

PREPARATION GUIDELINES
for the
COMPREHENSIVE EXAMINATION
CASE STUDY FORMAT

I. General.

- A. For those students failing or requiring remediation, it is not a lack of managerial knowledge that causes them to fail the examination, but a failure to organize and present that knowledge effectively in **answering the five questions asked**.
- B. The following discussion refers selectively to the text Thompson, Arthur A. Jr. and Strickland, A.J. III (2001). Strategic Management: Concepts and Cases, 12th edition, Irwin.
- C. The comprehensive examination normally allots you 6 hours in which to complete it. That is just enough time. It is not the amount of time that is available that can cause problems, but how you organize and use it.

II. Getting Prepared.

- A. When the examination period starts, first scan the case study and **highlight** key ideas in it. In doing so, identify the organization's stated or implied **mission, vision, structure, goals and objectives, external threats and opportunities, and internal strengths and weaknesses**. Where is the company today? Where does it need to be in the future? Also, highlight any and all discussions of **actions or policies** relevant to your area of concentration.
- B. Next, **outline** your answers to each of the **five questions** asked. Use a separate sheet of paper for each of the five questions. Do this before you start to answer any questions, and your outlines will guide you as you answer them, while helping you keep track of your progress. A good outline is an important first step toward a "PASS" grade!

III. Negotiating the Questions.

Question 1. Identify and discuss the firm's current mission, objectives, and strategies.

- **Answer the question exactly as it is asked.**

Identify the organization's current (a) **mission**, (b) **goals and objectives**, (c) **strategy** (stated or implied), and (d) **structure**. If you infer from the case that the organization **needs to change** its current strategy, then address the "new" strategy. If any of these is not stated in the case, you will need to **develop** and state in your answer **what you think they should be!** Be aware that most organizations featured in case studies do well under a **Defender** or **Prospector** strategy.

I. Introduction.

Question 2. Outline and discuss the firm's strengths, weaknesses, opportunities, and threats described in the case using any analytical models you believe to be relevant.

- **Strengths** are *internal*. They are good management practices in accordance with the management courses you have taken to earn your Master's degree. They are competitive advantages. They are the organization's plans or activities that "**fit**": (1) the organization's **Mission, Goals, and Objectives**; and (2) the **Strategy** selected.
- **Weaknesses** are *internal*. They are poor management practices in accordance with the management courses that you have taken to earn your Master's degree. They are the absence of competitive advantages. They are the organization's plans or activities that **do not fit**: (1) the organization's **Mission, Goals, and Objectives**; and (2) the **Strategy** selected.
- **Opportunities** are *external*. They are **emerging conditions** or **underexploited situations** in the environment that **invite new action** by the organization to build or reinforce a competitive advantage.
- **Threats** are *external*. They are **emerging conditions** in the environment that **increase the risk** that the organization will incur in pursuing its current objectives if it does not alter its strategies.

Confusion between strengths and opportunities, or weaknesses and threats, is a common cause of trouble in this section. Always remember that internal conditions (strengths and weaknesses) can be altered directly by the organization if given the resources to do so. External conditions (opportunities and threats) cannot. The firm must adjust its strengths and weaknesses to maintain fit with the changes that can be predicted for the future external conditions. Ultimately, the case analysis is about "fit."

A. Do an Industry Analysis to list and evaluate the organization's **external opportunities and threats** (implied or stated).

