

**Prof. Luis Palencia**  
Professor of Accounting and Control  
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Assistant Professor of Entrepreneurship

## **ABP-A Analysis of Business Problems**

### **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.

In business most problems are not structured. They often involve economic, technical, and human issues and can be quite complex and/or unstructured. By definition, they do not have a unique, “correct” solution. Solving unstructured problems is much of what managers do.

### **Objectives**

By the end of the course, participants should be able to identify unstructured problems and apply a comprehensive personal framework for solving them and taking action. All participants already have a problem-solving framework; this course will help in refining the usefulness and efficiency of this framework/model.

### **Learning Outcomes**

Participants will be able to work with economic, organizational and personal criteria that are involved in every business situation.

### **Competences**

General Competences:

Comprehensive Decision Making

Critical Thinking/Judgment

Communication Specific

Competences:

-Understand and apply appropriate quantitative and qualitative analysis to the decision making process in the presence of risk, uncertainty and incomplete or dubious information.

-Apply coherence and prudence, emit consistent and unbiased judgments, and consider context, characteristics and circumstances of both decision settings and decision makers

## Content

The Course is divided into several parts.

Orientation: Prior to the start of the MBA program, students will be given a lecture introducing the concept of structured problems and the methodology for solving them and then be given the opportunity to work on their first case study in order to illustrate the methodology. After orientation, 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.

- First Cases: The first few cases in the course will deal with relatively straightforward problems with a focus on analysis.
- Complex Problems: A second group of cases will then be discussed which deal with more complex problems with 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.
- Action Planning: The last series of classes will be spent on complex cases where the focus will be on implementation.

We will discuss around 20 real life business problems to practice using the methodology and to explore the dynamics of case discussion in a large group. The last class day of each week we will announce the cases for the following week (the overall schedule will not be a fixed one as experience indicates that each class dynamics dictate the most appropriate cases for each week).

## Methodology

The course will be entirely based on case discussion.

## Evaluation

Participants will be graded on their class participation (50%) and two individual reports. The first individual report will be due before midterms and the second at the end of the term.

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 and try to participate regularly.

## Professors' Biographies



**Prof. Luis Palencia**

Professor of Accounting and Control

Luis has a degree in Civil Engineering from the University of Cantabria, Spain. He completed his MBA at IESE in 1989, and upon graduation, he worked with Bechtel, for the Barcelona 1992 Olympics. He joined IESE faculty in 1992 and obtained his PhD in Accounting from the University of California at Berkeley, in 1999.

Luis research interest is in the area of business valuation

Luis teaches the courses "Analysis of Business Problems" and "Financial accounting" in diverse programs at IESE (MBA, executive education and doctoral program).

Currently Luis is head of the IESE's Accounting Department and Analysis of Business Problems



**Prof. Thomas Klueter**

Assistant Professor of Entrepreneurship PhD, Managerial Science and Applied Economics, University of Pennsylvania MA from University of Pennsylvania and University College Dublin BA Science from Duale Hochschule Baden-Wuerttemberg

Thomas holds a PhD in Managerial Science and Applied Economics from University of Pennsylvania, an MA from University of Pennsylvania and University College Dublin and a BA Science from Duale Hochschule Baden-Wuerttemberg. Prior to pursuing an academic career, he was a financial analyst and project manager at IBM and JP Morgan. In those functions, he was involved in several worldwide projects in corporate finance and business development.

Thomas' research interests focuses on how established and emerging firms manage technological change and the strategies firms pursue to develop and commercialize new technologies. His work has been published in Academy of Management Journal, the European Management Review, Advances in Strategic Management and Academy of Management Best Paper Proceedings (2013, 2014), and has been presented at several international conferences.

In 2013, his dissertation-related work was among the finalists of the Druid Young Scholar Paper award and the Technology and Innovation Management (TIM) division best paper at Academy of Management. He won the best student paper prize within the TIM division at AoM 2013.