USCMarshall
Critical Thinking Initiative

Tackling Case Analysis

A Part of the Comprehensive and Fully Integrated Framework for Critical Thinking at the USC Marshall School of Business

USC Marshall Critical Thinking Initiative

- The *USC Marshall Critical Thinking Initiative* is an on-going school wide effort to enhance our students' critical thinking skills in order to make them more successful problem solvers. Its key components include…

  - ✓ The 5 Step **USC-CT** Problem Solving Process which is designed to help students tackle ambiguous, ill-defined challenges.

  - ✓ The **START** Concept Analysis which is designed to teach fundamental concepts/formulas that are utilized within the USC-CT Process.

  - ✓ **Learning Modules** which are designed to enhance specific skills such as how to reduce biases, how to enhance creativity, and how to evaluate claims & evidence.

- The lesson in this document focuses on **Tackling Case Analysis**

Tackling Case Analysis

Michael W. Coombs, Ph.D.

(Note: This document is meant as an introduction to the subject. More in-depth coverage will occur in supplemental readings and classroom exercises)

Analyzing a Case

- Using case studies
- Comparing cases studies to lecture learning
- Reading a case study
- Preparing for class
- Responding in class
- Presenting case studies with Question & Answer at the end.

What is the Benefit of Case Studies?

Lecture vs. Case Studies

- Lecture
  - Listen in class.
  - Write down everything the instructor says.
  - Cram for exams by memorizing key terms.
  - Often cannot recall concepts from a previous semester.
- Overall, a very passive learning method.

Lecture vs. Case Studies

- Case studies
  - Prepare the case / article prior to class.
  - Analyze the case for key issues / problems.
  - Develop questions around what is happening in the case: Why is the firm in this situation?
  - Contribute actively to the class discussion.
  - Integrate your learning with other courses.

- Overall: Active learning.

How to Read a Case Study

- FIRST READING
- Read the first page and the last page
  - Who is the Protagonist?
  - What are the issues?
  - What questions are asked?
  - Why is the company in this situation?
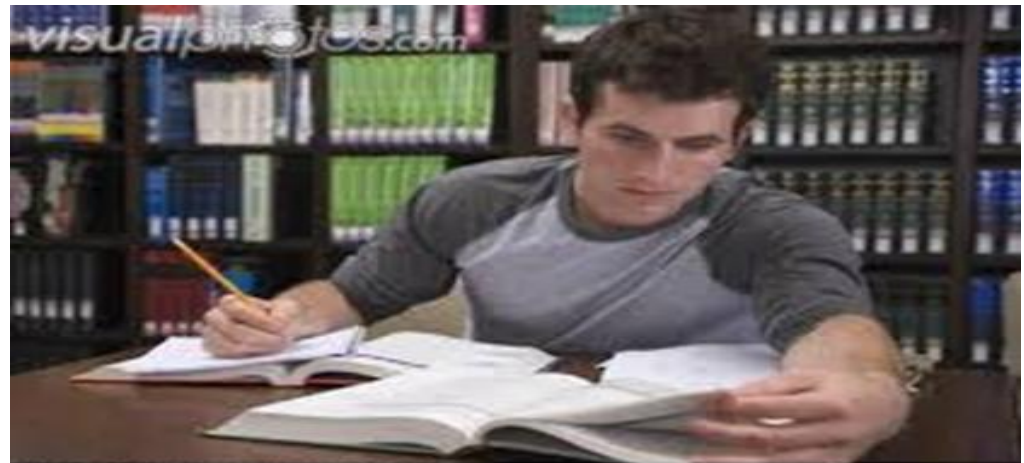
How to Read a Case Study

- SECOND READING
- Read quickly from front to back turning pages as fast as you can.
  - What kind of company and industry?
  - Why are they in this situation?
  - What challenges?
  - What information is in the exhibits?

  Setup for next step
  - What questions do I need to ask or information do I need to find?

