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Abstract

This paper presents a discussion of IESE Business School's use of case method teaching in the distributed learning part of its Global Executive MBA program. The paper starts with a basic replication in which physical spaces (classrooms and meeting rooms) are replaced by online communication tools (asynchronous message boards). Because such distributed implementation has the potential to produce unmanageable quantities of messages, this paper proposes both IT-based and instructional design-based interventions to address this issue. Additionally, the paper examines three possible advantages of distributed implementation over face-to-face implementation: greater student diversity and professional experience, greater depth of discussion, and possibility of using digital and multimedia materials to complement the discussion. The paper provides a detailed example of one specific implementation and closes with questions for future research.

* DTI, Departamento Tecnologías de la Información, e-learning

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Introduction

As business schools consider adding distributed learning to their current offering, they face the challenge of achieving the same level of educational integrity in their distributed programs that their clients have grown to expect from their face-to-face programs. Rather than reconsidering their pedagogical philosophy in order to adapt to the use of new technologies, business schools may do better to take advantage of communication technologies in order to implement their proven instructional strategies in distributed environments. This paper focuses on one such strategy by presenting a discussion of the use of Harvard Business School's case method in IESE Business School's Global Executive MBA.¹ We start with a description of the basic replication of this method in a distributed environment, and address the primary challenge associated with this replication. We suggest some solutions to this challenge, and discuss the possible advantages of the distributed implementation of the case method. We then present a detailed example before concluding with some questions for the future.

The Basic Distributed Implementation of HBS's Case Method

We begin by briefly reviewing the face-to-face implementation of the case method as outlined by Harvard Business School's website.² We see that this method has three basic requirements: 1) a case study that details a real-life business problem, and that has been written to facilitate informed dialogue about this problem; 2) a professor who is an expert not only in the specific problem and associated content area, but also in the act of facilitating lively group discussion; and 3) a dynamic group of students who ideally have some professional experience with situations related to the problem presented in the specific case study. The actual implementation then consists of three distinct phases: 1) an individual phase in which each student spends about two hours reading and preparing the case; 2) a team phase in which groups of students spend a

¹ IESE's Global Executive MBA is a 16-month, cohort-based program in which seven 2-week face-to-face periods alternate with six 2-month periods of distributed learning. Information about the program is available at <http://www.iese.edu/en/Programs/GEMBA/GlobalExecutiveMBA.asp>

² <http://www.hbs.edu/case/index.html>

short period of time (30 to 60 minutes) discussing their initial ideas about the case; and 3) a full class discussion which is led by the professor and generally lasts between one and two hours.

The logical assumption in the above description is that the second and third phases (the team meeting and professor-led discussion) occur in face-to-face settings. However, the experience of IESE Business School's Global Executive MBA indicates that these interactions can also successfully take place using online communication tools instead of physical spaces. Both the team meeting and the full-class discussion are replaced by the use of asynchronous, text-based communication in the form of standard NNTP newsgroups. The emphasis on asynchronous communication is due primarily to the extreme distribution of the students. Generally this group consists of approximately 30 individuals residing in as many as 15 countries spanning all continents. It would not be feasible for this entire group to meet regularly in real-time. Therefore, all full-group interactions occur asynchronously. However, because coordinating periodic real-time interactions between groups of only four to six students poses fewer difficulties, teams are encouraged to complement their asynchronous communication with synchronous tools such as chat and voice-over-IP teleconference.

Aside from the use of online communication tools rather than classrooms and meeting rooms, the most noticeable change in this distributed implementation of HBS's case method is an increase in the amount of time dedicated to each case. What was a brief team meeting on campus may become a full week of asynchronous discussion. Likewise, 75 minutes of professor-led, in-class discussion becomes one to two weeks of professor-led, asynchronous online discussion. This increase in time is again justified by the distributed nature of the group of students, and in no way implies that anyone be connected to the newsgroup all day or even every day. During the predefined span of days or weeks, students and professors log in often, but always at the specific moments that they choose. This time flexibility is what enables the students to balance their professional development with their professional and personal commitments.

Before moving forward it is worth noting that we have made no suggestion that the course materials need to be modified for the distributed implementation. The same case studies that are used as the basis for face-to-face discussions are also used in the distributed implementation. Later in this paper we will explore ways to complement text-based case studies with multimedia, but the case study itself is distributed either directly on paper or in a format that is easily printed (such as PDF).

The Primary Challenge and Suggested Interventions

The success of IESE's Global Executive MBA³ indicates that this basic reproduction of the case method, changing only the channel of communication and the timing, does work in distributed environments. However, some challenges have been encountered. The most significant of these challenges is managing the potentially massive number of messages that can be generated during an online case discussion. It is well documented that the time flexibility associated with asynchronous discussion results in increased opportunities for student participation, which in turn results in a greater number of participating students and a greater number of interventions

³ According to a 2004 survey published by the Executive MBA Council (<http://www.emba.org>), participants of this program have rated the overall quality of the program as 9.7 out of a possible 10.

from each.⁴ Reading and responding to all of these messages can require a time commitment that is two to three times greater than that of participating in a face-to-face session.⁵ The objective of this section is to present some possible interventions for managing and limiting the number of messages produced. We will start by exploring the use of technology to face this challenge, and then explore interventions based on instructional design.

