



Critical Business Thinking (CBT)

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. These types of problems can generally be solved by taking a series of actions in a well-defined way. A flat tire is a good example. If you carefully follow the steps in the owner's manual and have a spare, you will usually be able to continue with your journey.

In business, however, most problems are not so easy. They often involve economic, technical, and human issues and can be complex or unstructured. By definition, they do not have a unique, *correct* solution. The same or a similar solution at different points in time or in different places might produce very different results and different solutions might produce equally attractive or desirable outcomes. There are no guarantees and risk is often a key part of any choice of action. Solving such unstructured problems on a constant basis is much of what managers do and the ability to solve them is often what sets apart great managers from the rest.

For over 50 years, IESE Professors have been working with a methodology for dealing with such problems. The process has been found to be robust in the widest variety of management problems and has had an impact on literally thousands of executives and MBA students from around the world.

Therefore, Critical Business Thinking is more than anything a methodology course where students are exposed to a method for dealing with unstructured problems. They are not only good problem solvers but they also execute right and have criteria to face all the information they receive, especially in this big data and algorithm times. Through this Business Critical Thinking course we will also to develop the key habits and skills that can help them to face business situations appropriately, making right decisions based on correct information, sound judgment, and timely decision with correct execution.

Objectives

The objective of this course is to train students in the art of managerial thinking. It is not so much a question of acquiring new knowledge like that of perfecting skills that endure. The aim is to be able to reason better, to structure one's reasoning more effectively, to make "reasonable" decisions about new and complex situations in which both speed and rigor are required.

Each student is encouraged to develop his own "pattern" of looking at things, of thinking about them, and of establishing effective lines of action to make integral decisions that

improve both the business situation in which the professional activity takes place and the people who are impacted by this decision, including the decision-maker himself.

By the end of the course participants will be able to identify unstructured problems and use the process for solving them and taking action. They will be able to work with the three level (criteria, economic, organizational and personal anthropological or ethical) that are involved in every business situation.

As this course is one of the most “open ended” in the first module, additional objectives are to introduce students to the dynamics of the case method. As many students come from different educational traditions and some have been a few years in business, our experience is that many students need to get their mind around the case method itself in order to get the most out of the entire program. Learning through cases is a unique process and part of the objective of Critical Business Thinking is to present participants with real life, everyday business situations they can immediately relate to in order to encourage them to throw a mental switch and fully engage in the process.

Competences

Basic Competences

- CB7. The students know how to apply the knowledge acquired and their ability to solve problems in new or unfamiliar environments within broader (or multidisciplinary) contexts related to their area of study
- CB8. The students can integrate knowledge and face the complexity of formulating judgments based on information that, being incomplete or limited, includes reflections on social and ethical responsibilities linked to the application of their knowledge and judgments.
- CB9. Students know how to communicate their conclusions and the knowledge and ultimate reasons that support them to specialized and non-specialized audiences in a clear and unambiguous way.
- CB10. Students possess the learning skills that allow them to continue studying in a way that will be largely self-directed or autonomous.

General Competences

- CG1 - Listen, understand and contrast the points of view of others to make an objective composition of a business situation. Communicate in a structured and persuasive way. (Interpersonal communication)
- CG2 - Work effectively in multicultural teams, assuming the leadership of a project when required. Integrate the value of diversity in the decision process and team work. (Ability to work in multicultural teams)
- CG4 - Acquire the self-knowledge and self-control necessary to work effectively in professional environments under pressure, understanding the motivations of others and the culture of the company. (Emotional intelligence)

Specific Competences

- CE01 - Identify the relevant data to diagnose a business problem and generate sensible decision alternatives.
- CE03 - Analyze and design optimized customer-oriented operations and logistics systems, according to the principles and applicability of the Lean philosophy (eliminate what does not add value).
- CE04 - Design strategies for product and service operations optimizing the supply chain by applying the theory of restrictions (TOC), input-output analysis and queuing theory.
- CE05 - Carry out negotiations, both in competitive and collaborative environments, that reach satisfactory and stable agreements for all parties.
- CE07 - Develop rigorous business plans that achieve viability status as scrutinized by real investors.

- CE08 - Identify the sources of competitive advantage of a company to make a judgment on its sustainability in the future based on the competitive structure of the industry, the expected response of competitors and the internal resources of the company itself.
- CE12 - Apply financial diagnostic tools with general direction criteria to determine the intrinsic value of a business.

Content

The Course is divided into several parts.

- Orientation: Prior to the start of the program, students will be given a lecture introducing the concept of unstructured problems and the methodology for solving them. Then, they will be given the opportunity to work on their first case studies 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.

Students will discuss 15 real life business problems to practice using the mentioned methodology and to explore the dynamics of case discussion in a large group.

Evaluation

Participants will be graded on their class participation (40%) and one individual report (60%).

The IESE Business School's Honor Code and Learning Partnership apply to all activities in this course. For individual assignments, unless explicitly stated, you should not interact with anyone else. For deliverables to be done in teams you should interact only with the members of your team.