

*On the Importance of Case Research*¹

by

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Editor's Note: The North American Case Research Association (NACRA) periodically recognizes faculty members whose sustained work has made a significant contribution to case research and teaching. At an awards luncheon on October 28, 2005, NACRA recognized Professor Michael Porter with its "Distinguished Contributor" award.

In accepting this award, Professor Porter spoke about the importance of case research. The following article is an excerpt from that speech. Professor Porter has reviewed this article and authorized its distribution and publication in the Case Research Journal.

Recognizing my audience I would like to talk a little bit about why what NACRA stands for is so important and why it's even more important today in some respects than it has ever been. I'd like to talk a little bit about how the case research that I've been doing in my own career has influenced my own work in the hopes that this will be interesting to you.

So, why is case research so fundamental and important to our field? Well, I think what we know is that unlike particle physics or chemistry or many other fields, we have a field – this field of management – that is extremely complex and multi-dimensional. I just am overwhelmed every day by the complexity of management.

One of the things that I do today at Harvard is teach a course called "A New CEO Workshop." We personally invite about 12 CEOs of major corporations, a billion dollars is the minimum, to come to the business school for two and a half days within three to four months of taking office or even before they start their jobs. We talk about this transition from whatever else they've ever done, COO or chief financial officer, to actually being the CEO of Caterpillar, or Novartis, or some major corporation.

As we sit and talk over the couple of days, I'm just struck by how complex this role of management is – how many dimensions there are, how many skills are necessary, how many variables are relevant in virtually every kind of problem that a manager faces. Our field is inherently complex and multidimensional. It's a field where you simply can't learn all there is to learn about the field by simply developing models. These models take a limited view of the world, or doing just

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statistical work, which is constrained by the data that you have available or can easily assemble.

I've done a lot of modeling work in my career. I've done a lot of statistical work in my career. But, that work would have never allowed me to accomplish whatever I've accomplished because it simply doesn't capture enough of the reality of management.

We need to keep this balance between rigorous methodology-based academic work and case research – in-depth, clinical, longitudinal case research. We have to maintain this balance. Without this balance, we will never make progress in this field. I'm as convinced of that today more than I've ever been over my entire career.

I started at the Harvard Business School. As an MBA student, I learned from Roland Christensen who was my policy professor, about the complexity of management. I trained as an economist. I spent the first six or seven years of my career writing articles for journals, such as *The Review of Economics and Statistics*. So, I did the rigorous methodology stuff. Indeed, I continue to do that.

But, what I've come to believe is that you can't understand the subject that we all study without doing both types of research. This doesn't mean that every one of us has to do both. It means that we have to have a creative, supportive, mutually respectful group of people who take different methodological cuts at looking at this subject – management. It's just as important in information systems, as it is in strategy, as it is in marketing, – literally in every management discipline.

I was involved in a conversation the other day about the topic of supply-chain management. We were discussing a stream of work. As we were talking about the author's case research, somebody said, "Well, the work is really great because it shows that when you are building a supply chain, the algorithm is critical for how you optimize the inventory." I agree, but, getting the various organizations involved to communicate with each other and talk to each other and share knowledge and have the incentives aligned is critical, or the algorithm isn't worth the paper it's written on or the computer that it's stored in. So, even something as "hard" as supply-chain management or inventory optimization depends critically on deep insight into managerial processes, incentives, and a multitude of other issues.

We cannot capture those issues in models. It's just impossible. There's nobody, no matter how gifted, who can do that. The good modelers pick two or

three dimensions and learn how to think deeply about those two or three dimensions using the model.

In contrast, we have to find ways of capturing the complexity of management. And, the only way we can do that is with in-depth, longitudinal, carefully crafted, rigorously developed case studies.

Undertaking case studies has been fundamental to every bit of work that I've done. It was, obviously, crucial to my strategy work. Earlier I was telling Janice Gogan, my former student, that when I started as a professor at Harvard Business School and started working on strategy, I had a very fortunate coincidence. I studied industrial economics one year after I had studied with Roland Christensen. It became intuitively obvious to me that there was interplay between industrial economics and strategy. It took me ten years to build that connection. For me, the initial steps were industrial economics. I published a series of carefully crafted articles in that area. They built on the industrial economics literature, and they used statistical methods. I was very proud of those articles, and I'm still very proud of them. But, actually the big impact I made in strategy was not made until I was able to take a leap and jump away from that literature. Because, in following the literature and using accepted methodologies, I was too constrained. I couldn't capture the phenomenon.

So, it was immersing myself in teaching and writing cases for six or seven years that allowed me to make the leap from a good industrial organization professor to a strategy professor who could build a framework. The same thing happened to me in my work on competitiveness and economic development. We conducted in-depth studies of ten countries over a five-year period. We managed research teams in a number of different parts of the world and looked at hundreds and hundreds of clusters, as I called them, in many, many locations. From this work, I was able to derive the notion of the diamond and the cluster theory that is now widely accepted.

Again, no model could have ever led to that. It was the in-depth clinical study of messy, complicated problems using the vehicle of cases combined, of course, with an analytical bent, a theoretical orientation, and a desire to synthesize and build frameworks. That combination led to whatever success I've had in that field. The same thing applies to my recent work in healthcare, to my work in the inner cities, and to pretty much all the work that I've done.

This synthesis of different types of work has never been more important. Even at Harvard Business School, we are at risk. The creeping pressure of the

academy, of the journals, of refereed publications, is even affecting us. As a result, it's very hard to maintain this balance. It's very hard to maintain the values of combining multiple methodologies at Harvard or even having our theorists appreciate the reality of management.

This is a tremendously difficult task. Even at a place with such a clear strategy as HBS, we struggle. It was much easier when all faculty were Harvard MBAs, DBAs, and in the Harvard Business Economics program. Now, we have faculty who have been told from their first moment in a Ph.D. program that the only thing that really counts is the refereed journal publication using statistical methods or a model. Getting those people to enthusiastically embrace and accept the kind of work that all of us in this room do is very difficult, even with my young doctoral students. Therefore, I think that we have to redouble our commitment to maintaining this balance even at a time when it is tough. And it is incredibly tough.

My hope is that this sort of synthesis of case research and theory and empirical work will motivate young people. I think many young people entering the academy want to make an impact, want to do something relevant. Unfortunately, however, their training as doctoral students is in some ways the biggest distraction to that. Moreover, the way we keep score in the profession these days is a big distraction. I don't know how to solve that problem. I'm simply stating that it is a genuine problem.

So, this organization and your attempt to spread this message and make case research into a real field is extraordinarily important. I want to strongly support NACRA's mission, the importance of that mission, and its fundamental nature.

Thank you all for your very kind recognition of whatever I've contributed.