



Cracking a Case or Two

**A Guide for Non-Dummies
to Ace those Case Interviews**

An ambitionME.com Resource

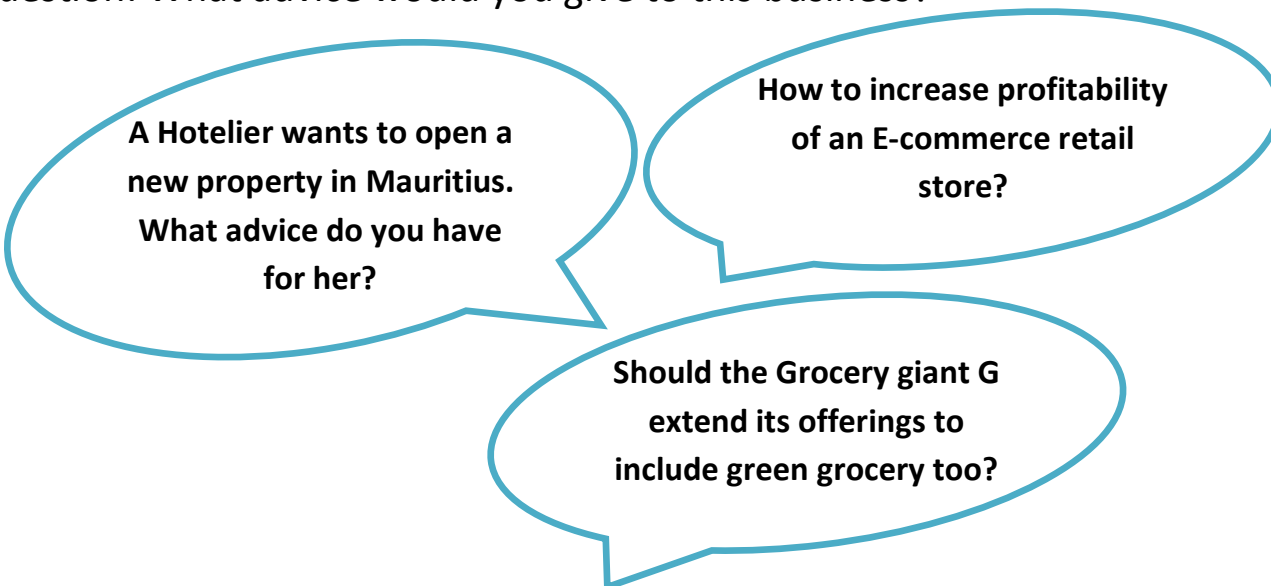
An Introduction.....

What is a Case?

An illustration of a **real-world situation**, which you analyze in a **systematic, logical way** by probing with **conceptual tools**

Case studies have become the weapon of choice for interviewers across the board to test candidates on a variety of parameters. If you are one of the many sufferers who shudder at the prospect of solving a case, that too under the nose of a no-nonsense interviewer, you can relax now!

A case is nothing more or less than a **real-world situation**. Think of a business losing money. A company wishing to make a foray into unknown territory. A venture looking to position its new product so that customers lap it up. These and several other situations may be presented to you with a single question: What advice would you give to this business?



A Hotelier wants to open a new property in Mauritius. What advice do you have for her?

How to increase profitability of an E-commerce retail store?

Should the Grocery giant G extend its offerings to include green grocery too?

You have been served with a Case!

Your interviewer does not want you to blabber away the first set of answers that occurs in your head! You need to demonstrate what a **systematic, logical** thinker you are. You need to think through the problem, ask the right questions and analyze the different possibilities before making your recommendation.

To aid you in this process are a variety of conceptual tools that may come in handy when cracking a case. At the bare minimum, these tools or **frameworks** are sure to give you a mental checklist to make sure you have exhausted all lines of thinking through your case.



ambitionME Founders are IIM Calcutta alumni with several years of experience in management consulting. We bring to you our experience in cracking cases and advising companies across the world, packed into this simple, easy-to-use guidebook!

In this document, ambitionME gives you a brief overview of some of the more commonly used frameworks that would be useful to you at your pre-MBA level. (Post-MBA, every theory you study is a potential framework for solving business cases 😊)

These frameworks are by no means the be-all and end-all of case approaches. But they will definitely be an excellent starting point for you to begin your journey into analytical thinking. Use them as guidelines to practise a bunch of cases, and soon you might be able to create your own framework that works best for you!

In this Guidebook...

