Example of Case Analysis Writing

Below is an example of what I consider excellent work. As you read through this example, note how clearly the author applies concepts from the course (this was a class on organizational change) and applies them to the case. This application is clear and explicit.

For example, the first section of this paper deals with the problems Disney faces. This author suggests that Disney's "strategic context" is an important issue. "Strategic Context" is a key concept from the literature this class read on managing organizational change. Note how the author introduces the concept, clearly defines it, and then uses that concept to analyze Disney. In this discussion, evidence regarding Disney's strategic context is clearly presented and discussed/ evaluated using the concept.

The September 6, 1999 *Fortune* article entitled, “Eisner’s mousetrap,” describes the well known Disney Company as a large organization ($24 billion in revenue in 1999) that “has simply stopped growing.” The status of the company was examined in detail by the article and a number of problems were revealed. This paper is based on the information provided by the article and is divided into two sections. The first section discusses four reasons for the difficulties currently confronting the Disney Company. The second section offers suggestions that would allow Disney to addresses the difficulties it now faces as it successfully changes.

Reasons Why Disney is Facing Difficulties

The myriad of problems facing Disney can be traced to four causes. The difficulties began with a dramatic shift in the strategic context under which the company operates. This shift highlighted shortcomings in the company’s structure and culture. And CEO Michael Eisner’s hands-on, meddlesome approach has thwarted efforts to turn around the company.

Disney’s strategic context. Tushman and O’Reilly define strategic context as three key factors that help managers understand the opportunities and constraints that fie before their organizations. The factors are: (1) the environment in which the organization operates, (2) the resources available to the organization, and (3) the history of the organization. The strategic context is the vital first step in Tushman and O’Reilly’s congruence model. Once the strategic context is understood, strategic choices can be made, critical tasks defined, and alignment checked between those critical tasks and the organization’s people, organization, and culture. If that strategic context is altered, however, choices can be incorrect, critical tasks off target, and relationships misaligned.

Disney’s strategic context has undergone dramatic changes in recent years. Its competitive environment, its customers, its market position, and its history have all combined to alter its strategic context.

Disney used to have the some markets (particularly the kids market) to itself, but in broadcasting Disney is now a “poor third” behind Nickelodeon and the Cartoon Network among kids aged 2 to 11 and in popular kids shows (and related merchandising) Disney has nothing to compare to Nickelodeon’s *Blue’s Clues,* PBS’s *Teletubbies* and WB’s *Pokemon.* In videogames, Disney is an “also-ran.” Disney used to be the only studio to produce animated features, but now Warner, Dreamworks, and Fox all do. Even Disney’s theme parks are facing greater competition from companies such as Universal.

Similar competitive changes have happened with the company's Cap Cities assets. ABC's network ratings have fallen 13% among the 18- to 49-year old demographic, and it is now third behind NBC and Fox. Disney-controlled ESPN, which used to dominate the sports market, is being challenged by Fox Sports.

Disney feels that the technological changes being wrought by the Internet will benefit the company because of its rich and deep stock of content. Others, though, including Patrick Keane, an analyst from Jupiter Communications, feel that technological change may be a competitive disadvantage for Disney: "diversified media companies move at glacial speed with it comes to the Internet."

Disney's core audience and traditional customers have been young families. The company has made an effort to reach beyond that market by appealing to conventioneers, senior citizens, and "pre-families" (or singles). Disney has had recent trouble, though, connecting with the kids of its core customers. Disney characters drawn from history and myths have been unable to compete with more contemporary characters developed by Nickelodeon. Age-compressed 9 and 10 year-olds, which used to enjoy Disney, now bristle at the notion that Disney is "good for them" and think the company's products are only "for little kids."

Disney's performance and its position in the market have suffered in recent years. Home video earnings have tumbled; licensing and merchandising revenues are down, operating income from its broadcasting segment was down 18% in 1999, Touchstone Television production studio had failed to develop a hit series since 199 1, and the company's stock was trading 3 7% below its 1998 high. The company with a history of producing "magical moments" has not been able to produce much magic for its customers or shareholders. As the article stated, "The old Disney magic just isn't working anymore."

Disney's structural inertia. Structural inertia is the resistance to change that is rooted in the size, complexity, and interdependence of an organization's structures, systems, and formal processes. (Tushman & O'Reilly) This interdependence develops over time as organizations evolve from smaller, simpler entities into larger, more complex entities. In stable environments, structural inertia doesn't much matter because any changes that are necessary are usually smaller and more manageable. In shifting environments, as in the one confronting Disney, structural inertia can lead to failures.

