

MBA
Case Analysis Format
Suggestions for Preparation

- I.) The more you practice analyzing cases, the better you will be prepared to take the course exams. The information that follows presents the information that you should cover when analyzing a case, as well as a format to assist you in covering all relevant information.
- II.) Understand the tools that managers use for strategic planning and be able to apply them when analyzing cases.

Section I represent the information you should present in analyzing the current situation of the firm.

Section I:

Mission - what the company is selling, to whom, and the principles underlying its existence.

Frequently the case will **not** specifically state "The Mission is.....", however, from statements made by the CEO, or other top level managers and other information in the case, you should be able to identify a reasonable mission for the company.

Objectives – these are the results the organization seeks. They state what is to be accomplished and should be quantitative if possible and include a time frame for the results to be accomplished. In identifying current objectives you may not have all the information to determine well stated objectives, so state what you think the organization is trying to achieve.

Strategies – strategies are how a company plans to achieve the organization's mission

general (also called grand strategies – Porter)

low cost, niche/focus, differentiation, OR quick response) - normally a company pursues ONE general strategy

marketing - what are the strategies they pursue for the 4 Ps (product, place/distribution, price, promotion)?

finance - how do they fund their expansion (debt, stock, retained earnings); what are the financial goals?

operations - how they make what they sell (for a service business, it would be how they provide their service)

human resources - what are their strategies for hiring, training, compensation (anything to do with managing the people of the organization)? Describe how the structure of the organization effects performance.

information technology – how does the company use IT to achieve organizational objectives

research and development – this is how a company implements its technology strategy. It includes three issues: choosing among alternative new technologies to use within the organization, developing strategies to use technology to develop new products and improve processes, and allocating resources for technology (technological leader or follower).

Case Issues – you should identify the major issues of the case. These are normally clearly stated in the case. If not, you should try to identify the major issues or decisions facing the organization. This helps to develop a focus on the important issues of the case. Getting these clearly articulated will help to develop your analysis coherently and avoid generic analyses.

Financial Analysis – you should calculate ratios for the last three years of the case and three

revenue cycle trends

Ratios - liquidity, debt, and profit

Trends - revenues, profits (what has happened over the past several years)

Comparisons - over time, vs. other competitors in the industry

Miscellaneous - stock value, stock trends

Must describe what figures/ratios mean, in addition to their calculation – that’s what “analysis” means.

External Analysis

Opportunities and Threats - External analysis - this includes all factors that are beyond the control of the organization. If you find your points continuously refer to the company that you are analyzing, you are probably discussing INTERNAL rather than external factors.

External Analysis – includes Porter’s Five Forces and a macro-environmental analysis. It identifies opportunities and threats.

Porter’s Five Forces – this is an analysis of the competitive environment

The five forces are Bargaining Power of Buyers, Bargaining Power of Suppliers, Threat of New Entrants, Availability of Substitutes, and Competitive Rivalry.

You should identify the level of threat: high, moderate, or low and support your choice with 2-3 supporting points. You do NOT label each point opportunity or threat.

Macro environment Analysis - economic, social/cultural (s/c includes demographics), technological, political/legal, and global

Specify whether each point is an opportunity or threat **and** why. In all cases you should identify both opportunities and threats (i.e., no case will be totally one-sided)

Internal Analysis – Using the Value Chain Model (Porter) identify strengths and weaknesses. Strengths and weaknesses must be under the control of the organization.

Value Chain - inbound and outbound logistics, operations, marketing & sales, customer service, firm infrastructure, technology, procurement, and human resource management. In addition, financial strengths and weaknesses should be identified. Specify whether each element is a strength or a weakness **and** why

Section II is YOUR RECOMMENDATIONS FOR WHAT THE FIRM SHOULD DO IN THE FUTURE

Section II

- 1.) Revise the firm’s mission and objectives if necessary. If you think the firm’s current mission and objectives should be continued in the future you **MUST** explain why they should not be revised. You should state the mission and objectives that you recommend.

Develop and discuss corporate and business strategies that you recommend to achieve the

firm's mission and objectives. Corporate strategies describe the overall direction of the firm in terms of its attitude towards growth. They typically come under the main categories of growth, stability, or retrenchment. Business strategies include competitive strategies (Porter's General Strategies) and cooperative strategies (strategic alliances). Functional strategies should be discussed for marketing, finance, human resources, operations, information technology, and research and development.

Goals and objectives - both (a) long-term and (b) short-term

Goals and objectives should follow from what was stated in the analysis of the current situation. The firm should focus on opportunities and strengths to expand business or keep on track, as well as address weaknesses or potential threats that may impact the business. Goals should be quantifiable (measurable) and short-term goals should be consistent with long-term goals. Identify overall strategy, as well as specific strategies for marketing, finance, operations, human resource management, information technology, and research and development. Short-term objectives and strategies should focus on what you plan to do in the next 12-18 months that will help you achieve your long-term objectives. The short term discussion should be very specific and action-oriented. Objectives should be quantifiable (measurable) and short-term goals should be consistent with long-term goals, but NOT THE SAME.

Proforma Income Statement for 3 years following the last year in the case. You need total revenue – total costs = net income.

Implementation

McKinsey's 7Ss – this model is used to discuss implementation

The elements of the model are as follows: strategy, systems, skills, staff, structure, style, and shared values. For implementation recommendations you must state what **changes** should be made in these seven areas to achieve the goals and objectives previously stated.

If you suggest **no change**, to the status quo you must specifically state what currently exists and support why no change is required (support with two or three points).

Evaluation and Control

Evaluation and control - This should flow directly from what you have stated as your short and long-term objectives. It should address how you will evaluate whether you have achieved your goals. The reason we look for quantifiable goals is that the level of success can be measured, which increases the objectivity of the evaluation. Again, your evaluation mechanism should assess the achievement of both general goals, as well as objectives for each functional area.

It is important for you to **apply** the tools discussed above to the case information. “ a theory dump” where theory is discussed, but not related to the case information, is **not sufficient**. If specific issues facing the firm are discussed in the case, they should be addressed in your response.

If certain aspects of the organization are not addressed in the case (e.g., procurement, logistics, etc.) that should be so stated in your response - ignoring them indicates a lack of understanding of the tools or how to apply them. If you make any assumptions not articulated in the case you should explicitly state them in your response.