

## Case Study Assignment Guidelines

### Introduction

Case studies present you with real life scenarios and situations that help to develop your critical thinking, problem solving and decision making skills in the relatively safe environment of the classroom. Whether the situation described in a case is straightforward or is highly complex, the entire problem solving process involves three stages and eight steps.

The analysis process we will involve four steps:

#### 1. Problem identification and definition

The process of identifying and defining the problem involves three steps:

- a) Review the case and identify and describe the relevant facts  
This step allows you to identify the key facts (the most relevant ones) so that you can figure out what is going on before making a decision. Identify and stating the key facts helps you identify the most important facts.

Provide a list of the most relevant case facts. Organize these facts around external forces that affect an organization such as political/legal, economic, socio-cultural, technological, and competitive; or internal factors such as management problems, staffing issues, financial, or marketing challenges.

- b) Determining the root or cause of the problem  
This step expands on the previous step by identifying the facts in the case that are contributing to the problem and/or are symptomatic of the problem. In this step, a simple question that might guide the discussion is: what are the current challenges faced by XYZ Company?

- c) Identify the problem components  
This third part of the problem identification fully identifies the problem and the key components of the problem. An example is below:

*The current challenges facing XYZ are how to remain competitive and profitable, improve productivity and maintain good employee relations. A number of factors are contributing to this situation. First, the government has recently passed laws to deregulate the industry. This is causing competition in the industry to increase.*

*Second, widespread adoption of telecommunications and the internet means customers are finding it much easier to shop around and compare prices.*

*This is also stimulating competition and is driving down prices industry-wide. Lower prices have led to lower profits in the industry and the 1% fall in XYZ's net margin is reflected in the \$1,000 000 decline in net profit. Consequently, XYZ has been downsizing and recently laid off 10% of its workforce in an effort to cut costs. A recent company survey indicated that downsizing has adversely affected employee morale, which the management believes is responsible for the 2% decline in productivity. (XYZ, pp 214-215).*

## **2. Analysis and decision making**

Most business cases involve decision-making. For instance, some might need a decision on questions such as, "What strategy or strategies should company XZY pursue in the future? This decision can be made after an analysis of the company's strategy and situation. The final decision will vary based on the data available and the perceived consequences. Analyzing the various dimensions of the decision requires three things: decision options or alternatives, decision criteria, and providing relevant evidence (Case Analysis Guideline, n.d). These three steps are below:

### **a) Generating alternatives (options)**

Since the case assignment or question requires a solution, a decision or an opinion then you need to consider all the options. Brainstorming will help you generate a list of possible alternatives.

In this step, you do not need to be judgmental; virtually any idea goes but if you do not list it, you cannot then choose it as the best option. A few examples of company XYZ's alternative solutions:

- Close XYZ down – the future is bleak
- Do nothing – the company has already cut costs enough
- Increase productivity- to reduce unit costs
- Employ more salespeople - to increase sales revenue
- Run some extensive advertising campaigns- to increase sales revenue and product awareness
- Discontinue company benefits – to reduce costs
- Continue to lay off staff as needed – to reduce costs
- Implement voluntary redundancy/retirement and a hiring freeze – to reduce costs.
- Ask employees to pay a proportional cost of medical benefits – to reduce costs.

b) Evaluate alternatives

Once you have listed all your alternatives, the next step is to narrow them down to those that seem most plausible; much like whittling down a long list of new cars to a few potential makes and models. After you have screened your list, take the relevant facts that you gathered in step 1 and apply them to each of the remaining alternatives. This provides you with the necessary supporting evidence to reject most of the remaining alternatives and decide on the best. A few examples are provided below:

- Deregulation and consumer shopping habits mean competition is likely to be a fact of life for a long time to come— doing nothing is, therefore, not an option. The company must look for more ways to cut costs
- Increasing productivity would help the company but without the commitment of the workforce, this is unlikely to be successful.
- Employing more sales people is an option but would increase costs without any real guarantee of success
- The company already advertises regularly – doing more would push costs up higher than the industry average making it more uncompetitive unless revenues greatly increase as a result. This seems unlikely with the advent of increasing competition.
- Discontinuing company benefits would decrease costs but may damage employee morale still further, however, it is a longer-term possibility as employees have indicated they would rather pay for benefits than lose their jobs.

c) Choose an alternative

After evaluating all your options, choosing the best alternative is usually a straightforward next step but it is also one that is often skipped, even by business professionals. So, make sure that you state your **preferred** solution simply and clearly. Keep in mind that your readers are not as familiar with the case as you so, even if you think the reasons for your solution, decision or opinion are obvious, you must still explain **which facts** led you to that conclusion. Imagine that you had decided to do nothing because you think things will settle down.

It is not enough to say, “XYZ could close down or spend a lot of money on advertising and promotion to boost sales but the best solution is to do nothing, I think things will settle down.” Support your recommended course of action using the evidence/information from the case, other research and your experience to clarify your reasoning. For example:

*“Although management believes that the recent 10% reduction in staff has reduced costs sufficiently to allay the effects of competition for the next 3 years (XYZ), they cannot afford to stand still or do nothing further because competition is increasing and is here to stay (XYZ). Increasing promotional activity would also increase costs with no guaranteed results and more job losses would result in a further decline in morale and productivity. Bearing all this in mind, XYZ’s best option, therefore, is to introduce employee healthcare contributions. This will save the company \$1, 500 000 per annum and employees have already indicated that they would be willing to accept this option in preference to further job losses (XYZ) so, productivity is likely improve once the changes are communicated and implemented.”*

### 3. Action planning

The first two stages of the case analysis process focus on identifying and making decisions about the big picture. In this last stage, steps 7 & 8 call for you to define how you will turn your solution or decision into action, how, when and what you will monitor to ensure things are working out as planned and what you will do if they are not. Steps 7 & 8 are often not required when answering introductory or foundation level case questions. However, learning about them and starting to use them appropriately will serve you well in future classes, impress your instructor and probably earn you some extra points in your assignments! It is also very good business practice.

In our XYZ example, we have decided to introduce a new benefits program to reduce costs. Let us assume that the benefits team in the Human Resources department will be responsible for communicating changes in the benefits program to employees. This communication must be complete by mid- May so that employees can make informed selections in the open enrollment period during the last two weeks of May.

#### Communication Plan for New Benefits Program

| Action Required                                                                    | Action by         | Time required/Deadline |
|------------------------------------------------------------------------------------|-------------------|------------------------|
| Identify volunteers for focus groups to identify appropriate communication methods | Benefits Director | 1 week/ 31st Jan       |

|                                                                               |                                    |                                |
|-------------------------------------------------------------------------------|------------------------------------|--------------------------------|
| Conduct focus groups                                                          | Benefits Team                      | 2 weeks/14th Feb               |
| Prepare communication & enrolment forms in formats identified by focus groups | Benefits Director & PR Consultants | 4 weeks/14 <sup>th</sup> March |
| Send draft communications & documents to printers                             | PR firm                            | 1 week/21 <sup>st</sup> March  |

#### 4. Measurements

Finally, as with any plan, it is very important to build in measures so that you can periodically monitor whether it is working. Therefore, you need to state **HOW**, **WHEN** and **WHAT** you will measure, for example: quarterly reviews of new accounts opened, sales volume or number of units sold, increases in customer awareness or satisfaction levels, gross profit margins or net profits. You must also have a contingency plan in case things do not go as expected. Will you make modifications to your existing plan? Will you start the process over? Will you choose some other alternative that you have already identified?