

Consulting Case Interview Preparation Guide

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Prior to the Interview

Resume Preparation

- Without a prior banking or consulting background, you will likely have to tailor your resume to appeal to the Consulting firms
- Instead of focusing on the “must have” skills for your previous industry, emphasize the following:
 - Analytical abilities
 - Experience in teams
 - Communication skills
 - Leadership/Management experiences
 - History of achieving results
- Use the “Additional Information” section to bring out qualities/interests to differentiate yourself

Answering the “Why Firm X?” Question

- Show a “specific” desire to work at Firm X, instead of simply a general desire to work in Consulting
- Learn the “ins and outs” of the company
 - Locations
 - Business areas of specialty
 - Reputation (i.e. what the firm is known for)
 - Career progression and direction
 - Company culture
- Research the firm’s competitors to find points of differentiation
- Give reasons that the firm is a good fit for you and that you are a good fit for the firm

Describing Your Work Experience

- Resume “walk-through”
 - Develop a coherent story for each step along your educational and career path → It should not seem like a “random walk”
 - Some firms analyze the “walk-through” as if it were a case → Be structured when describing the sections of your resume
- Work experience stories
 - Allow firms to learn about your experiences in a variety of work situations
 - Have four or five unique stories ready to share; Examples include:
 - Led an initiative to a successful/unsuccessful conclusion
 - Had an impact on a team where you were not in charge
 - Worked in a group where there was internal conflict
 - Found success in a challenging work environment
 - Initiated change within an organization

Generating a List of Questions

- It is crucial for the candidate to develop good questions to ask the interviewer at the end of the interview
- Tips for creating strong questions:
 - Ask questions beyond standard travel and work-life balance issues (Interviewers hear these questions all the time)
 - Show that you have done some prior research about the firm (offices, leadership, areas of focus, career progression)
 - Ask questions that pertain to your own background (educational/professional, gender, ethnic, etc)
 - If given an interviewer biography, ask him questions about his background and how he was able to leverage it at the firm

Generating a List of Questions

- Sample questions

- Could you tell me a little about the culture in [FIRM]'s [CITY] office? How does it compare to the culture in the company as a whole?
- When thinking about your co-workers, do you consider them to be your colleagues, your friends, or both? (this question can tell you a lot about the kind of culture within a company or an office)
- As a minority/female consultant, have you ever experienced any negative interactions with client representatives where you felt that race was an issue? If so, how did you deal with it? Did your managers support you with your concerns?
- As someone with a tech background, I'm wondering whether my previous experience will translate well into Consulting. Could you tell me how much you've reached back into your prior experience in Technology during your career at [FIRM]?
- I really like the fact that your company operates on a generalist model where consultants can float around on different types of assignments early in their careers. What was your experience like when you were in this stage of your career? Did you find it difficult to jump onto client engagements where you had no prior background and hit the ground running? What sort of support did your team give you in these cases?

Approaching the Case Interview

Interview Technique Basics

- Keep clean and organized notes
 - Use two separate sheets (landscape-oriented) for your information/analysis and math calculations
 - Write in pencil
 - This may seem basic, but being able to erase mistakes can go a long way toward producing clean and easy-to-read notes
 - Write as neatly as possible
 - Some companies will collect your notes and evaluate them to get insight about how you structure your thoughts on paper
- Use tables and graphs during your case breakdown to demonstrate structured presentation of information
- Get used to using “educated estimates” for values when concrete data is not provided

Math Tricks

- Use round numbers wherever you can, especially when you have the chance to pick the numbers
- Do “ballpark” calculations if possible
 - Often it isn’t about getting the exact mathematical response
 - Since there is usually some allowable margin of error, take advantage of that and “ballpark” whenever you can
- Don’t try to do calculations in your head unless you’re sure you can solve them correctly
 - When doing calculations in your head, be sure to write your solutions down so you can refer to them later

Math Tricks

- Rule of 10's and Rule of 1/2's
 - Break difficult numbers into either tens or halves to do quicker calculations
 - Example: What is 37% of 25,000
 - $25,000/10 = 2,500 \rightarrow 10\% \text{ of } 25,000$
 - $2,500/2 = 1,250 \rightarrow 5\% \text{ of } 25,000$
 - $1,250/2 = 625 \rightarrow 2.5\% \text{ of } 25,000$
 - From the above, you can approximate the answer:
 - $(3 * 2,500) + 1,250 + 625 = 9,375 = 37.5\% \text{ of } 25,000$

