In this course, you will complete a case study. It is important to understand the case study approach, and there are a number of reasons you should develop strong case analysis skills. First, employers are always looking for candidates who can perform a strong analysis in a variety of situations / functional areas beyond their own job position. This will enhance your ability to see beyond your own job and consider the impact that your analysis / decisions have on a variety of other areas of the organization, both good and bad. Second, during your studies here and particularly on the job, you will frequently be working as part of a team / group. By learning how to perform a full analysis, you will be able to contribute more to your group as well as having the experience to not only understand but also to check the accuracy of the work of others in your group. Finally, a lot of employers these days will use case type questions during their interview process. There are a variety of reasons that this is done, but primarily these questions are used to gauge your ability to think clearly and critically and to respond to a stressful situation. Common questions of this type include “Can you estimate how large the market is for replacement tires in the US in 2015 in terms of dollar and unit volume?” or “Can you estimate the market share for GEICO?” By learning to improve your critical thinking and re-examining the various functional areas of business, with particular attention to making claims and assumptions and providing evidence to back them up, you will be able to walk through the process of arriving at an answer to these types of open-ended interview questions. Of course, employers do not expect you to be exact in your assessment. Rather, they look for the process that you go through in making your decision.

There are seven distinct areas that should be covered in an analysis of any case. Each of these will be outlined in more detail, but they include an identification of the key issue/issues facing the organization, a discussion of the problems faced by the company, a thorough analysis using the various tools and methods you have learned in prior classes, presenting a set of options / choices for the company, establishing how those choices should be evaluated, performing the evaluation of those alternatives, and finally making sound recommendations based on the outcome of your analysis…creating an action plan for the company, if you will.

When it comes to issue identification, there are a number of areas to consider. This may be presented explicitly in the case, typically couched in the form of a question / decision that the organization is facing. They can be existing issues, or issues that are emerging due to a recent change in the company, industry, or wider environment. For example, many companies struggle with issues related to constantly changing technology and how that impacts their ability to communicate effectively or conduct business with their various stakeholders. Issues are also distinctly different than problems. An issue is pretty broad in nature, as the one just described. A related problem with that issue may be that the organization is losing market share to its competitors because more sales in the industry are occurring online, and the company is lacking a significant online presence. The broad issue is keeping up with changing technologies; the specific problem is the loss of market share as a result.

Keep in mind that there are sometimes a lot of issues facing a company. Frequently, these can be sorted into more / less important issues. The more important issues are the critical issues facing the organization that always need to be addressed in the analysis. We have seen so many instances of technological change not being addressed by an organization that ended up eventually resulting in the downfall of the company. Even high-tech organizations such as Blackberry and Motorola, who were once dominant market leaders, failed to address this critical issue and are now a shell of their former selves.
Identifying the specific problems faced by the company will be key as you progress through your analysis. Keep in mind that we don't want to look at symptoms but rather focus on the underlying causes of those symptoms. I like the metaphor of a doctor's office. When you go into the doctor's office, you tell him/her what you are experiencing (i.e., your symptoms), and he/she will observe various signs (e.g., flushed skin, perspiration, accelerated breathing). Then they will perform an analysis to get at the underlying issues that are causing your signs and symptoms. That is your goal here.

For example, loss of market share is a symptom. The problem is why the company is losing market share. Sometimes the problems are obvious, other times, they will be re-visited after you do further analysis.

The analysis portion is the heart of any good case analysis. Without a good analysis, a manager, CEO, or even lower-level employee cannot make a good decision. This is where you will apply the critical-thinking techniques you will learn in this course and will use the tools you learned in your prior functional classes to perform the analysis. As previously mentioned, the heart of any good analysis will get at the root / underlying problem that is causing the symptom. Some of the common causes of symptoms will be prior decisions, external events or changes, or significant internal changes like turnover in senior management. Keep in mind that the symptoms are easily observable, but the root causes may not be. You may have to make some claims and assumptions and back those up by presenting valid evidence and writing / speaking in a persuasive manner.