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How to Read a Case Study

THIRD READING – Deep Dive
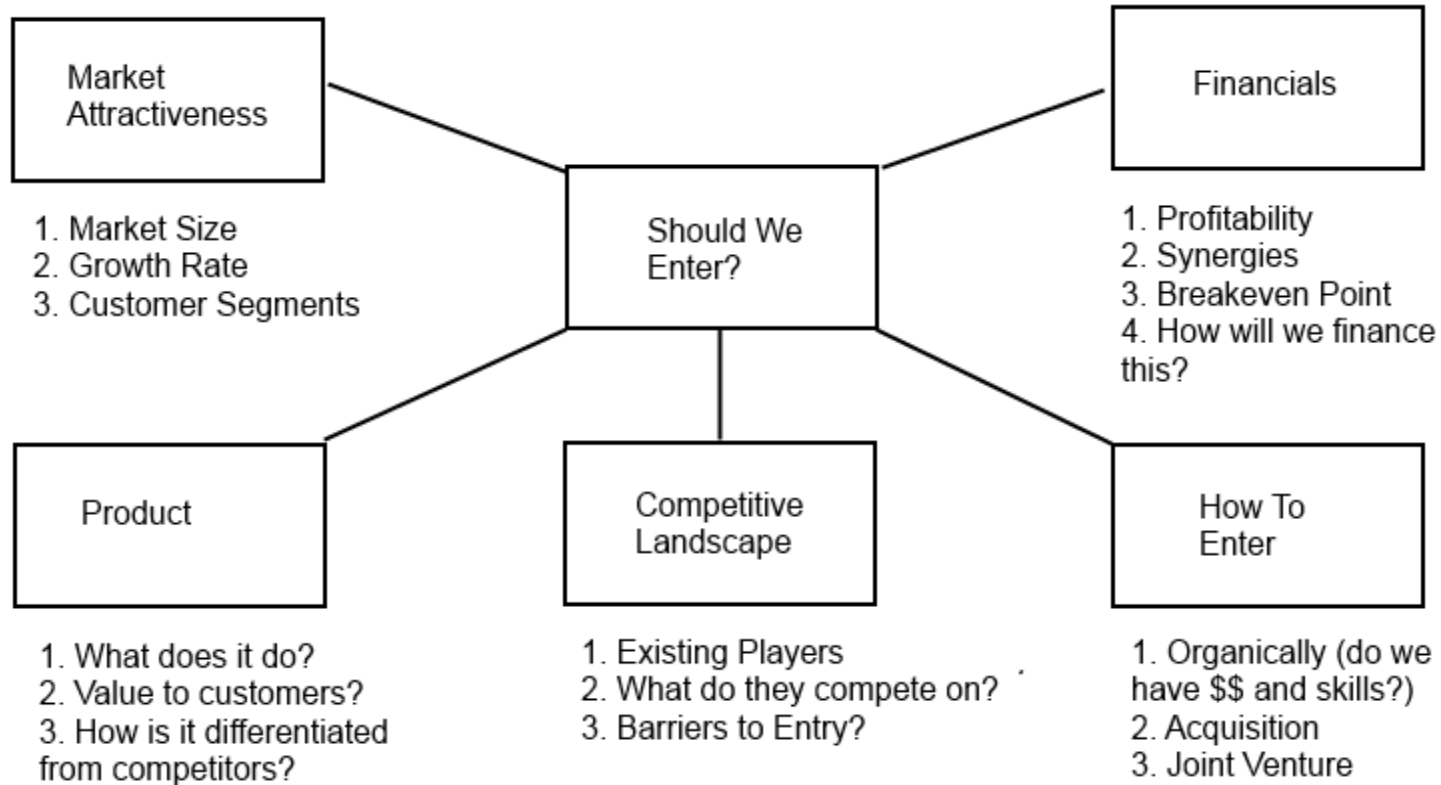
- Make notes in the margins (annotate the case).

- Read for detail and deeper understanding.

- Make sense of the situation.

- Reach for frameworks / tools which may help you organize or evaluate the situation more clearly.

Develop a hunch about the problems presented and possible solutions. This may suggest a hypothesis to you.

- Be Mutually Exclusive, Completely Exhaustive.

Market Entry Framework

Market Attractiveness
1. Market Size
2. Growth Rate
3. Customer Segments

Should We Enter?

Financials
1. Profitability
2. Synergies
3. Breakeven Point
4. How will we finance this?

Product
1. What does it do?
2. Value to customers?
3. How is it differentiated from competitors?

Competitive Landscape
1. Existing Players
2. What do they compete on?
3. Barriers to Entry?