1. IT-Based Interventions

As mentioned earlier, IESE Business School has chosen to use a standard NNTP (newsgroup) server as their primary tool for asynchronous communication. The decision to use this specific tool is based on several included functionalities that greatly facilitate managing large numbers of messages. One of the most basic and important of these functionalities is the fact that these discussions are “threaded”, meaning that related messages and responses are linked to one another. The use of threads not only facilitates organizing messages around common themes, but also provides a visual representation of the overall discussion in which levels of indentation can represent levels of depth or detail within a specific theme.

While the use of threads is a fairly standard feature in asynchronous discussion tools, a less common feature of NNTP servers is the option of connecting through multiple interfaces. For example, at IESE the newsgroups are regularly accessed both through a client interface (Outlook Express) and a web interface (WebNews⁶). Together, these interfaces add a series of additional functionalities that facilitate managing messages. Outlook Express enables newsgroups to be “synchronized”, meaning that messages can be both read and composed offline. This offline access provides students and professors with maximum flexibility in terms of when and where they read and write their messages, facilitating their ability to participate regularly in discussion. Outlook Express also provides search and sort functionalities that provide increased options for finding and organizing specific messages. WebNews is a fairly rudimentary web interface for NNTP servers, but while Outlook Express requires client-side configuration, this web interface works through a standard web browser, enabling easy access to online discussion from any computer connected to the internet. Finally, while not implanted as standard tools for IESE, some professors and students have also begun to experiment with newsgroup clients for Palm and PocketPC. As a whole, these multiple interfaces to NNTP servers facilitate managing messages by increasing the time and location flexibility already associated with asynchronous discussion.

The functionalities described above offer the possibility of managing messages more easily, but ultimately it is up to the individual users to take advantage of these functionalities or not. To help them do so, it is strongly recommended that professors and program staff promote and model the use of certain best practices, often referred to as “Netiquette”. Specifically, one practice that is necessary for taking full advantage of threaded discussion is to always use clear subject lines that indicate the content of the message, especially when replying to previously posted messages. Doing so enables readers to easily skim entire conversations in order to determine what to read and where to post.

⁴ Palloff and Pratt, p.xvi; Boettcher and Conrad, p.22

⁵ Palloff and Pratt, p.49-51

⁶ <http://netwinsite.com/webnews/>

2. Instructional Design-Based Interventions

While the interventions mentioned above will help students and professors manage the messages posted, instructional design can be used to further organize and perhaps even limit the total number of messages. Before making specific recommendations, we attempt to justify these instructional design-based interventions by considering the potential consequences of one possible pure replication of the face-to-face implementation of the case method. One common way for a professor to begin a face-to-face case discussion is to simply pose the question “what’s the problem?” and to allow the first volunteered response to dictate the initial direction of the discussion. In a face-to-face setting, it is uncommon for another student to either repeat this response, or to offer a completely different one without somehow making a connection to the initial response. However, in an online discussion when an open question is posed to the entire group, if participants are not provided with proper guidance, it is quite conceivable that all of them will post answers to this question without necessarily considering the responses of their peers. Such a situation can result in 30 different responses that mark 30 different directions in which the discussion may simultaneously flow. As the professor and participants attempt to follow these different directions, the online discussion can fan out exponentially, making the discussion very challenging to manage regardless of the technological functionalities described in the previous section. In this section we look at ways in which the professor can provide the necessary guidance to avoid such a situation. Unlike the best practices or “netiquette” mentioned previously, here we consider ways of designing an overt structure specifically for the case discussion at hand.

This design process generally starts with the professor’s identification of logical divisions within the overall discussion. These divisions may be based on a variety of factors: specific discussion questions, themes to be explored during the discussion, phases of analysis of the specific case, perspectives of the different characters in the case, alternatives for possible solutions to the specific problem, etc. These divisions are then used to structure the discussion such that each of them is dealt with in relative isolation. The goal is to break up what could have been a massive and chaotic discussion into several focused, interrelated, and easier to manage sub-discussions.

The next step in this design process is to determine how to deal with these different sub-discussions. Perhaps the most common practice of professors in IESE’s Global Executive MBA is to use threads in the newsgroup to organize these sub-discussions either by topics or by time. In a discussion organized by topics, the professor creates a thread for each of the different sub-discussions before the participants begin. With this structure the participants are free to deal with all aspects of the case simultaneously, but each thread acts as a container such that each sub-discussion has its own visible and isolated “place” within the overall discussion. In a discussion organized by time, the professor starts the discussion by creating only one thread that is used to contain all messages related to the first sub-discussion to be addressed. Then, at regular intervals of one to three days, the professor closes the current thread and opens a new one for the next sub-discussion. This rigid structure makes the overall discussion much easier to manage because at any given time there is only one active thread.

Another option is to organize these sub-discussions by tasks such that individual students or teams of students are responsible for specific aspects of the case. This option lends itself nicely to role-play in which different students are expected to adopt different positions or perspectives. Additionally, this option can be easily combined with the previously mentioned organizations by topics or time in order to convert a case discussion into a structured debate or arbitration. One important advantage of organizing a discussion around tasks assigned to teams of students is that the total number of messages posted can be reduced greatly. Teams work in

their private newsgroups preparing their agreed upon interventions, and only these team interventions are posted to the whole-group discussion.

Once the professor has decided on a structure for a given case discussion, it is crucial that he or she then communicate all necessary details to the students. This communication may simply be an opening message in the newsgroup, or it may be a separate document or preparation sheet. This communication must include specific instructions regarding what the students are expected to do and when, and should also include information regarding what actions the students can expect from the professor and when.

