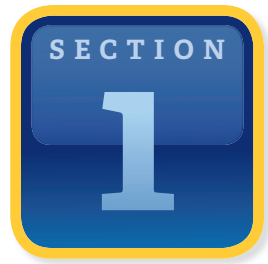


Let's Get Started

Get Ready: Cases Are for Everyone



If you're hoping to avoid case interviews, I'm going to have to break it to you: you're out of luck. Case problems are showing up in all kinds of interview situations, and solving them is now considered a basic skill for entering many businesses. Companies like giving cases because they are a great way to test your skills and get a feel for what it's like to work with you. The exact nature of these interviews varies by company. Some companies give general cases that just test your logic and thinking, while others get specific by focusing the case on situations they face or on products and industries that matter to them.

Case interviews are exploding in popularity, and they are not just designed to torture you. For one thing, putting you in a real business situation is simply the best test of your thinking and logic skills. Ideally, a company would like to hire you for 2 to 3 weeks, work with you and then have the option to fire you if you can't perform. Of course it's doubtful that anyone would want to work for a company like that. So the case is the best way to replicate a company's typical daily work, and to find out if you can solve their kinds of problems.

Giving cases is also useful for measuring how well you deal with ambiguity. One of the most challenging parts of an analytical job is coping with incomplete facts and numbers. Interviewers know that someday you will face a tough problem, have limited sources and information, but still have to find a solution. The best way to predict your performance in that kind of situation is to give you a case with limited data. That's why many interviewers use market sizing cases, or business cases



VIDEO 1-01

What is A Case Interview?

"Success is more a function of consistent common sense than it is of genius."

— An Wang



VIDEO 1-02

Cases Are for Everyone

Putting you in a real business situation is simply the best test of your thinking and logic skills.



with virtually no information and nothing you can rely on from your previous experience, because they want to see how you work through the challenge.

Another reason for giving cases is to pressure-test you. Some companies are intentionally raising the stress level in their interviews. Variations on the case interview include: multiple candidates in a room, multiple interviewers, and even creating a presentation within a tight time-frame. All of these interview styles are designed to test how you'll perform under pressure and to recreate some of the tension you'll feel on the real job. Hiring firms want to know that you'll be able to produce results despite the stress around you.

It's natural to want to focus on a specific interview that's coming up. You may ask, "How does this firm want me to perform?" and then attempt to mold yourself into their culture. But I strongly encourage you to first work through this book systematically, building good logic, analytical and communication skills that are applicable to many firms and companies, and then work on focused preparation for certain firms. (You can learn how to tune up for specific companies and situations in section 21.) By preparing systematically, you'll be ready to face your near-term challenges and reach your long-term goals.

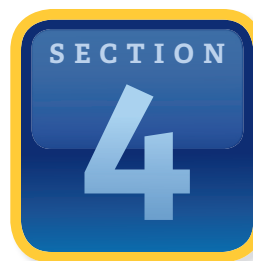
The skills you build in this process of training for cases will be invaluable throughout your career. This 20-minute interview is a miniature version of how you would attack a real-life problem. You'll be able to apply the concepts learned here in many situations—whether on a consulting project or sitting around a table with friends discussing whether they should start a business. By preparing for case interviews you are investing in your communication, analytical and advisory skills. So think not only about your short-term interview goals, but also consider your long-term career goals, and you'll have a stronger vision for your time commitment.

Fill out the table opposite by listing some of your short-term and long-term goals. What types of cases are you prepping for specifically? Which of your skills need the most improvement? Do you need to work on your chart-reading skills, or do you need to revive your math? What communication and analytical skills do you want to develop for the long term?

CRACK THE CASE GOAL SHEET			
Time Period	Goal	Skills	Concerns
0-3 Months			
4-9 Months			
9+ Months			

12th Pass Pages — Not Press-ready





Meet Your Competitors: Derek and Bindu

I want you to be excited about what's ahead of you. You are going to improve your logic, analytical and communication skills rapidly as you use *Crack the Case System*. Ultimately, we want to bring all of these skills together under pressure to crack the case and get the job! But consistently doing well in an oral, logic-based, problem-solving interview will require quite a bit of practice and time. As your skills progress, we'll need to keep in mind another critical factor: the competition. Let's face it—a lot of people want the job that you want.

To learn a little more about those you'll be up against and how you might compare, I'd like to give you a glimpse into the mind of a typical interviewer talking with two different candidates. Both look great on paper, with comparable backgrounds and experience. They are from the same school and have similar GPAs and GMAT scores. And they both worked hard preparing for their cases. What will differentiate them as they try to solve this basic profitability case? With which of them do you identify most as you observe their skills? Each person was interviewed separately, but let's do our best to put them side by side and see some differences through the interviewer's eyes.

Interview Day

As I'm walking down the hall to the interview holding room, my mind is racing a mile a minute. We're half-way through the day and we still

haven't found "the one". We've been tasked by HR to keep our picks to two people and under, since we have several good schools to visit. You'd think with the top-tier brand of this school, we'd have found at least one good person by now! But if we strike out here it's not the end of world. We don't have to take anyone from this place.

I turn the corner and it's the same scene as always. Dark suits, nervous smiles and hopeful eyes—unfortunately, they all look the same at this point. Here we go . . .

"Hi, Derek; I'm David Ohrvall."

"Hi, Bindu; I'm David Ohrvall."

INTRODUCTION TO CASE

Minutes 1–2



Derek Ding

Derek looks like a nice guy: haircut not too trendy, no facial hair (my pet peeve), nice suit, sloppy tie knot, but overall, very client-ready. He steps forward quickly after I call his name in the waiting room where twenty-five candidates are sitting, making small talk with the greeters. Firm handshake, a little wet. Good eye contact. Nice smile and a few pleasant comments about the weather. He seems excited and a little high-strung. But I like this guy; we're off to a good start as we walk to the interview room.

Today we're in a fancy hotel suite as our firm chose not to interview on campus. I motion for him to take the seat across the desk from me.



Bindu Bright

My initial encounter with Bindu is similar to that with Derek. She has a calm demeanor but a 1,000 watt smile. I notice some extra bracelets that she should have left at home and her hair is a little messy, but overall she looks client-ready. She gives direct answers to my questions and seems to be keeping up with my peppy pace. Some of the candidates today have felt a little sluggish—or worse, giddy. But not Bindu; she's clearly bringing her "A" game.

So far, they are on an equal footing. Unlike some of the others, I sense she feels very comfortable talking to me despite our roles. She doesn't seem nervous; she takes her seat and looks eager to begin.

“As you know, we’re here today to have you do a case. I’d like to take a brief minute to introduce myself and then we’ll get started. After the case, we’ll have some time to discuss any questions you have about the firm. Your next interview is with Amy; it will be a case as well.”

After a brief review of my background, I begin. I try to make sure that I start the case in exactly the same way for each candidate: “Today’s case is about durable medical equipment distribution. My client is going through a number of changes, and I would like you to help with the situation. Here is a description of the problem. Let me know when you want to start.” I show a slide (below) that contains a mix of bullets, some relevant and some meaningless. At the bottom of the slide is the bold-type question, “How can DuraMed Depot maximize profitability?”

DuraMed Depot

- DuraMed Depot is a durable medical equipment distributor
- Durable medical equipment includes walkers, beds and wheelchairs
- DMD’s customers are mainly hospitals, clinics, retirement homes and schools
- DMD has five different locations throughout the US, located mainly in large metropolitan areas
- DMD has been installing a new integrated information system and is considering expanding their truck line
- Several employees have discussed starting a union, but only in certain regions
- Recently DMD has seen profitability drop at several distribution sites



How can DuraMed Depot maximize profitability?

I’m interested to see how many of the points the candidates address in their analysis.

CREATING THE PLAN

Minute 3



It's clear Bindu is ready to get down to work, but she is still very relaxed.