1. Include evaluation of Economic Conditions, Porter's Five Forces, Key Success Factors, and Driving Forces for Change.

I. Industry Analysis

A. Economic characteristics

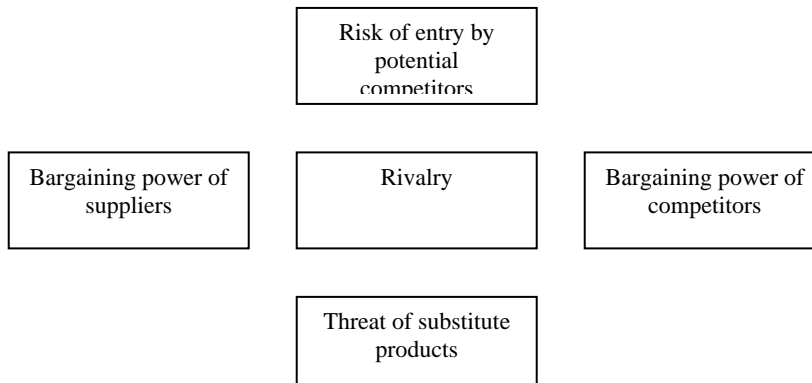
1. How big is market?
2. How fast is it growing? (Stage of industry life cycle)

Birth - growth I - growth II - maturity - decline

Plot where company is at time of case study and discuss the impact of the life cycle on the industry.

3. Technology (Page 78)
4. Learning curve and economies of scales effects? (pp 78-79)

B. Porter's Five Forces – how each affects industry profitability (pp 79-80)



1. Rivalry
2. Power of suppliers
3. Power of buyers
4. Substitute product
5. Threat of new entry

C. Drivers of change (Pick 3 or 4 most important) (pp 93-99)

1. Changes in long term growth rate
2. Changes in who buys ad how the product is used
3. Product innovation
4. Technological change or spread of technological knowledge
5. Marketing innovation/e-commerce
6. Globalization
7. Demographics
8. Regulatory influences
9. Changing social concerns, attitudes or lifestyles (Schumpeterian shocks)

Key Success Factors (Pick 3 or 4 most important) (pp 107) - Things that any competitor must do in order to be successful in the particular industry

Technology-related

 Scientific research (important in some industry: Internet, mobile communications)

 Technical capability to make innovative improvements in production process

 Product innovation

- Expertise in given technology
- Capability to use internet for all e-commerce activities
- Manufacturing related
 - Low cost, efficiency
 - Quality
 - High utilization of fixed assets
 - Low cost plant locations
 - Access to skilled labor
 - High productivity
 - Low cost product design
 - Ability to manufacture/assemble custom products
- Distribution related
 - Strong network of distributors
 - Ample space on retail shelf
 - Company-owned outlets
 - Low distribution costs
 - Accuracy of orders filled
 - Short delivery time
- Marketing related
 - Fast accurate tech assistance
 - Courteous customer service
 - Accuracy of orders filled (few back or errors)
 - Breadth of product selection/line
 - Merchandising skills
 - Packaging/styling
 - Customer guarantees/warranties
 - Clever advertising
- Skills related
 - Superior workforce talent
 - Quality control know how
 - Design expertise
 - Expertise in particular technology
 - Ability to develop innovative products/product improvements
 - Ability to get new products pas R&D and into market quickly
- Organizational capability
 - Superior info systems
 - Able to react quickly to shift in market conditions
 - Superior ability to use e-commerce
 - Managerial experience
- Other types
 - + Image/reputation with buyers
 - Overall low cost
 - Convenient locations
 - Exceptional customer svc everywhere
 - Access to financial capital
 - Patent protection

D. Predict competitor behavior.

E. Summarize Industry Attractiveness

1. Opportunities for industry (i.e. integration/alliances/global, etc.) Look at addressing profit outlook if favorable.

2. Threats (i.e. economy, leapfrog technology, etc.) can address what makes industry unattractive. Look at addressing profit outlook if unfavorable.

B. Do a Company Situation Analysis to list and evaluate the organization's **internal strengths and weaknesses** (implied or stated).

