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MATERIALS NEEDED

Whiteboard markers

LEARNING GOALS

At the close of the workshop, students will be able to:

- Describe the genre and form of case study analysis, and implement the specific steps required to respond to and analyze a case;
- Implement reading strategies to identify a case's type and main issue;
- Analyze qualitative and quantitative evidence in order to identify possible solutions in response to a dilemma;
- Make a recommendation, justifying reasons why their solution is best, and ruling out alternative solutions.

OVERVIEW

In this workshop, three primary activities take place:

- The facilitator introduces case study analysis as a particular genre of writing that has a specific task: to analyze data in order to make a recommendation.
- As a group, students examine a case and practice the analytical steps involved in responding to it. The facilitator guides students as they analyze evidence in order to generate possible solutions to a problem.
- Independently, students read a second section of the same case, and analyze its evidence in order to make a recommendation for how the protagonist should proceed.

LESSON PLAN

Introduction

Begin by asking students where they've encountered case studies in the past. Frame today's workshop as an occasion to become familiar with the genre of case study analysis, and the particular steps required to successfully respond to a case. Knowing how to analyze a case will give them practice and insight into how managers make decisions in business and other professional settings.

Part One: Reading to Identify the Main Issue of a Case and Case Type (25 min)

1. **Present genre background.** A case generally represents a situation in the business or professional world in which a decision has to be made. Most cases have a central problem and protagonist, and also include some information about the company's environment, its operations, and the various considerations a manager must weigh in making a decision.
2. **Pass out Handout 1, "Cases Types."** Sometimes they'll already know the type of case, based on what class they're taking, or hints their professor has given. But when uncertain, this classifier can help them to identify:
 - case type
 - types of questions to ask as they start to analyze

Briefly go over definitions/examples.

3. **Introduce strategy for analyzing case studies.** When asked to analyze a case, your job is to put yourself in the protagonist's shoes. What should the decision-maker do? Why? To respond to a case, you must:
 - **Step 1:** identify the main issue the protagonist is facing
 - **Step 2:** come up with a possible solution to this dilemma
 - **Step 3:** find evidence to support your proposed solution
 - **Step 4:** rule out alternative solutions

There is no single, right answer to a case. Though some solutions may be stronger than others, any answer that can be backed up with evidence from the text is potentially arguable.

4. **Present reading strategies.** When first reading a case, you should:
 - Work to understand the big picture. On first read, they might focus solely on reading the case's first and last sections, and locating important headings and exhibits.
 - If their professor, or a case, gives them questions to answer, they should *read these first*. (Point students toward our **Reading Strategically** workshop as a place to further practice this type of targeted reading.)

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- For longer cases, they will need to reread (often multiple times,) to deepen their understanding of a case, working to extract different information on each pass.
5. **Pass out Handout 2, “Murano’s Pizzeria (A).”** Introduce this as a simulated case. Give students time to read (starting with question at end) and encourage them to read actively, in order to identify the case type and main issue the protagonist faces.
 6. **When students have had sufficient time, regroup and ask:**
 - “What type of case is this?” → Decision.
 - “Where in the text led you to this conclusion?” → The first and last paragraphs.
 - “Who can summarize what this case is about?” → Anita Murano owns a pizzeria and has to decide what to do with the extra profits her restaurant has made this year to help her business to grow.