How To Enter
1. Organically (do we have $$ and skills?)
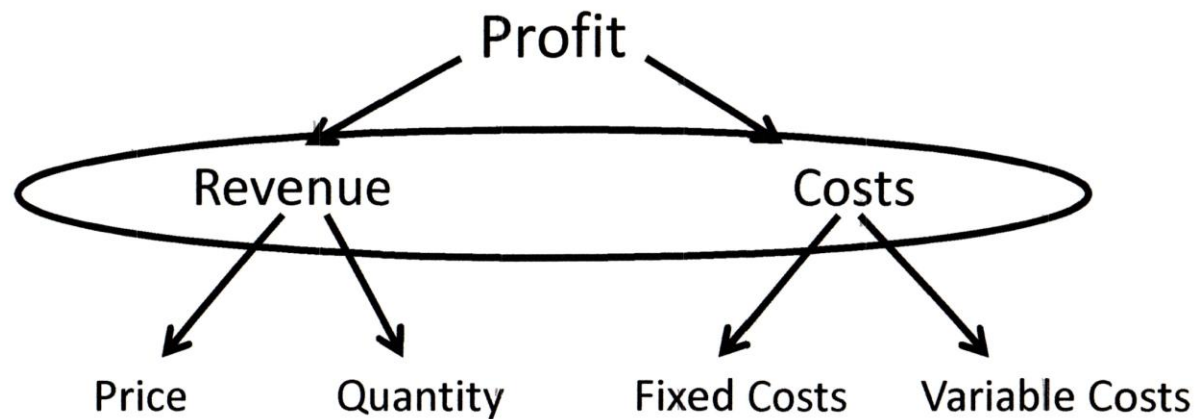2. Acquisition
3. Joint Venture

Profit/Loss Framework

Reach for a conceptual frameworks. For instance:

Profitability issues can be examined and unbundled with the following issue tree:

How to Read a Case Study

What is MECE (mee-see)?

Mutually Exclusive, Completely Exhaustive

- No overlaps.

- All possibilities are considered.

May result in you "boiling the ocean." Avoid this!

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Hypothesis

- Potential answers to the key question.

- It becomes the starting point for the decision tree.

- It is an "If-then" statement which can be tested and confirmed or denied.

- Quick and Dirty Test (QDT)—What assumptions are we making which must be true in order for the hypothesis to be true?
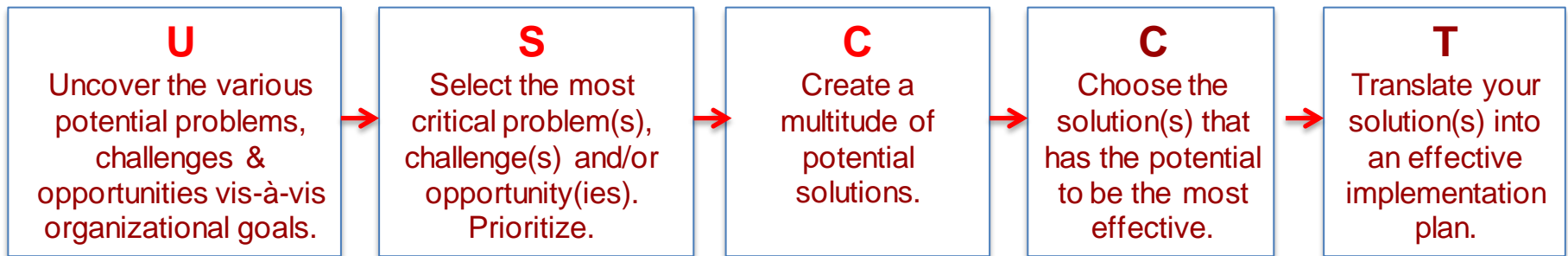
The Internal Profit Problem

- Company XYZ's profit is down 20 percent. Sales remain unchanged and costs have increased by 20 percent.

- What might you consider to improve this situation?

The 5 Step USC-CT Problem Solving Process

The comprehensive and fully integrated framework for critical thinking about a problem or an opportunity.

Analyze the case using this model to identify the key issues and main problem, alternative solutions and an realistic and effective course of action.

U	**S**	**C**	**C**	**T**
Uncover the various potential problems, challenges & opportunities vis-à-vis organizational goals.	Select the most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize.	Create a multitude of potential solutions.	Choose the solution(s) that has the potential to be the most effective.	Translate your solution(s) into an effective implementation plan.

