation
- H) Missing information and assumptions

**Use in preparing a memo, or for class discussion, or for a competition**

# Stages of Learning in Cases

- Individual Preparation
- Small group discussion
- Large group (class) discussion
- After case personal reflection



# Approaching a Case

- **Skim** the case quickly to “get a feel”
- Look to see if a specific decision point is identified (typically in the first or last paragraph)
- Then, read the case carefully
  - Can you identify the issues?
  - How are they linked?
- For cases expect to tackle interaction of disciplines, i.e.
  - How does marketing impact the supply chain?
  - How does culture impact accounting practices?
  - Other interactions you might find?

# Learning with Cases

## I. QUICK LOOK (5-10 MINUTES)

1. Read the first and last paragraphs
2. Answer the following questions
  1. **Who** is the decision maker?
  2. **What** is the issue?
  3. **Why** has the issue arisen?
  4. **When** does a decision have to be made?
3. Review the headings, and read the first line of each section.
4. Review the exhibits.
5. Read the assigned questions

# Learning with Cases

## II. STRATEGIC READING

Carefully read the text, when doing so

1. Make notes at the margins
2. Summarize ideas
3. Challenge statements
  1. Take facts at face value
  2. Question or challenge opinions
  3. Identify assumptions
4. Remember that not everything in the case is equally important.

# Learning with Cases

## III. ANALYSIS (10 MINUTES)

Here is where you apply the material in general.

1. Identify the issues
  1. Is the issue immediate?
  2. What are the basic issues?
  3. Prioritize them! Focus on the more important
2. Identify what causes the issue
  1. Here is where most of the work occurs
  2. Be qualitative and quantitative (don't be afraid to crunch numbers)
  3. Use the taught/classroom material!
3. Identify missing information and/or assumptions

# Learning with Cases

## III. ANALYSIS (10 MINUTES)

4. Elaborate plans of action
  1. Workout best and worst scenarios for each of them
  2. Evaluate them
5. Make a decision
6. Elaborate an implementation plan
  1. We will not pursue this area
  2. It is important to be realistic and detailed

# “What, Why, & How”

- “What” course of action should be taken.
  - *Without this you risk listing lots of items but failing to commit to one*
- “Why” reflects your evidence, directly from the case and distilled from your analysis
- “How” is the implementation plan