Whether they are writing a response, or preparing for class discussion, they will start with this type of **summary of the basic facts of the case.**

Part Two: Analyzing Evidence to Make a Recommendation (20 min)

1. **Provide context for this analysis.** Often professors will introduce a specific framework for analysis in class that they will then apply to the case they are assigned to read. Today, we will use a more general framework for analysis, based on our knowledge of this being a decision case. We’ll start with looking at:
 - Anita’s **decision options** and
 - The **most important criteria** Anita should consider in making her decision.
2. **Pass out Handout 3, “Weighing Options.”** *Ask*, “What are Anita’s options for moving forward?” Work to replicate on board the horizontal portion of chart on Handout 3. Elicit:
 - **Option 1:** New Location
 - **Option 2:** Salad Menu
 - **Option 3:** Automation
3. **Next, ask students to list the most important criteria that Anita should consider, as she weighs her options, eliciting:**
 - **Criterion 1:** Communal, familial environment
 - **Criterion 2:** Customer service
 - **Criterion 3:** Profit
 - **Criterion 4:** Control over quality of product
 - **Criterion 5:** Increase in brand recognition
 - **Criterion 6:** Industry trends

Ask, “which criterion is the most important, according to the text?” Have students rank criteria (following order above.)

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Note to instructor: students may bring up additional criteria for decision-making. Facilitator should be ready to evaluate and potentially include new criteria, helping students to identify what's valid, text-based criteria and what's not (the most important criteria, as suggested by the text, will remain #s 1 and 2.) (See **Reference Sheet: Weighing Options** for more examples.)

4. **Starting with Option 1, ask students if it meets each of the decision criteria.** Encourage them to go back to the text to extract answers. Go through Options 2 and 3 in the same way, recording responses on board until chart is completed.
5. **Next, have students select one option that seems the most appealing.** Emphasize that usually, a single solution won't optimize all factors; their job is to make an argument for the best possible solution.
 - Once students have selected an option, *ask*, “**Why is this the best solution, given the criteria?** What evidence do you have that this is the best option?”
 - As students share ideas and discuss the pros and cons of this option, write out their ideas on board, synthesizing their ideas into a coherent argument (see **Reference Sheet: Sample Arguments for Murano's Pizzeria (A)**.)
 - No matter which option students choose, **facilitator should push back, to orchestrate a rounded discussion.** (For example: if the class chooses to argue for the salad menu option, point out that it makes the least money—encouraging students to consider their argument from all different angles.)
6. **Next, have students choose a second option and make an argument for why it's *not* the best solution.** Elicit responses. Reiterate that in case analysis, they must:
 - **Select a solution, and**
 - **Explain why the alternative options are not as strong.** (They do not have to address every possible alternative—only the most viable ones.)
7. **Some cases will ask them to take this one step further and come up with an action plan:** real-world, actionable steps the protagonist should take to implement their plan. In this case, they can stop once they've made a recommendation, since they've answered the question posed.
8. **Pass out Handout 4, “Writing a Case Analysis.”** Some professors will ask them to come to class prepared to discuss their solution, while others will ask them to write up a response. Explain that the steps that they undertook today translate neatly into the structure they might use in responding to a case in writing. Draw students' attention to the main functions of each paragraph on Handout 4, which correspond to the analytical steps they took today:
 - **Step 1:** summarize the main facts and issue of the case.
 - **Step 2:** present their recommendation, justified with evidence from the text.
 - **Step 3:** explain why alternative options are less ideal, using evidence from the text.
 - **Step 4:** restate their recommendation and reflect on future application.

Note the assertive, third person voice used throughout the write up, and how the writer targets the intended audience of investors (by emphasizing profit, for example.)

Part Three: Sentence Structures Used in Case Analyses (10 Min)

1. **Pass out Handout 5, “Useful Language for Writing Case Analyses.”** Explain that this resource outlines typical moves a reader would expect to see in a case analysis, and provides examples of sentence structures that help the writer to realize these moves.
2. Remind students of the “Case Types” they went over earlier in the lesson — “Problem,” “Decision,” “Evaluation,” and “Rule.” Some of the sentence structures may apply to “problem” or “decision” cases, while others may work across a variety of case situations.
 - Read a couple of examples from each category, drawing students’ attention to the bolded phrases, and ask students to identify which case type the language might apply to. (Ex: A problem case analysis may focus on identifying causes of an issue, such as in the sentence “The current financial problems A.J. Comics faces **can be traced to four causes.**”)
 - Then, explain:
 - While they won’t use these exact sentences in their own case analyses, the language in bold, as well as some of the syntax or forms, frequently appears in academic and professional writing (ex: “the most significant change...”).
 - Studying example sentences will build their understanding of the conventions and expectations of this genre.
 - This resource is designed to draw their attention to structures they will continue to encounter and notice in the writing of this discipline—they should look for further examples in their course materials.
 - (If students raise any concerns about academic integrity or plagiarism in relation to this resource, emphasize the points above in your answer, and briefly explain the difference between taking someone else’s ideas or language as your own and *studying and learning to use* the shared language of experts.)