Derek Ding

Derek pulls the slide closer and says he'd like to take a minute to review the information. He holds it tightly and I notice his left hand leaves a sweat mark on the desk. That's not a good sign. Then the red flags start flying.

Tense Posture: The head drops, the shoulders round and the eyes dart across the page with an intensity that could bore holes into the paper. It's apparent that the slide is unnerving him.

Erratic Notes: While looking at the slide, he scrambles for his notepad and nervously begins to jot down a few points. His chicken scratch is sloppy and erratic. I doubt the notes will help him later. I'm trying hard not to pre-judge, but I have seen this all many, many times before.

Stressed Face: Derek is not enjoying himself much; his face is full of tension. I'm sure he knows better than to get this worked up during an interview, but his anxiety is getting the better of him. Would he be this bad in front of clients?

I try to help him out: "All of the information I give you will always be available, so you don't need to copy down the bullets if you don't want to."

He mumbles a quick "Thanks," and continues reading. He then asks for a minute to "structure out a framework."



Bindu Bright

It does not take Bindu long to distinguish herself from the other candidates. After glancing at the slide, she asks, "Will I be able to look at this information later in the interview?" She scans the data and takes a few notes.

Relaxed Posture: Bindu seems like she does this every day. It's clear she is ready to get down to work but she is still very relaxed. I'm starting to get a good feeling about her abilities.

Organized Notes: As she scans the data, Bindu quickly takes down a few notes. I notice that she already jotted down a few questions for herself. Her writing is neat enough to read from across the table and she keeps me in the loop.

Relaxed Face: Bindu is easily looking back and forth between me and her notes. She is calm and I could see her doing well in one of our more stressful client meetings. I'm hoping that she can back this up with some good smarts.

Bindu takes charge quickly: "This information is helpful. I'd like to take a minute or so and lay out an approach that we can discuss together. We're focused on profit, so I'll be looking at revenue and cost drivers that will lead us to some solutions."

CREATING THE PLAN (*continued*)

Minute 4



Derek Ding

After about two minutes (a little long, but acceptable), he lifts his head and begins to speak.

Weak Plan to Solve the Case

"It seems that DuraMed Depot wants to maximize profit. And profit is revenues minus costs. Can you tell me a little more about how DuraMed makes money in this business?"

That's it? I'm a little shocked at how limited Derek's plan is. I sense that I'm going to have to do a lot of digging to better understand how Derek thinks. He didn't do himself any favors by not making clear how he's thinking through the situation.

As with a lot of candidates, I didn't hear any case-specific language, like the words "medical equipment" or "hospital". There's also no case-specific logic about why a durable medical equipment company, which seems stable with clients like hospitals and healthcare facilities, would see a drop in profit.

I'm glad Derek wants to have a discussion, but his initial question is so elementary and broad, I'm not sure he won't hit me with more questions soon. I'm ready for the interview equivalent of the game show *20 Questions*.



Bindu Bright

Bindu is ready to go in about one minute. She is pointing to her paper and ready to explain her thinking.

Comprehensive Plan to Solve the Case

"Thanks for the minute. Since DuraMed Depot wants to focus on profit I have laid out a profit tree.

"My hunch is that over time DuraMed Depot has lost control of their costs, since it would be a little unusual for revenue from hospitals and clinics to drop across the board. Of course revenue is driven by price and volume, so I would like to find out if there have been price point drops, perhaps to competition. Volume decline could happen because a few large customers could be ordering from different vendors. As for costs, it will be interesting to see if my theory holds. On the fixed side they may have seen an increase in utilities, rent or warehouse expenses. As for variable costs, I'm curious about labor and the suppliers they use for items like wheelchairs and crutches.

"If it's OK with you, I'd like to test my hunch by looking at costs first. Do you have costs broken down by fixed and variable over the last 12 months?"

As with a lot of candidates, I didn't hear any case-specific language.

PUSHING ON THE PLAN

Minutes 5–6



Derek Ding

Derek presented his approach fairly well; but overall, he's a little jittery. He seems to be reading formulas in his head as he's talking. I get the sense that he prepared for this interview, but the conversation doesn't feel natural and I'm not sure I'm going to see solid thinking. The friendliness and comfortable rapport that Derek established a few minutes ago have all but evaporated. I decide to give him a little push to find out what's going on in his head.

**Interviewer Drills on
a Part of the Plan**

"Derek, I think you've covered the most important categories with your approach. Let's step back. What are two key profit drivers for a durable equipment distributor?" I ask. Now he's back in the game.

"Okay, I think one is having good relationships with equipment manufacturers to ensure low cost and good variety. Another driver would be maintaining strong relationships with the customers, like hospitals and urgent care facilities. They could charge a premium for the service they provide, as well as for distribution and storage."

Okay, I think we're getting somewhere. I feel like I'm seeing the thinking Derek rather than the stressed one. Maybe he's finally calming down and is about to show me how he can think through some analysis and deeper questions.



Bindu Bright

Overall Bindu seems to be thinking deeply about the topic, much like any of the top performers at my firm. I'm already imagining her in front of one of my toughest clients. She seems quick on her feet! But I need to push on her thinking a little.

I'm not quite sure if I buy Bindu's "costs are out of control" theory, but her hypothesis and solid structure give us a good framework for discussing the problem. She also mentioned data that she needs.

**Interviewer Drills on
Something Said**

"Before we dig into any specific data, could you tell me more about the costs that may have crept up?" I ask.

She seems glad I asked. *"Sure, I'm thinking right away about costs that are hard to detect, like delivery charges, fuel, across-the-board supplier increases on component parts (like wheelchair accessories), and, finally, administration that could have caused across-the-board increases that would lower profit on all product lines."*

Wow! We're on our way. I'm impressed with her clock speed, as she's processing information very quickly and thinking specifically about this type of business.

She put a stake in the ground about where she thinks the value is, and she appears ready to test it. Let's see if she's equally good with numbers.

She put a stake in the ground about where she thinks the value is, and she appears ready to test it.

DIVING FOR DATA—2ND SLIDE AND CALCULATIONS

Minutes 7–12



It will be easier to compare him to other candidates if we follow a similar flow.



Derek Ding

Diving for General Data

Before we get into the data I have, I want to see where Derek's head is. "Can you give me some reasons why a distributor might have problems being profitable?" I ask.

"Uh, I suppose their cost structure might be too high. Or their revenues have decreased due to an industry-wide drop in demand for medical equipment. Do you have any more information about their revenues?" he asks.

Revenue is a fine place to start, but I have cost data, so I want to start there.

It will be easier to compare him to other candidates if we follow a similar flow.

"You can assume revenues have stayed constant over the past five years," I say.

Derek switches gears immediately: *"Okay. Do you have any information about costs? It would be best if we could see it over time."*

But what about location, Derek? I think he forgot about the first handout in front of him.

Missing Several Insights

I give Derek my handout. The variability in costs by distribution site practically jumps off the page; I'm hoping Derek will identify those differences between locations and



Bindu Bright

Diving for Specific Data

I'm eager for her to analyze the data I have, but want to see if she'll continue to drive the case. "What would you like to look at first?" I ask.

"Can we start with variable and fixed costs by location over the last 12 months or so? Going back to the original handout you gave me, it says that profit is down at several locations. It would make sense to see if there are any issues by location as we look at the data. They have the new IT system in motion, so it would be natural to see increased costs related to the technology."

I like how Bindu is working with the information in front of her, using her own approach and the initial handout I gave her.

She basically asked for the data I'm about to give her, so I hand over the new slide. I'll be able to compare her with the other candidates after she reviews this data and does a few calculations.

Highlighting Key Insights

"Here is some data I would like you to review. What jumps out to you?"