Disney's past success was often powered by hit entertainment ideas. As the article states, "Until recently, Disney was propelled by a handful of big ideas that were executed flawlessly." Growth in the company, however, has made it a much more complex organization than the one run by Walt Disney. "The company has grown so big and its problems are so far-reaching - ranging from the phenomenon of "age compression" to the explosion of media choices - that they can't be fixed by a couple of hit movies or TV shows or more Disney stores." As one Disney insider said, "This isn't Mickey's house anymore. It's a multibillion-dollar company.

Disney's cultural inertia. Like structural inertia, cultural inertia comes with organizational age and success. Culture, for Tushman and O'Reilly, is the shared expectations about how things are to be done within an organization, and it is manifested in informal norms, values, social networks, and myths and heroes that have developed over time. When organizations are successful, the shared expectations become ingrained and institutionalized because of that success. That same culture, though, can cause organizations to become complacent and hold the firms hostage to their past (a.k.a., the "Tyranny of Success").

Disney's culture was described by the article as "insular," possibly even "arrogant." Decision making at Disney has been hierarchical, centralized, and slow. Synergy was an obsession, even if it was achieved at the expense of individual business units. Outsiders were viewed with suspicion and relationships were not cultivated. This culture served Disney well in the past, but is it what is needed now that "Disney must manage multiple brands in a world where speed counts and partnerships are vital"? Here's the article's answer: "It's an utter mismatch for the Intenet age."

Eisner's meddling. Another thing that seems a mismatch for the Internet age as well as for Disney itself is Michael Eisner's meddling in day-to-day operational activities of the company. He screens rough-cuts of animated features and complains about "stale jokes." He leads brainstorming sessions about how to keep Mickey Mouse relevant. He "tweaks" theme park rides and screens ABC pilots. He insists on making too many decisions for himself and "clogs up the decision making process." Efforts to more quickly tap into local trends turn out to be not a delegation of authority, but a shortening of the distance between the rest of the world and Eisner. In short, he drives subordinates "up the wall with his meddling."

"Eisner's approach worked for the old Disney, where the focus was on a single brand; he could gather a cadre of executives at his Monday lunches and get things done." The company, though, has grown too big to be run from the top down. As one ex-Disney executive said, "the world has changed, but Michael hasn't."

Eisner's meddling and centralized control also is at odds with Collins and Porra's notion that organizational leaders should be clock builders, not time tellers. Clock builders build companies that can prosper beyond any single leader and through multiple product life cycles. The primary output of a clock builder is the company itself and not "the tangible implementation of a great idea, the expression of a charismatic personality, the gratification of their ego, or the accumulation of personal wealth." Clock building means "spending less of your time thinking about specific product lines and market strategies, and spending more of your time thinking about organizational design." Walt Disney was a clock builder. Michael Eisner, as depicted in the article, appears to be telling time.

Suggestions Necessary for Successful Change at Disney

The difficulties at Disney were the result of the four problems identified in the previous section. These problems can be remedied with three recommendations. First, Disney must reconsider its strategic choices and critical tasks in light of its new strategic context. Second, Disney must align its structure and culture with its redefined critical tasks using at the keys to successful change. Third, Eisner must reinforce the structural and cultural changes with his behavior as leader of the company.

Reconsideration of strategic choices and critical tasks. Tushman and O'Reilly say that an understanding of strategic context is necessary for organizations to make good choices about their strategy (what businesses it is in, how it intends to compete, and who its target customers are), objectives (expectations against which performance can be compared), and vision (expression of the organization's broader aspirations). With clear strategic choices, organizations can identify the critical tasks necessary to implement their choices.

The old Disney, the smaller Disney, the Disney that only had to manage one brand, and the Disney that could hold on until its next animated classic operated within a much different context than the modem day Disney. It follows, then, that the strategy, objectives, vision, and resulting critical tasks of the old Disney may not be sufficient or even appropriate for the modem Disney. Disney needs to acknowledge it is operating within a new and different strategic context and then reconsider its strategic choices and critical tasks in light of that context. There is some evidence presented in the article that Disney has begun to develop a few new strategies and identify some new critical tasks (e.g., the company's Internet strategy and its emphasis on international growth), but a new vision (beyond making everyone happy) and a comprehensive assessment of its strategic choices has yet to emerge. These things are necessary for Disney to move on to changing its structure and culture.

