

Strategic Case Analysis

Using the AMA (American Management Association) 8 step case analysis process

Compiled by: Deb Patten

1. The Basic Problem Solving or Case Analysis Process

2. Applying the Process

The Basic Problem Solving or Case Analysis Process

You have all engaged in the process numerous times in your life in general as well as in your academic career. However, since you will be utilizing this process extensively in this course it is appropriate to spend some time reviewing and discussing the process. Whether this process is being applied to a simple, routine decision or an immensely complex decision the steps in the process are the same. It is what one does within each of those steps that varies. To begin let's review the process.

Step 1 - Recap and analyze the relevant facts

In this step you take a look at the information you have and can gather that is relevant to the situation. The relevancy component is key. Often cases that are presented in texts, and certainly the information that is available through all of the sources out there today, contain "stuff" that is related but not relevant. As a manager that is strategically analyzing a situation (case) the first step is to figure out what you need to pay attention to and what you don't. That is relevance. For example, you are presented with a scenario that involves employees who are chronically late for work and the information you have mentions that it is snowing. Is the fact that it is snowing relevant or not? It may or may not be. It could just be extra "stuff" that is included. On the other hand if this group of chronically late employees all happen to travel the same road that is notorious for multi-car pile ups when it snows...then the fact that they are late when it is snowing is relevant. This also points out that in many situations trying to work from only the facts presented is not enough. The manager must be astute enough to recognize when additional information is required, and what type of information, in order to assess the relevance of a particular piece of data. At the same time he or she must know when to make the decision with the information at hand. Often this step is concluded with a SWOT analysis, which further extrapolates the most important issues out of the overall situation analysis. This helps to zero in on the root problem.

Step 2 - Determining the Root Problem & Step 3 - Identifying the Problem Components

This is a crucial step and one that is often short-changed as we go about solving problems both personally and professionally. It is imperative that once we have gathered, recapped, and analyzed all of the relevant information we stop and articulate **WHAT THE ROOT PROBLEM IS** about which we must now make a decision. This step is not a long drawn out explanation. You should be able to state the problem in a sentence. It may then be necessary, and in the comprehensive case or more complex situations a given, to elaborate on any identifying

component portions of the problem. Often it is necessary to prioritize or identify which components need to be addressed first, second, and so forth at this stage of the process.

Step 4 - Generating Alternatives (THE WHAT/Setting Objectives)

This is the brainstorming step if you will. It is here that a variety of alternative courses of action are identified and articulated. All of these are of course related to solving the problem. This step is where you list the strategies you might pursue. And this is an important point - if it isn't here you can't choose it as your preferred course of action. While it isn't possible to list every possible course of action there should be a variety of things to do. This is where you put your creative powers to work. In this part of the process, you should engage in brainstorming. Remember that in brainstorming you simply generate ideas - save the evaluation of those ideas for later. That isn't to say in critical strategic case analysis you want to include every idea you came up with in the report. In real world strategic planning I have seen reports that refer to the process and that it generated a number of ideas that upon initial screening were determined as not plausible or viable. What you are doing here is not a full analysis of everything. Rather you are conducting an initial screening and narrowing the choices to those that seem most likely to succeed at the outset.

Step 5 - Evaluating Alternatives

When the case analysis report is written up it often appears as if these two steps have taken place simultaneously. That is not, or should not, be the case. Once you have narrowed the list you should take the information you gathered and analyzed in the first step and apply it to these alternatives. You should articulate what the most probable outcome will be based on the information you have collected, your experience, education, and expertise. When it is written up it is important to support your stated probable outcome. As an example it is not enough to say, Do nothing - situation will not improve. While it is likely that this is true in many situations it lacks credibility because you have not explained why this is the case. One other tidbit in regards to writing this section up - make sure the alternatives are clearly differentiated from each other. I would strongly suggest the use of headings in this type of writing - bold, underline, etc. Remember in business writing you are trying to convey information and the reader needs to be able to pick the pieces out quickly and easily when working back and forth through the report!