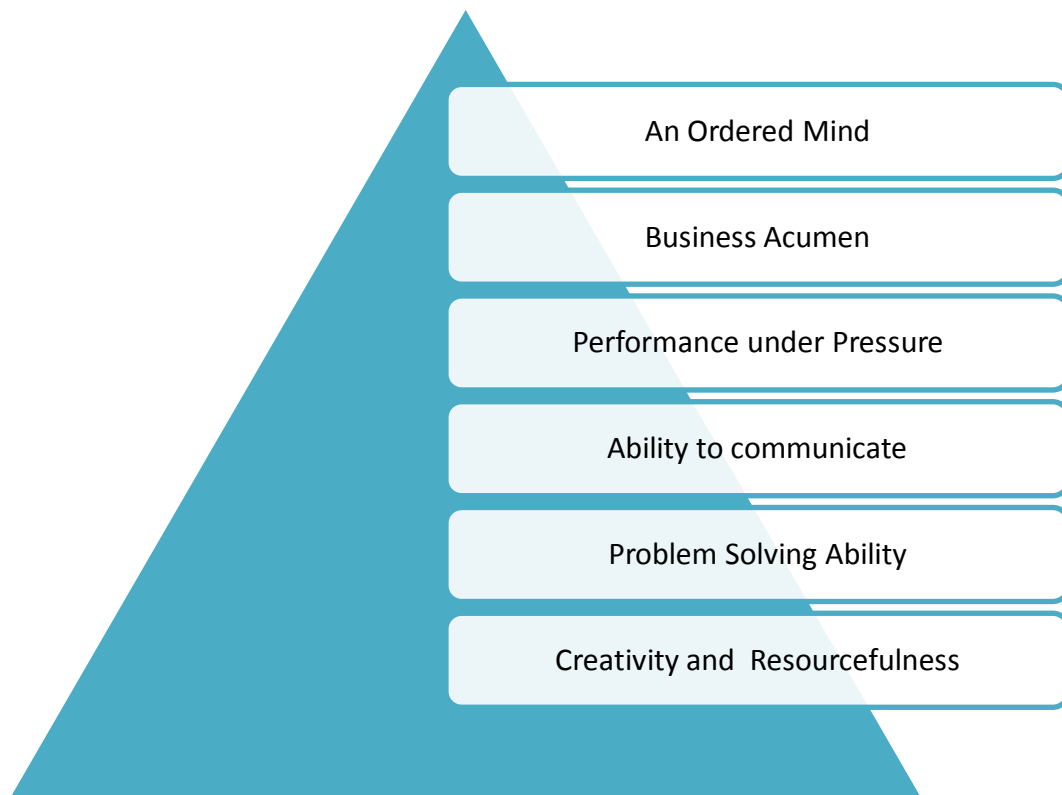
- What Does a Case Interview Test?
- Types of Cases
- The Problem of Problem-Solving
 - Guesstimate Approaches
 - Frameworks for Business Cases
- The Finer Aspects of your Interview

If you are reading this guidebook, you might also be interested in our 'Survival Skills' sessions!

Are you worried about messing up your group discussions and personal interviews? Do you find it real hard to excel at Microsoft Excel? Do you freeze when it comes to cracking case studies? Does making an amazing resume seem like an uphill task to you?

Join ambitionME at one of our Survival Skills workshops and polish up these skills. To learn more, simply drop us a line at: explore@ambitionme.com