Be sure that you are explicit in your writing. Present your analysis and clearly state your conclusions. Be clear when presenting your linkages...explain the why and how relationships that exist. Those linkages are the root of your analysis. Don't leave any room for your reader to make any assumptions about the events or causes...be very explicit. Finally, use good critical thinking when you are evaluating your own analysis – ask yourself if you made any assumptions that need to be explained, inferred causality when there is none, etc. One common causal statement that we frequently see is “If the company ____, they will be more profitable.” Without a detailed explanation of why and how this relationship exists, causality is being implied between an isolated event and an organization’s profits. There are a multitude of factors that affect a firm’s profitability that need to be discussed and used as evidence to support this claim. Without that explanation, this is not a valid assertion.

Once your analysis is conducted, you should provide some options for the company to pursue. They must be realistic and should flow naturally from your analysis — they should solve the problem and address the broader issues you presented earlier in your case.

Once you have some options laid out, consider how the company should choose among them. Consider which options best solve the problem / issues, if the organization has the resources to pursue the options and the capabilities to execute them as well. For example, if your solution is to expand into a different country, can the company afford the expansion effort (i.e., does it have the resources), and does it have experience in managing overseas / global operations and the proper processes / structures in place to manage an overseas operation (i.e., does it have the capabilities to execute).

Once you have evaluated your options, be sure that you use solid critical thinking to justify your selection. Are you making any invalid claims? Can the claims you are making be easily contested and invalidated? Did you provide accurate, precise, and sufficient evidence to support
your choice? Did you examine your own work to see what assumptions you are making and assess their validity? Did you make any causal inferences that should be re-examined? Finally, did you use persuasive techniques in your writing to get the reader to accept your solution?

After you have chosen your solution, you should put together a brief course of action / action plan for the company. What specific steps need to be taken to solve the problem? Think of yourself reporting the CEO and board of directors…what would you tell them to do? Don’t repeat what they already know…give them original ideas. If the company is already pursuing a specific action, don’t tell them to do the same thing they are already doing. Be specific, but also be realistic in your suggested actions.

Once you have your ‘action plan’ together, evaluate it. Did it solve the problem? Are the actions consistent with what the company currently does? Are they consistent with the problems / issues identified earlier? Ask what the company should do. Then ask how it should do it. Then ask how else it could. Then ask how else it could do it again. Once you have asked what, and how a few times, you will have a good set of actions in your write-up. The key is to continually think of alternative ways that the problem/problems can be solved.

As with your analysis, it is very important to be specific with your action plan and adequately support it with clear facts, details, examples, evidence, and analysis. Above all, it should be logical and make sense, given your analysis.

Once your action plan is complete, you should also consider any downsides. Will the actions cause new problems for the company? Raise new issues that the company needs to address? Think about whether or not the company will be worse off than it was by implementing the solution. Sometimes, companies over-react to issues / problems that they are facing and cause a whole new set of problems.

Be sure to pay close attention to all exhibits and make a list of issues / problems as you go through the case. Do enough financial analysis to fully comprehend the financial status of the company. Third, always be on the lookout for the opportunity to use the tools you will learn in this class and the ones you have learned in other classes in your analysis. Fourth, be thorough in your diagnosis and outline your assessment as you are going through the case. Fifth, be sure that you get away from stating opinions and support your decisions with sound analysis and evidence. Sixth, prioritize your recommendations by importance. Consider how each recommendation solves the problem and the resources necessary to execute the solution. Seventh, be sure that you re-read your analysis once you are done to determine whether or not you have addressed all the issues/problems you identified earlier. Keep an eye out for those critical thinking areas as well – claims, assumptions, evidence, etc. Finally, discuss any potential problems that may occur as a result of your recommendations.

Now that you have an idea of how to prepare a case analysis, look at the Facebook Case (A) that is assigned in this module. While it is brief, it focuses on a very specific problem being faced. Read through the case and try to apply the techniques mentioned as you read it. See if you can come up with a solution that addresses the issue being faced without causing any further problems for the company.