

Case 5

Importance of Assumptions

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Discussion about Solution

This case study, as the title indicates, is to bring out the importance of assumptions while solving a case study. Prima facie, the case study appears to be fairly simple and straight forward. However, the aim of the case is to highlight the importance of assumptions by showing how the solution will drastically change with different assumptions. The narrative is, perhaps, a little removed from reality; mainly to illustrate how important the assumptions are for solving a case study. The case is solved with one set of assumptions. Total of four sets of different assumptions are given. Each of these will produce a different solution. It is suggested that the student-manager should develop four solutions using one set of assumptions at a time.

Problem

Selection a marketing specialist for the organisation.

Boundary Limits

Consider the four short-listed candidates.

Case

- (a) Requirement of a marketing specialist. Requirement advertised.

- (b) 26 responses received, write-up of about four short-listed candidates.

Assumptions

Set 1.

- (a) The pay packet will not be a limiting factor.
- (b) The organisation that Mr Verma heads is an export house dealing in ladies' ready-to-wear garments.
The selected candidate will be required to handle the marketing of company's products in the UK.

Set 2.

- (a) The pay package not a limiting factor.
- (b) The organisation that Mr Verma heads is a business school.
- (c) Selected candidate required to teach marketing to MBA students.

Set 3.

- (a) The organisation is facing a financial crunch and will require to conserve resources.
- (b) The organisation that Mr Verma heads is a company conducting marketing research projects for customers.
- (c) The crisis has been created due to the company not keeping its database properly. The selected candidate will have to collect/collate all the information of various completed projects and general areas of interest for the company and create a suitable database.

Set 4.

- (a) The pay package will not be a limiting factor.
- (b) The organisation that Mr Verma heads is a company engaged in developing rural markets in India.
- (c) The selected candidate will be required to market consumer goods in the rural markets in the state of Haryana.

Various Solutions and Their Relative Evaluation

Solution developed using assumptions of Set 2.

Solution No. 1

Solution: Select Mr P.S. Gill who secured 'A' grade in MBA Marketing Programme of the Delhi University and has four years field experience of rural markets in Punjab. He has to be paid Rs 3 lakh per annum.

Merits

- (a) The candidate will bring field-experience in the business school teaching.
- (b) The candidate has obtained an 'A' grade in his MBA (Marketing) from the prestigious Delhi University. Hence, he is likely to be good in academics.

Demerits

- (a) The candidate has no teaching experience.
- (b) The candidate has studied and worked in north Indian environment (Delhi University and rural markets of Punjab) and is not exposed to working environment of eastern India.
- (c) The candidate has no preference for a teaching career.
- (d) He is expensive.

Solution No. 2

Solution: Select Mr Sanatan Das, the first class, first, from the business school at Ranchi and having some teaching experience. He has many offers but has not decided since he is fond of Ranchi and teaching.

Merits

- (a) Best academic results among all the candidates.
- (b) The only candidate with teaching experience.
- (c) Very fond of Ranchi and teaching.
- (d) Very fond of teaching.

Demerits

- (a) He has many other offers and may leave.
- (b) He has no field experience.

Relative Evaluation and Best Solution

Mr Sanatan Das has all the qualifications required for making him the best candidate to teach marketing at Ranchi, but for having no field experience. The apprehension that he may leave is not very serious since he is fond of teaching and Ranchi. Mr P.S. Gill has the field experience, adequate academic results and could be the second choice. He could thus be kept as a standby candidate.

Best Solution

Select Mr Sanatan Das and keep Mr P.S. Gill as standby for teaching marketing at the business school at Ranchi.

The student-manager should write balance of this solution and develop solutions using the other sets of assumptions.

Note: It is hoped that the student is convinced of the fact that the best solution changes with changes in the set of assumptions.