Part Four: Independently Analyzing Evidence to Make a Recommendation

(as times allows)

1. **Pass out Handout 5, “Murano’s Pizzeria (B).”** Ask students to recommend a solution to the given dilemma, and to list reasons why their choice is optimal.
2. **Have students share out their recommendations and justifications for those recommendations.** Students may bring up additional decision-making criteria. Facilitator should help them to identify which ones are valid/supported by the text, and which are not. (See **Reference Sheet: Murano’s Pizzeria (B)**).
3. **Solicit questions and wrap up**

CASE TYPES

	Definition	Example
Problem	A situation in which there is a significant outcome or performance, and no explanation for why this has happened. In problem analysis, you begin by identifying that there is a problem, and defining it. Next, you attempt to explain the problem: to link the outcome or performance to its cause. Questions to ask: <i>What is the subject of the problem, and what is the problem?</i> <i>Who is responsible for the problem?</i>	A well-meaning, well-informed manager has tried to introduce a worthwhile change in the marketing strategy of his organization—a change that is supported by detailed, data-driven analysis—and has failed to get any of his employees to go along.
Decision	A situation in which the protagonist has to make an explicit decision—to choose an option based on certain criteria. In decision analysis, it is essential to determine the decision options, the criteria that should play into this decision, and the relevant evidence. Questions to ask: <i>What are the decision options? What are the criteria for this decision?</i>	A committee has asked their CEO for her analysis and recommendation as to whether they should introduce a new car model this year. The CEO must make up her mind within a week, and the product development people and manufacturing people disagree over which way to go.
Evaluation	A situation in which an evaluation has to be made: the protagonist has to make a judgment about the worth or value of a performance, outcome, or employee. Similar to in decision analysis, appropriate criteria must be decided upon to make an appropriate evaluation. Questions to ask: <i>Who or what is being evaluated? What are the criteria for evaluation?</i>	A manager must do a performance evaluation of an employee. A CEO must evaluate the performance of the company she is now heading.
Rule	A situation in which knowledge of a quantitative method or rule is needed, and can provide the protagonist with the information needed in a situation. Rules analysis requires knowledge of the rule, how to apply the rule, and the data needed to apply the rule. (Rules cases are generally less common.)	A manager needs to compare the value of a company when a specific condition exists—a partnership with another company—and when it doesn't exist. The way to calculate future cash values is net present value. An NPV calculation is done according to a formula.

¹ Text adapted from Ellet, William. *The Case Study Handbook: How to Read, Discuss, and Write Persuasively about Cases*. Boston: Harvard Business School Press, 2007. Print.

MURANO'S PIZZERIA (A)

Introduction

Anita Murano leaned back in her chair on a Thursday afternoon and looked out her office window to the park across the street. She massaged her temples as she watched children swinging on the playground. She had just returned from a meeting with the investors of her restaurant, Murano's Pizzeria. She had been excited before the meeting; the restaurant had had its best year in sales to date, bringing in \$50,000 more in profits than projected. The investors were equally excited at the start of the meeting, but their excitement quickly changed to deliberation as they began to discuss the best way to use the money moving forward. They needed to come up with an option for using the money that would help the business continue to grow. The group of ten investors and Anita met for three hours coming up with different ideas. By the end of the meeting, they still had not made a decision but had narrowed the decision down to three options. One of the options had a time constraint and therefore the decision had to be made quickly. It was now up to Anita not only to pick the option they would move forward with, but also to come up with an argument for why it was the best course of action, to convince the other investors before they would give the go ahead. The investors were expecting this proposal by Monday morning.