Possible Advantages of the Distributed Implementation of HBS's Case Method

So far this paper has attempted to show that the case method can be implemented successfully in distributed environments. We will now attempt to take things a step further by exploring possible advantages of the distributed implementation over the traditional face-to-face implementation. Specifically, we will consider three topics: the nature of distributed groups, the nature of text-based, asynchronous communication, and the use of digital and multimedia materials.

1. The Nature of Distributed Groups

Returning briefly to Harvard Business School's explanation of the case method, we see that the group of participants is described as "a diverse constellation of exceptionally talented people from an extraordinary range of personal and professional backgrounds."⁷ The logic behind calling for such a group is so that their multiple perspectives and related professional experiences can enrich the case discussion. From this argument we can extrapolate that increasing the diversity and experience of the group will further increase the depth of dialogue.

The following chart compares the cultural diversity and professional experience of the three MBA programs offered by IESE Business School. The chart clearly shows that the Global Executive MBA results in the most diverse and experienced group.

Program (Format)	Students	Countries Represented*	Countries / Student	Average Years Professional Experience
MBA ⁸ (Full-time program)	220	50	0.23	4.5
Executive MBA ⁹ (Weekend program)	72	6	0.08	7
Global Executive MBA ¹⁰ (Blended, modular program)	32	16	0.5	10

* Includes both countries of nationality and countries of residence.

⁷ <http://www.hbs.edu/case/index.html>

⁸ Program information is available at <http://www.iese.edu/en/Programs/MBA/MBA.asp>

⁹ Program information is available at <http://www.iese.edu/en/Programs/EMBA/ExecutiveMBA.asp>

¹⁰ Program information is available at <http://www.iese.edu/en/Programs/GEMBA/GlobalExecutiveMBA.asp>

This data is consistent with Boettcher and Conrad's finding that working adults are willing to travel greater distances for face-to-face professional development if the face-to-face meetings occur less frequently.¹¹ The impact on the case method is that a greater number of perspectives and a greater amount of collective professional experience results in a richer discussion of business situations and problems. Indeed, professors who teach in all three programs comment that the exact same case studies can produce deeper dialogue and therefore greater learning in the Global Executive MBA than in the other two programs. In summary, the case method may be more effective in the Global Executive MBA because the program format requires a relatively small amount of face-to-face time, thus enabling the participation of a more diverse group of working professionals.

2. The Nature of Text-Based, Asynchronous Communication

Once again we return to a description of HBS's case method, this time that of Dr. E. Raymond Corey, who writes, "The question is not whether or not you have found enough to talk about, but whether or not you have found enough to keep your students talking."¹² This quote implies that the pedagogical success of the case method is dependent in part on the quantity and quality of discussion between the students. While it may seem strange to those unfamiliar with text-based, asynchronous communication, the experience of IESE shows that the distributed implementation of the case method regularly results in a greater number of messages shared among students, and can also produce higher quality messages than those shared in face-to-face settings.

2.1 More Contributions

There are several characteristics of text-based, asynchronous discussion that facilitate an increase in the number of messages shared. Perhaps the most obvious is the extended period of time that is dedicated to each case. As explained earlier, what was once a one- to two-hour session becomes a one- to two-week online discussion, and while there is no implication that individuals connect all day every day, the relative absence of time constraints provides significantly more opportunities for interaction.¹³ This increase in interaction does create the challenge that was addressed earlier in this paper (managing all the messages), but it also has a positive impact on the students' learning. As one IESE professor puts it:

The professor can bring out nearly everything that he or she can and wants to say about a case. That never happens in class, where one is confined to drawing out a limited number of essential points. The extended discussion format nearly ensures that each case will be "wrung dry" of learning and learning points.¹⁴

In addition to the extended period of time dedicated to each case, there are two other characteristics of text-based asynchronous discussion that may make students feel more comfortable interacting with one another, therefore increasing the quantity of communication. First, Palloff and Pratt explain that virtual communication removes social pressures and performance anxiety from discussion, thus making students feel more comfortable participating.¹⁵

¹¹ Boettcher and Conrad, p.25.

¹² Corey.

¹³ Boettcher and Conrad, p.22.

¹⁴ Comment from Dr. Maximilian Torres, IESE Business School (2001).

¹⁵ Palloff and Pratt, p.8.

This sense of safety and anonymity¹⁶ often means that students who are relatively quiet in face-to-face situations end up participating more online than they would in class. Second, in international programs, such as IESE's Global Executive MBA, the use of text-based communication can result in increased participation by students who do not speak English as their first language. Often these students feel more comfortable and capable reading and writing in a foreign language than they do speaking in a foreign language. As a result, they participate more online than they would in face-to-face situations.¹⁷

2.2 Better Contributions

The characteristics of text-based, asynchronous communication that increase the amount of participation in case discussions (extended time, absence of social pressures, use of written language) also increase the quality of participation. Starting with the extended period of time dedicated to each discussion, Palloff and Pratt explain that “[participants] have more time to give more thought to their contributions to discussion.”¹⁸ In contrast to face-to-face situations, in which our comments are generally immediate reactions to the comments of others, in asynchronous situations we actually have time to reflect on what others have said, and on our own ideas before intervening. As one professor explains, “Students, and the professor, can think about questions and discussions before leaping in. One has a chance to correct one’s responses by composing offline and reviewing before going online to send them.”¹⁹ This increased reflection results in better prepared comments and higher quality discussion. One student says, “I found the discussions in the [newsgroups] more complete than in class, as the comments were more prepared. (...) I found this very useful for going deeper in the analysis.”²⁰