The 5 Step USC-CT Problem Solving Process

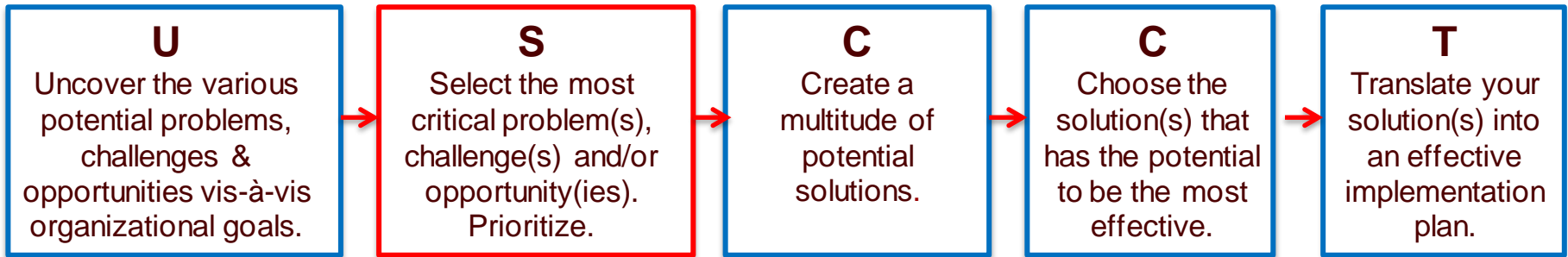| U	S	C	C	T
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When the goal is to solve complex problems, begin by uncovering an array of potential problems and/or opportunities relative to the organizational goal/mission. Then clearly and concisely state each while providing relevant, analytical support showing evidence and assumptions.

Students should examine issues through instructor led probes, such as….

- <u>What</u> is the nature of problems, challenges or opportunities and how does that relate to the overall goal/mission? What is your company/brand/consumer like today and what do they need to be tomorrow?
- <u>Who</u> are the stakeholders? Are there differing views on problems, challenges and opportunities?
- <u>How</u> did this situation arise? Is this a random event or systemic? Root cause vs. symptoms? Interrelated?
- <u>Why</u> is this important? What's at stake? (e.g. Revenue? Brand image? Goals?)
- <u>Where</u> does this issue reside? (e.g. Marketing? Sales? Accounting? Finance? Combination?)
- <u>When</u> did the situation occur, when must it be resolved, is there a window of opportunity?

The 5 Step USC-CT Problem Solving Process

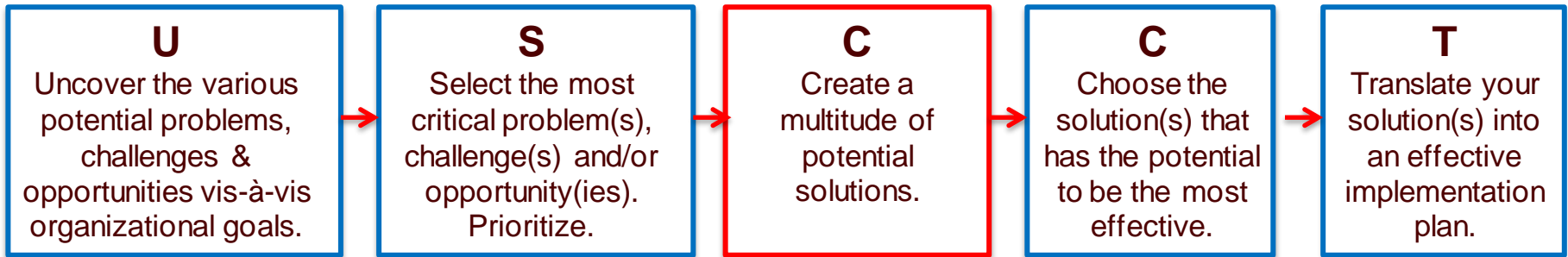| U	S	C	C	T
Uncover the various potential problems, challenges & opportunities vis-à-vis organizational goals.	Select the most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize.	Create a multitude of potential solutions.	Choose the solution(s) that has the potential to be the most effective.	Translate your solution(s) into an effective implementation plan.

