

Case Interview Tips

Case Study Overview

A Case Interview is a situational interview in which the interviewer tests your ability to think through a problem.

A case interview presents a candidate with a business problem and asks the candidate to:

- Analyze the key issues
- Identify and evaluate potential solutions
- Articulate a sound strategy and implementation activities

Why Conduct Case Interviews?

- The case method allows the interviewer to witness how you would approach a business problem
- As consultants we solve problems because our clients do not have the resources, expertise, and/or time to do it themselves
- If behavioral interview represent what you have done in the past, case interviews show how you would approach a challenge in the future

What are Common Questions?

The “right” answer is less important than showing you can logically/calmly think through challenging situations

- Market Sizing
 - Estimate the number of golf balls sold in the US per year
 - This is usually not a case questions by itself, but part of a larger case
- Full Case
 - Situation presented by interviewer requiring a dialogue to answer completely
- Other Common Questions
 - What stock would you pick right now and why?

Understanding the Structure

- Listen to the prompt and take notes
- Repeat the prompt using your own words
- Request 1-2 minutes to think through the problem
- Outlining your approach to the interviewer
- Proceed with the interview
- Conclude and wrap-up

The Value of Communication

The beginning of your interview sets the tones for the rest of the discussion

Good behaviors

- Repeat the prompt, ask for other goals, and take 2 minutes
- Outline to the interviewer your planned approach
- Continue to express your approach
- Stay calm and remain friendly
- Answer challenges with “I hadn’t thought about that- let me explore it. Here’s how I’d approach it...”

Dangerous behaviors

- Listen to the prompt and jump into the questions
- Rip into asking questions, even if you think you’re on the right track

- Listlessly ask questions hoping to nail the right one
- Get frustrated or nervous
- Answer challenges with “That’s what I’ve been trying to say. Maybe you didn’t understand me...”

Communication Tip: Use the STAR Framework

Using the STAR case framework, a candidate leads an interviewer through the case in a structured and logical way to:

- Situation- Summarize overall business challenge/opportunity
- Tasks- Identify and organize tasks needed to resolve the situation
- Analysis- Assess potential solutions
- -Recommendation- Suggested strategy and implementation activities

What About the Math?

It is ok to round your numbers (for market sizing)

- 300M people in the US
- 100M households in the US
- 4 or 5 age groups, depending on case, roughly 20 year increments
- Pre-think income categories
- OK to sometimes ask for a specific number instead of estimating it
- Use easy percentages (multiples of 10% preferable)

Get Comfortable with Zeroes

- Do you remember what happens when you multiply and divide thousands by millions, or hundreds by millions?
- Ex: \$250M revenue with 50,000 customers. What is the average revenue/customer?

Other Tips

- Using paper is expected and encouraged
- There may be difficult computations, but do your best to keep your work neat
- It is ok to make mistakes! Pick yourself back up and continue the interview
- Remain calm
- Explain your thought process

Good Communication Example

Our client is a Fortune 500 company that has recently developed a less expensive flat panel TV, and they have enlisted our help to figure out who the target market should be.

Wrong Approach

- Ok, I understand we are trying to help our client find the right target market. Can you tell me about the competition?

Right Approach

- Ok, I understand we are trying to help out client find the right target market. In thinking about this problem, I believe it would be important to understand the current landscape, understanding who current TV purchasers are and what the competition provides them. It would be important to explore where they are advertising and where they are selling, and the relevant price points. To begin with, let’s discuss the product. How does it differentiate?

Common Business Frameworks

- Internal vs External

- Internal: financial, organization, capabilities, distribution, production, etc.
- -External: market, regulatory, competition, suppliers, customers, etc.
- Porter's Five Forces
 - Buyers, supplies, barriers, competitors, substitutes (and sometimes complements)
- Profit=Revenue - Costs
- 4 (or 6) P's
 - Product, price, promotion, place (people, performance)
- 3 C's
 - Company, competition, customers
- Churn Rate and Customer Lifetime Value equation
- Contribution Margin (relationship between fixed and variable costs)
- "Lever" equation
 - Multiply fractions to figure out what "levers" to pull
- Product Life Cycle
- M&A: Synergies
- NPV (rare)
- Anything else that may be relevant

Sample Case use "Profit=Revenue - Costs" Framework

A health insurance company experienced a loss of \$40M this year, after recording a \$40M profit last year. They have hired us to determine the cause(s) of this decline and identify potential solutions.

Sample Case use the "Porter's Five Forces" Framework

A timber harvesting company in the Midwest is interested in expanding operations in Alaska and asks whether you recommend this move.

Sample Case: Government

The State of California is considering funding airport terminals and runway construction in Los Angeles and San Francisco. Alternatively, they are considering the construction of a High Speed Rail line between the two cities. A flight between the cities takes about 1 hour and 40 minutes. Airport expansion would cost the state roughly \$59 billion. A High Speed Rail trip would take about 2 hours and 40 minutes. The entire HSR project will cost the state roughly \$65 billion. How would you solve this problem?

Sample Case: Brand Labels

We are going to look at a growing trend in the Consumer Packaged Goods industry. Our client is a bottled water company (e.g. Poland Springs). A major retailer (e.g. Walmart) wants our client to create a private label version of its product. In other words, in addition to our client's bottled water which they already carry, they want the client to make an additional, lower-priced bottled water which will be their own brand label, (E.g. Walmart Bottled Water). How would you solve this problem? What are the pros and cons of each option?

Sample Case: Profitability Development Plan

Our client is a major global oil company that owns the whole value chain: oil rigs, refining, distribution, and retail. Our direct contact is the CEO of the global retail operation. His operation consists of 1) gas sold at the pumps and 2) the convenience stores at the gas stations. Profitability of the retail operation has declined, and the CEO would like us to help figure out why and to come up with a plan for the next five years. How would you solve this problem? What is your five year plan?