Step 6 - Choose an Alternative

This would seem rather self-evident. But you would be amazed at how often it is skipped. Even in professional, real world reports. It is like reading a mystery novel and having the last page missing or hearing a joke when the teller forgets the punch line. The reader is sitting there going, okay and so now what? What are you going to do? Again this is one of those sections where you simply and clearly state what the choice of strategies is going to be. After completing the alternative evaluation it is often pretty straight forward, or at least appears to be. Keep in mind that your readers are not as immersed in this as you have been. What seems patently obvious to you, but may not be to them. Don't assume - articulate the reasoning behind your choice.

Step 6 is also the point where far too many people stop in the process. Strategy most certainly involves the big picture approach. Up to this point in the process you have been essentially focusing on the big picture. You have taken detailed information to determine what that big picture should look like, but still big picture. In order to do the complete job, you have to work through two more steps.

Step 7 - Implementation Plan (THE HOW)

The implementation plan portion of strategic case analysis is where you explain just how you intend to make this wonderful idea you've just decided upon happen. This is where you outline the tactical details. In the real world this stage will often involve operational action plans that state the name of the person and a precise date by which certain tasks will be completed. In a course based setting it isn't possible to take it to that depth. However, it is necessary to complete a basic tactical plan that outlines the major tasks that must be undertaken and a logical timeframe within which they are to be completed. For example, let's imagine for a moment that your chosen strategy involves some type of expansion. Well, expansion takes money and the financial reports do not show the organization to be particularly cash heavy. So in order to carry out the expansion the firm must borrow money. Break that down into the necessary steps - i.e.: determine amount needed within 2 weeks, determine if needed funds should be borrowed, a bond issued, stock issued, etc. within 4 weeks, and so forth. This is a rudimentary example but it should give you the idea. This portion of the business plan (strategic case) is often presented in the form of a table with columns for the action, the area of the firm responsible, and a time frame for completion. Without this section of the case analysis the plan is not complete; and often neither will your work in the course be complete!

Step 8 - Alternative Choice

Finally, as with any plan, it is necessary to set up an evaluation point. How and when are you going to stop to check on whether or not this strategy has been successfully implemented? Is the firm getting the return expected? Obviously in the scope of a course you will not actually carry out either the implementation or the evaluation of results. But you do need to state how and when this will take place. You also need to state what action is suggested in the event the results are not as desired. Would you start the process over? Would you choose some other alternative that you've already identified and evaluated? That is part of the decisions you must make.

Applying the Process

Throughout the foregoing discussion there are some underlying assumptions. Within the context of any course, this process is case based. That means you are given a base scenario - usually from a text of some sort - and asked to analyze. For the final comprehensive case in an upper level course you will do this with exceptional depth because they will be comprehensive in nature. You will take what the case contains and go out into the world of information and research. For the cases in lower level courses it will not be as intense because the cases will focus more on specific portions of the strategic planning process. For example, the case may be aimed at a lack of information when the strategy or alternative is to gain additional information and how you would go about doing that.

It is also important to remember that throughout this process, either in class or professionally, that the source of information is documented. Failing to do this is not only wrong in so many ways, but it strips away the credibility of what you are proposing right from the outset. Proper documentation means indicating the source of information within the body of the work in a consistent, recognized and approved manner AND including a complete list of sources at the end of your work. If the work is not properly documented it does not meet the assignment criteria and is subject to failure! Clear enough? Ok, enough said.

It was mentioned earlier that business writing is intended to provide the reader with information he or she can use and so you want to make it easy to do just that. How do you do that? Here are some suggestions and with all the writing you've done in your academic career you undoubtedly have ideas of your own too!

- Use a table of contents and page numbers
- Use headings for large sections as well as to identify where key ideas start within the body of the report
- Use charts and graphs where they convey information more clearly - particularly statistical comparisons as an example
- Double space! This makes reading easier in long pieces of work and leaves space for the reader to make notes.
- And now you would add?