Earlier we cited the use of written language as a characteristic that increased participation of students who do not speak English as their first language. Additionally, the use of written language can increase the overall quality of discussion because, as one student puts it, “writing down your thoughts and ideas makes you work harder.”²¹ We can interpret this comment in two ways. First, successful written expression requires a clearer understanding of the message being delivered than spoken expression. In a spoken exchange, we have the benefit of thinking out loud, refining our message as we go, and reacting to our audience. In a written exchange, in order to express an idea concisely so that it is both intelligible and convincing, we must first develop a very clear understanding of that idea. In the context of text-based, asynchronous communication, this factor results in clearer and better prepared comments than we might find in a face-to-face situation. Second, there is a permanence to written language that is generally absent from spoken communication. In a classroom setting, a comment only exists for as long as it is remembered by the participants. In a text-based environment, comments are published to a shared area, and essentially exist for the duration of the discussion, course, or even entire program of study. This factor makes it much more difficult for students to “wing it” as they may try to do in class.²² Again, the result is more carefully prepared messages that result in a higher quality discussion than we might find face-to-face.

¹⁶ Palloff and Pratt, p.xvi.

¹⁷ Murray.

¹⁸ Palloff and Pratt, p.xvi.

¹⁹ Comment from Dr. Bruno Cassiman, IESE Business School (2001).

²⁰ Anonymous comment taken from student evaluations of IESE's Global Executive MBA (2001).

²¹ Anonymous comment taken from student evaluations of IESE's Global Executive MBA (2001).

²² Anonymous comment taken from student evaluations of IESE's Global Executive MBA (2001)

Finally, while absence of social pressures can facilitate the participation of otherwise shy students, it can also enable all students to communicate more freely and deeply. The increased sense of safety that Palloff and Pratt associate with online communication can have a positive impact on the overall quality of case discussions. Dr. C. Roland Christensen explains that fearless sharing of ideas, feelings, and experiences is key to enabling students to learn from one another.²³ Dr. E. Raymond Corey adds that without a strong sense of safety, students' willingness to openly communicate with one another disappears.²⁴ By combining the observations of Palloff and Pratt with those of Corey and Christensen, we conclude that the greater sense of safety associated with online communication results in an increased openness to sharing life experiences. This sharing then increases the overall learning that occurs during distributed case discussions as compared to those that are influenced by the social pressures of face-to-face situations. In IESE's Global Executive MBA, this advantage has been observed with regard to the use of role play during case discussions. In face-to-face settings, feelings of embarrassment can hinder the effectiveness of role play as students struggle to accept themselves and others in the roles of characters in the case. However, in text-based, asynchronous case discussions, the absence of social cues can eliminate this embarrassment, enabling students to take role play more seriously.²⁵

3. The Use of Digital and Multimedia Materials

We start this section by repeating that the distributed implementation of Harvard Business School's case method does not require the modification of course materials. Research indicating that reading on paper may be more effective²⁶ and comfortable²⁷ than reading on screen, and surveys showing that students generally ask for paper versions of cases even when other media are available²⁸, justify the use of text-based case studies distributed on paper or in easily printable formats. Nonetheless, digital and multimedia materials can be used to complement the text-based narratives and the group discussions in ways that may enhance the overall effectiveness of the case method. This section explores two types of digital and multimedia materials that can be used to complement the case method: video and electronic spreadsheets (such as Microsoft Excel). Before moving forward it is worth noting that these uses of technology do not have to be limited to distributed implementations of the case method. These practices are presented as advantages of the distributed implementation because, in IESE's experience, they seem to be exploited more frequently in distributed settings than in face-to-face settings. However, the author of this paper encourages these uses of technology to complement and enhance case method teaching regardless of the specific setting.

Returning once again to Harvard's description of the case method, we know that case studies are narratives that explain real problems that must be solved by real people, and that the research conducted during the process of writing a case often includes interviews with these real people.²⁹ As one representative from Harvard Business School Publishing points out, providing students with actual video footage of these interviews can add a heightened sense of reality to the case. Through video, students can discover subtleties about the protagonist of the

²³ Christensen.

²⁴ Corey (1980).

²⁵ Observation from Dr. Maximilian Torres, IESE Business School (2001).

²⁶ Valauskas.

²⁷ Ernst.

²⁸ Shin.

²⁹ <http://www.hbs.edu/case/index.html>

given situation that are communicated through body language and tone of voice, subtleties that may be lost in text-based narratives. This representative mentions an extreme example in which students get a completely different impression from seeing and hearing an individual as opposed to simply reading about that individual.³⁰ In a distributed implementation of the case method that depends heavily on internet-based communication tools, it may seem logical to distribute these video clips in a streaming format. However, IESE's experience has shown that distribution on CD-Rom is often a better option. Not only do CD-Roms allow for significantly better quality of image and sound, they also facilitate mobility because they can be viewed when internet connections are not available.³¹ This mobility is especially important in programs designed for working professionals who travel frequently.