Murano's Pizzeria

Murano's Pizzeria was located in a trendy neighborhood in San Francisco. Five years ago, Anita had left her corporate job to follow her true passion: cooking. Her parents had emigrated from Italy to San Francisco, and though Anita was born in California, she had been raised on her grandmother's Neapolitan cooking. From a young age, she had learned how to knead dough and make her grandmother's famous marinara sauce. As an adult, she had decided to pay homage to her grandmother and open up a pizzeria using her grandmother's recipes. It had been a slow start, but after five years, the business was doing well. Now the time had come to determine the best way to continue to grow the business.

One of the biggest draws of the restaurant, besides the pizza, was its customer service. In opening the restaurant, Anita had wanted to recreate the feeling of her grandmother's large dining room on a holiday evening—to create an atmosphere of familiarity, and warmth, as loved ones gathered together and caught up over comforting, mouth-watering food. As a result, Anita had been very particular about who she'd hired over the years. Her employees worked together like a family and knew the regulars' names and their children's names. She knew her customers appreciated this warm atmosphere, and it was important to her to maintain this.

The Investment Decision

Anita wrestled with the three options for how to further grow her business. Each option had merits, and she wasn't sure where to begin. Though the investors' primary focus was to make a profit (**Exhibit 1**), they believed Anita had the knowledge needed to make the best decision for the restaurant. The first option was to open up a new location of the restaurant. One of the investors was from Los Angeles and had suggested opening up a location on a lot in an up-and-coming neighborhood in L.A. Real estate costs were still low in the area, so they could purchase the lot at a reasonable price. In general, pizza restaurants had started to become popular in L.A., and according to the investor, there wasn't yet a pizza place in this neighborhood. If Anita opened a new location, she could reach a new clientele, expand the restaurant's brand, and receive greater recognition for her grandmother's recipes. Yet for Anita, spreading the restaurant's brand wasn't as important as maintaining the strong customer service and friendly, intimate atmosphere of Murano's. She knew that if she worked hard to oversee the setup of the new restaurant, and used the same sensibilities she used in opening up the original Murano's, that she

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could create a similarly communal, familial environment in the new location. Yet she worried about losing control over the quality of her product if her restaurant ran in a city she didn't live in. Could she train and trust someone else to run the restaurant the way she did, to uphold the restaurant's strong customer service component as she had? The desired location was in high demand, and they had to put a deposit on the property in the next week to secure it.

The next option was to expand the types of food they served at the restaurant. The menu currently consisted solely of pizza. Anita had always been 100% focused on making her pizza the best in the area. However, she had recently commissioned some market research on food preferences in the area, and the research showed that people in the neighborhood were becoming increasingly health conscious. There had been a rise in salad and juice bars all throughout San Francisco. Since there wasn't yet a place with a salad menu in the neighborhood, Anita thought that adding salad options to her menu would appeal to the health-focused clientele that currently were not frequenting her restaurant. Yet she was concerned that adding a salad menu might take away from the real focus of her restaurant: pizza. Additionally, adding a line of salads would mean adapting the layout of her kitchen, and buying new kitchen appliances, all before knowing if clients would come to a pizza place to eat salad.

Then there was the third option. Anita was most hesitant about this final option, but it also had the potential to make the most money. Several restaurants in San Francisco had recently converted to automated service. Instead of a waiter coming to take your order, a customer would simply enter their request into an electronic tablet located at their table. Automation would eliminate the cost of salaries for employees and reduce the amount of human errors made when taking and placing orders. However, Anita worried that without the customer service draw of the restaurant, and the familial atmosphere that she had worked so hard to furnish, customers would turn away.