She doesn't stay silent for long before sharing her insights: *"This data slide is a good way to analyze each distribution center . . . what jumps out to me the most is such high cost variability by location. I see three areas that seem to be driving the*

DIVING FOR DATA—2ND SLIDE AND CALCULATIONS (continued)



Derek Ding



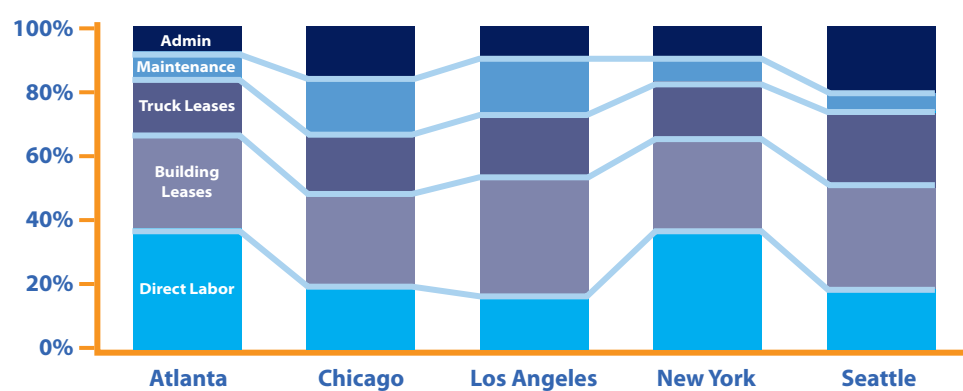
Bindu Bright

She doesn't jump around in her thinking, but instead moves very intentionally from one section to the next.

then drill down into the causes.
"It seems like costs vary a lot by service center."
Good; he got the main insight.
"What do you think is causing such disparities?" I ask.
"Well, some of the service centers might be in more expensive areas, where the leasing costs are higher. Or they might need to pay their employees more because it's harder to find good people."
These are decent speculations, but Derek needs to focus on the slide and the three areas with the most variability: direct labor, administration, and truck maintenance. Instead of driving the interview forward by analyzing the data in front of him, he is taking shots in the dark and hoping he'll hit the target.

variability: direct labor, administration, and truck maintenance. I would like to look at each one and ask you a few questions."
Bindu then goes on to systematically examine each category by asking about changes in the last 12 months in order to prove or disprove her original hypothesis.
She doesn't jump around in her thinking, but instead moves very intentionally from one section to the next. I could see her doing well with a complicated work stream for one of our clients and not going off on tangents. That is an important skill with our work, as we need her to be consistently productive and to meet tight deadlines.

Total Monthly Expenses by Location



DIVING FOR DATA—2ND SLIDE AND CALCULATIONS (*continued*)

Derek Ding

Slow Math and Limited Insights

Now it's time to really find out who can hold it together under pressure. I'm expecting Derek to shine here with his engineering experience. I know his math training would have been rigorous and I see he spent three years in a German school system, so I'm even more hopeful. I need to move fast as he has burned up some extra time with longer pauses than most candidates.

I start in quickly: "Your insights on the data were helpful. Management wants to analyze the Direct Labor area. Could you do a few calculations for me?"

Derek grabs another sheet of paper and seems ready.

I make sure I give him the numbers without pause. "Total revenue for the company is about \$780M, with total expenses representing 65%. Within total expenses, Direct Labor is about 35%. If they have an opportunity to reduce Direct Labor expenses by about \$25M per year, is that significant?"

Derek shifts into complete HDDM mode—Head Down Doing Math. After a few seconds he asks, "Could you repeat the Direct Labor number?" I wonder if he's stalling, because I was pretty clear with the numbers. He seems a little flustered. I think he's starting to get psyched out. For about a minute I get a nice view of



Bindu Bright

Quick Estimates, Accurate Analysis and Insights

So far, Bindu has proven that she is a step ahead of the other candidates by thinking specifically about the data she needs. But I'm still not certain that she has the analytical prowess to handle our work. Her marketing research background should have built some solid quant skills, but you never know until a candidate does the math.

I attempt to say the same thing I've said with every candidate today: "Management wants to explore opportunities in Direct Labor. I need you to do a few calculations."

Bindu is already poised with a clean sheet and ready to go.

I spit out the numbers like I have done all day. Afterward she interjects, "Do you mind if I do some quick estimates and then I'll be glad to be more accurate if that's helpful?" I tell her that it's fine. I'm a little tired of watching people struggle with basic math and am wondering if anyone will get to second level insights today.

Rather than go completely silent during her math, Bindu pulls me into her thinking. "So if we round 780 to 800, we're looking at 60% which is 480 plus 5% which is 40, so about 520. 30% would be 156 and add in about 8 for the 5% and the total is \$164. So in the range of \$165 to \$170."

DIVING FOR DATA—2ND SLIDE AND CALCULATIONS (*continued*)

Derek Ding

the top of his head until he finally blurts out, “Well, I think Direct Labor would be about \$200M. So their savings would be greater than 10%.”

Derek is close enough, but awkward silence follows as it’s clear that he has no idea where to take the conversation. I prompt him to think about what would constitute “significance” for a company when choosing to pursue cost savings projects. He mentions the size of the savings and the difficulty of achieving them, but misses timing and the balance of the savings across locations. He’s not thinking about making each service center stronger, which will be an important part of rolling out some changes.

Unfortunately we’re out of time and we can’t solve the break-even calculation. I debate whether or not to give it to him, but I don’t think it will sway my opinion of his analytics, and I don’t think it’s worth the added stress. I push Derek for a conclusion despite his incomplete data set. I’m hoping he’ll recognize a few gaps and at least put those in his next steps.

I know he’s giving it his best, but the pressure seems to have affected his ability to think deeply about the situation. I feel that he has performed fairly well on the different tasks I posed, like “Do this math,” or “Tell me your thoughts,” but he lacks the ability to solve the whole prob-



Bindu Bright

OK, so Bindu can do math in her head. She would be great to have along when splitting the dinner bill among five friends, but what will she do with this data?

“You asked if saving \$25M would be significant. With these numbers I would say that they would be reducing total Direct Labor by 15%, which seems to be strong given labor cuts I’ve seen in other industries. But if they have to choose where to put their energy they’ll need to consider several factors, like implementation difficulty, savings across locations, and the potential to support additional savings projects.”

I sense she’s onto something. “How would you compare multiple projects?” I ask.

“Doing break-even calculations after including project-specific fixed costs could be one way . . . but since these are cost reduction projects there may not be much of an initial investment.”

With that comment I give Bindu my final data question. She’s only the second person to get this far in the case today and her efficient work earlier in the case is giving her another chance to shine. With ease, she calculates two break-evens and does a solid compare-and-contrast. She finds that the cost reduction project in the Admin area is going to be easier to implement and provide a better foundation for additional savings projects. Pursuing

I feel that he has performed fairly well on the different tasks I posed, like “Do this math,” or “Tell me your thoughts,” but he lacks the ability to solve the whole problem on his own.

FINAL RECOMMENDATION



Derek Ding

lem on his own. He hasn't owned the case issue and acted like this was his company and his problem. He is at best an average analyst, and I want someone who will quickly grow into manager material. I think he needs a little more experience and seasoning before he'd be ready for my firm.



Bindu Bright

Direct Labor still makes sense and requires no investment up front, but the potential employee unrest, union issues and risk of declining service make it the second choice.

Minutes 13–15

**Weak, Vague Conclusion**

"Well, Derek, we've talked about several things. What's your final recommendation?"

Derek slides his papers around and tries to compose a summary. *"Given that DuraMed Depot is looking to increase profitability, I would recommend that they focus on the Direct Labor issue. They can save about \$25M, or over 10% of current costs. They should also consider looking at Admin costs as they show some variability across regions; however, we didn't have time to explore that in detail. It would be good to look at that soon. Finally, even though revenues have been constant over the last five years, they should also consider looking for new opportunities for growth. With the aging population, there should be several new areas they can enter."*

I'm pleased that Derek pulled together a brief and fairly data-oriented conclusion; but honestly, much of it sounded like something

Practical, Data-Driven Conclusion

"OK, Bindu; let's wrap it up."

