

# Case Analysis Methodology

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from Learning With Cases

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## Purpose

The case method has been used for decades in many top business schools as a way for students to apply analytical and decision making skills in a situation that simulates a realistic situation. If used in a group setting it also gives students to develop teamwork and interpersonal skills in a learning environment.

Students should place themselves in the role of the decision maker. That does not mean that you assume that person's identity, but rather assume that you suddenly find yourself in that position.

It is not unusual for cases not to have a clear-cut, correct answer. Although certain options usually make more sense than others, the primary goal is not necessarily to come up with the right answer. Rather it is to help the student develop skills that can be used in business when she or he becomes a professional manager.

Just as in business, cases often lack necessary information, and contain superfluous information that can distract, or even mislead the decision maker from the task at hand. That said, there is also a great deal of information provided in the typical case upon which to make sound, rational judgments. Be aware that this information may not be in a format that makes its value readily apparent to the reader. Usually, extensive analysis is required to put the data into a form that allows the decision maker to extract useful information.

## Method

Cases usually ask the reader to assume the decision maker's place, and answer the questions:

1. What is your analysis of the situation described in the case?
2. What action would you take?
3. Why would you take that action?

Often the case asks for a specific action beyond answering these questions. The reader might be asked to draw an organizational chart for the sales force, or to create sales territories and quotas.

You are also encouraged to go beyond the limits of the questions asked. Be creative. For example, you might suggest that a certain product should not be sold in a particular territory, or that the company develop a new or modified product for an area.

An effective technique for case assignments is to begin with a cursory review (20 – 30 minutes) to get a feel for the case, and then read the case thoroughly and perform the analysis. The latter can take several hours. The following is an outline that you can use to guide you through this process.

#### A) Cursory Review

1. Read the first and last paragraphs or so to get a feel for the situation and decision task facing you.
2. Briefly answer the following questions:
  - a. Who is the decision maker?
  - b. What appears to be the issue?
  - c. Why has the issue arisen, and how am I involved?
  - d. When do I have to decide or act?
  - e. How difficult is this case to conceptualize and analyze?
3. Read the titles and quickly survey any exhibits provided in the case. This helps you to get an overview of the material presented in the case.
4. Review the headings in the text of the case. This helps you understand what information is provided, and where it can be found.
5. Skim the case quickly.
6. Read the assignment questions.

#### B) Read the Case in Detail

Typically cases are presented in a standard format:

- The Opening Paragraph
- Organizational Background (industry, competition, financial situation, etc.)
- Specific Area of Interest (Marketing, Finance, etc.)
- Specific Problem or Decision (Really read carefully from this section on.)
- Alternatives (Not always included)
- Conclusion (Task and Deadline)

As you read the case, take notes, summarize ideas, raise questions, and record observations and thoughts. You can do this in the margins or in a notebook. I like to use

the margins because the information is located next to the pertinent information. During this reading, you should really scrutinize the exhibits.

### C) Analysis and Solution

- Define the issue(s)
  - Be sure that it is not just a symptom of an underlying problem.
  - Immediate (Use Manufacturer's Rep or Sales Agent) vs. Basic Issues (Use own sales force, or an outside agent); Tactical vs. Strategic issues.
  - Importance and Urgency
- Analyze the case data
  - Cause and Effect
    - Fishbone project (People, Materials, Equipment, Methods, Other)
  - Constraints and Opportunities
    - Look at key resources: money, people, materials, equipment, facilities, and management system.
  - Quantitative and Qualitative Assessment
    - Play with the numbers provided in the text and exhibits.
    - Look at the data in ways not presented in the case.
    - Keep track of units of analysis (dollars, percentage, number sold).
    - Pay attention to what is said: opinions, attitudes, and beliefs.
- Generate alternatives
  - Make them plausible, realistic
  - Status quo (do nothing) is usually a reasonable alternative.
- Select decision criteria
  - Examples of Quantitative Criteria: Profit, cost, ROI, market share, capacity, delivery time, risk, cash flow, inventory turn, productivity, staff turnover, quality, growth rate, quantity
  - Examples of Qualitative Criteria: Competitive advantage, customer satisfaction, employee morale, corporate image, ease of implementation, synergy, ethics, flexibility, safety, visual appeal, obsolescence, cultural sensitivity, motivation, goodwill.
- Analyze and evaluate alternatives
  - Score each dimension (criteria) for every alternative.
  - Weight criterion if they are not of equal value.
  - Predict and evaluate short-term and long-term outcomes.
    - Goldilocks analysis: best, worst, and most likely outcomes.
    - Quantitative vs. Qualitative Analysis; thresholds, gut feel
- Select preferred alternative
  - There may not always be a clear choice.
  - Justify your choice. Your argument should lead to your choice.

- Develop an action and implementation plan
  - Be specific: who, what, when, where, and how.
  - Provide a schedule and milestones.

Just as in business, sometimes information is missing from the cases. If you believe you do not have all of the information, you have to decide:

- what information you need,
- why you need it,
- where it can be found,
- how much time and money it will take to acquire or produce it, and
- if it will make a significant enough difference to affect your decision.

Sometimes the information is readily available from a government source such as the Department of Commerce, or even from your competitors via promotional material.

However, when it is impossible or impractical to gather all of the helpful information (usually), you have to make assumptions upon which to rely when making your decision. In business, you have to make all sorts of assumptions about the environment, personnel turnover, channel relationships, etc. In cases, you can make assumptions based on something read in the text, or trends that you see in exhibits. You should assume that everything is pretty normal/typical in the organization unless specifically stated otherwise in the case.