Anita had three days to make a decision that would help her restaurant to grow, and to explain to the board why her option was better than the other two options. There were pros and cons to each of the options and she truly was not sure which one was the best.

Question: Which option should Anita choose and why?

Exhibit 1: Expected Profits

Option	Cost	Expected Profits
Open new location	\$50,000	\$70,000
Add salad menu	\$50,000	\$60,000
Automate service	\$50,000	\$90,000

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WEIGHING OPTIONS

	Option 1:	Option 2:	Option 3:
Decision Criteria			

WRITING A CASE ANALYSIS

Anita Murano owns a pizza restaurant in San Francisco. The past year, her restaurant made \$50,000 more in profits than expected, and **her investors have asked her to choose from three options on how to use the money.** She has to make this decision in the next three days, and she has to weigh these options against her most important priorities, which include maintaining the restaurant’s familial atmosphere and strong customer service, making a profit, maintaining control over the quality of the restaurant’s food, increasing the restaurant’s brand recognition, and keeping up with current industry trends. Since this last criterion of keeping up with industry trends is met by all three options, it does not need to be considered in final analysis.

Anita should choose to introduce a salad menu because it meets the criteria that are most important to her. This option would not impact the familial environment that Anita highly values and which is one of the primary reasons she initially opened the restaurant. The appliances and prep space for the new salad menu items will be integrated into the existing restaurant. The salads will be served by the existing wait staff; the restaurant’s strong customer service, therefore, will not be disrupted. The salad menu will also not deter existing customers as the current menu of pizza will still be available. Additionally, adding a new food could potentially bring in new customers. Though the salad menu isn’t projected to make as high of a profit as the other two options, it will still increase the restaurant’s overall profits. Additionally, these are projected profits, and we don’t yet know how likely any of these options are to be successful; therefore, these numbers can only be viewed as estimates. Adding a salad menu is the best option for continuing to grow the restaurant, while meeting Anita’s most important criteria.

Anita should not choose to automate service because this would significantly impact her highest priority of upholding the restaurant’s familial, communal atmosphere. Automating service would also mean eliminating employees, which would jeopardize the strong customer service component of her restaurant that has brought in so many regulars over the years. While this option could potentially make more profit than the other two options, it’s unclear what the risk and impact will be of eliminating the existing customer service component. This option is the most likely to negatively impact customer satisfaction and turn existing customers away.

Section 1: (Introduction)

Summarize the main facts of the case: the protagonist, the company, etc. **Identify the main dilemma the protagonist faces.**

Additionally, introduce any details relevant to the type of case/dilemma (in a decision case, present the decision criteria that the protagonist must weigh.) Usually this opening section is one paragraph long.

Section 2: (Body)

Present the option that you have determined is best. Use authoritative, firm language to introduce your recommendation. Cite evidence from the case to justify why this solution is optimal, given the criteria and given the range of available options. The section in which you present your solution is usually the longest.

Section 3: (Body)

Rule out alternatives. Address only the most viable alternatives. Use authoritative, firm language to explain why each of these options is not as optimal as the option selected above. Cite evidence from the text to support your reasoning. Keeping in mind your audience, address any potential counter-arguments in favor of other options.

Anita should not choose to open up a second location of her restaurant because this would make it difficult to maintain control over the quality of her restaurant's product. Not being at the second location would make it hard to oversee its day-to-day operations, and splitting her time between two locations would affect her ability to maintain control over the original location's product. While making a profit and expanding the restaurant's brand are appealing to Anita, these are not her most important priorities. Therefore she should not choose this option.

Anita should choose the option of adding a salad menu to her restaurant, as this will support her main priorities of maintaining strong customer service and the warm, familial atmosphere of the restaurant she opened up to honor her grandmother's cooking. While there are merits to the other two options, neither meets Anita's most important priorities to the same extent that the salad menu option does, nor does either alternative option meet as many decision criteria as the salad menu. In the future, Anita should continue to invest in those aspects of her restaurant that make it uniquely its own and that have made it successful in the past, working in particular to uphold its familial atmosphere and strong customer service.