I. Company Situation Analysis

A. What is the current strategy (low cost leadership, broad differentiation, best cost provider, niche low cost leader, niche differentiation leader)

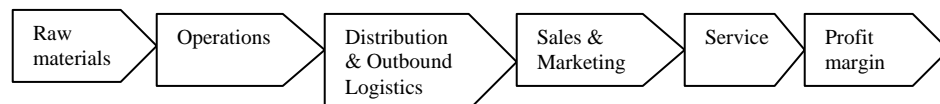
B. Is it working? Assess both (The stronger a company's financial performance and market position, the more likely it has a well-conceived, well-executed strategy

1. strategic objectives –

2. financial objectives

C. Company strengths

1. Refer to value chain competition



2. Distinctive competence – something that you do that no one else can do
3. Competitive advantage (KSFs)– something that you do better than your competition
4. Core competence – something that you do well consistently
5. Technology – 2 types:
 - a. Process
 - b. Product
6. Integration if applicable
7. McKinsey's Seven Ss - In "The Search of Excellence," Peters and Waterman (1982) use the McKinsey's Seven S model to evaluate companies. The model identifies managerial activities used to operate a company. The seven activities (strategy, structure, skills, staff, style, systems, and shared values) can be divided into two groups: those that represent the Hard side of management, and those of the Soft side. The hard side consists of those activities that are tangible and reflect hierarchy and procedure (such as strategy, structure, and systems). The soft side contains those components that are less tangible but usually more important (i.e., style, staff, skills, and shared values). American companies tend to manipulate the hard side when seeking change, and the Japanese concentrate on the soft side. It is precisely the soft side that needs to be given prominent attention, as these are factors that ultimately shape the organizational values and culture.

D. Company Weaknesses

1. Lack of core competencies
2. Violation of good management practices
3. Weaknesses in Value Chain

C. Prepare a *Swot Analysis*.

S	W
O	T

These can be listed in respective blocks. Not necessary to discuss them since they should already have been discussed

D. If the firm has two or more strategic business units, then prepare a **BCG Matrix**.

Question 3. Based on your analysis:

a. Revise the firm's mission and objectives if necessary.

b. Develop and discuss corporate and business strategies that you recommend to achieve the firm's mission and objectives.

A. Recommend **specific strategies, long-term goals and objectives**, and (if necessary) **revised mission**. Your recommended strategies should **follow logically** from your above models and analyses. They **are** what you use for the recommendations "to achieve the firm's mission and objectives." Be sure to **refer to the results** of your analyses of strategic models in **Question #2** to **specify a set of strategies**.

B. Specify how your recommendations (**strategies**) can be **implemented** and what results can be expected. This is where you **suggest specific means for implementing your recommendations**. Address the following concerns and functional areas. Keep in mind that some of the subject matter addressed in this section will be developed more fully under Question 4, so you should be prepared to defer certain topics to the latter, in accordance with the footnotes given below.

1. Consider using the Galbraith and Kazanjian Implementation Model.
Galbraith, Jay R. and Kazanjian, Robert K., *Strategy Implementation -- Structure, Systems, and Processes*, 2nd Edition. West Publishing

- **Structure¹**
- **Management, including:**
 - **Human-resources management^{2,3,4}**
 - **Changing structure and organizational culture, if relevant⁵**
- **Marketing⁶**
- **Finance (use ratios as appropriate)**
- **Production⁶**
- **Research and development**
- **Management information systems⁷**

Question 4. Select your concentration:

Concentration 1: Human-Resources Management (HRM): Outline and discuss the specific actions needed for implementation of your chosen strategies. This specifically is to include an HR strategic plan. Cite appropriate research and theoretical concepts to support your plan, and explain how your proposed HR strategic plan supports the current business strategy.

Start with an overview paragraph explaining your general strategic approach. Be sure to address the issue of downsizing or problems with attrition, if applicable. Then specifically address: (1) selection, recruitment, and retention; (2) compensation, including variable compensation, gainsharing, and market issues, if applicable; and (3) training and development.

Concentration 2: International Management (IM): Outline and discuss the specific actions needed for implementation of your chosen strategies. This specifically is to include international marketing and operations plans. Cite appropriate research and theoretical concepts to support your plans.

Start with an overview paragraph explaining your general strategic approach. Be sure to address your primary strategic imperative and risk-related issues. Then specifically address: (1) international marketing; (2) international production and operations, including international joint ventures, if applicable; and (3) expatriate issues, including sourcing, training, and compensation.

