

ANALYSIS OF BUSINESS PROBLEMS

COURSE OUTLINE

1. Introduction

In life, as in business, we are confronted by a wide array of problems and situations, which require us to take action. Some problems are relatively straightforward or structured.

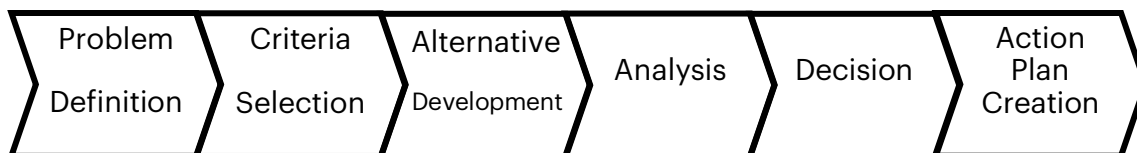
These types of problems can generally be solved by taking a series of actions in a well-defined way. A flat tire is a good example. If you carefully follow the steps in the owner's manual and have a spare, you will usually be able to continue with your journey.

In business most problems are not so easy. They often involve economic, technical, and human issues and can be quite complex or unstructured. By definition, they do not have a unique, "correct" solution. The same or a similar solution at different points in time or in different places might produce very different results and different solutions might produce equally attractive or desirable outcomes. There are no guarantees and risk is often a key part of any choice of action.

Solving such unstructured problems on a constant basis is much of what managers do and the ability to solve them is often what sets apart great managers from the rest.

Analysis of Business Problems is more than anything a methodology course where students are exposed to a six-step method for dealing with such unstructured problems.

For over 50 years, IESE Professors have been working with the six-step process for dealing with such problems. The process has been found to be robust in the widest variety of management problems and has had an impact on literally thousands of executives and EMBA students from around the world.



The Six Step Process

Often what distinguishes the best managerial talent is the pursuit of three key objectives when dealing with such problems.

The three objectives are achieving tangible results, promoting learning on the part of the manager and his or her organization, and building a larger sense of purpose or identification between the people who make up the organization.

2. Objectives

By the end of the course, participants will be able to identify unstructured problems and use the six-step process for solving them and taking action. They will be able to work with the three level (criteria, economic, organizational and personal anthropological or ethical that are involved in every business situation.

As this course is one of the most “open ended” in the first semester, additional objectives are to introduce students to the dynamics of the case method and report preparation. Our experience is that many EMBA students need to get their mind around the case method itself in order to get the most out of the entire program. Learning through cases is a unique process and part of the objective of Analysis of Business Problems is to present participants with real life, everyday business situations they can immediately relate to in order to encourage them to throw a mental switch and fully engage in the process.

While applicable to many real-life management situations, the six step process is also a sound way to prepare many case studies and we find it provides participants a useful tool for the entire EMBA program.

3. Learning Outcomes

By the end of the course, students will be able to

- Identify unstructured problems and use the six-step process for solving them and taking action.
- Use the three level criteria (economic, organizational and personal anthropological) to formulate their recommendations to the business problems dealt with in class.
- Articulate their ideas in a persuasive, concise way during class discussions.
- Enhance their ability to elaborate structured and persuasive written reports.
- Provide a chance to integrate learning gained from other courses in general management type business decisions
- Help them to increase their ability to learn for the rest of the EMBA program with the case method

4. Competencies

This course builds and reinforces the following competences:

- Students should possess and understand knowledge that provides the basis or opportunity for originality in the development and/or application of ideas, often in a research context.

- Students should know how to apply the knowledge acquired and their problem-solving capacity in new and little-known settings within broader (or multidisciplinary) contexts related to their area of study.
- Students should be able to integrate knowledge and deal with the complexity of making judgements based on information that is incomplete or limited, but includes considerations of the social and ethical responsibilities linked to the application of the students' knowledge and judgements.
- Students should know how to communicate their conclusions and knowledge and the ultimate reasons that support them to specialized and unspecialized audiences in a clear, unambiguous way.
- Diagnosing, dealing with and resolving interpersonal conflicts quickly and deeply, without damaging personal relations (Conflict Management).
- Promoting an atmosphere of collaboration, communication and trust among team members (Teamwork).
- Identifying and effectively dealing with information that is relevant to the job (Information Management).
- Making appropriate decisions at the right time (Prudence).
- Being upright and behaving in an honorable fashion in any situation (Integrity).
- Applying a structured, sound process in the analysis of business situations and decision making that includes the following phases: diagnosis of the problem, selection of criteria, identification of alternatives, weighted analysis and selection of an alternative with its corresponding plan of action
- Preparing executive reports that are structured, concise and clear for the analysis and decision making in business situations.
- Understanding and using criteria to apply quantitative analysis and decision-making tools. Understanding the assumptions implicit in models, as well as the limitations and risks involved when models are put into practice.
- Measuring and being aware of one's own attitude toward risk and uncertainty. Learning methods to identify risk factors, evaluate them and study their impact on decisions. Carrying out awareness studies, advanced simulations and scenario analysis.

5. Content and Methodology

The Course is divided into two parts:

Orientation: Two sessions will be devoted to introducing the concept of structured problems and the methodology for solving them and the case method with a classic (almost ancient) case study "The Sands Corp" used to illustrate the methodology.

Case study discussions: The course consists of a series of increasingly complex cases with each one describing a different situation in a different company in a different industry. The cases are broadly grouped in three sections.

The first third of the case study discussions will be cases with relatively straightforward problems, criteria, and alternatives with the focus on analysis. This will then lead to a second group of cases more complex with multiple problems, unclear criteria and different types of alternatives. For these cases the challenge is to structure the problem in a way lends itself to a realistic solution.

The second half of the case study discussions will be spent on cases where the focus will be on going through all six steps in but especially stressing the action planning step.

We will discuss a total of 18-22 real life business problems in order to practice using the methodology and to explore the dynamics of working in a large group. I will inform the class each week of the choice of cases for the next week but will not communicate the schedule in advance as experience indicates that it often changes depending on the discussions in class and day to day scheduling decisions.

In addition to class case discussions students will prepare two individual reports on an additional two cases.

The course will use, either explicitly or implicitly, the 6-step process for case analysis. All sessions will be case discussion sessions.

6. Evaluation

Participants will be graded on their class participation (50%) and the quality of two individual reports.

The class participation evaluation will look to ensure that:

- Students articulate their ideas succinctly and clearly.
 - They listen and promptly respond to new ideas.
- They are able to work and elaborate upon the ideas of others.

Class participation is essential to the case method and it is not optional. Participants are expected to contribute constantly and to demonstrate both the depth of their preparation and quality of their reasoning. Rigor and relevance are expected in all participation. Please, do not state the obvious, but participate regularly.

The first individual report is due before the midterm exams and the second at the end of the term. The individual reports will be evaluated on the basis of its critical thinking/reasoning ability as well as an appropriate business-like presentation.

The grading criteria for these reports will be:

- the logical clarity with which is used the six step process is applied
- the depth of the analysis
- the rigor of the analysis
- the quality of the arguments supporting the decision chosen
- the coherence of the action plan with the analysis done