Section 4: (Conclusion)

Restate your recommendation— why the protagonist should select the option that you have recommended, and why this option is more optimal than the alternatives. When applicable, add reflection as to how this situation/decision might be applied to future situations in which the manager or company finds themselves.



USEFUL LANGUAGE FOR ANALYZING CASES

This resource is organized around typical moves used in case analyses, providing examples of phrases and sentence structures that help realize these moves. As you read the examples, focus first on the **bolded language**, which you'll be able to reuse.

PRESENTING THE KEY SITUATION, PROBLEM, OR ISSUE

- **The underlying issue with** Sunshine University's budget problems **is** . . .
A major problem for HealthCo **is** its organizational culture . . .
. . . **is the most difficult challenge** the company faces . . .
- The CEO **needs to decide whether to** . . .
She **will need to consider** _____ **when making her decision.**
The investors **have asked her to choose from** . . .
She has to weigh these options against her most important priorities, which include . . .
- **The current financial problems** A.J. Comics **faces can be traced to** four causes.
- Acme Motors' outdated client software **suggests a need to invest in** information technology.
- **The division's problems stem from three sources:** a lack of new vision, Rogers' leadership weaknesses, and a misaligned organization.
- **This cultural difference is due to** . . .

RECOMMENDING A COURSE OF ACTION

STATING YOUR RECOMMENDATION

- **I recommend that** . . . / **I would not support** . . . / **I suggest** . . .
- **Clarkson needs to** [action step 1], [action step 2], and [action step 3].
- The team **should persuade** senior management to
- Ms. Davidson **should adopt** a less autocratic management approach . . .
- **The most significant change that** Acme Rentals **should implement is** . . .
- CJ, Inc. **needs to consider changing** its return policy **in order to address** . . .
- **First, Yopez must understand** . . . **From day one, he should** . . . **He then needs to** . . .

RELATING YOUR RECOMMENDATION TO IMPORTANT CRITERIA OR PRIORITIES

- These four changes are critical to meeting all of the project objectives.
- Adding a more pet-friendly product line would ensure that . . .
- Option four satisfies the CEO's most important criteria for growing the business.
- Lowering the product price is the best decision as it satisfies the criteria of . . .
Based on the main priorities of the company, Facebook should . . .

PROVIDING REASONS FOR YOUR RECOMMENDATION

- Anita **should choose to sell because** . . .
Because growing the business **is most important to investors**, Ms. Amore **should** . . .
- **Since** using eco-friendly cleaning products is crucial to upholding the company's image, Happy Earth **must continue to** purchase its stock from GreenWorks.

INTRODUCING AND CHALLENGING ALTERNATIVE OPTIONS

PRESENTING ALTERNATIVE OPTIONS AS LESS EFFECTIVE

- The founders **should not choose to** . . .
- **Implementing this change would** decrease trust in leadership and . . .
- **The option to** relocate their headquarters abroad **could impact** . . .

SHOWING THE WEAKNESSES OF ALTERNATIVE OPTIONS

- **While the other two options have their advantages in terms of** improving overall product quality, Anita **should pursue** . . .
- **Although** outsourcing **presents** significant cost savings, it **would negatively affect** supply chain control.
- **Even though** a move to cloud storage **offers attractive benefits**, it **nonetheless conflicts with** the IT department's proposed security measures.
- **The CEO's claim that** telecommuting **helps** employee performance **is unsubstantiated** by productivity measures. **Conversely**, . . .
- Smith suggests lowering costs, **but analysis of** similar restaurants' recent sales **challenges this...**

MAKING AN EVALUATION

- **The current** organization **cannot succeed because** . . .
- **This is a good sign that** . . .
- Rogers **has to take much of the responsibility** for . . .
- Toys R Us and Amazon's collaboration **created value and exceeded** expectations of . . .
- **Nevertheless, when we look at the** accounts receivable, the collection period **has worsened**.
- **The strategy to** allocate a portion of the budget to marketing **is effective only if** management **also continues to** develop a better product.