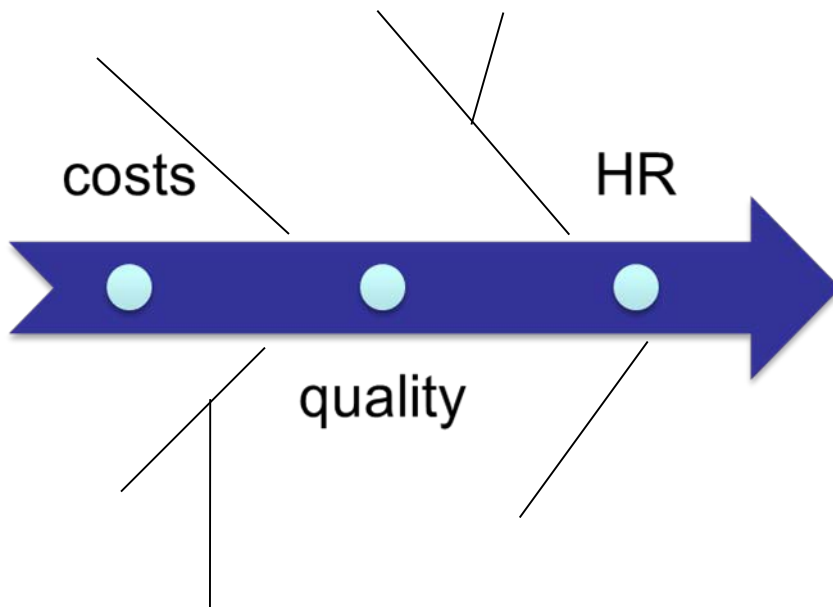


# Dimensions & Difficulty Levels

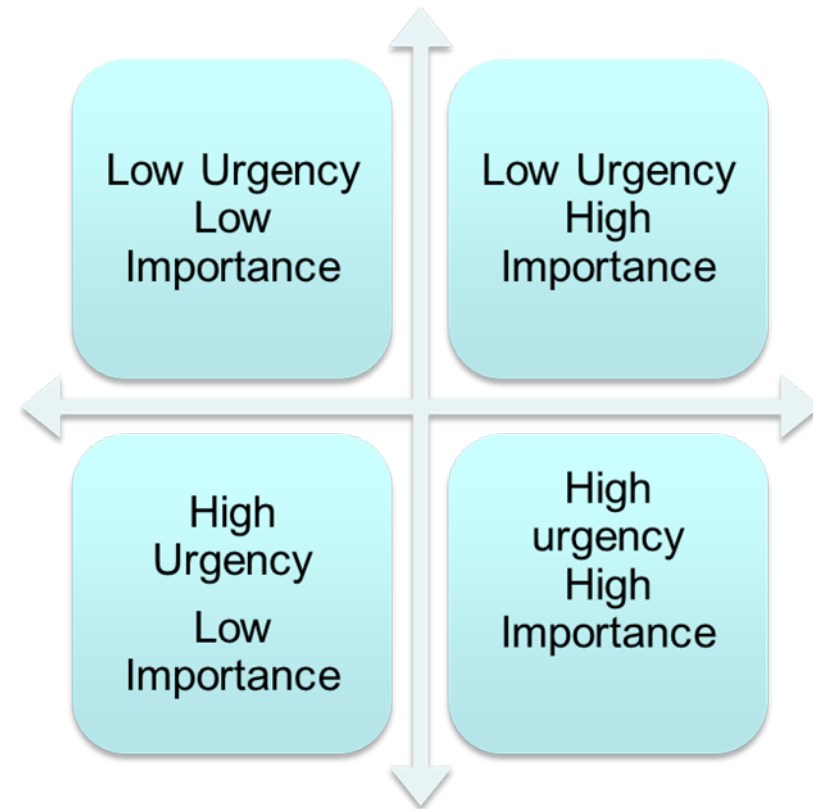
- **Analytical:** what is the task?
  - Simpler case has task or issue identified
  - More challenging cases leave identification open for student to identify
- **Conceptual:** what concepts should be used?
  - Simpler cases may have a single, specified concept
  - More challenging cases may require multiple (possibly unspecified) concepts to be tackled
- **Presentation:** the structure of the information
  - Clear and complete or ambiguous and incomplete

# Issue Identification

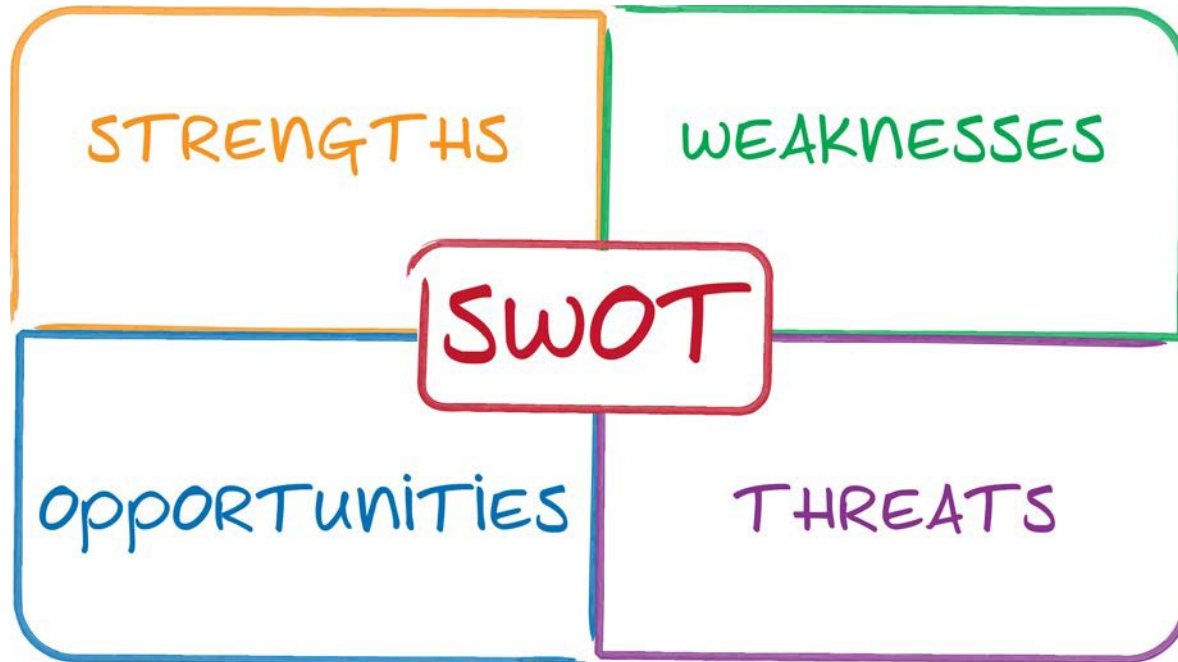
Fishbone Analysis: Cause & Effect



Urgency/Importance Quadrant



# Tools for Analysis - Qualitative



## Questions to Ask - Quantitative

- How would you analyze the numbers in this case?
- What answers (and possible further questions) arise from your analysis?
- Assumptions and identification
- Sensitivity analysis