Math Tricks Example

- What is the annual U.S. market for chewing gum?
 - In total number of consumers?
 - Estimate the total U.S. population (~300 million people)
 - Segment the population based on some metric (age is usually a good metric)
 - Estimate the number of people in each population segment
 - Make a guess at the percentage of each segment that chews gum
 - Complete the math and arrive at a final figure

Math Tricks Example

- What is the annual U.S. market for chewing gum?
 - In units (packs) sold?
 - Start with the estimate for total chewing gum consumers (as determined earlier)
 - Make a guess at the number of packs that an average consumer purchases in a given week
 - Multiply the above two numbers to estimate the packs of gum sold each week in the U.S.
 - **[Annual packs of gum sold] = [Weekly estimate] * 50**
 - There are 52 weeks in a year, but using 50 takes advantage of “ballparking” and the inherent margin of error in estimating

Math Tricks Example

- What is the annual U.S. market for chewing gum?
 - In revenue?
 - Start with the annual number of packs sold (as determined earlier)
 - Make a guess at the average price of a pack of gum
 - $[\text{Annual revenue}] = [\text{Annual packs of gum}] * [\text{Avg. price}]$

Math Tricks Example

- What is the annual U.S. market for chewing gum?
 - In profits?
 - Method #1: Use the annual revenue estimate and apply a guessed profit margin
 - $[\text{Total annual profit}] = [\text{Annual revenue}] * [\text{Profit margin}]$
 - Method #2: Use the average price, apply a guessed profit margin, and multiply by the estimate annual packs sold
 - $[\text{Unit profit}] = [\text{Average price}] * [\text{Profit margin}]$
 - $[\text{Total annual profit}] = [\text{Unit profit}] * [\text{Annual packs sold}]$

Key Business Concepts

- Profitability
 - Revenues
 - Costs
- Industry attractiveness / Market issues
 - Total size of the market in dollars
 - Number of competitors → Minimum Efficient Scale
 - Market conditions (shrinking/growing/stagnant) and associated implications

Key Business Concepts

- Mergers and acquisitions
 - Financials of the deal → Will it be profitable?
 - Product-line synergies
 - Market reaction
 - Culture issues
- Marketing
 - Pricing
 - Placement (distribution channels)
 - Product
 - Promotion

Key Business Concepts

- Product introduction
 - Potential market for product
 - Do consumers want it?
 - Overall profitability of the product
 - Cost to introduce product
 - Expected revenues
 - Competitor reaction
 - Can they copy it?
 - Do they already competing products?
 - Does the new product fit your company and current product line?
 - Does it make sense for your company to introduce the product?

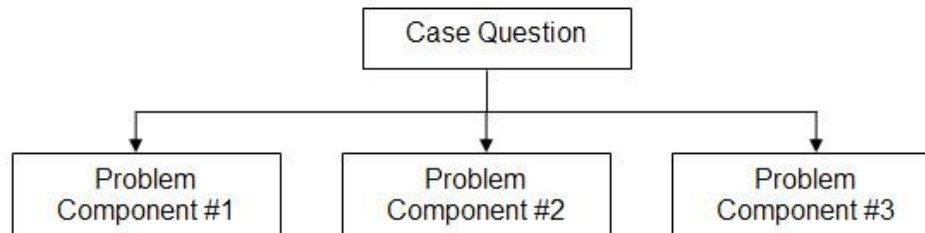
Key Business Concepts

- Other concepts that show deeper business insights
 - Labor issues
 - Implications of unionized labor and compensation (salary, benefits, etc.)
 - Long-term contracts
 - Revenue streams
 - Costs
 - Fixed vs. Variable
 - Direct vs. Indirect
 - Supply and demand issues and their effects on pricing
 - Culture and morale issues
 - Operational issues