APPLYING ANALYTICAL FRAMEWORKS¹

- Locke's Goal Setting Theory **asserts that** setting specific goals **tends to encourage** work motivation (Robbins et al., 1998) . . .
- **Reviewing the results of the case study**, Taylor (1980) **concludes that** the theories of job enrichment and employee motivation . . .
- **According to** Lee (2014), co-working spaces **have the potential to** . . .

¹ Read your assignment sheet (or ask your professor) to determine whether you should apply outside sources or frameworks in your analysis.

MURANO'S PIZZERIA (B)

Six months later....

Anita is getting ready to offer a new line of salads, having spent the \$50,000 she made last year to do so, and is now faced with one more decision. She has to decide whether to use an organic, local supplier of produce for her salad menu, or whether to use a cheaper, national distributor for produce, which is what she currently uses for her pizza toppings. Organic, local produce would match the clientele of her neighborhood. Murano's is located in a "hipster" neighborhood where research shows the locals are drawn to fresh, locally sourced ingredients. However, a salad menu consisting of local, farm-fresh ingredients would cost significantly more than a salad menu consisting of produce from a national distributor, which Anita personally believes tastes the same. Additionally, the national distributor-supplied produce is more readily available: she can purchase it from multiple locations, in a pinch, which would mean she wouldn't have to risk relying on one supply source (unlike with the locally-supplied produce, which she would obtain from a local distributor who sources from several nearby farms.) Additionally, switching to a local supplier would mean taking the time to build out a new business relationship. Because she already has a long-standing relationship with the national distributor, she trusts them and already knows that they are reliable. Last, she must consider that introducing local, organic produce might give her a competitive edge. Most of the Italian restaurants in the neighborhood haven't yet made the switch to local, farm-fresh ingredients, so she might be able to draw customers away from other restaurants by being one of the first to make the switch. Both options have pros and cons, and Anita remains indecisive about which to choose.

Question: Which option should Anita choose, and why?

**REFERENCE SHEET
WEIGHING OPTIONS**

	Option 1: New Location	Option 2: Salad Menu	Option 3: Automation
Decision Criteria Communal, Familial Environment	X	X	
Customer Service		X	
Profit	X		X
Control over Quality of Product		X	X
Increase in Brand Recognition	X		
Industry Trends	X	X	X

Note: students may bring up additional decision criteria. Facilitator may add these to the list, helping students to identify what is valid, text-based criteria, and what is not. Alternatively, facilitator may pose the question “what additional criteria would you consider, that Anita hasn’t?” to facilitate a similar discussion, having students consider potential, additional criteria and whether each is within the scope of the case/Anita’s interests as stated by the case.

On the following page are several examples of additional criteria that students may raise (accompanied by reasons for why they are ultimately not supported enough by the case to include them).

Time:

Students might argue that because the new location has to be decided upon quickly, time is a factor that weighs against this option. In this case, point out that all three options are limited by the same time constraint: Monday morning, the deadline by which the investors need the proposal. For this reason, it does not matter if the new location has to be decided on quickly, as all three decisions need to be made within the same time frame: 3 days. “Time” can thus be eliminated as a decision criterion.

Research:

Similarly, students might bring up the need for time to be able to further research the new location option. Explain that they can assume that there’s enough time/information available to investigate and make an informed decision about all options, if the investors have asked that Anita prepare her proposal by Monday morning.