Electronic spreadsheets, such as Microsoft Excel, are especially useful for complementing discussions of cases that include a significant numeric component. Such cases generally include tables and charts of economic data that students must analyze in order to fully understand the issues at hand and the possible solutions. Distributing these numbers in a digital format can greatly facilitate this analysis during all three phases of the implementation of the case method. During individual preparation, students can experiment with the numbers in order to make better predictions about the outcomes of possible interventions. During the two collaborative phases (team and whole group), portions of spreadsheets can be copied and pasted into newsgroup messages, or entire files can be attached to messages, making it easier for students to share and compare their calculations with one another. This sharing and comparing can also occur with students transcribing the numbers from the text-based case to their own spreadsheets, but distributing the numbers directly in a digital format not only saves time, but also ensures that all students work with the same format. This uniformity ensures technological compatibility, enables clear references to specific data, and avoids potential confusion caused by the different layouts that individuals might use if each student were to build his or her own spreadsheet. Additionally, by using the macro and graphing options built in to electronic spreadsheets, professors can actually turn economic data into numeric simulations that further enable students to understand the possible outcomes of their actions.

Example

In an attempt to illustrate some of the suggestions made in this paper, this section presents a detailed example from IESE's Global Executive MBA. This example consists of the discussion of a two-part case: Diablesa A³² and Diablesa B.³³ The case is written by Dr. Josep Tàpies, and the online implementation has been designed and delivered by Dr. Eduardo Martínez-Abascal as part of his course on Operational Finance. The situation presented in the case is that of a bank which, in Part A, must decide whether or not to grant a loan to a beverage distributor (Diablesa), and in Part B, having granted the loan, must decide how to protect their investment when new information is revealed.

³⁰ Shin.

³¹ Schank, p.31.

³² Case reference: F-346-E, IESE Publishing.

³³ Case reference: F-347-E, IESE Publishing.

1. The Structure of the Activity

In designing this activity, Dr. Martinez-Abascal started by identifying logical divisions (in the form of specific questions) that could be used to organize the discussion. He then chose a structure that would best enable the class to deal with each of these logical divisions in relative isolation. One interesting aspect of this particular activity is that slightly different strategies are used for structuring each of the two parts of the case.

In Part A of the case, the professor starts by allowing a few days for individual and team preparation, and then organizes the full-group discussion around a series of time released discussion questions. For each question he creates a thread in the newsgroup and clearly defines a period of time to be dedicated to that question. Additionally, he adds an aspect of organization by tasks by defining the role of the “speaker” for each question. The “speaker” is the first student to present an answer to the question. The “speaker” must then lead the group in analyzing the question and its proposed solutions. Once the professor feels the question has been resolved, he posts some closing remarks and communicates to the group that it is time to move on to the next question. Once all discussion questions have been covered, the professor calls for a vote on whether or not the loan should be awarded. Upon completion of the vote, the results are released, Part A of the case is closed, and the materials for the discussion of Part B are distributed. The following image shows the structure of the discussion of Part A. In this image, all threads are “collapsed”. Clicking on the plus sign next to any message would “expand” that thread, displaying all responses to the initial message.

Subject	From	Sent
Diabresa A starts. Follow guidelines	Eduardo Martinez A...	19/10/2004 10:11
+ Q.1. Analysis of the Business	Eduardo Martinez A...	19/10/2004 10:14
+ Q.2. Analysis of the Income Statement	Eduardo Martinez A...	19/10/2004 10:14
+ Q.3. Analysis of the balance sheet	Eduardo Martinez A...	19/10/2004 10:15
CLOSING OF QQ 1-3. 21 Oct. 12.00 pm CET	Eduardo Martinez A...	19/10/2004 10:16
CLOSING OF Q.1. BUSINESS ANALYSIS	Eduardo Martinez A...	22/10/2004 09:42
CLOSING OF Q.2. INCOME STATEMENT ANALY...	Eduardo Martinez A...	22/10/2004 10:01
CLOSING OF Q.3 BALANCE SHEET ANALYSIS	Eduardo Martinez A...	22/10/2004 10:32
+ Q.4. Income statement forecast for 93 and 94.	Eduardo Martinez A...	22/10/2004 10:36
+ Q.5. Balance sheet forecast for 93 and 94	Eduardo Martinez A...	22/10/2004 10:37
CLOSING Q.4 INC. ST. FORECAST	Eduardo Martinez A...	24/10/2004 18:41
+ CLOSING OF Q.4 INC.ST. FORECAST	Eduardo Martinez A...	24/10/2004 19:07
CLOSING OF Q.5. BS FORECAST	Eduardo Martinez A...	24/10/2004 19:48
+ CLOSINGS. READ IN RICH TEXT FORMAT	Eduardo Martinez A...	24/10/2004 19:56
	Eduardo Martinez A...	24/10/2004 20:12
CLOSING OF QQ.4-5 INC.ST & BS FORECAST	Eduardo Martinez A...	24/10/2004 20:14
+ Q. 6. DECISSION. DO YOU GIVE THE LOAN OF...	Eduardo Martinez A...	24/10/2004 20:26
+ I AM THE OWNER... MY ANSWER TO THE BANK	Eduardo Martinez A...	25/10/2004 13:57
+ FINAL DECISION 12 PM CET MONDAY 26	Eduardo Martinez A...	25/10/2004 14:12
FINAL DECISION 12 PM CET MONDAY 25	Eduardo Martinez A...	25/10/2004 14:13
+ Need capital to gamble	Peter Huggenberger	26/10/2004 09:16
FINAL VOTE 22-4 LOAN GRANTED	Eduardo Martinez A...	26/10/2004 14:19

The discussion of Part B of the case also starts with a few days of individual and team preparation, and then the whole-group discussion is organized around a combination of topics and tasks. The professor again creates threads for individual discussion questions, but this time

all threads (three in total) are opened simultaneously. This structure is less rigid than the time-released threads used in Part A, but still provides the students with an organized way of dealing with the different questions in relative isolation. Tasks are integrated into this discussion in the form of a small team assignment that must be completed after the professor communicates that all three questions have been addressed sufficiently. Each team must present a brief action plan in the form of a single message posted to the newsgroup, and the activity concludes with the discussion of these action plans. The following image shows the structure of the discussion of Part B.