"Sure," she starts in without much hesitation. *"To increase profitability DuraMed Depot has several options. Their first priority should be pursuing the Admin project. Even though the payback period is slightly longer than the Direct Labor option, it offers almost the same savings, \$23M or about 4.5% of total costs."*

"We also learned that by eliminating some of the inefficient and overlapping processes, the Admin project sets the stage to remove two redundant IT systems next year, which could save another \$15M."

"A second priority would be to implement phased Direct Labor reductions in Atlanta and New York, our most out-of-line centers. These locations have had uneven hiring practices and wage rates that should be standardized going forward."

"Finally, we touched briefly at the end

INTERVIEWER'S DECISION



Derek Ding

he could have said before the case began. Yes, the population is aging, but it's not a topic we mentioned, so bringing it in at the end wasn't wise. As for not having time to explore the Admin area, that was Derek's fault. A successful candidate has to use the data from the case and Derek just didn't go deep enough to find the right insights.

Derek was definitely doing his best throughout the case, but by minute ten I knew he was a ding. Overall, I would rate him as very inconsistent. He's obviously an intelligent person, but he just didn't consistently show the structured thinking, tenacity, analytical rigor and ability to see the big picture that I need in my employees.

When I knew that Derek was no longer in the running to get passed to the next round, my job was to make sure he had a good time. I want to give him a favorable impression of my firm. After all, he's getting his MBA from one of the top programs, and in the future he may be a buyer of our services.

In fact, I think that Derek may have walked away thinking he did well. After all, he got through the data, did some fairly accurate math and gave a firm recommendation at the end. But it just wasn't at the level



Bindu Bright

of our discussion on the potential to lock in a new customer, a chain of urgent care facilities. If they are successful, that may boost revenue by 12% over the next two years."

Home run! Bindu successfully wove together all the data we had discussed and did it in a very practical way. She was solid throughout and definitely cracked my case.

I am impressed with Bindu. She is truly bright, a quick thinker who is willing to challenge her own assumptions. When she recognizes a weak spot in her thinking, she points it out and makes adjustments.

Throughout the case she was consistently logical and stayed focused on the data. I liked how she worked her way through each section of the second handout and explained the potential drivers of the issue.

She also relied on her business sense where appropriate. I could tell that some of the additional comments she pulled in at the end were not fluff and that she is truly interested in business.

Also, it seems that she is enjoying the challenge of solving the problem. She stayed upbeat throughout, and even when she hit a bump in the break-even calculation, she stayed calm and worked it out. I

It seems that she is enjoying the challenge of solving the problem.

INTERVIEWER'S DECISION (*continued*)

Derek Ding

necessary to move ahead.

Since we can pass only two of our fourteen candidates to the final round, I'm confident in my decision to ding Derek. When I compare notes with my interview partner at the end of the day, it turns out that Derek did a little better on his second case. I had him ranked 7th out of 12 candidates, and my interview partner had him in 5th place. Usually we only have deeper discussions about the top three to four, so he is clearly out of the race. He needed to crack both cases to make it to the next round. Since he did worse on my case, I have to do the ding call tonight. I'll do my best to give him some feedback, but there's only so much coaching I can give in a five-minute call. I have a lot of other people to ding as well.



VIDEO 4-02

Types of Competitors



Bindu Bright

think she'd be game to solve any case I could throw her way and would have interest in a lot of different business problems.

My interview partner ranks Bindu second out of fourteen candidates and I rank her first. Basically, that's an even match and we both agree that she is a final round candidate. We pass her along with confidence. He was a little concerned about her leadership experience and we both flagged a few math hiccups. We'll note these issues for the next set of interviews. To get a full-time offer she'll need to exhibit brilliance at cracking cases in three more interviews with partners from the firm. I hope she makes it, but you never can tell. Her chances are about 50/50 in the final round. Good luck, Bindu!

Take a highlighter and mark sections of the Derek and Bindu interviews that match traits you have shown in the past when doing analysis or solving a problem. Do you sometimes fumble with math? Are you quick on your feet or good at connecting different pieces of information? How do you perform under pressure? It's important to start recognizing patterns in your previous performance as you prepare to improve your skills.



SECTION
5

Review the Typical Case Interview Timeline

In the last section you got a close-up view of two candidates taking on an average case. You also probably know by now that you must crack your case in each and every interview to get an offer. But you may have noticed with Derek and Bindu that the interviewer rarely waits until the end of the case to determine how you are doing. In fact, every step of the case interview holds tests that highlight the differences between candidates and ultimately determine who wins out. Here is an account of every event along the interview timeline, along with some tips on how to come out on top.



CHECKING IN

Interviews can take place in the school interview rooms or off-site hotels. Sometimes firms need to go off campus because of timing, space restrictions or flexibility. It also gives them more control than using the career center and provides a more elegant atmosphere. They

These people will not ultimately decide whether you move on, but they can create a favorable buzz about you.

typically will rent out a floor of deluxe rooms and set up a waiting room in a large suite. They'll stock it with assorted breakfast or snack foods (that no one has the stomach to eat) and station a pack of first-year associates to make small talk with the candidates. The firms are highly concerned with brand association, so booking rooms at the Ritz-Carlton or the Four Seasons adds to their image. If your interview does not take place in a hotel, you'll encounter a similar check-in process at your school's career planning and placement center.

After you arrive and sign in, you should ditch everything but your notebook and pen. You may find an array of tempting foodstuffs, but it is best to have eaten carefully beforehand. Avoid eating anything right before the interview; you don't want to be caught with a mouth full of muffin when they call your name. And food and drink can do funny things to your voice when you're nervous. Plan what you'll eat on interview day and manage it outside of the interview process (e.g., take your favorite protein bar in your bag). You may have to interview with 3–4 people in one day so managing your energy is important.

Be sure to turn your attention quickly to the greeters. They are probably bored out of their minds and wouldn't mind a little small talk (see guidelines on page 34). Your job with them is simply to make a good impression. If you spot someone you've met at a reception or dinner, then by all means focus on building that relationship. These people will not ultimately decide whether you move on, but they can create a favorable buzz about you. This could help you later—if you make it to the final round—as the recruiting staff and partners often talk about the candidates they liked best.



THE HANDSHAKE AND GREETING

Finally, someone calls your name and you stand to greet him or her with a handshake. This is your first point of contact with your interviewer and, therefore, an important event.

A handshake is very personal. You are taking the palm of a stranger's hand and pressing it against your own—a weird custom, when you think about it. Although some germaphobes would like to see the handshake disappear, it is not going anywhere soon. The best handshake is dry, firm and very brief. Wet or moist ones are the worst. Lengthy handshakes are too personal. No exceptions.

Any deviation from “dry, firm and brief” will leave a negative impression. Here are a few folks that no interviewer wants to encounter.

Limp Linda or Lifeless Luke

Her grip couldn't pull a parachute cord to save her life. You know who I'm talking about: the woman apparently afraid to shake hands. She puts it out there like a gentle flower, and as soon as you grab hold you realize it's already wilted. You're afraid that you may have hurt her. Or there is the guy who feels like he has a doughnut for a hand—you can't help but think he's weak. If you have a soft handshake and you don't have time to hit the weights, at least give it your all when you shake hands. Lean into it if necessary.

Sweaty Sam or Sticky Sally

“Hi, nice to meet you, Sam. I'm David.” Hands meet and we stick together for what seems like an eternity. Your hand feels like a wet sponge. Yuck! Finally we separate, and I'm looking for a sink or a wet wipe. I used to know a consultant who cleaned his hands with a gel sanitizer after every handshake—in front of the candidates! He told them it was to ward off the common cold, but I'll bet he was really just trying to remove the feel of Sweaty Sams and Sticky Sallys. There is no more disgusting way to start an interview.

We've all had the sweaty-hands problem. Getting nervous and sweating is inevitable. Honestly, if you're a big-time sweater and there's nothing you can do about it, then here's a simple solution: in the waiting room press your palm to the couch or your pant leg to keep it dry. For the rest of us, a quick (and subtle) wipe of your hand on your pants or jacket should do the trick.

