

Studying Case Studies

Preparing for a case discussion allows you to play doctor

*Jaan Elias*¹

*Jean Rosenthal*²

The time of the Yale School of Management Executive Education program was fast approaching. So, Ashley Smith cleared her afternoon to go through the materials that had been sent by the program staff. Many of the assignments that Smith had been asked to prepare were case studies. She settled into an armchair and began reading the first assignment:

Over the years, Merck & Co. built an enviable reputation not just as a paragon of the pharmaceutical industry but as one of America's most admired businesses. The company produced medical breakthrough after medical breakthrough, engaged in extensive philanthropy, and instituted progressive human resource policies, all the while delivering stellar financial performance. And yet, after withdrawing its blockbuster drug Vioxx in September of 2004, Merck found its reputation and its financial stability in danger. The day after the announcement, Merck's stock plunged 30% and a few analysts even wondered if Merck would be forced into bankruptcy.

Smith was confused. She wasn't in the pharmaceutical industry, nor was she particularly interested in medicine. Besides, Merck's problems were old news – she remembered hearing about this a few years ago, and so the case hardly seemed fresh. Smith put the Merck case aside and looked to the next assignment.

The second case was one of Yale's highly touted online, "raw" cases. Smith opened her laptop and typed in the URL provided by the syllabus. The web site she arrived at was daunting. The case was about a solar electricity company in India. Smith counted over 20 separate pages, each with text, videos, documents, and links to other websites. The topics treated in the various tabs ranged from technical aspects of solar electricity, to the company's financials, to India's income distribution. Her heart sank – there seemed no way she could read, much less master, all this material in the limited study time she had available.

Just a few minutes into her study session, Smith felt baffled and discouraged. Why was she being asked to read about topics that seemed so far afield from her particular background? The cases dealt with events that had happened many years ago – they hardly seemed to be descriptions of cutting-edge management techniques. What was the point? Even if Smith were to read the assignments, how was she going to prepare for class? How can she possibly remember all these names and events?

Why case studies?

Smith's confusion and questions are not unusual. The case study method of instruction has both bedeviled and enlightened students of management for nearly one hundred years. The method was first introduced at the Harvard Business School and is now used in some form or another at a great many business schools.

The idea of management case studies was borrowed from medical school grand rounds. In grand rounds, a senior doctor presents a patient to a group of interns or residents. The students then gather information about the patient such as vital signs and the results of tests. They ask the patient about medical history and symptoms. Based on this information, the students may make a diagnosis, order further tests, and/or offer various courses of treatment, all under the guidance and tough questioning of the senior physician.

Unfortunately, it is impossible to wheel a company into a management classroom for a similar exercise. Therefore, case writers and faculty visit companies, interview managers, collect data, and then write up a narrative about what they saw. The resulting case study becomes "the patient" for management students to analyze and diagnose. Like doctors, students may also be asked to formulate a plan of action for the company.

Of course, there are differences between medical rounds and management case studies. One obvious difference is that (thankfully) no one dies in a management classroom, no matter how poor the diagnosis or action plan. Another is that since organizations consist of a number of people and viewpoints, cases are often framed from the point of view of a particular decision-maker in the organization. The case writer will attempt to put the reader into the shoes of a manager and ask how the manager should act.

In other instances, a case study is more of a forensic exercise. The operations and history of a company or an industry will be presented without reference to a specific dilemma. The instructor will then ask students to comment on how the organization operates. What are the key success factors, critical relationships, and underlying sources of value?

Smith's confusion stems, in part, from a common misunderstanding of the role of case studies in management pedagogy. She expects the case study to describe the "correct" method of operation. However, pedagogical case studies are rarely designed to illustrate proper handling of a situation. When case writers visit companies or talk to executives, they often ask, "What decision have you made that you still second guess yourself on?" And then they frame the case around that troublesome decision point.

Even in those case studies where the organization or the individual being profiled seems to be doing well, the discussion of the case may probe extensions to the situation being considered. Could such an operation be replicated in a different context? Is the organization sustainable for the long haul? Could the operation be scaled-up to achieve even greater success?

Smith is annoyed that the cases seem like old news – the situations happened in the past and therefore have already been decided. But as suggested above, the exercise is in the analysis of the situation and not in predicting how managers actually acted. Perhaps the diagnosis that Smith offers will be better than that formulated by managers at the time. Knowing what managers actually did, either for better or for worse, is no guide to analysis. It is better for Smith to try to analyze the situation through her own resources based on the framework suggested by instructors.

Smith frets about being able to master the intricacies of industries with which she is not familiar or for that matter, not particularly interested in understanding. Smith is right in that the details matter, but not in the way she presupposes. When she reads about how a solar panel works or the way pharmaceutical companies test new drugs, Smith is not being asked to commit these facts to memory or to design new

solar panels or her own drug-testing scheme. Rather, these details need to be translated into terms relevant to an administrator. The drug-testing regime, for example, imposes investment risks, creates operational bottlenecks, and may incentivize certain types of employee behavior. Understanding how to analyze such exotic processes by translating operations into administrative terms is one of the key elements of learning by case studies.

Indeed, the ability to understand and analyze widely differing types of situations is what gives administrative science its strength. If all knowledge of organizational operations were industry or sector specific, there would be no reason to study management as a discipline. Management science allows us to abstract out relevant features from our work life, understand how these features relate to one another and then make informed choices based on this understanding.

Of course, it would be possible to lecture on these abstract relationships and give students recipes for various management techniques. Undergraduate courses in management often consist of little else. However, at the advanced level, case studies are useful to gaining a deeper understanding. First, translation of organizational policies into administrative concepts is rarely straightforward. What one observer sees as an important product differentiator another observer may argue is a meaningless attribute. Another reason to use case studies is that one technique or method of analysis is rarely able to decide an issue. Cases generally require understanding a situation from a number of (sometimes opposing) points of view.