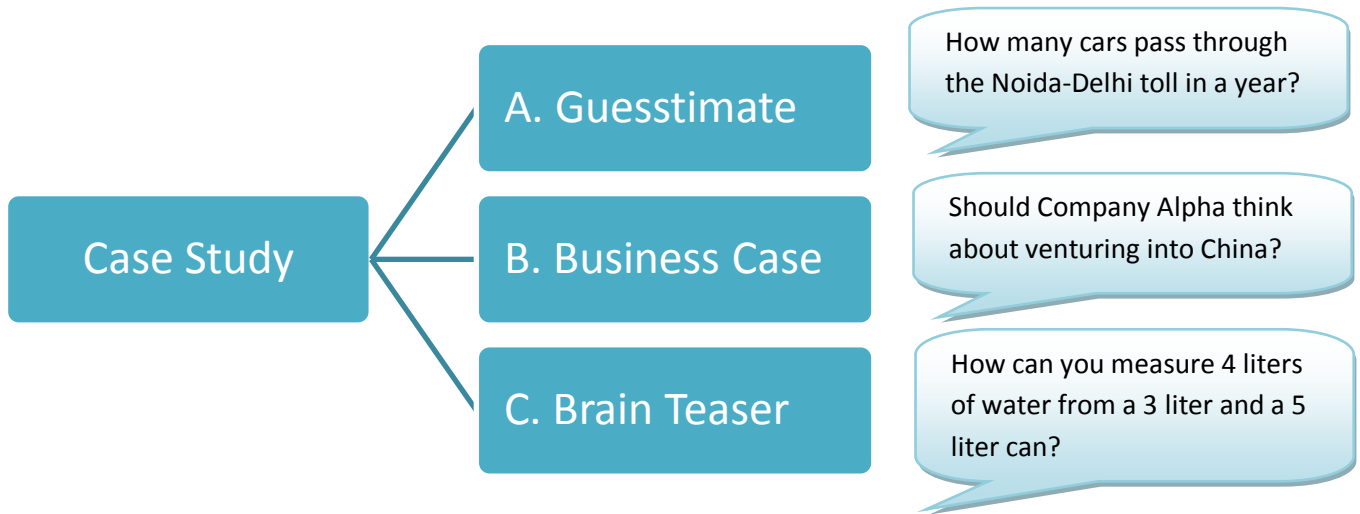
So, What Exactly Does a Case Interview Test?



What this means is that your interviewer is not just looking for a specific answer to a case. Equally important, if not more, is the approach you follow to reach your answer. Logic, structure, comfort with numbers, performance under pressure- all of these qualities are being tested!

Moreover, you can't just apply your structured thoughts and solve the case in your head. Remember there's someone else in the room with you- you need to communicate with them! Asking the right questions, outlining your approach, and taking the interviewer through your working are very, very important in a case interview.

What are the Different Kinds of Case Questions.....



...and What's the Right Way to Tackle Them?

Guesstimates: These are “guess-estimates” as the name suggests. No “guesswork” here! Educated assumptions of real world numbers and a structured approach are needed to tackle guesstimates. No right or wrong answer really!

Business Cases: Can employ one or more of several possible frameworks to help you solve the problem. With practise, you may have your own mental framework which helps you analyze every detail of a case.

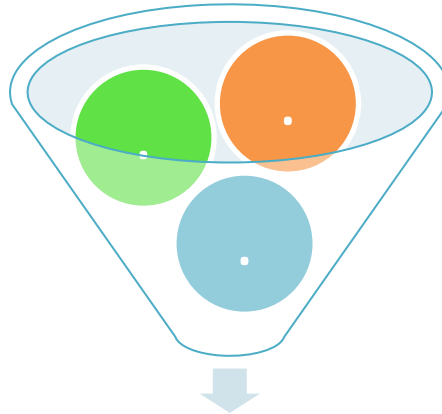
Brain Teasers: No single approach to this one! Every puzzle is different, and they are designed to throw you off your balance and test how quickly you regain it!

Guesstimates: Two Cool Approaches

1

Top-Down Approach

Start with the “Universe” and drill down slowly...



...to get that elusive "guesstimate"!

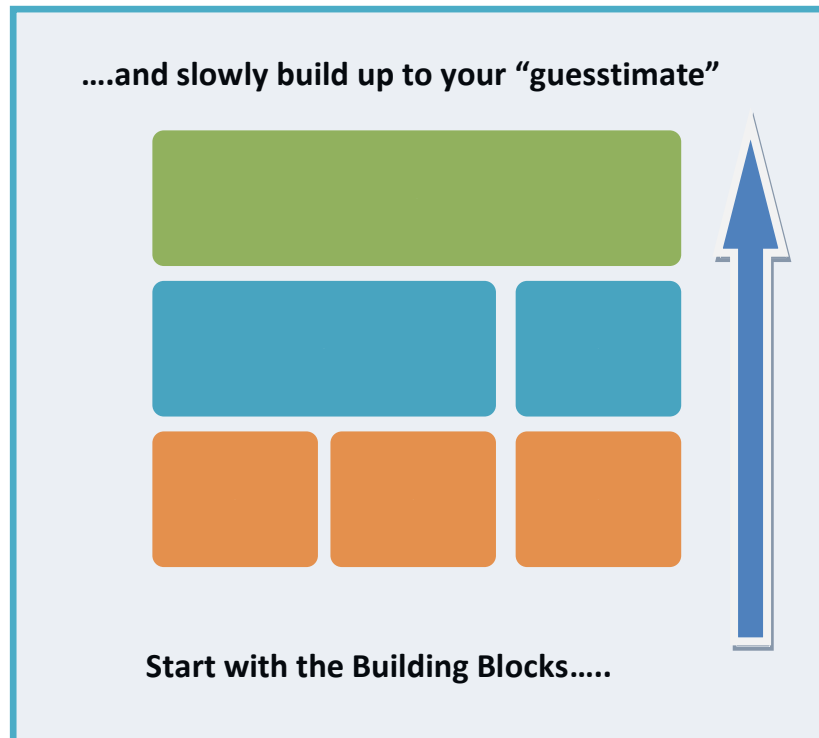
How many windows are there in Delhi?	
Population of Delhi	11M
# Homeless People	Say 10%?
# People with Homes	9.9M
Avg. family size	Say 5?
# Homes in Delhi	1.9 M
Avg. #windows in a home	Say 3?
Hence, total # windows	6 M!