Subject	From	Sent
⊕ DIABLESA B CALENDAR AND QUESTIONS	Eduardo Martinez A...	26/10/2004 15:22
⊕ Q.1. INCOME STATEMENT Jul 93 and Jun 94. ...	Eduardo Martinez A...	26/10/2004 15:25
⊕ Q.2. BALANCE SHEET Jul 93 and Jun 94. Concl...	Eduardo Martinez A...	26/10/2004 15:26
⊕ Q. 3. PERSPECTIVES FOR THE NEAR FUTURE	Eduardo Martinez A...	26/10/2004 15:28
⊕ Q. 1. CLOSING. INC ST ANALYSIS	Eduardo Martinez A...	29/10/2004 17:49
⊕ q.2. CLOSING OF BALANCE ANALYSIS	Eduardo Martinez A...	30/10/2004 11:17
⊕ Q.3. CLOSING. PERSPECTIVES FOR THE NEAR...	Eduardo Martinez A...	30/10/2004 11:46
⊕ Action plan questions	Gennady Terentev	30/10/2004 12:17
Action plan discussion	Eduardo Martinez A...	01/11/2004 18:07
⊕ Team 6 Action Plan	Harvey Klyne	02/11/2004 09:03
CLOSING AND LEARNING POINTS	Eduardo Martinez A...	04/11/2004 12:56

2. Preparation Sheets

Because of the complexity of this activity, rather than simply providing instructions in an opening message, the professor distributes a detailed preparation sheet for each of the two parts of the discussion. These preparation sheets communicate specific guidelines for the discussion, including an explanation of the role of the “speaker”, as well as the specific discussion questions and their corresponding dates. The complete preparation sheet for the discussion of Part A of the case is included below.

GUIDELINES FOR THE VIRTUAL DISCUSSION OF DIABLESA (A)

Assume we are the risk committee of Caja del Moncayo (“the bank”). The goal of our virtual discussion is to make a decision on the loan of 25 million to Diablesa. In a face-to-face meeting, that discussion would take 1.5 hours at most. In our distance discussion it should not take more than 3 hours per person. So we will try to make the decision in the least time possible and for that we need very strict rules, as follows:

1. We will discuss the case following the list of questions on the preparation sheet (which will be the agenda for our virtual meeting). You may not post an opinion on any other question until the moderator (myself!) indicates that the corresponding thread is open.
2. For every question there will be a “speaker”, who will post a summary of the main points to answer the question. This post should be a half page or less. Avoid excessive explanations, we all know the basics of the case we are discussing. Use one or two lines (at most) per point or idea. The speaker is the first person who posts an opinion on a given question. Anyone may take the role of speaker.

3. When responding to the speaker's initial answer, post your opinion only to complement the speaker's view, ask questions, request clarification, or disagree. If your question has been clarified, you may erase it from the discussion, so that we keep the postings to a minimum. Do not post opinions of the kind "I fully agree" or "interesting analysis by Joe...". Post opinions only to ask, complement or disagree with the speaker.
4. Respect the structure of the threads for each question. For example, if you disagree with the answer to question 3, please reply directly to the speaker's answer to that question. Do not open a new thread. In this way we will have all the questions in the first level and clicking on each question will bring up the different opinions.
5. Concentrate on the interpretation of numbers. If there are questions about the calculation of the numbers, ask the speaker responsible for that question.
6. After a question from the preparation sheet has been discussed, I will close that question and open the discussion of the next question. I will include a summary so that you may review the state of the discussion, reading only a few postings.
7. Excel documents and attachments.
 - I will post the exhibits in the Global Campus in the format that we all will use.
 - Only the "speaker" of the question should fill in these exhibits with the appropriate numbers and attach the Excel file to his or her post.
 - If you disagree with the calculations posted by the speaker, refer to the specific cell of that spreadsheet. Do not include a new spreadsheet. We do not have time to analyze all the spreadsheets proposed by the members of this committee. Also, please do not change the spreadsheet posted by the speaker. He or she will do that.
 - In the messages posted by the speaker, there should be conclusions about the main numbers. One line per conclusion (no more explanation).

Forgive me if you consider these rules very strict and tough. My purpose is for us to learn how to function as a virtual and asynchronous committee that has to make a decision, minimizing the time required by each committee member. Face-to-face meetings have their own rules, so must virtual meetings. Our goal must be to learn, practice, and improve upon these rules. Please do share any suggestion that may improve the effectiveness of our committee.

Calendar and Preparation Sheet

Before Oct. 18th Individual or group study

Free time to study and solve the case on your own, or with your group. Case and Excel exhibits available in the Global Campus.

From Oct. 19th to Oct 21st Class discussion of questions 1 to 3.

