



# Case Analysis

Paulina Fuduric

Account Executive - Shopify Plus

# + What is a Case?

- Description of a situation
- Typically non-fiction
- Entails a decision that needs to be made
- Could be related to any business function; Marketing, Sales, HR, Accounting ect

# + How to read a case

- Discussion questions may be provided
  - What role do they play?
- Is each word equally important?
- First and last paragraphs
  - What do they tell us?
- Exhibits
  - What do they tell us?



# + How to read a case: 3 read approach

## First read ...

- Get a feel
  - Read first and last paragraphs carefully
  - Skim text and exhibits
  - What is the case about and what data is provided?
  - Don't underline or mark up yet

## Second read ...

- Understand the fundamentals
  - Underline and mark up important point
  - Pay careful attention to trends
  - Identify S – W – O – T
  - Carefully examine exhibits

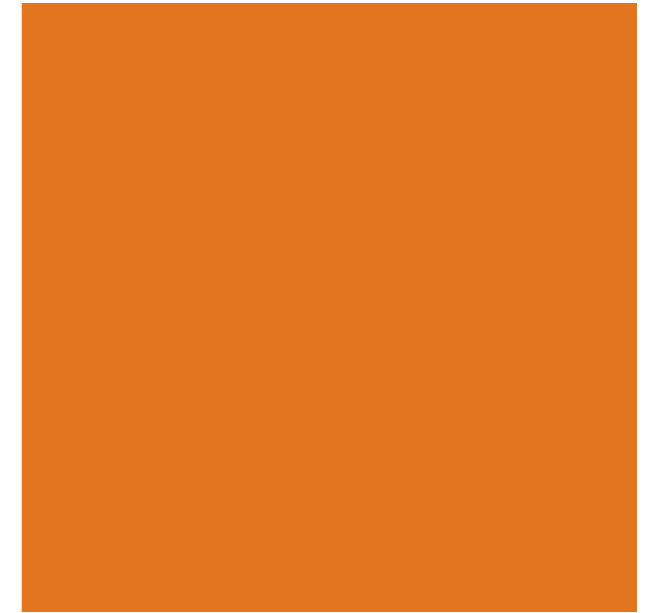
# + How to read a case: 3 read approach

## Third read ...

- Delve into the specific issues
  - If this is a team assignment, what is your role?
  - What are the root causes of the problem
  - Analyze exhibits
  - Generate alternatives
  - Identify what other information you need to find



How do you  
analyze a case?



# + Analyzing a Case

- A. Identifying the issues
- B. Analyzing the case (qualitative & quantitative)
- C. Generating alternatives
- D. Analyzing and evaluating alternatives
- E. Selecting the preferred alternative
- F. Developing an action & implementation plan

## + A. Identifying the Issues

- Critical part of your analysis
- Issue importance vs. urgency

importance \ urgency	low	high
high	III	IV
low	I	II



# + B. Analysis - Qualitative

- SWOT
  - Internal analysis: Strengths & Weaknesses
  - External analysis: Opportunities & Threats



## + B. Qualitative Analysis – Company Level

- Value Proposition
  - How does the company compete?
  - Price? Features? Execution?
  - Combination?

## + B. Analysis - Quantitative

- Financial health and industry comparison
- Balance Sheet – snapshot of a company’s financial position at a set point in time (assets, liabilities and shareholders’ equity)
- Income Statement – reveals how well the company performs financially over a set period of time (revenues, expenses and net earnings/losses)
- Cash Flow Statement – reveals how much cash the company generated over a set period of time and how it used that cash (net increase/decrease in cash)
- What is happening over time?
  - Increasing or decreasing profits?
  - Increasing or decreasing volume?
  - Employee turnover?
  - Customer retention?

## + B. Analysis – Quantitative (Ratios)

- Profitability ratios (ability to generate earnings compared to expenses)

- Gross Profit Margin:

$$\frac{\text{Sales} - \text{Cost of Goods Sold}}{\text{Sales}}$$

- Return on Sales:

$$\frac{\text{Profit before taxes}}{\text{Sales}}$$

- Net Return on Sales:

$$\frac{\text{Profit after taxes}}{\text{Sales}}$$

## + C. Generating Alternatives

- Be creative and think widely
- Diverge (brainstorm) then converge on a few realistic and plausible alternatives
- The “do nothing” alternative?



## + D. Analyzing & Evaluating Alternatives

- Pros and cons of each alternative
- Short vs. long term
- Predicting outcomes
  - Best possible outcome
  - Most likely outcome
  - Worst possible outcome



## + E. Selecting the Preferred Alternative

- Decision matrix
  - Decision criteria tie back to key issues, which are weighted
  - Score each alternative based on decision criteria (out of 3, 5 or 10)
  - Multiply each score by the criteria weight
  - Calculate a final score for the alternative by adding up the weighted scores
  - Clear winner?



## F. Implementation Plan ( “The Beef”!)

- Specify the actions necessary to produce the pros and avoid the cons identified earlier
- Must be specific
  - Who, what, when, where, how
- What does success look like?
- Implementation timelines
- Risk/Contingency analysis
  - risk, level (L/M/H), mitigation tactic
  - level could be further broken down to likelihood and impact
- The numbers ...
  - How much? How will it be financed? What are the financial projections?