While the example above is a simplistic one, it highlights some important points:

- Make realistic assumptions: You may not know the exact population of Delhi, but you should make a reasonable estimate that's not too far off the mark
- Ask for clarifications: The population of Delhi could mean one of many things- the city proper, the NCR, or the entire metropolitan area! If in doubt, clarify
- For estimating a number using this approach, start eliminating chunks of the universe by making reasonable-sounding estimates. For example, people who are too poor to own houses need to be eliminated from this guesstimate
- Often the Interviewer will hint whether she wants more detail - read the clues and react!

2

Bottom-Up Approach



What is the size of the burger market in India?
You've got your guesstimate ☺
Got the total # Burgers? Now multiply by average market price!
How many adults & kids? How many middle-class, rich, and poor?
Avg. #Burgers an Indian eats in a year? Break into adults & kids? Middle-class, rich, and poor?

This illustration does not have numbers, but in real-life, be prepared to get your hands dirty with a lot of numbers!

- The Bottom-Up approach is particularly suitable for “market size” questions: How many mobile phones are being bought everyday in India? What’s the size of the fish market in Kolkata?
- Start from the basic building blocks by considering those blocks which *use* product / service being estimated
- Again, some back-of-the-envelope numbers will really help you get such cases in order: populations, demographic break-up, break-up by income segments etc.
- Treat a case study like a 2-way conversation: outline your approach, speak out your thoughts, give structure on paper, ask for clarifications, and take all the subtle hints!

Getting down to Business

An oil refinery is losing 2 billion dollars a year... Can you help them?

Orchestra 'O' needs to earn more from ticket revenues. What would you advise them?

The competition's cakes are well, selling like hot cakes!! Should we tweak our product line

Can you help this stylish boutique price their new premium range of silk scarves?

Business cases are typically thrown at B-school graduates, but they are becoming more and more common these days for undergraduates as well. No need to worry! Armed with a few basic concepts and loads of practice, you can rest assured you will be able to crack a few business cases real soon!

Read on about some approaches and easy frameworks, and try to apply them liberally while practising cases. See the difference in your confidence 😊



ambitionME Founders have spent quite a few years cracking real-life cases for companies in domains as diverse as telecom, publishing, manufacturing and banking. Believe us - it's not all that hard! The age old dictum of 'practice maketh perfect' does hold true in this 'case' too (pun very much intended) 😊

A Few Pointers Before We Start on the Frameworks:

- While analyzing a business case (or any other logical or decision-making problem), it's a good idea to try and adopt a MECE approach. MECE= Mutually Exclusive, Collectively Exhaustive
- What does that mean? Your arguments or decision options should be:
 - Mutually Exclusive, or without any overlap. Clean, clear, crisp, separate! This shows the interviewer how ordered your thought process is.
 - Collectively Exhaustive, or comprehensive. Together, your set of options need to include all possible options. Following this guideline will ensure you have not left out an important parameter.

I am planning to go on a vacation soon, but can't decide where! Should I pick a place from my "Beaches" list, or "Hill Stations" list, or "Favourites" list?

Hold on- this is not a great way to decide!

My options are not "Mutually exclusive": The Favourites list might contain some beaches and some hill stations

My options are not "Collectively Exhaustive" either! Wouldn't I want to consider vacationing at some place with historical monuments instead?

And Now, Some Basic Frameworks

1

SWOT

Not, strictly speaking, a framework in itself, but a useful checklist to analyze any entity and its options. We look at the strengths and weaknesses from an inside perspective, and the threats and opportunities from an outside perspective



Exercise: Try a SWOT Analysis of the latest phone in the market!