After uncovering the potential problems, challenges and opportunities, we can narrow them down to the most significant. The objective is to prioritize while providing relevant, analytical support. The student should clearly & concisely explain reasoning.

Students should consider…
- ✓ <u>Magnitude</u>: Have you identified/evaluated how big each problem/challenge is vis-à-vis your goal?
- ✓ <u>What's Quantifiable</u>: Can we quantify their impact through some metric? What data would help to quantify this impact? Have you assessed data needs, sought info, & applied the appropriate analytics?
- ✓ <u>What's Non-Quantifiable</u>: Are there non-quantifiable issues we need to consider (e.g. gains and losses in brand image, PR, stakeholder psychological commitment?)
- ✓ <u>Interrelationships</u>: Are these issues potentially interrelated? Might one (e.g. today's promotions) impact another one (e.g. tomorrow's brand image)? Cause & effect?

The 5 Step USC-CT Problem Solving Process

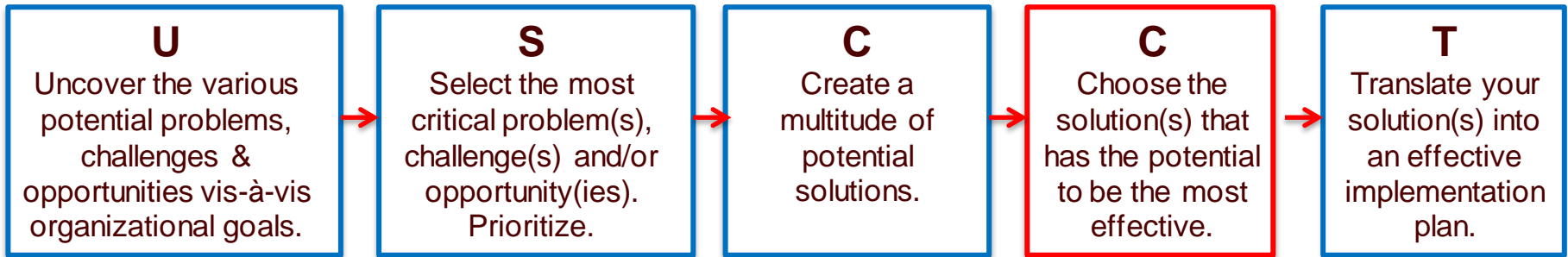| U	S	C	C	T
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Now that we have narrowed down the problems, challenges and/or opportunities to the most significant ones, it is time to generate an array of potential solutions. Then clearly and concisely state each solution while providing relevant analytical evidence & assumptions.

Students should…

✓ Gather Solutions: Which solutions might different stakeholder groups see as viable? What makes them viable from this stakeholder's perspective? Is this a marketing, accounting, finance solution or some other? Combo?

✓ Look for Unique Solutions: Consider what motivates stakeholders/audiences and develop unique solutions. (Note: Tools to generate creative approaches are available)

✓ Find Interrelationships: Are some solutions interrelated? Are some more viable in the short vs. long-term?

The 5 Step USC-CT Problem Solving Process

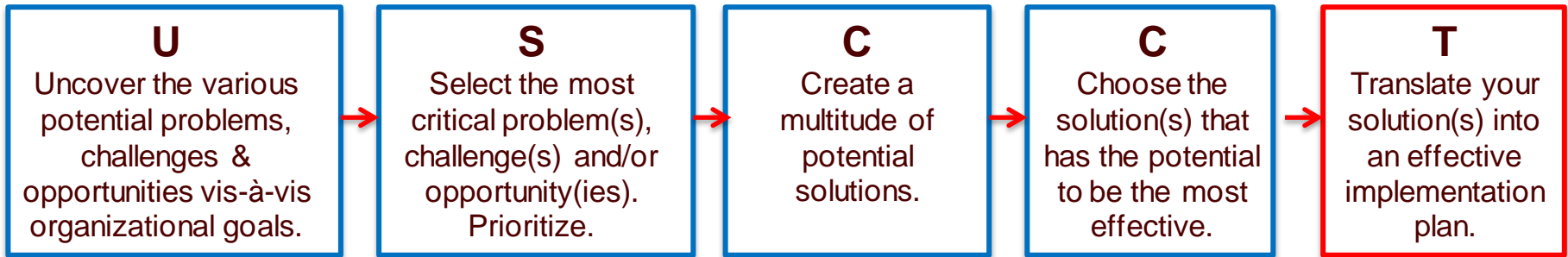| **U** Uncover the various potential problems, challenges & opportunities vis-à-vis organizational goals.	**S** Select the most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize.	**C** Create a multitude of potential solutions.	**C** Choose the solution(s) that has the potential to be the most effective.	**T** Translate your solution(s) into an effective implementation plan.

