THE CASE METHOD

The objective of the case method is to introduce a measure of realism to business education. A case approach forces you to deal with problems as they actually occur in a business or a not-for-profit organization. Each case is simply a written description of the facts surrounding a particular business situation. With the case approach, it is your responsibility to develop solutions to the problem.

Because each case is different, the solution that is developed for one case cannot be randomly applied to another. This raises the question of what you actually learn by working with business cases. One obvious benefit is that preparation and discussion of case studies helps you improve your skills at oral and written expression. In addition, the case method provides an easy way to learn about current business practices. Perhaps the most important advantage of the case method is the experience it provides in thinking logically about different sets of data. The development of your analytical ability and judgment is the most valuable and lasting benefit derived from working with business cases.

A FRAMEWORK FOR ANALYSIS

The analysis of business cases can be approached in many different ways. The following six-step procedure is a logical and practical way to begin.
1. Define the problem.
2. Formulate the alternatives.
3. Analyze the alternatives.
4. Recommend a solution.
5. Specify a plan of action.
6. Prepare contingency plans.

Defining the Problem

Once you are familiar with the facts of the case, you should isolate the central problem. Until this is done, it is usually impossible to proceed with an effective analysis. If there are questions in the end of the case, you should look at them as guides for action rather than as specific issues to be resolved. All cases should be considered as problems in the wider management context, not as specific issues concerned only with some narrow phase of management.

You must distinguish between problems and symptoms of problems. Declining sales, market share or profits are symptoms of more fundamental underlying problems that are their cause. Any business situation may also pose multiple problems. The key to solving unstructured problems is to identify the one that must be solved first, the one whose solution will either eliminate other problems or permit their solution.

Selecting the Alternatives

The second step is to define possible alternatives available to resolve the problem. Some of these alternatives may be obvious from the material supplied in the case and from the statement of the main issue. Others may have to be supplied from your own review of the situation. You should be careful to
limit your analysis to a reasonable number of alternatives. Three or four alternatives are usually sufficient for a typical case. One alternative that should always be considered is the maintenance of the status quo. Sometimes doing what you have been doing is the best course of action.

Analyzing the alternatives

The heart of the case method is the analysis of alternatives. To analyse is to dig into and work with the facts to uncover associations that may be used to evaluate possible courses of action. Thus, your analysis should begin with a careful evaluation of the facts presented in the case. You must be sensitive to the problem of sorting relevant material from that which is peripheral or irrelevant. In reviewing the case, you must be careful to distinguish between fact and opinion. You must also make sure that the ‘facts’ are consistent and reliable.

You are expected to base our analysis on the evidence presented in the case, but this does not mean that other information cannot be used. The criterion in using ‘outside’ material is that it must be appropriate to the particular situation. Sometimes the most important facts in the case are buried in some chance remark or seemingly minor statistical exhibit. Be careful to go through the data to uncover all the relationships that apply to the alternatives being considered.

Marketing analyses are usually based on incomplete information. Assumptions must be made. However, they should be made only when necessary and must be clearly labelled as such. Moreover, a rationale should be given for any assumption made. At the end of any decision-making review your assumptions to see how dependent your conclusions are on the assumptions made. You should make contingency plans in the event major assumptions do not hold.

You should realise that complete analysis is not one-sided. A review of a business situation is not sound unless both sides of important issues are examined. This does not necessarily mean that every point must be mentioned, but major opposing arguments should be addressed where possible. You will find it helpful to explicitly list the pro’s and con’s of each alternative.

Making recommendations

After you have carefully analysed the data and alternatives, you are in a position to make recommendations. Sometimes more than one course of action will look attractive. This is not an unusual situation, as most cases do not have a single "right" answer. Still you must come up with a concrete proposal. To arrive at a solution, you should judge the relative risks and opportunities offered by the various alternatives. The optimum choice is the one that provides the best balance between profit opportunities and the risks and costs of failure. Make a clear-cut decision and avoid qualifications and other obvious hedges. Instructors are much more concerned with how a particular decision was reached than with what particular alternative was selected.

Students sometimes review the facts and decide that they do not have enough information to reach a decision. They recommend that the decision be postponed pending the results of further research. Usually, "get more information" is not an acceptable solution to a business case. Decisions cannot wait the length of time necessary to conduct good research. In addition, it is unlikely you can ever expect to have all the information you think you need. Because of the cost of research and the penalties of delay, business decisions are almost always made under conditions of uncertainty.
Specifying a Plan of Action

Having made your decision, how are you going to implement it? You should suggest, in as much detail as the case allows, what actions you would take, when they would be taken, and how much they would cost. Once you have proposed your actions, you would do well to reflect on the potential market reactions to them, especially competitive reactions, and these possible reactions might lead you to modify your actions again.

If you feel that collecting additional information is the only feasible means of solving a case, you must provide support for this decision. First you should state exactly what the research will show and how this information will be used. In addition, you should indicate the research methodology to be followed and the anticipated cost of the study. After you have completed these tasks, you will be in a better position to decide whether additional research is needed.

Preparing Contingency Plans

When you make a decision, it is based on the facts at hand as well as on your expectations about the future that you hold at that point in time. Since the future does not always unfold as we expect or wish, we must be prepared for any significant alternative future scenario. You must ask yourself what you will do if the market does not respond to your marketing actions as you anticipate, if competitors take actions that deviate from their usual behaviour, if the economy is different than economists have forecasted, and so on.

WRITING THE REPORT

When instructors read reports, they check to see whether students fully understand the situation and whether student interpretations of the facts are reasonable. They also like to see papers that are objective, balanced, consistent, and decisive. Perhaps the most common error made by students in writing case reports is to repeat the facts that have been provided. Instead of analyzing the data in light of alternatives, students frequently repeat statements that appear in the cases, with no clear objective in mind. Nothing upsets an instructor more the reading a paper that devotes several pages to explaining what he or she already knows about the case.

Another deficiency often observed in writing reports is the lack of organisation. Students who make this error will begin with the first thought that enters their minds and continue, in almost random fashion, until they run out of ideas. The end result is a paper that has no beginning and no end, and often consists of one long paragraph.

There is no optimal length for a written case analysis. It depends on the amount of data provided, the preferences of the instructor, and the number of cases the student turns in during the course. The report should be long enough to cover the subject adequately. It is fairly obvious that written reports must be neat, legible and free of grammatical and spelling errors.

SUMMARY
Case analysis is designed to give you an opportunity to develop a productive and meaningful way of thinking and expressing yourself about business problems. The case method also helps train you to use logic to solve realistic business issues.