What are its strengths, i.e. all the wonderful things that will cause customers to buy this phone?

What are its weaknesses, i.e. things that may worry customers and cause them to buy competing devices instead?

What are the threats from the outside world and competitors?

What are the opportunities for this brand to achieve through the launch of this phone?

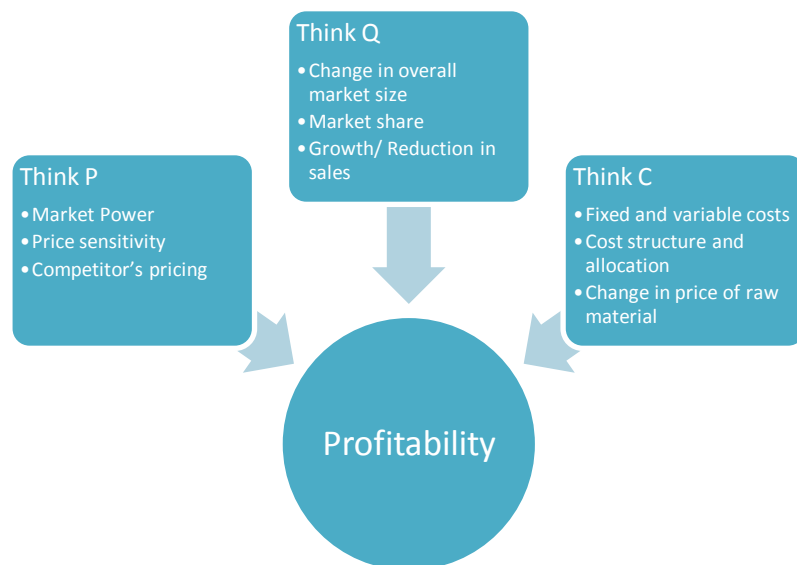
2

The Profitability Equation

This is one simple but powerful equation that can help you get through umpteen number of business cases. After all, businesses are all about making profits!

Profit= Revenue (i.e. Price x Quantity)- Cost

In any case where the problem statement is about losing or making money/ profits/ margins, selling less/ more quantities, or increasing/ decreasing costs.... Make this equation your tool!



Exercise: Using this framework try to list down all the possible cases in which a bakery might lose money.

Remember that “losing money” means a decrease in profitability. In your all-powerful equation, you will see that a decrease in profitability would come from:

- i) Either a decrease in Revenues, which means
 - a. Decrease in Price, or
 - b. Decrease in Quantity sold

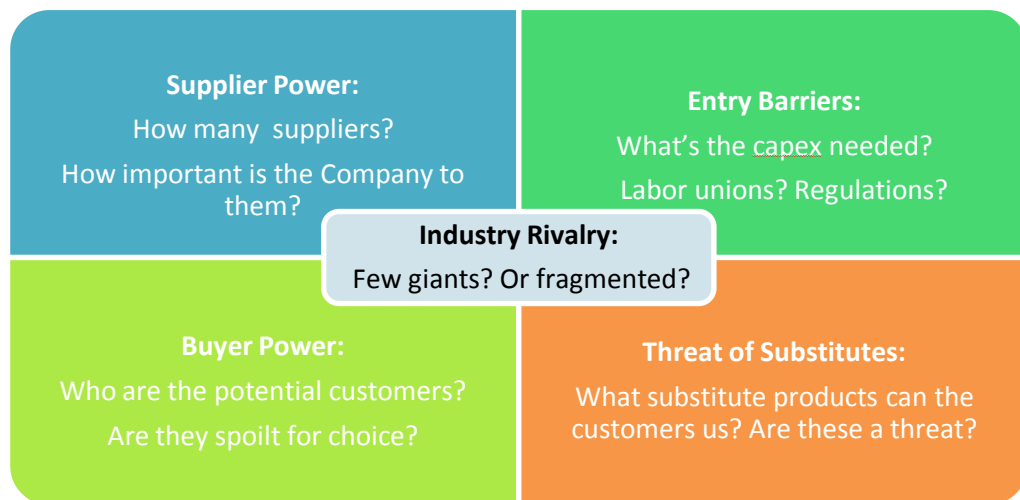
- ii) Or an increase in Cost

So think of all the ways that price went down or quantity went down or cost went up, and you have a framework ready!