Any deviation from “dry, firm and brief” will leave a negative impression. Here are a few folks that no interviewer wants to encounter.

There is a huge difference between firmly squeezing a hand and pulverizing a hand.

Bone-Crusher Bob or Bruiser Barb

“Hello, Bob, I’m David.” I reach for the hand and then: crunch. Wow—are my bones still intact? Bone-Crusher Bobs out there, take it easy. There is a huge difference between firmly squeezing a hand and pulverizing a hand. Be especially careful if you’re shaking a female partner’s hand: a little goes a long way. If you find that the handshake coming back at you is a little weaker than expected, back off quickly. Disabling the interviewer is not a good start to your discussion.

How do you perfect your handshake? As with everything else, practice. Find an understanding friend and keep testing your handshake until you get it right. Along with your warm smile, it is perhaps the strongest part of your first impression, and it matters more than you might think.

YOUR CLOTHING

Some of my strangest moments as a candidate involved interviewers scanning my appearance from top to bottom, without an ounce of subtlety. We’d meet and say hello, and then their eyes would travel from my hair down to my shoes and back up again. It felt bizarre to be so overtly checked out. But it happened for good reason: the interviewer just wanted to know whether I fit the part.

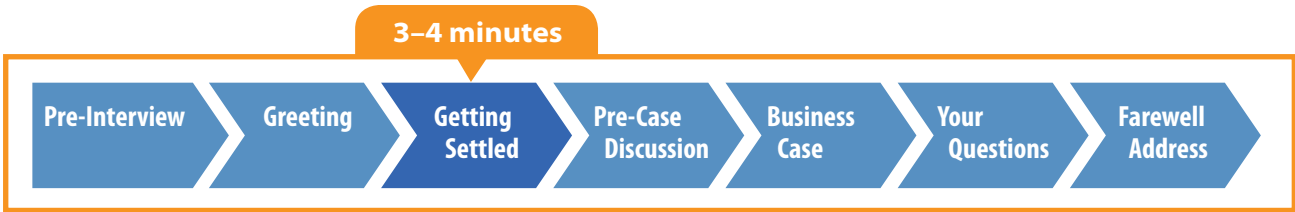
Appearance and first impressions are important in the business world, as clients—whether internal or external—expect you to be professional and produce results. Let’s hope your interviewers won’t be so brazen when checking your appearance, but expect it to happen occasionally.

You didn’t buy this book for fashion advice, so I won’t attempt to adjust your closet. But if you want to get hired, you must remember one simple rule: don’t wear or carry anything that distracts attention from you and what you have to say. Here is my Avoid-At-All-Costs list. Believe it or not, I have seen each of these mistakes—more than once.

Men	Women
<p><i>Avoid the following...</i></p> <ul style="list-style-type: none"> ■ Cologne (just skip it; your interviewer might be allergic) ■ Loud ties (no cute symbols or characters) ■ Jewelry or rings of any type, except a wedding band ■ Facial hair (some firms are more accepting than others, but why not find out after you're hired?) ■ Weird pens or notebooks (keep it simple; no one is impressed by a Mont Blanc) ■ Any suit color other than black, blue or gray ■ Any shirt color other than white or French blue (why risk it?) ■ Really bold pinstripes in your suit ■ Unkempt or unprofessional hair (one partner I knew nicknamed a candidate the "Beatles haircut kid") 	<p><i>Avoid the following...</i></p> <ul style="list-style-type: none"> ■ Perfume (just skip it; your interviewer might be allergic) ■ Too much jewelry (less is more) ■ Over-styled, crazy hair ■ Weird pens or notebooks (keep it simple; no one is impressed by a Mont Blanc) ■ Loud scarves or suits (what would you wear to a manufacturing client in a conservative town?) ■ Overly decorated shoes ■ Purses or bags (store them in the waiting room) ■ Red or long fake fingernails ■ Bright lipstick or too much make-up

THE WALK TO THE ROOM

You have avoided the food but are holding a small juice to calm your nerves. A minute or two before your official interview time, you set it down, dry your hand and wait. After hearing your name called you step forward, offer a huge smile, make solid eye contact, say hello, shake hands and then proceed to the interview room. In some cases, my room was a good fifteen to twenty hotel doors away from the waiting room. Some interviewers will do their best to immediately begin engaging you with small talk on the way; others will walk quickly, saying little, solely focused on getting you into the room and starting the case. This is your first glimpse of the interviewer's communication style. Is he pleasant and friendly? Is she quiet and a little brusque? It's a good bet that what you see here will be similar to what you experience when you start the case.



SMALL TALK

A little chatter here and there is natural with any interview. Try to stay relaxed, but keep in mind that you are being evaluated at all times. It is amazing what pops out of the mouths of nervous candidates! If you tend to say silly things in such situations, try to say as little as possible.

To give yourself a head start and to calm your nerves, below are some suggested topics. Your tone should always be positive. Do not complain about anything, or you may appear to be high-maintenance, a definite turn-off among co-workers.

Bounds	Out of Bounds
<ul style="list-style-type: none">■ The weather ("The town is beautiful when covered with two feet of snow ...")■ Your commute to the interview ("No problem, traffic was light today ...")■ The interviewer's city ("I got a chance to spend the weekend there ... it was great!")■ Your school, including your classes ("It has been better than I expected ...")■ Interview week ("I've had a chance to meet a lot of interesting people ...")	<ul style="list-style-type: none">■ Your or your interviewer's appearance■ Your or your interviewer's family■ Your health■ The details of other firms' activities (top-notch firms do not talk about their competitors)■ Your lack of experience with cases■ Your desire to work only in one city (wait until asked, then be careful)■ Where you are headed after the interview (be vague; it's none of his or her business)■ Your grades or GMAT scores (they probably have them, so wait until asked directly)

Getting Settled in the Room

If you are interviewing in a hotel room, you might be a little unsettled to see a bed about seven feet from the interview desk. Try not to feel uncomfortable. Many interviewers keep the door ajar with the metal safety latch. The room should be perfectly neat since the hotels offer early maid service. As an interviewer, I always had to be up and out of the room by 7:00 A.M. to ensure ample clean-up time. You may see an open suitcase or a pile of dirty clothes in the corner. Try to ignore them.

Typically, the room will contain a desk or table. The interviewer will point to where you should sit. If you are solving a case, position yourself to write on the table. This means you'll need to assume what I call the "attentive pose", sitting on the front half of the chair, leaning slightly forward, ready to respond to whatever comes your way. Try to get comfortable, since you will probably be in that position for most of the interview. If you move around too much you'll seem fidgety and nervous. Your interviewer may move around quite a bit. You, however, are expected to stay in good form, so do not relax, even if the interviewer does.



PRE-CASE DISCUSSION (WHAT THEY REALLY WANT TO KNOW)

Do I Like You?

If there is a pre-case discussion about your background, it happens right now. This part of the interview can go in several different directions. The interviewer's main purpose is to get a feel for your personality. Some people like to call it the Airport Test or the Pizza Test, as in "If I got stuck at the airport with you, or had to work late and share a pizza with you, would I want you on my team?" If you think this is incredibly subjective and judgmental, you're right. The interviewer

is determining whether you would fit into the firm's social circle. Do your best to be engaging with the following mental checklist:

- Am I making eye contact?
- Am I listening well?
- Do I appear pleased to be here and interested in what is being said?
- Am I smiling consistently (not like a crazed clown, but pleasantly)?
- Am I matching conversational pace (in sync with the interviewer)?

Why do you want to work for us?

Some people like to jump right into the case, since they know it will take about 20 minutes and they don't want to run out of time. Others start the discussion with a few questions about you and your career aspirations. Here are the basics:

Are you interested only in my industry?

This is a very tricky question. If you say yes, it shows you are focused. But it also shows that you are probably lying. Most people have a backup plan in another industry. If you say no it might indicate that you are not focused.

