



# MINI CASE PREP GUIDE: **BUSINESS ANALYST**

## **CONGRATULATIONS ON YOUR UPCOMING MINI CASE INTERVIEW WITH CAPITAL ONE!**

We have been impressed with your background so far and are looking forward to spending more time with you. At Capital One, we value well-rounded associates and our selection process has been built to reflect the unique skillsets we look for on our Analyst teams. Business Analysts at Capital One are creative, analytical and customer-focused problem solvers. The 45-minute mini case will help us determine if a Business Analyst role could be a good match for you.

As you prepare for your mini case interview, please use this guide as a point of reference to answer any questions you may have.

**NOT SURE WHAT THE MINI CASE LOOKS LIKE? KEEP READING!**

## THE ANALYST MINI CASE

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**WHAT IT IS:** The 45-minute Analyst Mini Case is an interactive interview where you're tasked with solving a real-life business problem. Your caser will work through a business question with you, while evaluating your strategic thinking, analytical skills, and quantitative abilities as you solve for solutions.

**WHY WE USE IT:** As a Business Analyst at Capital One, your teams will work with data every day as they create unparalleled business products, build credit models, or perform a variety of other important functions. You will be asked to understand and interpret data, communicate effectively with both product managers and technical teams, and leverage data to make the best decisions for our customers.

**WHAT TO KEEP IN MIND:** We advise you to be in a quiet location and make sure to have pencils, paper and a calculator available, as you will need them for your case interview.

**READY TO PREP FOR THE MINI CASE? KEEP READING!**

## THE MINI CASE INTERVIEW

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**WELCOME TO YOUR MINI CASE INTERVIEW!** Case interviews are interactive interviews where you're tasked with solving a real-life business problem, like the ones that Capital One associates tackle every day. Your caser will work through a broad business question with you, broken down into multiple pieces, until you arrive at a solution together.

**WHAT WE'RE LOOKING FOR:** Remember, a case interview is not a mathematics exam- we want to evaluate your skillset holistically. It's not just about 'solving for the right number'- it's more about how you problem solve generally. We're looking for candidates who exhibit strong communication skills, conceptual thinking, analytical abilities, and strategic business sense. The questions that compose your case will give you the chance to demonstrate those skills and more.

ANALYST CASE CONTENT	WHAT IS THE CASE LIKE?
Content focuses on a strategic business question, which could be based upon a variety of business topics	<p>Involves solving a real-life business problem with your interviewer</p> <p>Interactive in nature</p> <p>Used to evaluate your analytical skills, conceptual problem solving skills, and communication skills</p>

## READY TO PRACTICE?

Now that you've heard more about case interviews, what exactly do we mean by 'analytical'? As a data-driven organization, we want to make sure you have a certain level of fluency with numerical reasoning and problem solving. While brushing up on your math skills, some great places to start are practicing break-even equations and weighted averages.

**BREAK-EVEN EXAMPLE:** If I need to make \$40,000 this year and I make \$20 per pair of shoes, how many pairs of shoes do I need to sell?  **$40,000 = 20x$ ,  $x = 2,000$  pairs of shoes**

**WEIGHTED AVERAGES EXAMPLE:** A group of 15 students took the SAT. 8 of them had an average score of 660, and the other students had an average score of 720. What is the average score of the whole group?  **$((8 \times 660) + (7 \times 720)) / 15 = 688$**

You can see where those analytical skills come into play during a real case. A sample Capital One case is included below. We highly recommend having a friend or family member give you this case out loud, so you can get a better feel for the case interview interaction model.

## TIME TO SHOW YOUR STUFF!

### Background Information:

- You are a manager at a company that markets various products and services and that is looking to diversify.
- You receive some information that indicates magazine publishing may be interesting.
- You are considering developing a new magazine but are not sure how profitable it might be.

### What are some of the issues you must consider when evaluating the business?

#### Things to consider:

- Defining the target market
- Competition (# of competitors, fragmentation, brand name)
- Build off core competencies
- Barriers to entry
- Business cycle stage
- Method of measuring viability
- Opportunity cost

### The next step is to understand the economics of the business. What are the profit drivers in the magazine publishing business?

#### Main profit drivers of the publishing business include:

##### Sources of Revenue:

- Subscriptions
- Newsstand sales
- Advertising
- Customer lists
- Internet

##### Costs:

- Printing
- Distribution
- Content development
- Marketing / promotions

## SAMPLE CASE CONTINUED:

Through some initial research, you have been able to determine the following:

- You can charge \$25 for an annual subscription of 50 issues
- Let's ignore newsstand sales for now
- You can generate \$1 in advertising revenue per issue for each subscription
- Printing and distribution costs are \$1 per copy per issue
- Content development costs run \$1 million per year
- Let's ignore marketing expenses for now

### How much profit will you generate a year from one incremental subscription?

- Subscription revenue per year = \$25
- Advertising revenue per year = \$50 (\$1/issue X 50 issues)
- Yearly production and distribution costs = \$50 (\$1/issue X 50 issues)
- **Profit from one incremental subscription = \$25 (\$25 + \$50 - \$50)**

### How many subscriptions do we need to sell to break even?

- Profit (contribution margin) = \$25 per subscription
- Magazine content development = \$1 million per year
- **Breakeven = \$1 million/\$25 = 40,000 subscriptions**

### What about marketing costs?

- Your company has expertise in direct mail solicitation so you decide to use that marketing method.
- Each piece of mail costs \$0.50
- You are able to achieve a 2% response rate

### How much does it cost you to sign up a subscriber?

- Cost per subscriber calculation
- Cost of mailing / response rate = cost to sign up one subscriber
- **\$0.50 / 2% = \$25 per subscriber**
- Another way to calculate cost per subscriber:
  - Assume you mail offer to 100 people
  - Costs = \$50 (\$0.50 x 100 people)
  - Responders = 2 (2% of 100)
  - **Cost per responder = \$25 (\$50 / 2)**

### How will this affect your breakeven calculation?

- New breakeven calculation
- Old contribution margin - Marketing costs = New contribution margin
- **New contribution margin = \$25 - \$25 = \$0**
- **Ouch!**

### What can we do to make this venture better?

- Raise subscription prices
- Increase response rate
- Raise advertising rates
- Make each response matter more; consider renewals and multi-year subscriptions
- Reduce production costs

## **WANT MORE?**

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As you prepare for your interview, please reference the additional resource below. The Capital One case interview video is a great resource for learning what case interviews really feel like.

### **Capital One Case Interview video**

## **NEXT STEPS**

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**SO I COMPLETED THE MINI CASE...WHAT NEXT?** Your recruiter will reach out to you with an update after the completion of your mini case interview. For successful candidates, the next step will be coming to a Capital One location for an onsite interview day. At that stage in the process your recruiter will schedule an interview prep call with you and provide additional resources to help you prepare for the final interview phase. Don't worry, we have you covered.

And remember, if you have any questions before your interview, don't hesitate to reach out to your recruiter. Best of luck!