Case Execution

Case Execution Tips

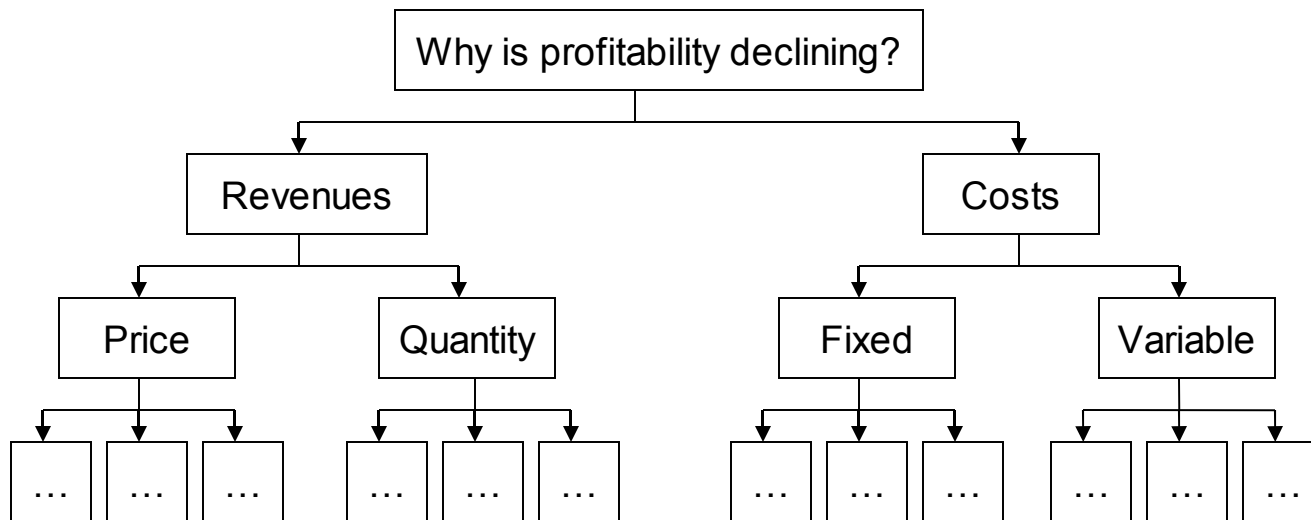
- Break case problems into distinct segments to create a structured roadmap
 - Use trees to set up analyses
 - The case question serves as the root and the problem components serve as the branches



- Once you've presented a roadmap, follow it!!!
- Be sure that your problem components are **"MECE"**
 - **"Mutually exclusive"**: No overlaps are present between issues to be investigated
 - **"Collective exhaustive"**: All potential high-level issue areas have been covered by the first-level branches of the tree

Case Execution Tips

- Example: An automobile dealership is experiencing declining profits. What could be the problem?



Case Execution Tips

- Don't be afraid to ask questions if you don't understand something
- Use frameworks, but don't let your interviewer recognize that you are using frameworks
- Assumptions are powerful, but use them wisely
- Be quick, but correct, when doing math calculations
- Be confident in your analysis, but be open to changing direction if guided to do so

“The First Four Steps”

- Summarize the question
- Verify the objectives
- Ask clarifying questions
- Lay out your structure

The information from this slide and the ten slides that follow were adapted from “Case in Point” by Mark Consentino

Types of Cases

- Entering a new market
 - Step 1: Investigate the market to determine whether entering the market would make good business sense → Assess market attractiveness
 - Step 2: If you decide to enter the market, you need to figure out the best way to become a player
 - Start from scratch
 - Acquire an existing player
 - Form a joint venture or strategic alliance with another player

Types of Cases

- Developing a new product
 - Step 1: Think about the product
 - Step 2: Think about your market strategy
 - Step 3: Think about your potential customers
 - Step 4: Think about financing the project

Types of Cases

- Pricing strategies
 - Step 1: Investigate the product
 - Step 2: Choose a pricing strategy
 - Cost-based pricing vs. Price-based costing
 - Cost-based pricing: Determining the cost of a product, choosing a desired profit margin, and generating a sales price
 - Price-based costing: Choosing a desired sales price and costing out production to meet that sales price with a desired profit margin
 - Supply and demand forces