Answer with confidence along these lines: "My primary focus is consulting / marketing / high tech, but I'm interested in a few other areas as well." No one can fault you for having a variety of interests.

Why consulting? Why banking? Why this industry (e.g., consumer goods)?

The best answers are direct and tight, as in "I love to solve problems, learn about lots of different businesses and face tough challenges on a regular basis. Consulting seems like a good fit." If you are interested in marketing, launching new products might be where you want to put your energy. Or if banking or finance attracts you, emphasize the

quant and deal nature of the work. Think carefully about why you really like something: your responses will ring true and you'll be able to answer with confidence.

Be prepared with a couple of crisp bullets for each of the categories you are pursuing.

What other firms are you pursuing?

You will hear this question infrequently during your first round of interviewing, but in the later rounds it is usually asked. Don't lie, but keep it vague at first. You want to assure them that they are not your only opportunity and that you are pursuing their competitors. Don't tell a McKinsey interviewer that you are also interested in a small boutique IT shop, for example; he might question your fit.

Who Are You?

Some interviewers may use this warm-up time to learn whether you're sharp and on the ball. They might ask you to talk about your resumé. Short, focused answers are better than long ones. Keep your answers to the point, and let the interviewer ask you a follow-up question if he wants to know more. This discussion may take one of the following paths:

Coolness/Uniqueness Factor

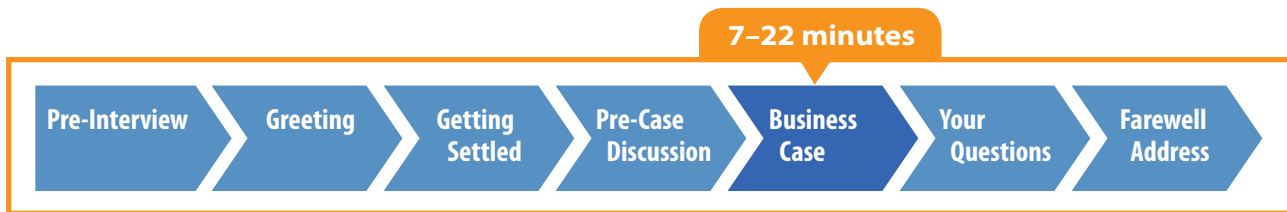
Partners love to find the next cool superstar. You know that person: he's bright, attractive, fun and an Olympic gymnast! Or she's smart, outgoing, friendly, and was a backup singer for Beyoncé! One partner I know prided himself on nabbing the "top student" of each program. Some interviewers love athletes. Others notice musicians. All of these campus celebrities still have to crack the case like everyone else. If they do, the interviewers and recruiting staff have more to talk (and gossip) about back at the office. But these candidates also have a slight disadvantage, as their extra uniqueness can sometimes lead to conversations that burn up precious time that should be spent on the case. If you don't consider yourself to be exceptional, take a fresh look at your resumé. Think about your graduate school essays. Remind yourself how amazing you really are.

Quantitative Quickie

This could be anything from a simple math question to something quantitative on your resumé. Look through your resumé and think about the analytical tasks you may have done at different points in your school and work experience. Test yourself to see if you can describe what the goal was, how you structured the analysis, what you did and what the final result was.

Strengths, Weaknesses and Other Basic Questions

Much has been written on how to best respond to these questions. My main advice is to prepare answers in advance and practice saying them out loud. Hearing yourself answer will reveal any awkwardness or difficulties. You never know when they will come up and you don't want to be caught off guard. For more detailed prep on these types of questions check out Section 7.



THE BUSINESS CASE QUESTION

The case will usually last about twenty minutes. Most interviewers want to have time at the end to talk about your conclusion and answer your questions about the firm.

Although your case can last a full fifteen to twenty minutes, it is usually decided within the first five to ten. By that time, the interviewer knows whether you are in the bottom, middle or top third of the roster. Even if yours is the first interview of the day, the interviewer has likely given this case many times before, so it's easy to bucket you. If you fall into the middle or bottom third, there is no hope. If you are in the top third, you have a fighting chance.



YOUR QUESTIONS ABOUT THE FIRM

You need to do your homework in advance. Your best resources are the firm's website, company literature, company representatives and, especially, past employees of the firm. Make sure you take the time to develop questions that will give you additional insight about the firm. Many students do not prepare in advance and miss this opportunity. They are often flustered or mentally wiped out after the case, but a simple question written in their notebooks ahead of time would keep them on track. One rule of thumb is to focus on the interviewer's experience. Even if you get dinged, you can at least learn something from someone who is living the life you want to lead. Here are some questions to consider and some to avoid.

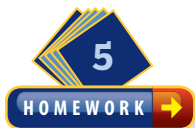
Good Questions	Not-so-good Questions (<i>you should already have the answers</i>)
<ul style="list-style-type: none"> ■ What was your biggest lesson from your first year of work? ■ What skills were most important to your success during your first year here (at the firm or company)? ■ Do you still find your work to be challenging? ■ What part of the lifestyle has been the biggest surprise? ■ What types of projects is your office focusing on right now? (strategy vs. operational) ■ What kind of problem are you trying to solve for your client/customer presently? ■ How has your role changed, in terms of dealing with your clients/customers, over the last two years? 	<ul style="list-style-type: none"> ■ How much training does a first year associate/analyst receive? ■ Do new hires in your office travel much? ■ How long does a typical project last? ■ What would some of my main responsibilities be as a first-year? ■ Will there be a chance to interact with the client or customer over the summer? ■ How has your office grown over the last couple of years? ■ How many years does it take to make partner or director? ■ How did I do on the case?



THE FAREWELL ADDRESS

Well, it's over—not just the case, but also the decision about whether you will go on to the next round (or get an offer). At best, the interviewer has placed you in one of the top three positions in the pile. Each interviewer completes a score sheet rating each candidate's performance. Some try to do it during the interview and fill in the gaps after the candidate leaves, while others start the process at the end of the interview. In either case, they usually end the conversation a little early to finish it. You can expect to be out of the room a few minutes before the official end of your time slot.

Normally the interviewer will bid you adieu at the door of the hotel room. By now you have asked all of your questions, and the whole experience is truly over. A warm smile, a brief handshake and a “thanks for your time” are all that is required. You will head back to the reception area and encounter the greeters again. If you get a dopey question like “How did it go?” respond with a huge smile and say, “Great!” If nothing else, you will further unnerve the candidates-in-waiting.



Let's get started on a piece of output that you'll definitely need later: your key questions for the firms. Think about your top choices of where you want to work and the type of information you want to understand better. For starters, you may want to know about training, hours, types of projects, timelines, length of projects, industries of focus and overall growth trajectory for the team, group or firm. Jot down these topics and then think carefully about where you'll get this information. If you can research it on your own, you'll now be smarter about the company. What remains will give you the topics for your questions. Now begin crafting the questions you'll want to ask. These will come in handy during quick chats with company personnel or throughout the interview process.

MY QUESTIONS FOR THE COMPANY			
Company Name	Key Topics	Questions	Sources (Web Site, Peers, Company Rep)

SECTION 6

Prep According to Case Type

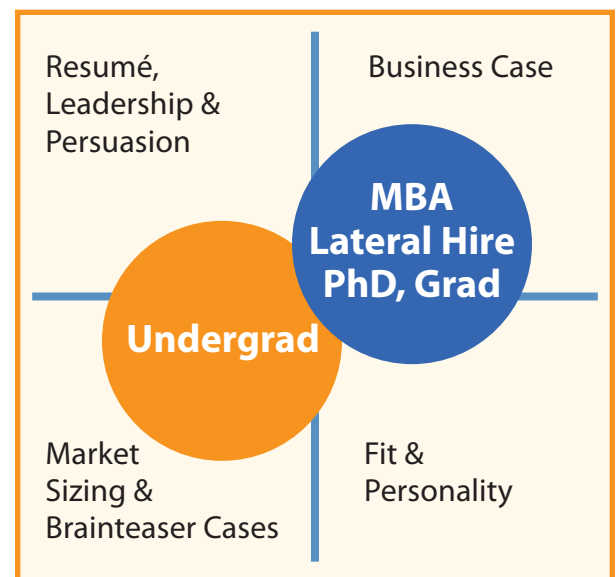
BASIC CASE TYPES

As the 2x2 matrix below illustrates, you may face a variety of cases throughout the interview process. It's important to not only be aware of all the case types, but also allocate your preparation time carefully. Thus, as you read through this chapter, try to understand your present classification as a candidate, the position you want, what cases you would typically be expected to do, and your present skills.