# Break Even Point Calculations

- BEP (volume)

$$\frac{\text{Fixed Costs}}{\text{Selling Price} - \text{Variable Costs}}$$

- BEP (\$ value)

$$\frac{\text{Fixed Costs}}{\text{CM \%}}$$

– Contribution margin %

$$\text{Selling Price} - \text{Variable Costs}$$

# Learning with Cases

## Qualitative and Quantitative analysis

Quantitative	Qualitative
profit	competitive advantage
cost	customer satisfaction
return on investment	employee moral
market share	corporate image
capacity	ease of implementation
delivery time	synergy
risk	ethics
cash flow	flexibility
inventory turn	safety
productivity	visual appeal
staff turnover	obsolescence
quality	cultural sentsitivity
growth rate	motivation
quantity	goodwill

Hard numbers versus  
your judgement!

# Decision Criteria

- What decision criteria could you use to screen alternative options?
- Hint: List under qualitative and quantitative

# Alternative Assessment

- Several options available
- Focus here on “Alternative Analysis Matrix”
- Can do as unweighted or better still, weighted
- Engage team in discussing assumptions behind weightings and ratings

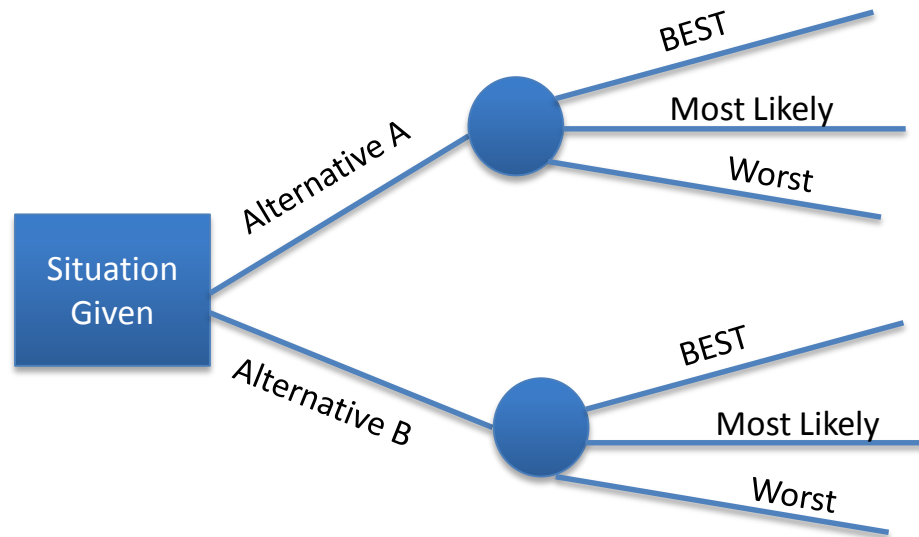
	Cost	Time	Risk	Ease	Add other criteria
Alt 1					
Alt 2					
Alt 3					



# Learning with Cases

## 4. Plans of action

1. Work best and worst scenarios for each of them
2. Evaluate them



This will include your quantitative and qualitative analysis

# Missing Information & Assumptions

- This is important to document for your own notes and sometimes there will be space to include as a caveat(s)
- However, do NOT avoid making a recommended decision saying that there is “not enough information”
- The case default is: you are THE decision-maker, at the time of the case with only the information in the case....what would you do and why?

# Student Myths

## **MYTH: There is one right answer**

We are more interested in your demonstrated analysis than the specific recommendation that you come up with

## **MYTH: I should repeat case info in my paper to show that I have read it**

This is a waste of space – don't do it

## **MYTH: The firm actually chose the right option**

In fact, firms often do not make a “good” decision, given the information in the case

# Feedback on Cases

- Grades and written feedback
- Exemplars from cohort
- Overall feedback to the class (from professor)
- Feedback through in-class case discussion
- Feedback from peers throughout the process

# Professionalism & Integrity

- Professionalism in case-work? What does that mean?
- The value of case learning
- The internet and other temptations

# How are Live Cases/Decision Briefs Different from/Similar to Traditional Cases?

- Current time
- Seeking more information is encouraged
- Otherwise – very similar
  - A management decision
  - Messy information that is never complete
- Similar problem
  - Organization and analysis steps will aid you
  - Be systematic

# Practice! – Olive Oil

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# Learning with Cases

## IV. GROUP DISCUSSION

7. Small Group Discussion
8. Class Discussion

# Conclusion

- This has been an INTRODUCTION to CASE METHODOLOGY
- Cases provide frameworks for learning about management issues, analysis and decision making
- There is no single right answer to a case
- With practice you can become good at tackling
  - New industries
  - Complex data
  - Ambiguity
  - Building your “toolkit” and making good tool selections
  - And respond effectively to problems and opportunities