THE CASE STUDY HANDBOOK

A STUDENT'S GUIDE

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PART V

STUDY GUIDES FOR CASE ANALYSIS AND WRITING

WHAT IS A CASE?

Have you ever read a case? If you haven't, this chapter will be much more useful to you after you have read a case. There are three at the end of this book to choose from. Read the first section of the case slowly and skim the rest to get a sense of the story it tells.

Much of what you read daily is packaged to make it easy to understand. The writing in newspapers, magazines, television, internet resources such as Facebook, and academic articles tells you what it means. If it doesn't, it has failed in its purpose to inform. A newspaper article, for example, states its subject clearly, often in the first paragraph, and carefully declares its main points, which are usually explained and amplified through specific examples.

Here are the first two paragraphs from a column written by Steven Pearlstein of the *Washington Post*:

> *In the recent history of management ideas, few have had a more profound— or pernicious—effect than the one that says corporations should be run in a manner that "maximizes shareholder value."*
>
> *Indeed, you could argue that much of what Americans perceive to be wrong with the economy these days—the slow growth and rising inequality; the recurring scandals; the wild swings from boom to bust; the inadequate investment in R&D, worker training and public goods—has its roots in this ideology.*[1]

After you read these two paragraphs, you know what the subject of the article is. You also have an expectation about the content of the rest of the article: it will explore the specific ways in which maximizing shareholder value has led to serious economic problems.

You have probably read parts or all of hundreds of textbooks. Along with lectures, they are the backbone of university education. Both are invaluable for learning about ideas that have proven useful to under-standing the real world. For example, in strategy courses all over the world, students learn about Michael Porter's Five Forces. His framework helps organize thinking about the economic factors that determine how

competitive industries are. They help you see the elements underlying strategy and how organizations orchestrate them—or don't. Theories and frameworks help you make sense of specific types of situations in the real world. Without them, you would be far less able to explain or anticipate events such as the astonishing success of an organization (e.g., Uber) or a shocking reversal of fortune (Uber). The knowledge codified in concepts and theories taught in academic disciplines is indispensable for understanding the world.

At the same time, educational texts represent reality as logical and coherent. They can make a complex situation that surprised everyone, including experts, and affected millions of people around the world appear to be the logical outcome of well-defined causes. The financial crisis of 2007–2008 that started in the United States and spread around the world is an example. Few people saw it coming, and experts, industry participants, government regulators, politicians, journalists, and victims were shocked when it happened. But afterward, experts found a pattern of actions that they believe led inexorably to the disaster.

We can learn much from the study of past events. In real time, however, real-world situations have islands of useful data, observations, and reference points but, to participants, are often fluid and chaotic, have a large degree of uncertainty, and are difficult to understand. Real-world situations don't come with carefully selected and sorted information that tells participants what is going on and what they should do about it.

To practice using knowledge in actual situations, you need some way of immersing yourself in both the available facts and the fluidity and uncertainty that characterize the real world. That's what cases are for.

WHAT A CASE IS, WHAT IT DOES, WHAT IT DOESN'T DO

A business case imitates or simulates a real situation. By case, I mean the substantial studies from universities or corporations, not the slender vignettes sometimes included in textbooks. Cases can also be collections of articles, multimedia content, or a variety of other types of content. They are verbal representations of reality—sometimes with visual and auditory complements—that put you in the role of a participant in a situation. The subject of cases varies enormously, from a single individual or organization to an entire nation. Printed cases can range from one page to fifty or more and can have a small or large amount of content. But all of these different forms of cases have a common purpose: to represent reality, to convey a situation with all its crosscurrents and rough edges.

Cases are an analogue of reality—an avatar, if you like—for the direct experience of business or other types of activities. They immerse you in certainties and vagaries. To perform this function, a case must have four characteristics:

- A significant business issue or issues

- Sufficient information on which to base conclusions about the issues

- No objective conclusion—in other words, no explicit or implied right answer

- A nonlinear organization

Let's explore each of these characteristics.

Significant Issue

A case without a significant issue has no educational value. You can therefore assume that every case deals with something important in the real world, for example, a pricing dilemma, debt–equity trade-offs, or a major problem in a factory.

Sufficient Information

A case must have enough facts pertinent to the main issue to allow you to draw evidence-backed conclusions about it. Too little information leads to guesses, which aren't educationally useful because there is no way to judge their value. A case is very likely to include conflicting information, which is consistent with real-world situations.

Cases can also include information that serves as noise to distract you and makes it harder to distinguish useful information. If you're new to the case method, this can be hard to cope with. Textbooks and articles include only information that is relevant to the main topic. Cases are different because noise is a characteristic of real situations. Today, we are awash in information, and cases can provide invaluable practice in filtering information according to its relevance and value to an issue.

No Objective Conclusions

Cases describe situations about which people have differing opinions. They don't consist of information that is all neatly aligned with a specific

conclusion. Characters in the case may express strong opinions, but you need to consider their views alongside those of other characters and other information in the case. You, the reader, have to decide on a conclusion, as you do in real-life situations.

Nonlinear Organization

Cases seem to have a logical structure. They have an opening section, a sequence of headings and subheadings, and a concluding section. They often have exhibits that look like those in textbooks or articles. Headings and subheadings seem to divide the case into sections just as textbooks or articles do. Nevertheless, business cases are typically nonlinear, meaning the content is not presented in the most logical way. Information on a single topic is scattered among different sections in a case. Case exhibits are often designed in a way that it makes it difficult to extract high-value information. They can also have significant gaps in information.

TEXTBOOK VS. CASE

Because you've spent years reading textbooks, let's compare them to see how they differ. (See exhibit 2-A.) The comparison shows why you're going to have to adjust the way you've learned to read.

As you can see, textbooks and cases present radically different reading tasks. The purpose of textbooks is the transfer of knowledge, including the principles and conclusions that experts in a domain of knowledge accept. The organization of a textbook is logical, starting from basic concepts and progressing to more advanced concepts. The main skill needed for textbooks is memorization.

EXHIBIT 2-A

Difference between textbooks and cases

Textbooks	Cases
Present principles and conclusions	Present information only, no principles or conclusions
Explain the meaning and significance of concepts	Require readers to construct the meaning of a case
Organize content in a logical sequence	Employ "organized disorganization"