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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
- Students can become more comfortable with ambiguity

Traditional Cases & Live Cases/Decision Briefs

Traditional cases

- Restricted to info supplied; fixed point in time

Live Cases/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 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

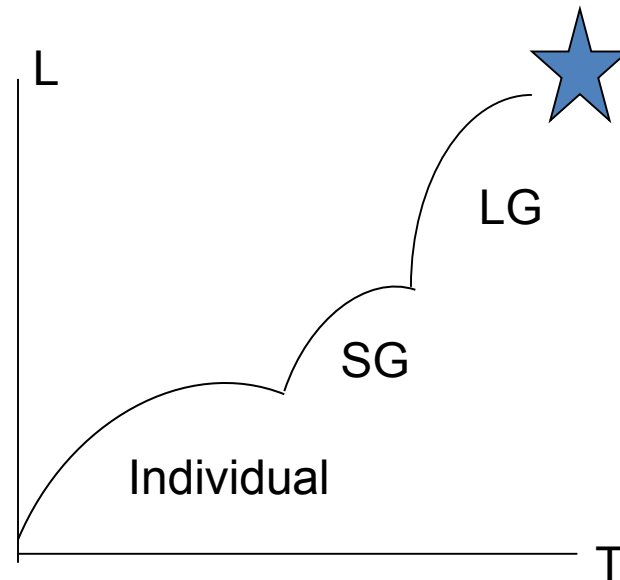
The Case Preparation Stages

- 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?

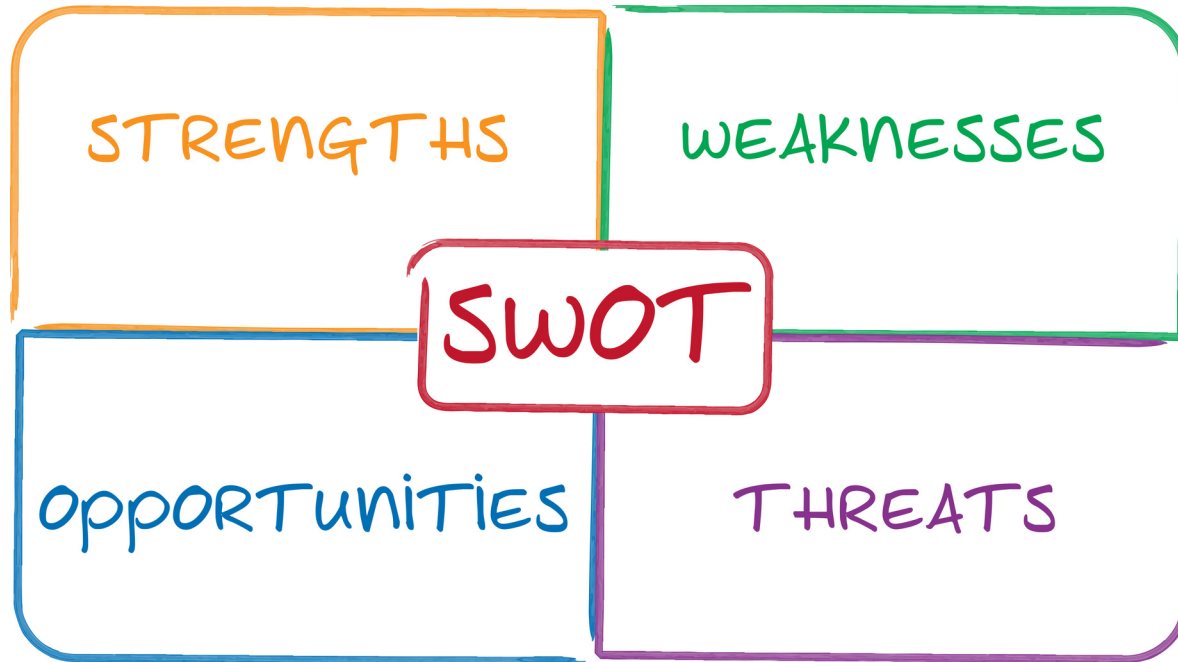
“What, Why, & How”

- “What” course of action should be taken
- “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

Tools for Analysis - Qualitative



Questions to Ask - Quantitative

- How would you analyze the numbers in this case? What numerical framework can you build to inform your thinking?
- What answers (and possible further questions) arise from your analysis?
- Assumptions and identification
- Sensitivity analysis

E.g., 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 %

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

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					

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

Southwest Airlines: Some Questions to Consider

1. What are the success factors that have driven Southwest Airlines in its recent performance (at the time of the case)?
2. Given the current chain of events – what would you recommend to Southwest Airlines with respect to their pricing strategy moving forward? Why?



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