Types of Cases

- Growth strategies
 - Step 1: Ask feeler questions
 - Ask questions to determine the nature of growth that your interviewer is looking for (focusing on product, division, or the entire company)
 - Step 2: Choose a growth strategy
 - Some options are increasing sales, increasing distribution channels, increasing product line, invest in a major marketing campaign, diversify products/services, or acquisition of another firm

Types of Cases

- Starting a new business
 - Step 1: Investigate the market to make sure that entering the market makes good business sense
 - Step 2: Look at the project from a VC's point of view
 - Management team
 - Market and strategic plan
 - Distribution channels
 - Product
 - Customers
 - Finance

Types of Cases

- Competitive response
 - Step 1: Ask probing questions
 - What is the competitor's new product and how does it differ from ours?
 - What has the competitor done differently?
 - Have any other competitors picked up market share?
 - Step 2: Choose a response action
 - Examples: Acquiring the competitor or another player in the market, merging with a competitor, copy the competitor, hire the competitor's top management away, use marketing and public relations to increase your profile

Types of Cases

- Increasing sales
 - Step 1: Ask probing questions to gather information about the market and our product line
 - Step 2: Determine a strategy to increase your sales
 - Increase volume
 - Increase revenue from each sale (make buyers buy more)
 - Increase prices
 - Create seasonal balance

Types of Cases

- Reducing costs
 - Step 1: Ask for a breakdown of costs
 - Step 2: If any costs are out of line, determine why
 - Step 3: Benchmark competitors

Types of Cases

- Increasing profits
 - Step 1: Look at revenues
 - Step 2: Look at costs
 - Step 3: Determine whether you want to increase volume and how to do so
 - Example actions include expanding into new areas, increasing your sales force, increasing marketing, reducing prices, and improving customer service

Types of Cases

- Turnarounds
 - Step 1: Gather key information about the company and its situation
 - Step 2: Choose an appropriate action
 - Be creative, but base your action upon a structured and well thought-out plan

Practice Cases

Case Example Introduction

- The following case samples are provided to facilitate first-level analysis
- For each case, practice setting up the high-level tree that could be used to attack the problem (as shown earlier):
 - Place the key question for the case at the root of the tree
 - Break the problem into a set of solvable components and assign those components to the tree branches

Case Example

- Your client owns a professional football team that has just won the Super Bowl. Despite the Super Bowl victory, the team finished the season with a financial loss for the 5th season in a row.
- What could be the cause of the team's profitability problems? What would you recommend to reverse this past season's financial performance?

Case Example

- You are the owner of a small, but relatively successful, towing company with a handful locations throughout the Southeastern U.S. Two recent MBA graduates have approached you about purchasing the company.
- Should you accept the offer to sell your company?

Case Example

- Your client is an industry-leading security software company that is considering acquiring a data management software company.
- Should the client go through with the acquisition?

Case Example

- Your client is a national chain of fitness centers with locations in 35 major cities. The company is thinking of creating a sub-brand of gyms for the small-town market.
- Should they do it? What issues come into play when making this decision? Under what circumstances could the venture be successful?

Case Example

- A publishing company that has traditionally created news and entertainment magazines is thinking of introducing a new sports-focused magazine.
- Should they do it?

Case Example

- You have taken over as the Executive Director of a non-profit that has had trouble raising enough money to fund its programs.
- What could the problem be? What can be done to resolve the issue?

Case Example

- You have just accepted a job as the Superintendent of city school district where more than 90% of the students have scored below proficient in English and Math for the past 15 years.
- How will you solve this long-standing academic performance problem? What resources would you need to implement your plan?

Case Example

- Your client is a beverage company that was excited to see its sponsored cyclist win the Tour de France. That is, until authorities announced that the cyclist had tested positive for performance-enhancing drugs.
- What sort of “damage control” does the company have to do in light of this event? Will there be any negative effects on the company’s brand as a result of this discovery?

Case Example

- Your client is an enterprise software company that has spent over \$100M developing a new product that isn't selling well.
- What could the problem be and what can they do to resolve the situation?

Case Example

- A friend of yours is considering becoming a franchisee of a national fast-food chain.
- What issues should he be thinking about in making his decision? And, do you think he should open the franchise?