After generating ideas for many potential solutions, we can narrow them down to those that are likely to be the most effective. The solutions should be prioritized using relevant, analytical support, and the reasoning should be clearly & concisely explained.

Students should consider…

- ✓ Magnitude: What is the potential impact of each solution?

- ✓ What's Quantifiable: What tangible gain/loss does each solution represent in revenue, profit, other? Have you assessed data needs, sought info, and applied the most appropriate analytical method?

- ✓ What's Non-Quantifiable: Do solutions have intangible gains/losses or consequences? (e.g. Image).

- ✓ Resources: What resources might each solution require? (e.g. money, time, people).

- ✓ Pros/Cons: What are the pros/cons for each in the short vs. long term? Are they interrelated? How would you handle a rebuttal?

The 5 Step USC-CT Problem Solving Process

U	**S**	**C**	**C**	**T**
Uncover the various potential problems, challenges & opportunities vis-à-vis organizational goals.	Select the most critical problem(s), challenge(s) and/or opportunity(ies). Prioritize.	Create a multitude of potential solutions.	Choose the solution(s) that has the potential to be the most effective.	Translate your solution(s) into an effective implementation plan.

After choosing the most effective solution(s), it is important to translate it into an effective implementation plan in order to identify potential hurdles and unintended consequences. Then adjust plans if needed and clearly and concisely explain rationale.

Students should…

✓ <u>ID Steps</u>: Have you identified the key steps toward implementing the solution(s)?

✓ <u>ID Hurdles</u>: Have you identified potential implementation hurdles (e.g. lack resources) and a remedy?

✓ <u>Consider Unintended Consequences:</u> Have you identified potential events that may result? What's the potential domino effect due to the complexity of the situation, error, or bias? Are you prepare for them?

✓ <u>Do a Final Check</u>: Have you conducted a final check/critique of problem/solutions/implementation, looking for logic flaws? Have you considered a third party review?

The Presentation: WHAT we are communicating

Call to Action

Support 3

Support 2

Support 1

Recommendation & Result

Introduction & Problem

The Presentation: HOW We Will Deliver the Message

- Problem identification

- Recommendations to the firm

- Speaking order

- Transitions between speakers

- Summary

- Managing Questions

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Recommendation

- (state your recommendation)
- (which will enable you to ……..)
- (what will happen if you are not able to implement this recommendation)
- (urgency)

Introduction

- Identify your Audience

- Address your audience
  - Chairman of the Board
  - The CEO
  - The protagonist within the case

- State the problem
  - You asked us how you might increase your profitability 10 % within the next five years.

The Opening

First speaker

- Sharp, enthusiastic launch

- Attention getter

- State your Recommendation

- Urgency

- Introduce the members of the team and expected content areas

- Transition to the next speaker

The Body of the Presentation

- First topic / speaker
- Begin with a "mini-message summary"
  - Key points

- Transition to next topic / speaker

The Body of the Presentation

- Second topic / speaker
- Begin with a "mini-message summary"
  - Key points

- Transition to next topic / speaker

The Body of the Presentation

- Third topic / speaker
- Begin with a "mini-message summary"
  - Key points
- Transition to next topic / speaker

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The Close

- Encourage client to move toward the goal

- Recap your argument

- Remind them of any costs

- Make a final appeal to action

- Smooth, strong finish

- (All team members step forward for questions)

Responding to Questions

- Team stands in a semi-circle. This allows you to "see" if another team member is moving forward to respond to the question.

- Respond to questions with "Answer First" approach.

- Keep answers brief and on target.

- The first answer may be supported with one backup person, no more.

- If you have prepared background information / Appendix slides with an answer. A separate team member—not the one responding to the questions—moves to the computer to select the proper slide.

- Be professional, respectful.

Fight on!

References

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