

you must consider the overall framework in which your information and inputs will be presented. Such a framework is the focus of the next section.

Preparing an Oral/Written Case Presentation

Experience shows that two types of thinking (analysis and synthesis) are necessary to develop an effective oral or written presentation (see Exhibit 1). In the analysis stage, you should first analyze the general external environmental issues affecting the firm. Next, your environmental analysis should focus on the particular industry (or industries, in the case of a diversified company) in which a firm operates. Finally, you should examine companies against which the focal firm competes. By studying the three levels of the external environment (general, industry, and competitor), you will be able to identify a firm's opportunities and threats. Following the external environmental analysis is the analysis of the firm's internal organization. This analysis provides the insights needed to identify the firm's strengths and weaknesses.

As noted in Exhibit 1, you must then change the focus from analysis to synthesis. Specifically, you must synthesize information gained from your analysis of the firm's external environment and internal organization. Synthesizing information allows you to generate alternatives that can resolve the significant problems or challenges facing the focal firm. Once you identify a best alternative, from an evaluation based on predetermined criteria and goals, you must explore implementation actions.

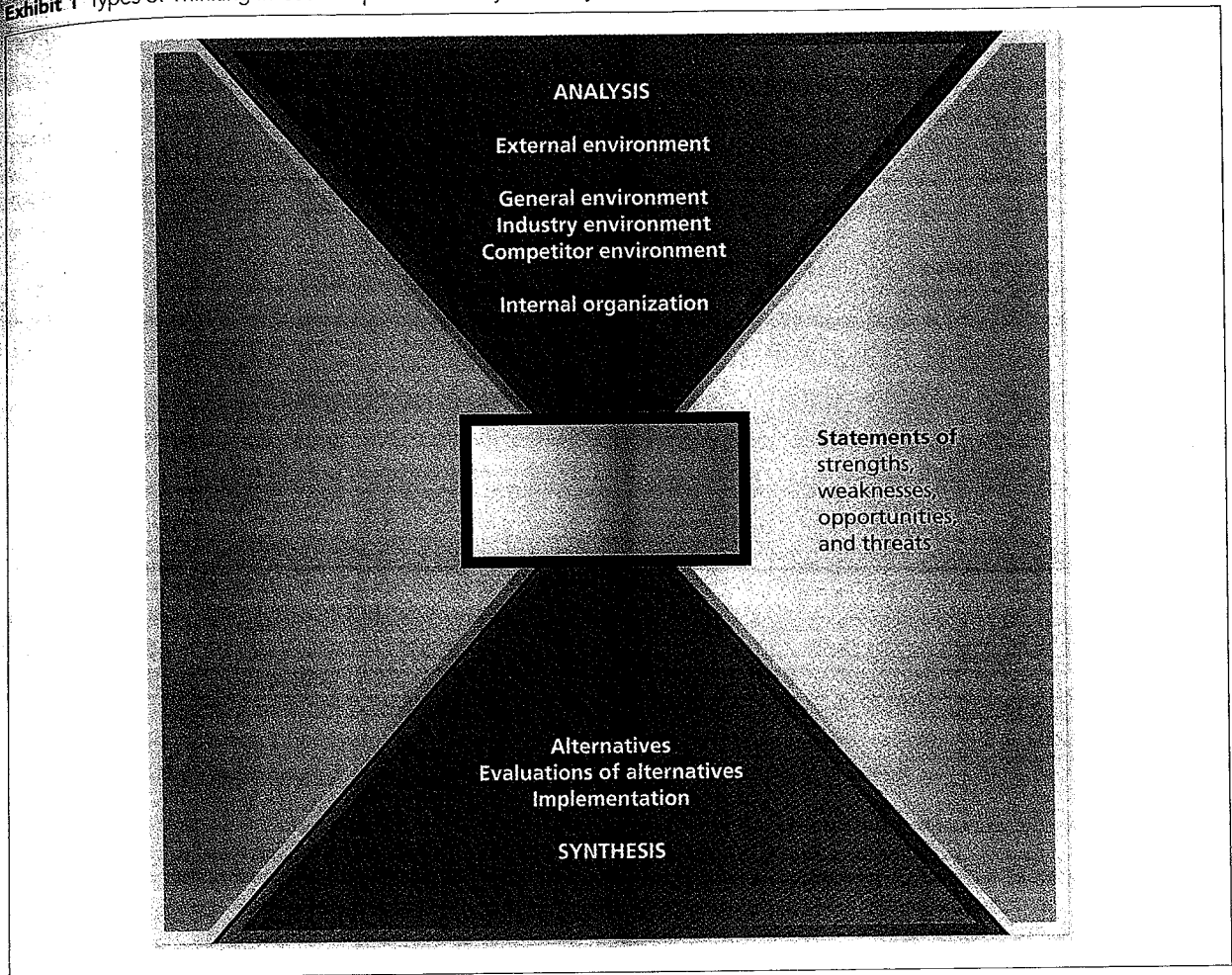
In Table 2, we outline the sections that should be included in either an oral or a written presentation: strategic profile and case analysis purpose, situation analysis, statements of strengths/weaknesses and opportunities/threats, strategy formulation, and strategy implementation. These sections are described in the following discussion. Familiarity with the contents of your book's thirteen chapters is helpful because the general outline for an oral or a written presentation shown in Table 2 is based on an understanding of the strategic management process detailed in those chapters. We follow the discussions of the parts of Table 2 with a few comments about the "process" to use to present the results of your case analysis in either a written or oral format.