Degree of Reversibility of the Option:

If students bring up the idea of “risk,” facilitator might introduce the idea of reversibility. The higher the degree of irreversibility of the option, the lower the option value. For example, of the three given options, the salad menu option is likely the most easily reversible (if it doesn’t work out, Anita can go back to the old kitchen layout, fairly easily) which is a plus. Comparatively, the automation and new location options are less easily reversible. However, the case as written does not provide enough information for students to be able to calculate the actual degree of reversibility of each option, nor does the case suggest that this factor is a significant criterion in Anita’s decision-making process. Hence, this can be eliminated as a valid, text-based decision criterion.

Brand Integrity:

If students bring up brand integrity, have them define brand (if you have the same product, what makes you choose one over the other?) The way the case is written, Anita’s brand is primarily defined by the first two criteria: the restaurant’s communal, familial environment and its customer service. Since these two criteria have already been isolated and addressed, brand integrity does not need to be included as a separate decision criterion.

In this way, the facilitator may proceed in orchestrating a discussion of additional criteria and whether to include each or not.

REFERENCE SHEET

SAMPLE ARGUMENTS FOR MURANO'S PIZZERIA (A)

Sample argument for adding a salad menu: Anita should choose the salad menu option because it meets the criteria that are most important to her. This option would not impact the familial environment that Anita highly values and which is one of the primary reasons she initially opened the restaurant. The line of salads will be served by existing wait staff; therefore the restaurant's strong customer service will not be disrupted. The salad menu will also not deter existing customers as the current menu of pizza still will be available. Additionally, adding a new food could potentially bring in new customers. Though adding a salad menu isn't projected to make as high of profits as the other two options, it still will increase the restaurant's overall profits. Additionally, these are projected profits, and we don't yet know how likely any of these options are to be successful; therefore, these numbers can only be viewed as estimates. Adding a salad menu is the best option for continuing to grow the restaurant, while meeting Anita's most important criteria.

Sample argument for adding a new location: Anita should choose the new location option because it meets criteria that are both important to her and important to the investors. This option would allow her to reach a new clientele, expand the restaurant's brand recognition, and bring her grandmother's recipes to a larger group of consumers. By setting up a location that is very similar to the current location, she can maintain the familial, communal atmosphere of the restaurant. Though adding a new location will mean that she can't oversee day-to-day operations, she can hire a manager that she trusts, to use the same recipes that she has always used, which will ensure a high quality of product. The new location, which will open in an up-and-coming neighborhood, is also projected to make a good profit, which is most important to the investors. Adding a new location of the restaurant is the best option for continuing to grow the restaurant, as it meets Anita's and the investors' most important criteria.

Sample argument for automating service: Anita should choose the automated service option because it meets criteria that are both important to her and to the investors. Of the three options, it has the potential to make the most profit, which is the investors' top priority, and which is also one of Anita's criteria. This option also would allow Anita to maintain control over the quality of her product, ensuring that her pizza is still made to be like her grandmother's. Though automating service would lead to a less familial atmosphere, and would eliminate the customer service element that is currently a draw to customers, it would also reduce the potential for human error when servers take and place orders, and would eliminate the need to pay for servers' salaries and benefits. Though it might be a transition for her customers to get used to this new atmosphere, they will end up coming to the restaurant for the original reason that drew them—the pizza—and over time, profits for the restaurant will almost double. Automating service is the best option for continuing to grow the restaurant, as it meets criteria that are important to both Anita and her investors.

**REFERENCE SHEET
MURANO'S PIZZERIA (B)**

	Option 1: Local, Organic Produce	Option 2: National Distributor Produce
Decision Criteria Minimizing Cost		X
Meeting the Local Clientele's Tastes	X	
Supply Availability		X
Competitive Edge / First-Mover Advantage	X	
Social Responsibility	X	
Switching Cost		X

Note that both the local, organic and national distributor options are essentially equally weighted, in order to encourage students to consider making an argument for either option.

Students may bring up additional decision-making criteria; facilitator should help students to distinguish between valid, text-based criteria, and criteria that are not supported by the text.