

Guidelines for Case Analysis I

These guidelines are in addition to Pages C2-C16 in Thompson and Strickland

- I. Identify the presenting problem, strategic issue, or situation (it helps to read the end of the case first) See Website C-14

Work backwards from that point.

- II. Background on the company  
History (only salient points)  
Stage of industry evolution & current competitive structure  
Factors determining level of competition and intensity  
Geographic & demographic markets  
External & regulative constraints on competition  
Significant strategic issues within the industry as a whole

- III. Company's current position  
Identify stated strategic vision. Identify current strategies? Are these congruent with the stated vision? What are the stated objectives (quantitative, qualitative, functional, resource

Are there different corporate, business, functional, and operational strategies at play? If relevant, explicate.

What shapes the company's strategy? (competitive conditions, overall industry attractiveness, market opportunity, external threats, internal strengths & capabilities, personal games, company culture, etc.)

What is the company's relationship to its stakeholders? its shareholders?

Assess the financial performance variables (earning growth, ROI, ROA, dividend growth, stock price appreciation or MVA, cash flow, creditworthiness)

Assess the strategic performance variables - are they increasing in domination or losing ground? (SOM, customer service, quality, innovation, overall cost leadership, technological leadership, leverage with suppliers, leverage over regulative constraints, global market presence)

Assess internal capabilities and managerial capacity. Address resource structure, resource allocation, information channels, variety management, functional cross fertilization, capacity to change. Are there issues of agency?

#### IV. Strategic Analysis

What are the company's competitive assets? strengths? advantages? potentials?  
Where does its competitive advantage lie?

What are the company's competitive liabilities? weaknesses? disadvantages?  
pitfalls? What should it be guarding against?

Overall, what kind of company is it strategically? How does it approach risk?  
competition? threats? regulators?

What is the company's gaming posture? (make the rules? follow the rules? break  
the rules? re-invent the game?)

Identify the strategic issues facing the company. What is it doing to address  
these?

Make recommendations concerning the presenting problem, circumstance, or issue.

#### V. What did you learn?

## Guide to Case Analysis II

### Dominant Economic Features

Market size, scope of competitive rivalry, market growth rate, stage in industry life cycle, degree of vertical integration, ease of entry and exit, technological innovation, product characteristics, economies of scale, learning and experience curve effects, capacity utilization, industry profitability

### Structure of Competition (Porter's Model)

Interfirm rivalry, potential new entrants, substitute products, bargaining power of buyers, bargaining power of suppliers, complementors

### Nature of Competition

Strength of driving forces, intensity of competition, key success factors, effect of stakeholders, effect of macro environmental factors

### Evaluating Internal Resources and Capabilities

SWOT (strengths, weaknesses, opportunities, threats)

### Evaluating Competitive Capabilities and Advantage

Value chain analysis, benchmarking activities, distinctive competencies, strategic cost analysis, competitive strength assessment

### Financial Analysis

Ratio analysis, trend analysis, competitor analysis integrative financial statement analysis

### Business Strategy

Use of generic strategies : Low Cost, Differentiation, Cost Focus, Differentiation Focus, Best Cost. Offensive strategies, defensive strategies, first mover advantage, alliances.

### Corporate Strategies

Related vs. unrelated diversification, merger, acquisition, internal start-up, divestiture, turnaround, liquidation, retrenchment, restructuring

### Implementation

Matching controls, structure, communications, human resources, financial management, and cross functional linkages to strategy. Culture and leadership