Table 1 An Effective Case Analysis Process

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|-----------------------------------|--|
| Step 1: Gaining Familiarity | <ul style="list-style-type: none"> a. In general—determine who, what, how, where, and when (the critical facts of the case). b. In detail—identify the places, persons, activities, and contexts of the situation. c. Recognize the degree of certainty/uncertainty of acquired information. |
| Step 2: Recognizing Symptoms | <ul style="list-style-type: none"> a. List all indicators (including stated "problems") that something is not as expected or as desired. b. Ensure that symptoms are not assumed to be the problem (symptoms should lead to identification of the problem). |
| Step 3: Identifying Goals | <ul style="list-style-type: none"> a. Identify critical statements by major parties (for example, people, groups, the work unit, and so on). b. List all goals of the major parties that exist or can be reasonably inferred. |
| Step 4: Conducting the Analysis | <ul style="list-style-type: none"> a. Decide which ideas, models, and theories seem useful. b. Apply these conceptual tools to the situation. c. As new information is revealed, cycle back to substeps a and b. |
| Step 5: Making the Diagnosis | <ul style="list-style-type: none"> a. Identify predicaments (goal inconsistencies). b. Identify problems (discrepancies between goals and performance). c. Prioritize predicaments/problems regarding timing, importance, and so on. |
| Step 6: Doing the Action Planning | <ul style="list-style-type: none"> a. Specify and prioritize the criteria used to choose action alternatives. b. Discover or invent feasible action alternatives. c. Examine the probable consequences of action alternatives. d. Select a course of action. e. Design an implementation plan/schedule. f. Create a plan for assessing the action to be implemented. |

Source: C. C. Lundberg and C. Enz, 1993, A framework for student case preparation, *Case Research Journal*, 13 (Summer): 144. Reprinted by permission of NACRA, North American Case Research Association.

Exhibit 1 Types of Thinking in Case Preparation: Analysis and Synthesis



Strategic Profile and Case Analysis Purpose

You will use the strategic profile to briefly present the critical facts from the case that have affected the focal firm's historical strategic direction and performance. The case facts should not be restated in the profile; rather, these comments should show how the critical facts lead to a particular focus for your analysis. This primary focus should be emphasized in this section's conclusion. In addition, this section should state important assumptions about case facts on which your analyses are based.

Situation Analysis

As shown in Table 2, a general starting place for completing a situation analysis is the general environment.