Alignment of structure and culture using keys to successful change. Structural and cultural inertia are, by definition, resistance to change based on an organization's complexity, interdependence, and shared expectations. Breaking through that resistance and aligning Disney's structure and culture with new critical tasks developed in light of a new strategic context will require Disney to embrace the keys to successful change. The article highlights areas where several of the keys would be particularly useful.

The first key Disney needs to utilize is developing dissatisfaction with the current state. This may be one of the most difficult chores for Disney. Consider these statements made by Eisner in the article. "I don't consider this a crisis." "Everybody takes for granted that we make good products." "We are the most profitable media company in the world." "There's no brain drain." "We have unbelievably strong management." It certainly doesn't sound Eke Eisner is too dissatisfied with the current state of the company, but his comments belie the litany of financial difficulties described in the article. A critical factor in driving change is to "demonstrate how unrealistic it is to assume that the current state is and always will be good. The greater the pain and Dissatisfaction with the current state, the greater the motivation to change." To break through the inertia, Disney and particularly Eisner must change their tune and begin to develop that dissatisfaction.

The second key to changing Disney's structure and culture is to develop a vision that will clarify the direction in which the company needs to go and will channel people's emotional energies into getting there. As was mentioned above, the development of a vision is a strategic choice. For Disney, though, it is also a means to facilitate change. The animation/theme park Disney of the mid- to late-20'h century could thrive on a vision of making everyone happy. The multi-media conglomerate Disney of the 21^{st} century, though, needs a vision as described by Collins and Porras: one that "defines 'what we stand for and why we exist' that does not change ... and sets forth 'what we aspire to become, to achieve, to create' that will require significant change and progress to attain. This "preserving the core while stimulating progress" can also be enhanced by a third key: addressing Disney's culture.

A culture that is insular, arrogant, centralized, and slow may be good at preserving a core, but it does little to stimulate progress. Disney's culture served it well for many years and certainly the creative aspects of the culture can serve it well for many more. A changed context, though, can cause a culture to hold a firm hostage. Culture can, to use

Kotter’s words, serve as an obstacle to the new vision. Disney needs to preserve the creative core of its culture, but change those other aspects that serve as impediments to progress (e.g., slowness, fear of outsiders, unclear accountability, etc.).

Beyond the culture, other sources of resistance will arise and they must all be dealt with by Disney. Participation can be used to overcome resistance, but Disney’s hierarchical structure and plodding culture will not make employee involvement and participation easy. That is why it is crucial for Disney’s formal organizational structure, culture, and people (especially CEO Eisner) to all be aligned with the company’s newly defined vision and critical tasks.

“Power is essential to the implementation of change strategies.” Change requires a strong guiding hand or, again in Kotter’s words, a powerful guiding coalition. Eisner can certainly provide that strong hand, but in Disney’s case, the devolution of power will also play an important role. The centralized approach to decision making employed by Eisner focuses power at the top, but a changed structure and culture that is more responsive and quicker will require that power to be diff-used. In a twist on conventional thinking, Eisner can actually use his power to guide change by giving up some of his power. His diffusion of power can then facilitate involvement that can be used to overcome resistance.

Reinforcement of the structural and cultural changes with Eisner’s behavior as leader. Eisner’s role as CEO is the biggest key to changing Disney. A new context and a changed structure and culture will require a different leader than Eisner has been. As Collins and Porras state in their chapter on Clock Building, Not Time Telling, “one of the most important steps you can take in building a visionary company is not an action, but a shift in perspective.” Eisner needs to change his perspective from being a time teller to being a clock builder.

If he wants to be a clock builder, he needs to acknowledge there are problems with the company. He needs to begin to create dissatisfaction with Disney’s current state. He needs to develop a vision that captures Disney’s past while guiding it into the future. The “vision thing,” to quote a former U.S. President, is perhaps most important because it will force Eisner to see Disney beyond himself His perspective would shift to the long-term: away from operational matters and on to organizational design; away from himself and on to other people; away from the successful past and on to an even more successful future. A changed Eisner can be a dynamic and effective leader of a changed Disney. An unchanged Eisner can reinforce nothing and will, in fact, be an obstacle to change.