1. *Analysis of the Business* as usual. Have a look at the business and try to understand what Diablesa is doing during '93, the products it sells, its strategy, and plans for the future...
2. *Analysis of the Income Statement* as usual. Give your diagnosis of the income statement: Profitability, crucial factors, etc.
3. *Analysis of the balance sheet.* Also have a look at the financial situation (balance sheet) and how it has changed since Dec. '92. Clarify the amount of debt Diablesa has now (Exhibits 2 and 5) and the company's restructuring plans. Cost of debt 15%.

I will close the discussion and only then may you post opinions on the following questions...

From Oct. 22nd to Oct 23rd Class discussion of questions 4 to 5.

4. *Income statement forecast for '93 and '94. Risks or what could go wrong.* Will Diablesa be able to repay the debt? How good is its ability to generate funds? You do not need an income statement forecast to answer this question, but you may want to prepare one. Will other investments (in NFO or FA) be required in the future? Assume FA depreciation of 10% per year. Use gross margin from Exhibit 4 enclosed.
5. *Balance sheet forecast for '93 and '94. Risks or what could go wrong.* Do you think that the credit Diablesa is asking for is necessary? Is it sufficient? Prepare a simple balance sheet for Dec '93. It will not take you long if you use the Jul '93 balance sheet for reference. What is your opinion of this balance sheet? Look at the NFO and WC. To calculate the NFO items, you may use number of days, or simply consider changes in sales and in payment and collection policies, etc.

I will close the discussion and only then may you post opinions on the following questions...

From Oct. 24th to Oct 25th Class discussion of question 6.

6. *Final opinion.* Should we grant the loan? Risks if any? How to cover them? How would you recommend the Bank deal with Diablesa's request?

I will close the discussion and the case before we all move on to the next case.

Many thanks, and have a fruitful and efficient discussion ... and have fun!

3. The Spreadsheets

Along with each preparation sheet, the professor also distributes economic data for each part of the case in the form of a Microsoft Excel spreadsheet. In this particular activity, the spreadsheets do not include graphs or simulation-like macros, but they do enhance the case discussion. The rows and columns are clearly labeled, and the professor establishes a scheme for referring to specific cells. Additionally, he encourages the students to copy and paste cells directly into their newsgroup messages in order to eliminate extensive use of attachments which might slow down the discussion. The nature of these spreadsheets enables the students to experiment with the data, and the norms established by the professor facilitate all communication related to this data. It is well worth noting that this use of spreadsheets was not included in this activity until the second time it was implemented. During the first implementation of this activity, the professor and students found that significant time was wasted deciphering the different spreadsheets that individual students had created based on the data that had been distributed on paper. To alleviate this problem, the professor began distributing these spreadsheets in all subsequent implementations of this activity. The following image shows the spreadsheet that is used during the discussion of Part A of the case.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
1	DIABLESA (A) EXHIBIT 3. INCOME STATEMENT															
2																
3			Real		Forecast				Real		Forecast					
4			1992	Jul.93	1993	1994	1995	1996	92	Jul. 93	93	94	95			
5	SALES	(1)	551	461					100%	100%						
6	Discounts & other	(2)	15	13					3%	3%						
7	Total revenue		566	474					103%	103%						
8	Transport	(3)	26	23					5%	5%						
9	CGS	(4)	440	365					80%	79%						
10	GROSS MARGIN		100	87					18%	19%						
11	Personnel + others	(5)	46	35					8%	8%						
12	Depreciation	(6)	9	0					2%	0%						
13	OVERHEAD		55	35					10%	8%						
14	EBIT	(7)	46	52					8%	11%						
15	Financial expenses	(8)	12	12					2%	3%						
16	EBT		34	39					6%	9%						
17	Taxes (35%)	(9)	12	14					2%	3%						
18	NET PROFIT		22	26					4%	6%						
19	Net profit after depreciation Jul 93			20												
20	Growth of sales															
21	Gross margin															
22	ROS															
23	ROE															
24																
25	Pro memoria. Purchases		441	381												
26																
27	Forecast. All data from Exhibit 4				(6) Depreciation July 93 = 9\$ or 10% of FA for 7 months.											
28	(1) Sales				Use net profit of cell 19D for July 93											
29	(2) Exceptional income				(6) Deprec year 92+ warehouse (48\$) in 10 years and vehicles (10\$) in 8 years											
30	(3) Self-employed + diesel				(7) EBIT. Earnings before interest and taxes											
31	(4) CGS = from Exhibit 4				(8) 15% x total debt of 130 mill (Exhibit 2)											
32	(5) Wages+Maint, electr & water+Insurance+Miscellaneous				(9) 35% of EBT or profit before taxes											
33	DIABLESA (A) EXHIBIT 2. BALANCE SHEET															
34																
35			Real		Forecast				SAF		Year of 360 days					
36			1992	Jul.93	1993	1994	1995	1996	92-Jul93		Ratios in days					
37	Cash	(1)	-1	1												
38	Receivables	(2)	55	51												
39	Stocks	(3)	41	58												
40	Current assets		95	110												
41	Fixed assets net	(4)	98	159												
42	TOTAL ASSETS		194	269												
43																
44																
45	Payables	(5)	23	32												
46	Taxes	(6)	10	11												

4. The Role of the Professor during the Activity

After designing the activity, distributing the materials and carefully communicating the guidelines to the students, the professor must play two distinct roles. In his academic role he does basically the same as in a face-to-face case discussion: he guides the students in uncovering key learning points by pushing them to analyze more deeply, making connections between their comments, clarifying doubts, and summarizing critical points. In his administrative role, which is perhaps more complicated in the distributed environment than in the classroom, he is responsible for making sure that the group follows the plan he has devised. One of his most crucial tasks in this role is to open threads for each question, summarize threads upon closing them, and adhere to the established schedule. A detailed preparation sheet helps the professor fulfill this administrative role as it guides his own actions in the same way as it guides the actions of the students.