Referring to the matrix on this page, there are four basic ways that you may be tested during the interview:

- Résumé, Leadership & Persuasion
- Business Case
- Fit & Personality
- Market Sizing & Brainteaser Cases

These four interview types will vary by interviewer, firm, interview location and, of course, your experience and education level. Some of them may overlap. A calm résumé discussion could heat up quickly as your interviewer turns your experience at Ford Motor Company into a mini business case. Or a market



sizing case can easily be embedded into a business case (e.g., estimate how big the toothbrush market is while discussing the launch of a new type of toothpaste).

Depending upon the position you are seeking and your current status, you will receive a different set of cases during your interviews. On the 2x2 matrix, one bubble represents the typical set of cases that a more senior candidate would receive. For MBAs, Lateral Hires, PhDs and graduate students, the interview will likely include a heavy emphasis on the business case, a review of your resumé and a discussion of your leadership experience. They will also seriously assess how your personality will fit with the company culture. Everyone in this group can expect to encounter tough, business-oriented analytical cases that are.

The second bubble represents undergraduates, or candidates who have not completed graduate-level work. They would be entry-level analysts in the consulting firm, marketing organization or industry department. Cases for these candidates may involve some business cases, but they will tend to emphasize math and analytics in a Market Sizing or Brainteaser format. Additionally, leadership and fit will play a big part in the decision process.

As much as you would like the interview process to be very straightforward and consistent (like an SAT or GMAT exam), it's not and never will be. So my best recommendation is that you become aware of the full set of cases you could encounter and then prioritize your preparation according to your skills and available study time. Your main objective should be to remove all variability in your interview performance. As you become more consistent with each problem format, you will find that your confidence grows and your excitement about the interview process will increase. Interviewers are most impressed with someone who is at ease during the interview and appears to be enjoying the case analysis and discussion. And of course, when you relax, your best thinking and personality traits come out. Let's move through each case type and review what will be expected of you.

RESUME, LEADERSHIP & PERSUASION

What is it?

Just as the title implies, companies want to understand you better by reviewing your resume and drilling in on your experience as a persua-

sive leader. A simple resumé review could include discussing where you worked and for how long. You will be expected to explain the type of work you did and the impact you and your team (or division) had on the company. You may also have to recount a detailed example of how you applied your leadership skills to a tough situation.

How should I prepare?

Here is a practical approach that will take the story of your experience and leadership to a whole new level:

- Save your resumé as a new electronic document. Name it something like “My Resumé Long Version”.
- For each major section in your resumé, write out answers to the following questions. Don’t worry about being too precise at first.
 - What did I do during this time of work? What was my main job and output?
 - How was I a leader? Give an example of how you persuaded a person or group to do something. Examples that describe a tough situation are best.
 - What did my team (or group) do? What was our main objective and how did our work influence the company?
 - What was going on at the company level while I worked there? Were there any shifts in the industry or major changes in the company?
- Now that you have taken the time to write out your main ideas, refine each answer into a tight one- to two-sentence response. Be sure to bring your main idea to the front part of your statement in order to be as answer-first as possible.
- Once you have written up your best answers, print out the document and put it in your briefcase or backpack. When you have free moments throughout the day, read through the document. Soon these well-written, concise answers will flow freely anytime you’re asked about your experience. In a sense, you’ve methodically re-wired your mind to give the best responses when asked.

Where do candidates typically go wrong?

- Most candidates under-prepare for this type of interview. They

You will be expected to explain the type of work you did and the impact you and your team (or division) had on the company.

incorrectly assume that because they know their own experience, they'll give good responses.

- Interviewers want to understand how you think. Be ready to give details when asked. An interviewer might ask, "So, what did you say next?" If the conversation happened three years ago, of course you won't remember exactly. But you need to convey what you think was said and how you were thinking. The interviewer is trying to predict how you might act in future situations, so help him with details.

MARKET SIZING & BRAINTEASER CASES

What are they?

These cases are basically math problems that you have to solve. The challenge is that typically you are given very little information and few facts upon which to base your calculations. You will be expected to make logical assumptions, build some basic facts and then do some calculations. For market sizing problems, you'll need to determine the size of a market (e.g., the number of people who will buy a new shampoo). For brainteaser questions, you'll have to solve a tough "riddle" that may even seem silly (e.g., how many ping pong balls would fit in an SUV?). You will be expected to give an answer at the end of the calculation.

How should I prepare?

Solving quite a few is the key here. You need to solve a significant number of market sizing and brainteaser cases to ensure your comfort with making assumptions about each situation. For market sizing problems, be prepared to give assumptions about population size (e.g., US population), number of consumers (e.g., dogs that eat dry dog food) and typical caveats (e.g., some children may be allergic to the new product). Brainteasers can also be conquered over time once you master the ability to make good assumptions. Most people who study for these types of cases become consistently good at solving them.

We've dedicated half of Section 9 to training you on how to handle the communication and analytical challenges that market sizing cases present. Years ago, they were isolated to undergraduate interviews, as that type of interview tests math skills well. Now they crop up in the middle of longer cases and as stand-alone cases for MBAs and graduate students. I believe they are excellent at training you in how

to speak and how to communicate your assumptions and logic. In the back of the book we have eight market sizing cases. I would recommend training with those and then looking for an additional ten in other resources. Undergraduates should spend more time preparing for these types of problems.

Where do candidates typically go wrong?

I find that candidates are hesitant to throw stones at their own assumptions. Since it is a problem that requires estimating, be prepared to explain how your analysis may under- or over-estimate the answer. Also be prepared to explain how you would refine the answer if you had more time. Check out Section 9 to better understand SPEAK, my method for solving market sizing cases.

FIT & PERSONALITY

What is it?

There is no precise test for this category. Instead, members of the company are trying to understand your background and your personality and whether or not you fit well with their firm. They will do this through questioning and observation.

How should I prepare?

As cliché as it sounds, be yourself. In the end, if you are not a personality fit for your target company, it will be an unhappy situation for both you and the company. Do your best to understand the typical personality and culture of each company to which you apply. Keep in mind that a company is made up of many people, so if you run across someone you don't like or fit with, give them a few more chances.

Where do candidates typically go wrong?

Candidates often do not take the time to learn about each company. Remember, interviewers are most interested in their own company, not your aspirations to “join an industry“. If you prepare ahead of time, you are more likely to ask good questions and get along well

with the company culture. Learning each company's particular lingo (e.g., case vs. study vs. project, or deck vs. slide vs. storyboard) can also help you fit a little better.

BUSINESS CASE BASICS

Background

The top companies want to put your brainpower to the test. As a result, business case questions are becoming more complex and multi-layered. You should expect to be asked a question that involves an industry you may know very little about (e.g., hedge funds) or one that you have never thought much about (e.g., diamond mining). You should also expect to have to cover several business concepts in one case: for instance, introducing a new product and discussing the supply chain changes necessary to support it.

If study time permits, you can pursue expertise at fitting ping-pong balls into football stadiums or counting the number of pigeons in New York city seven different ways, but be sure to fully prepare for the type of case you will most likely encounter during your interviews: the business case question.

What is it exactly?

In a case interview you typically receive a business problem to solve. You are asked to work your way to a solution in about twenty minutes. These cases are often drawn from real-life problems that the interviewers have helped solve in the course of a client engagement.