General Environmental Analysis. Your analysis of the general environment should focus on trends in the six segments of the general environment (see Table 3). Many of the segment issues shown in Table 3 for the six segments are explained more fully in Chapter 2 of your book. The objective you should have in evaluating these

Table 2 General Outline for an Oral or Written Presentation

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| I. Strategic Profile and Case Analysis Purpose |
| II. Situation Analysis |
| A. General environmental analysis |
| B. Industry analysis |
| C. Competitor analysis |
| D. Internal analysis |
| III. Identification of Environmental Opportunities and Threats and Firm Strengths and Weaknesses (SWOT Analysis) |
| IV. Strategy Formulation |
| A. Strategic alternatives |
| B. Alternative evaluation |
| C. Alternative choice |
| V. Strategic Alternative Implementation |
| A. Action items |
| B. Action plan |

trends is to be able to *predict* the segments that you expect to have the most significant influence on your focal firm over the next several years (say three to five years) and to explain your reasoning for your predictions.

Table 3 Sample General Environmental Categories*Technological Trends*

- Information technology continues to become cheaper with more practical applications
- Database technology enables organization of complex data and distribution of information
- Telecommunications technology and networks increasingly provide fast transmission of all sources of data, including voice, written communications, and video information
- Computerized design and manufacturing technologies continue to facilitate quality and flexibility

Demographic Trends

- Regional changes in population due to migration
- Changing ethnic composition of the population
- Aging of the population
- Aging of the "baby boom" generation

Economic Trends

- Interest rates
- Inflation rates
- Savings rates
- Exchange rates
- Trade deficits
- Budget deficits

Political/Legal Trends

- Antitrust enforcement
- Tax policy changes
- Environmental protection laws
- Extent of regulation/deregulation
- Privatizing state monopolies
- State-owned industries

Sociocultural Trends

- Women in the workforce
- Awareness of health and fitness issues
- Concern for the environment
- Concern for customers

Global Trends

- Currency exchange rates
- Free-trade agreements
- Trade deficits

Industry Analysis. Porter's five force model is a useful tool for analyzing the industry (or industries) in which your firm competes. We explain how to use this tool in Chapter 2. In this part of your analysis, you want to determine the attractiveness of an industry (or a segment of an industry) in which your firm is competing. As attractiveness increases, so does the possibility your firm will be able to earn profits by using its chosen strategies. After evaluating the power of the five forces relative to your firm, you should make a judgment as to *how* attractive the industry is in which your firm is competing.

Competitor Analysis. Firms also need to analyze each of their primary competitors. This analysis should identify competitors' current strategies, strategic intent, strategic mission, capabilities, core competencies, and a competitive response profile (see Chapter 2). This information is useful to the focal firm in formulating an appropriate strategy and in predicting competitors' probable responses. Sources that can be used to gather information about an industry

and companies with whom the focal firm competes are listed in Appendix I. Included in this list is a wide range of publications, such as periodicals, newspapers, bibliographies, directories of companies, industry ratios, forecasts, rankings/ratings, and other valuable statistics.

Internal Analysis. Assessing a firm's strengths and weaknesses through a value chain analysis facilitates moving from the external environment to the internal organization. Analysis of the primary and support activities of the value chain provides opportunities to understand how external environmental trends affect the specific activities of a firm. Such analysis helps highlight strengths and weaknesses (see Chapter 3 for an explanation and use of the value chain).

For purposes of preparing an oral or a written presentation, it is important to note that strengths are internal resources and capabilities that have the potential to be core competencies. Weaknesses, on the other hand, are internal resources and capabilities that have the potential to place a firm at a competitive disadvantage

relative to its rivals. Thus, some of a firm's resources and capabilities are strengths; others are weaknesses.