Concentration 3: Leadership and Organizational Effectiveness (LOE): Outline and discuss the specific actions needed for implementation of your chosen strategies, focusing on the following areas: ethical leadership roles, organizational-change techniques, and the appropriate use of technology. Cite appropriate research and theoretical concepts to support your recommendations.

Start with an overview paragraph explaining your general strategic approach. Be sure to address core leadership and motivation issues. Then specifically address: (1) ethical leadership roles, including any changes in leadership style or structure that may be appropriate; (2) organizational-change techniques; and (3) management information systems.

Concentration 4: Health Care Management (HCM): Outline and discuss the specific actions needed for implementation of your chosen strategies, focusing on the health care management system. Cite appropriate research and theoretical concepts to support your plan.

Start with an overview paragraph explaining your general strategic approach. Be sure to address the organization's core competencies or manner of differentiating itself from alternative purveyors of health care. Then specifically address: (1) laws and regulation; (2) special human-resources issues, such as the shortage of critical or specialized labor; and (3) management information systems.

Question 5. Discuss specific processes and measures of organization effectiveness that you will use to evaluate your strategies and the success of your implementation plan.

Recommend procedures for strategy review, evaluation, and control. At this point, if you have budgeted your time correctly, you should be able to put together a straightforward plan for monitoring and evaluating your organization's success at implementing your chosen strategies. In developing your answer to this question, place most of your focus on control measures, *i.e.*, feedforward, concurrent, and feedback control and monitoring.

- A. Develop your ideas for review, evaluation, and control of your overall organizational strategies. Focus on the organizational as a whole in this paragraph. Consider all three types of control mechanisms and any structural adjustments that the case organization should undertake in order to facilitate the incorporation of these mechanisms.
- B. Develop your ideas for review, evaluation, and control of the specialized strategies that you sketched out in your answer to Question 4 above. Again, consider all three types of control mechanisms.

IV. Final Comment.

- A. **Do not** just “**show & tell**” everything you know about the activity you are addressing. Rather, **focus** your discussion on **those areas *within* each activity** that apply to **the organization** in this case, given your previously identified **Mission, Goals and Objectives, and Strategy**. You **must** go into a **sufficiently detailed** discussion that **shows *both* your knowledge of the activity *and* how what you know applies to the organization**, to meet Question #3’s more detailed discussion standards.
- B. Last but not least, **the following are the Top Ten Best Ways to *fail* the exam. If you would like to *fail* the examination, then try these on for size; if you would rather *pass*, then *avoid these like the plague!***

10 (best way to fail the exam): Give a *pre-memorized standard answer* for each of the functional areas in Question 3, instead of carefully assessing what is needed based on the actual case content.

9 (best way to fail the exam): *Regurgitate* all you know about a functional area, instead of identifying needs and appropriate strategies based on the case information to recommend to the company what it should be doing.

#8 (best way to fail the exam): Sprinkle *key buzz words* all over the place, instead of going into sufficient depth of discussion to show you really know the appropriate material.

#7 (best way to fail the exam): Waste time writing about the *background* of the firm, instead of stopping at about a paragraph of background information to “set the stage” for the key ideas.

#6 (best way to fail the exam): *Describe* all the models used, instead of showing that you know what they are by using them correctly.

#5 (best way to fail the exam): Use all of the models and then *ignore their results* when you identify your strategy recommendations, instead of carefully linking your strategy recommendations back to the models themselves.

#4 (best way to fail the exam): Skip *Structure* in Question #1 or *Implementation* in Question #3, instead of giving them the importance they deserve.

#3 (best way to fail the exam): Talk in *generalities*, as though to show what you have memorized about Strategy, instead of addressing the specifics of the firm described in the case.

#2 (best way to fail the exam): Treat the test as though it were just a *long final examination*, finishing each question in twenty minutes and leaving, instead of giving each question its due attention.

And the #1 best way to fail the exam: *Arrive late!*