

## Steps to analyze a case

### I. Problem/Goal Definition

- 1) Identify symptoms; in any order. Example: declining profits, declining sales, low employees' morale, etc.;
- 2) If there are symptoms, and they have not been addressed in the case, then they should lead to the problem definition. Example: Low employee morale may lead to declining sales, which may lead to declining profits;
- 3) If there are symptoms, and have been addressed in the case, then there is a goal definition. Example: Develop a model that improves employees' morale;
- 4) Identify a sequence of the symptoms, i.e., which symptom leads to the next;
- 5) The last symptom, which is not triggered by another symptom, will then represent the problem definition. Example: Low employees' morale;
- 6) The problem definition **must** include a defining adjective, e.g., inconsistent, incongruent, inappropriate, dysfunctional, ineffective, inefficient, lack of, inability, etc., etc.

Example (Problem Definition): *Low employees' morale*

Example (Goal Definition): *To develop a model that improves employees' morale.*

### II. Quantitative Analysis

- 1) Make the necessary, pertinent, relevant computations in Exhibits;
- 2) Ensure each Exhibit has a describing heading;
- 3) Ensure these Exhibits are user friendly. Your grandmother should be able to understand them;
- 4) In the Executive Summary, interpret each and all of your Exhibits. Do not describe them.
- 5) Each point should have two parts. a) describes the content of the Exhibit; b) interpretes/uses the information therein contained.

Example: *Exhibit 1 shows an Income Statement using the Direct Costing System. Product Line 1 shows the highest product profitability. It would be appropriate to allocate further resources to this product.*

### III. Qualitative Analysis

- 1) Identify any pertinent, relevant qualitative issue. Do not repeat or elaborate your points developed in the quantitative analysis;
- 2) Identify potential alternative solutions.

Example: *One of the firm's competitive strengths is its quality. As such, it would be undesirable to outsource its component C35.*

### IV. Recommendation

- 1) Your recommendation must be the logical conclusion of your analysis;
- 2) Do not bring up issues not discussed in your analysis;
- 3) Do not continue your analysis;
- 4) Ensure your recommendation is implementable;
- 5) As much as possible, recommend a plan of action.

Example: *Implement a Management Incentive Compensation Plan as developed in the analysis above.*