Obviously, no one can expect you to solve in twenty minutes a problem that took a team of people four months to conquer. Because of this time constraint, the interviewer is often prepared to dole out data to assist you with your analysis. Sometimes this data is given verbally, and sometimes it takes the form of charts and graphs (called "slides" in the consulting biz). There's one catch: you typically must figure out what kind of information you need and ask for it. The interviewer will not necessarily hand it over without you asking first.

When I was preparing for my case interviews, I often heard that there is "no wrong answer" to a case. This is completely false. Several right answers may exist, but—trust me—there is an infinite variety of

wrong answers. While your approach to the case and your agility with facts and figures can leave a great impression with the interviewer, you must reach a well-reasoned and supported answer to achieve success.

Is it effective?

Companies seek candidates who can consistently think on their feet, be logical in their problem-solving approach, and handle unexpected curve balls with aplomb. A case question does a pretty good job of giving the interviewers a glimpse of how to rate the candidate on these skills. Most companies offer positions only to those candidates who have cracked all of their cases (typically four or five); this practice assures the firms that they have found the best available candidates during a very short and intensive interview process.

Many firms expect their interviewers to have cases prepared in advance and pre-tested by other members of their team. This method ensures that the cases are neither too long nor too simple. Nevertheless, it's not uncommon for a partner to show up unprepared and invent a case on the fly. These spontaneous cases can result in very easy or very difficult interviews.

Several right answers may exist, but—trust me—there is an infinite variety of wrong answers.

TYPES OF BUSINESS CASES

Despite the hundreds of case variations, they tend to fall into a few broad categories. To keep all the case types straight, I will use five categories, or zones; most of your interview cases will fall into the first two zones. We'll discuss these groupings in greater detail later in the book. In the meantime, remember that your ultimate goal is to maximize the value of the company being discussed in your case question. Keeping this goal in mind will broaden your perspective on your cases and help you think more like a business advisor. Rather than getting caught up in the details of only one aspect of the business, you must take on the perspective of the CEO.

Zone 1—Strategic Cases

Many people in the business world disagree on the true definition of strategy. As you prepare for your cases, you will find the word “strategy” slapped on the back of almost any case title (e.g., pricing strategy, systems strategy and operational strategy). A good working defini-

ZONE 1

STRATEGIC CASES

Expand Scope <ul style="list-style-type: none">■ Merge■ Acquire■ Form a joint venture	Reduce Scope <ul style="list-style-type: none">■ Divest a business or division
Change Direction <ul style="list-style-type: none">■ Enter/Exit a market (add/eliminate a product line)■ Develop and sell new products/services■ Reposition the company (brand/image)	Maintain Status Quo <ul style="list-style-type: none">■ Keep the business the same

tion of strategy is “maximizing value with a limited set of resources.” With strategic cases, you are making a change that will have a large impact on the business as a whole, not a small adjustment like changing a product’s price or launching a new advertising campaign.

Zone 2—Operations Cases

Operations cases focus on the internal operations of the company. Since we want to maximize the value of the company at all times, operations cases have two major drivers: revenue and cost. What emerges are various ways to impact those drivers. It would be easy to call any of these cases a strategy case (e.g., pricing strategy), but I find that naming them as such prevents you from focusing on the key value levers themselves. Revenue and cost are the most basic levers in business, so you should expect to see a lot of cases touch on them.

ZONE 2

OPERATIONS CASES

Increase Revenue (Price x Volume): Increase pricing: <ul style="list-style-type: none">■ Change pricing by segment■ Increase volume■ Keep present customers (loyalty)■ Acquire new customers■ Increase share of wallet with present customers■ Sell more in new places and ways	Reduce Costs: <ul style="list-style-type: none">■ Assess fixed vs. variable■ Assess internal vs. external costs■ Benchmark costs to other companies■ Assess operational minimum costs
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Zone 3—Organization, Systems and Process Cases

We are now entering the “fuzzy” zone. The categories in Zone 3 represent real

potential business issues, but they don’t necessarily offer clear-cut ways to increase overall company value. For instance, a new computer system may provide more insight into how the business is performing, but unless it eventually results in more revenue or fewer costs, it does not maximize company value. Solving these cases involves donning your CEO hat. Make sure that you do not get stuck in the minutiae and forget about the larger goal of making money.

Zone 4—Finance Cases

Cases in the finance zone cover a company's financing and balance sheet items. Strategy cases often touch on this area, so you should be prepared to incorporate some basic finance principles into your analysis. In Section 12 we'll go through the **SAVED** model for those cases that dive deep into finance.

Zone 5—External Forces

Another term for this zone might be the Reaction Zone, as the issues here demand that the company react in some manner. For example, a competitive threat case can result in an acquisition strategy, a pricing reduction or an exit from the industry. Zone 5 cases always result in the company taking some type of action.

THE MOST LIKELY SCENARIO

Now that you're panicking over the laundry list of case types listed on the previous pages, let's apply a little 80/20 logic to focus your efforts. Later in the book you will see how the Maximum Value Model pulls these zones together in a way that is easy to remember and apply in your interviews.

ZONE 3 ORGANIZATION, SYSTEMS AND PROCESS CASES**Impact the People:**

- Change the organizational structure
- Change people's roles
- Change people's incentives
- Change the management team (or Board of Directors)

Change the Process/Systems:

- Change information technology (broad or narrow)
- Change procurement
- Change sales
- Change inventory
- Change distribution (including Internet)

Measure the Organization's Capabilities:

- Assess skill sets
- Assess and streamline processes
- Centralize or decentralize
- Assess production capacities

ZONE 4 FINANCE CASES**Impact the Balance Sheet:**

- Assess inventory/receivables
- Assess debt/equity mix of the company
- Assess cash management
- Buy back shares of the company

- Execute off-balance sheet financing

Increase Equity Returns:

- Improve capital efficiency
- Increase shareholder value

ZONE 5 EXTERNAL FORCES

- Respond to supplier issues
- Respond to public attitude/perception changes
- Respond to economic changes
- Respond to a competitive threat
- Respond to an industry shift
- Respond to auditor issues & concerns
- Address legislative and regulatory changes
- Respond to technological changes

Within the business case question category lie a variety of potential case questions. Keep in mind that the purpose of the interview is to ascertain whether you can think like a business advisor. In order to measure your skills and also to make sure they offer a case that most people can solve in a reasonable time frame, most interviewers will stick to Strategy Cases (Zone 1) and Operations Cases (Zone 2). These areas provide a rich set of issues that will put your abilities to the test. The beauty of being familiar with the other zones is that if the interview jumps into those other areas, you won't get lost.

Keep in mind that each case a firm gives provides a glimpse into the type of work they do. No firm wants to be seen as non-strategic or focused on mere support issues. Therefore, most questions you receive will be deemed strategic, even if they more properly fall into another zone.

Zone 1 and Zone 2 Favorites

Within the strategy and operations zones, a few issues appear frequently. They are, in no particular order, the following:

- Maximize profit ("Help! My company is losing money.")
- Enter a new market
- Develop / Launch a new product
- Sell more of the same stuff to more people (products or services)
- Reduce costs
- Respond to competitors
- Merge two companies

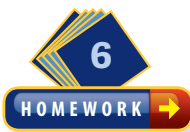
All of these cases work well in a case interview format because their problems are clear and their answers center on core business concepts. These cases are effective in revealing which candidates can frame a solution and which can't. Also, many of the interviewing companies' actual client problems (the source for most case interview questions) relate to these issues.

Fill out the short quiz opposite on case types. Knowing the different ways you'll need to prepare will be helpful as you manage your practice time.



VIDEO 6-01

Case Interview Types



CASE TYPE QUIZ		
Question	My Answer	What Did I Forget?
What types of cases will I likely face in Zones 1 and 2?		
Where do candidates usually go wrong with resumé, leadership & persuasion questions?		
What are some basic steps to solving a market sizing question?		