3

Porter's Five Forces Model of Competition

Now we inch slowly into B-School territory! Renowned Harvard professor Michael Porter propounded this model of competitive analysis that went on to become a major strategic tool. So use this framework to guide you on any question that is strategic- whether it is entering a new market or launching a new product.



Exercise: Using this framework try to list down all the questions you need to answer before deciding whether your neighbourhood ice-cream seller should start a new outlet near your college.

The questions you ask your interviewer will help shape the final answer to your case. If you base your questions around a framework like this, there is less probability of missing out on some key pieces of information that your interviewer might be able to give you.

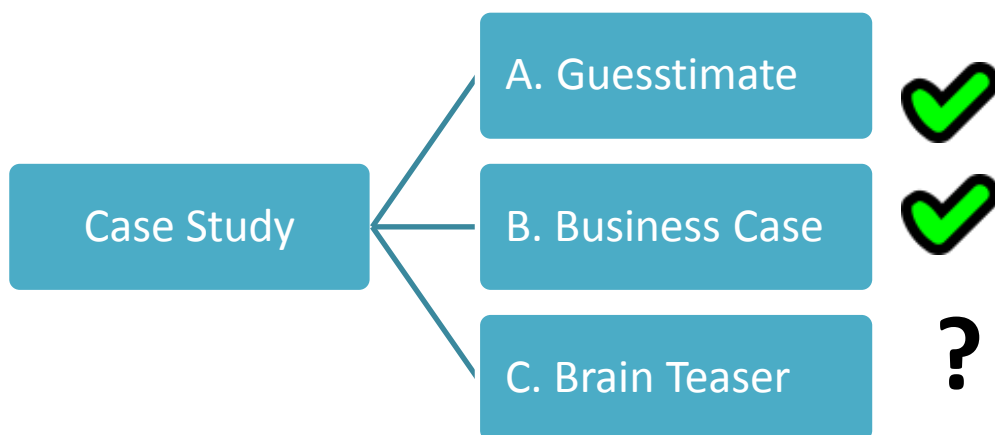
In this case, you need to ask all the right questions which tell you:

- i) Whether the supplier power is high (difficult for icecream seller to get his raw materials)
- ii) Whether the buyer power is high (difficult for icecream seller to charge high prices)
- iii) Whether the entry barriers are high (difficult for icecream seller to open new outlet)
- iv) Whether there is a threat of substitute products (difficult for icecream seller to veer away customers from other dessert shops to his outlet)
- v) Whether there is high industry rivalry already (difficult for icecream seller as there will be too much competition)

There are many other useful frameworks that could help you solve a wide variety of problems, but the ones given here should be a great starting point at the pre-MBA level. The next step is to use the frameworks given in this guidebook to solve as many questions as you can.

Once you are comfortable, you could move on to other more sophisticated frameworks and theorems such as the 4P Marketing Mix model, the 4C Framework, the McKinsey 7S Framework, BCG's Growth-Share Matrix, and many more!

The best frameworks, however, are the ones you create in your head: your own private checklist of systematic questions that will yield the answer to a business case. You can get that only through practice!



Brain Teasers do not really have a fixed method to solving them. They are, in effect, meant to “tease” you- to see how well you react to a random question thrown towards you! The only way to master this class of questions is to try a variety of puzzles and teasers so that you can learn to think on your feet.

The Finer Aspects of your Interview

Now that you have learnt to crack those cases, do you think you are all set to charm your way through interviews? Think again!

There are a whole lot of other “soft” aspects that you can’t go wrong with!

Your Presentation

- Dress the part
- Carry your Resume
- Maintain a firm body language
- Take a bath ☺

Your Communication

- **Be Confident:** Learn how to say “I don’t know” gracefully (after reasonable attempts)
- **Be Comprehensive:** If you are saying “It Depends”, ensure it doesn’t stop there. Tell your interviewer why!
- **Be Honest:** Don’t fuff, seriously

Your Potential

- **How fit you are for the industry:** Flexibility to travel, working hard, interacting with unknown people/problems, cracking a “punch”
- **How fit you are for the firm:** Try to interact with people of your target companies as much as possible: you will be like them in 1-2 years if you join the firm

These simple pointers should be good for getting you on the right track...but remember, giving a perfect interview is an art in itself!

If you are wondering how to master the art of personal interviews, you might consider registering for one of our PI Skill Sessions!
Join ambitionME at one of our ‘Survival Skills’ workshops and be the best at: Personal Interviews, Group Discussions, Case Studies, Microsoft Excel, and Resume Making

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