Why raw cases?

If the idea of case studies troubled Smith, being assigned an online, Yale “raw” case study has totally flummoxed her. And with good reason -- Yale raw cases offer up more information than in a written (or as we call them) “cooked” case. Besides text, there are videos, links to spreadsheets, links to other web sites, and links to articles. In many cases, the links are to the same raw documents that the actual decision makers in the case would use.

One of the reasons that Yale developed these online “raw” case studies is that it more closely mimics the way organizational challenges present themselves to individuals in the field. In real life, we take in information from a number of sources – we talk to people, read reports, skim articles, look at pictures, and study diagrams. Rarely does life present us with a nice, neat short story with exhibits at the end. In this way, raw cases mimic the real world, where information is scattered and sometimes contradictory.

Organizational life also tends to give us too much information rather than just enough. The voluminous information in a raw case simulates the blooming, buzzing confusion of actual work life. Part of the challenge of this kind of case comes from sorting through the information to find what is important for reaching reasonable conclusions.

Finally, the narrative style of the written cooked case tends to restrict the ways a particular situation can be analyzed. In order to write an engaging narrative, a case writer will impose a particular structure on the information being offered. Living online, the raw case allows the simultaneous display of a variety of topics that do not have to be considered in a linear manner. The case editor does not have to explain the subtopics or their relationship to the question at hand. The online format suggests that the case can be analyzed from multiple perspectives.

What is the best way to approach a case?

Understanding why Yale uses cases to teach management should help Smith prepare for her courses. However, a few tips might help her with the material.

Pay attention to the introduction and discussion questions – Both written and online cases start with introductory material, on the opening page of a written case or under the left-most tab of an online case. The intro and questions provide an overview of the dilemma that can guide your reading of the rest of the material. In addition to the material incorporated in the case, instructors may provide a set of questions or even highlight which sections of the case are particularly relevant to class discussion in a specific course. It is good to read the case with all these questions in mind.

Skim first and then reread – It is a good idea to preview the case to get an idea of how the material is organized. Having an idea of the case's structure makes it easier to follow the material and pinpoint the most relevant information. With written cooked cases, start with the introduction, then look through the headings and skim the text and the data exhibits at the end before your close reading.

With raw cases, it makes sense to go to each tab and read the written material that is generally in the left-hand column of each page. The text on each page is meant to orient the reader and focus on a specific topic. Particularly with raw cases, setting priorities is critical. A student will have to decide which external links are important to explore further and which are not.

In raw cases, don't ignore the videos – Taking information in aurally is among the least efficient ways to learn something and therefore students may be tempted to skip the videos in online cases. Resist this temptation! The videos are often integral to understanding the case study. Videos introduce the student to the actors and provide vital information about the dilemmas under consideration. (Some case studies have YouTube versions of the videos to allow for faster downloads of the material.)

Analyze data – Management science is replete with extensive analytical frameworks to help make sense of administrative decisions, and the numbers in a case are there for a reason. Pro forma budgets, ratio analysis, break-even calculations are some of the ways analysts make sense of the data. The analytical methods presented in the course in which the case is assigned should be highlighted, but methods from other courses can be enlightening as well. Putting together back-of-the-envelope analyses, such as earnings, or ratios may make it easier to cut through to company challenges that the manager may not even have considered.

The student, just like managers in the real world, will not have complete data and will at times have to make assumptions to deal with missing or contradictory information. Being explicit about assumptions and looking elsewhere in the case for corroborating information can sometimes fill in the gaps. If not, consider multiple scenarios to examine the unknowns.

It also makes sense to use homelier forms of analysis in addition to more sophisticated models. For example, a case may present a store's yearly sales figures. It may make sense to break this down into daily or hourly sales figures. Coupled with knowledge of the average purchase size, the student can begin to get a sense of how crowded the store is and how well the store is doing.

Draw diagrams to help describe key relationships – Many analysts view organizations as a series of flows of money, resources, communications, reporting relationships, etc. When reading about these flows, it is often useful to sketch out the relationships on paper to provide a map of the particular territory as well as to identify where there are gaps in one's knowledge of a particular process.

As you think about the case, rehearse arguments about what the manager should do – One of the biggest mistakes that students make in preparing a case study is the feeling that once they have an overview of the material, they are done. A student who really wants to get into the case experience should

think about what course of action a manager should take. Be passionate! Prepare mentally to present and defend facts and outline arguments as to why the company should proceed in a particular direction and develop counter arguments to refute factors that work against the recommendation.

Don't ignore your life experience – A student's background, whether academic or work experience, can provide a unique perspective for looking at a case. Even if the specifics are far from any previous experience, prior knowledge can inform the use of the new tools.

Listen to your classmates – One of the lessons of case studies, whether cooked or raw, is that different individuals bring different perspectives and insights, and the interactions within group discussions can reveal options that no one student had recommended. Often cases are assigned to groups, allowing each student to get an overview of the whole case, drill down in one or two specific areas, and share their insights.

During class discussions, pay attention to where your own analysis was insightful or limited, and how effectively you developed your ideas and presented your views. Case studies provide students with an opportunity to learn new material, expand analytical approaches, and develop a better understanding of their own roles in the group process. This can be a guide to greater success in approaching the next case study for class, or the next management situation in the workplace.

Copyright 2012 © Yale University. All rights reserved. To order copies of this material or to receive permission to reprint any or all of this document, please contact the Yale SOM Case Study Research Team at case.comments@yale.edu

Endnotes

¹ Director of Case Research, Yale School of Management

² Project Editor, Case Research and Development Team, Yale School of Management