5. Evaluation

At the end of each module of IESE's Global Executive MBA, students are asked to evaluate the distributed learning activities of each course. This evaluation consists of a quantitative

component based on a series of Likert-scale questions and a qualitative component based on open-ended questions. Year after year, both components of this evaluation indicate that this particular activity is quite effective, primarily because of its rigid and clearly communicated structure.

For this paper we will consider three specific points of the quantitative evaluation: overall quality of the activity, ease of following the activity, and perceived learning of the students. The following table clearly shows that in these three areas the students evaluate this activity significantly higher than others that are implemented during the same module of the program.³⁴

	Average evaluation	Evaluation of this activity
Overall quality	4 out of 5	4.6 out of 5
Easy to follow	4.2 out of 5	4.6 out of 5
Perceived learning	4.2 out of 5	4.7 out of 5

In terms of the qualitative evaluation of this activity, students generally highlight the structure of the activity and the clear guidelines. Many students explain that it is easy to follow and participate in this activity because of the rigid structure and clearly communicated expectations. Some compare this activity to others by saying that many other activities seem to go in multiple directions at the same time while this one seems to have a clear progression. Some go as far as saying that this activity is so much more effective because of its structure and guidelines that they recommend using it as a model to establish a standard format for all case discussions in the program.³⁵

Finally, this activity has also been evaluated by asking Dr. Martinez-Abascal for his own reflections regarding the impact of class size on his workload. Specifically, he was asked to compare his experience teaching the Global Executive MBA class of 2004 (a group of 25 students) with his experience teaching the class of 2005 (a group of 35 students). The assumption was that the increase in class size would result in an increased workload.³⁶ The professor reported dedicating some additional time to improving the preparation sheets, but once the activity was under way, not only did he not perceive an increased workload, but upon looking at the numbers he actually discovered that fewer messages were posted by the larger group.³⁷ Additional analysis would be needed to fully understand this outcome, but at the very least Dr. Martinez-Abascal's experience indicates that the rigid structure and clear guidelines of this activity may result in scalability that is not normally associated with distributed learning based on asynchronous discussion.

³⁴ Data taken from anonymous evaluations of the 2nd module of IESE's Global Executive MBA from 2002, 2003, 2004, and 2005.

³⁵ Comments taken from anonymous evaluations of the 2nd module of IESE's Global Executive MBA from 2002, 2003, 2004, and 2005.

³⁶ Boettcher and Conrad, p.41.

³⁷ Email from Dr. Martinez-Abascal, 17/11/2004.

Conclusions and Future Research Questions

The experience of IESE's Global Executive MBA clearly shows that Harvard Business School's case method can be implemented in distributed environments. This distributed implementation does potentially entail the challenge of managing massive numbers of messages, but IESE has met this challenge through IT-based interventions and careful instructional design. Furthermore, IESE has also detected certain benefits of distributed implementation: greater student diversity and professional experience, greater depth to discussions, and possibility of using digital and multimedia materials to complement the discussions.

Nonetheless, the fact that IESE's Global Executive MBA is a blended program leaves numerous questions unanswered regarding the distributed implementation of the case method. In this particular program, students spend seven two-week periods in face-to-face settings. This time together results in strong interpersonal relationships with one another and with professors, and provides ample opportunities to become familiar with the traditional implementation of Harvard Business School's case method. What would happen if we were to eliminate this face-to-face time, creating a 100% distributed program? Would the students still be able to build the interpersonal relationships necessary for engaging in the deep dialogue that is so crucial to the success of the case method? Without exposure to the face-to-face implementation, would students still successfully play their role during distributed discussions? If the face-to-face time is necessary, could it be reduced, and by how much? Is the importance of the face-to-face time primarily social, indicating that the time could be reduced and limited to social interactions as opposed to structured academic ones? Or is experience with the face-to-face implementation absolutely necessary for the distributed implementation to work, and if so, how much experience is necessary before the method can be moved to a distributed environment? Answering these questions would require extended testing, analyzing, and comparing of different program models in order to fully understand the limitations of the distributed implementation of Harvard Business School's case method. Hopefully, as more business schools begin to experiment with the case method in distributed environments, future research will provide us with the necessary understanding to enable this implementation to reach its full potential.

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The ideas expressed in this paper have been presented at the following conferences and seminars:

- E-Learning Seminar, International Faculty Development Program, IESE Business School. Barcelona, Spain, June 21-22, 2005.
- Expo E-Learning 2005, AEFOL. Madrid, Spain, March 9, 2005.
- E-Learning and the Publishing Sector, Liber 2004, AEFOL. Barcelona, Spain, September 29, 2004.
- Teaching OntheNet 2004, LERN. Online conference, June 15, 2004
- Distance Learning Seminar, International Faculty Development Program, IESE Business School. Barcelona, Spain. June 2-3, 2004.