When evaluating the internal characteristics of the firm, your analysis of the functional activities emphasized is critical. For instance, if the strategy of the firm is primarily technology driven, it is important to evaluate the firm's R&D activities. If the strategy is market driven, marketing functional activities are of paramount importance. If a firm has financial difficulties, critical financial ratios would require careful evaluation. In fact, because of the importance of financial health, most cases require financial analyses. Appendix II lists and operationally defines several common financial ratios. Included are tables describing profitability, liquidity, leverage, activity, and shareholders' return ratios. Leadership, organizational culture, structure, and control systems are other characteristics of firms you should examine to fully understand the "internal" part of your firm.

Identification of Environmental Opportunities and Threats and Firm Strengths and Weaknesses (SWOT Analysis).

The outcome of the situation analysis is the identification of a firm's strengths and weaknesses and its environmental threats and opportunities. The next step requires that you analyze the strengths and weaknesses and the opportunities and threats for configurations that benefit or do not benefit your firm's efforts to perform well. Case analysts and organizational strategists as well seek to match a firm's strengths with its opportunities. In addition, strengths are chosen to prevent any serious environmental threat from negatively affecting the firm's performance. The key objective of conducting a SWOT analysis is to determine how to position the firm so it can take advantage of opportunities, while simultaneously avoiding or minimizing environmental threats. Results from a SWOT analysis yield valuable insights into the selection of a firm's strategies. The analysis of a case should not be overemphasized relative to the synthesis of results gained from your analytical efforts. There may be a temptation to spend most of your oral or written case analysis on results from the analysis. It is important, however, that you make an equal effort to develop and evaluate alternatives and to design implementation of the chosen strategy.

Strategy Formulation—Strategic Alternatives, Alternative Evaluation, and Alternative Choice.

Developing alternatives is often one of the most difficult steps in preparing an oral or a written presentation. Developing three to four alternative strategies is common (see Chapter 4 for business-level strategy alternatives and Chapter 6 for corporate-level strategy alternatives). Each alternative should be feasible (i.e., it should match the firm's strengths, capabilities, and especially core competencies), and feasibility should be demonstrated. In addition, you should show how each alternative takes advantage of the environmental opportunity or avoids/

buffers against environmental threats. Developing carefully thought out alternatives requires synthesis of your analyses' results and creates greater credibility in oral and written case presentations.

Once you develop strong alternatives, you must evaluate the set to choose the best one. Your choice should be defensible and provide benefits over the other alternatives. Thus, it is important that both alternative development and evaluation of alternatives be thorough. The choice of the best alternative should be explained and defended.

Strategic Alternative Implementation—Action Items and Action Plan.

After selecting the most appropriate strategy (that is, the strategy with the highest probability of helping your firm in its efforts to earn profits), implementation issues require attention. Effective synthesis is important to ensure that you have considered and evaluated all critical implementation issues. Issues you might consider include the structural changes necessary to implement the new strategy. In addition, leadership changes and new controls or incentives may be necessary to implement strategic actions. The implementation actions you recommend should be explicit and thoroughly explained. Occasionally, careful evaluation of implementation actions may show the strategy to be less favorable than you thought originally. A strategy is only as good as the firm's ability to implement it.

Process Issues. You should ensure that your presentation (either oral or written) has logical consistency throughout. For example, if your presentation identifies one purpose, but your analysis focuses on issues that differ from the stated purpose, the logical inconsistency will be apparent. Likewise, your alternatives should flow from the configuration of strengths, weaknesses, opportunities, and threats you identified by analyzing your firm's external environment and internal organization.

Thoroughness and clarity also are critical to an effective presentation. Thoroughness is represented by the comprehensiveness of the analysis and alternative generation. Furthermore, clarity in the results of the analyses, selection of the best alternative strategy, and design of implementation actions are important. For example, your statement of the strengths and weaknesses should flow clearly and logically from your analysis of your firm's internal organization.

Presentations (oral or written) that show logical consistency, thoroughness, and clarity of purpose, effective analyses, and feasible recommendations (strategy and implementation) are more effective and are likely to be more positively received by your instructor and peers. Furthermore, developing the skills necessary to make such presentations will enhance your future job performance and career success.