Practice Session

How to Solve Business Cases

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Motivation

Many business cases require that you examine a problem, then write a proposal and offer an action plan

Despite substantial variability in the topics of business cases they often can be solved in similar order

The material that follows is based on the Penn State University web page maintained by Elizabeth J. Pyatt (ejp10@psu.edu) for Teaching and Learning with Technology (a unit of Information Technology Services)

The sequence

1. Research the Background - Make sure you understand all the details of the case prior to solving it

2. Define the Problem - It is important to understand exactly what you are being asked to solve. Otherwise you may get on the wrong track right away

3. Brainstorm Solutions - Generate more than one possible solution, including those that might look unusual

4. Select Solutions - Evaluate the strengths and weaknesses of the alternatives and select the best one

5. Develop the Action Plan - Develop an action plan that implements the solution of your choice

Step 1 - Research the Background

Read the case at least twice

Identify the information that you are given

Determine the current status quo

Who are the key players?

What information is lacking?

Prepare a written summary or flowchart

Step 1 Continued

Evaluate evidence: data, graphs and tables

Identify sources of data and think whether they are reliable

Separate the facts from opinions

Distinguish between what people say versus what they do!

Avoid premature judgments and solutions

Discuss case with other students to test your ideas

Step 2 - Define the Problem

What is the main problem?

Students may **fail to identify the real problem** and as a result provide the answer to the question that was not asked

Explicitly formulate the problem

Could solution to the "problem" result in unintended consequences?

Where is the problem? Is it an individual, market, company, leadership, motivation or control?

Can the problem be solved permanently or will it occur again?

Avoid working on solutions until you have the problem defined!

Step 3 - Brainstorm Solutions

What can be changed to solve the case?

What are the available resources that you can use (time, money, people, authority)?

Can we change individual decisions (education, training, reward systems, job description, etc.)?

What are constraints the solution (legal, political, resource and so on)?

Step 4 - Select Solution

The best solution should address the following
✓ Address the Problem
✓ Improve the Situation
✓ Will it work?
✓ Does it fit?
✓ Remember the Consequences
✓ Think of Resources

Please remember that
✓ You rarely have full information
✓ More than one solution may be possible
✓ Accept that cases and actual business situations often involve ambiguous situations and nonlinear causality

Step 5 - Develop an Action Plan

Many business cases require a proposal or an action plan. The action plan should include a brief discussion of specific activities that will be taken to solve the problem(s)

Begin with a brief summary of the plan, including constraints, benefits, ease of implementation

Ask yourselves these questions when verifying an action plan
- ✓ How should a valid solution "look like"?
- ✓ What steps would get you to the solution?
- ✓ What could happen if something goes wrong?
- ✓ What could stop or slow down your plan?
- ✓ Will there be resistance to change?

Step 5 Continued: Logistics

Don't forget to consider the implementation tasks

✓ Who will implement the change?
✓ What rewards will be offered for those involved in implementing the change?
✓ What is the timeline for the change be implemented?
✓ What kinds of additional training is needed?
✓ Who will monitor progress?