

Preparing for a Case Interview

The case interview provides the opportunity for you to showcase your analytical skills, the flexibility of your thinking and your ability to perform within time constraints. You should PRACTICE for your case interviews.

Interview cases are often drawn from the interviewers' experiences. Although cases may be approached using frameworks (discussed below), it is impossible to predict the cases you will be given, and most interviewees are best served by practice. Typically, interviewers are prepared to volunteer a significant amount of information at your request to assist you in making assumptions to solve the case.

The case interview requires you to analyze a business situation that is presented to you by the interviewer. Your job is to ask logical questions that will enable you to provide a recommendation. During the interview, employers are observing your business instincts and ability to:

- Solve complex problems with a logical thought process
- Use a structured, hypothesis-driven approach
- Be comfortable with case facts, as well as the ambiguity of the situation
- Synthesize information and draw conclusions

Analytical Frameworks

Cost/Revenue Model

- Costs are the sum of cost of goods sold (fixed and variable cost) plus engineering, development, sales, and general and administrative expenses
- Revenues are the sum of volumes times price, where price varies by the segment it serves
- Investigate costs and revenues in absolute terms and relative to competitors

Supply/Demand Model

- Supply: price increases with quantity (upward sloping)
- Demand: price decreases with quantity (downward sloping)

Five Forces Model of an Industry

- Supplier power
- Buyer power (customer, distributor, or consumer)
- Replacement technologies (creating barriers to exit)
- New entrants (creating barriers to entry)

- Industry rivalry (competition)

Three Generic Strategies

- Low Cost
- Differentiation
- Focus

Levers of Financial Performance Balance Sheet Model

- ROE ratio of earnings to shareholder equity
- ROE is also = profit margin x inventory turns x financial leverage, where:
 - Profit margin = earnings / sales
 - Inventory turns = sales / assets
 - Financial leverage = assets / shareholder equity

http://www.bain.com/bainweb/Join_Bain/case_interviews.asp

Case Preparation

Listen to the Question

Listening is the most important skill a consultant has. The case isn't about you or the consultant. It's about the client. What are they really asking for? Pay particular attention to the last sentence – one word can change the entire case.

1. Take Notes

Taking notes during the case interview allows you to check back with the facts of the case. As someone once said, "The palest ink is stronger than the best memory." If you blank out, all the information is right in front of you.

2. Summarize the Question

After you are given the question, take a moment to summarize the highlights out loud:

- It shows the interviewer that you listened
- It allows you to hear the information again
- It keeps you from answering the wrong question

- o It fills the otherwise awkward pause when you're trying to think of something intelligent to say
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3. Verify the Objective(s)

Professional consultants always ask their clients to verify their objective(s). Even if the objectives seem obvious, there could be an additional underlying objective. When the objective seems apparent, phrase the questions differently: "One objective is to increase sales. Are there any other objectives I should know about?"

4. Ask Clarifying Questions

You ask questions for three main reasons:

- o To get additional information that will help you identify and label the question
- o To demonstrate to the interviewer that you are not shy about asking probing questions under difficult circumstances (something you'll be doing on a regular basis as a consultant)
- o To turn the question into a conversation. Nothing turns an interviewer off quicker than a five-minute monologue.
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5. Organize Your Answer

Identify and label your case, then lay out your structure. This is the hardest part of a case – and the most crucial. It drives your case and is often the major reason behind whether you get called back.

6. Hold that Thought

The interviewer wants you to think out loud, but think before speak. If you make a statement that is way off-base in an interview, the interviewer will wonder if he can trust you in front of a client.

7. Manage Your Time

Your answer should be as linear as possible. Don't get bogged down in the details. Answer from a macro-level and move the answer forward. Stay focused on the original question.

8. By the Numbers

If possible, try to work numbers into your answer. Demonstrate that you think quantitatively and that you are comfortable with numbers.

9. Accept Coaching/Feedback

Listen to the interviewer's feedback. Is she trying to guide you back on track? Pay attention to her body language. Are you boring her or is she enthralled?

10. Be Creative and Brainstorm

Consulting firms like liberal arts candidates with intellectual curiosity who can "think outside the box" and offer up a new and interesting perspective.

11. Exude Enthusiasm and a Positive Attitude

Recruiters want people who are excited by problem solving and can carry that enthusiasm throughout the entire interview.

12. Bring Closure and Summarize

Create a sense of closure by summarizing the case. Review your findings, restate your suggestions, and make recommendations.

Case Preparation - Tips

- Take graph paper into the interview. It helps you organize your thoughts, keeps the numbers lined up when you multiply and add, and reminds you to try to graph part of your answer.
- Practice your math, particularly multiplication and percentages. Almost all recruiters **will not** let you take a calculator into the interview. Most students make math mistakes. They are usually off by a zero or two.
- Ask for numbers. If the numbers aren't an important part of the case they will more than likely tell you not to focus on them.
- There may be several issues to be addressed in order to reach a conclusion. Prioritize and then address the issues one at a time, your interviewer may not expect you to get through all of them in the allotted time.
- Turn the interview into a conversation. A five minute monologue will do more to hurt your chances than any other mistake. Remember, you ask questions not only to get additional information, but to draw the interviewer into the case with you.

- Listen to the question, write it down; and then repeat it to the interviewer. Candidates are always answering the wrong questions because they don't take the time to identify what the interviewer is really asking.
- Think before you answer. I see it all the time; people can't give me the answer fast enough. Slow down. Don't jump off the mark and give the first answer that pops into your head. Take your time and analyze the information.
- If you get lost during your answer the first thing to do is to stop and summarize what you done so far. This will lift you out of the mud of details and hopefully show you a new path to take. If this doesn't work then ask the interviewer for some guidance.
- While most cases are given verbally, some firms give a written case. The candidate is given 15 to 20 minutes to read the case and make notes. He/she is then questioned about the case. Sometimes this is done one on one, other times the candidate is brought in as part of a group to solve the case. This is done to see how well a candidate can work as part of a team with strangers. Is the candidate trying to dominate the interview or are they building on what another candidate said? Are they communicating laterally as well as vertically?

Additional Case Interview Basics:

The First 4 Steps

1. Summarize the question
2. Verify the client's objective
3. Ask clarifying questions about the company, industry, market, products and competition.
4. Layout your structure

The 12 Most Popular Case Scenarios

Business cases traditionally have focused on either business strategy or business operations. However, with today's more complex cases, candidates are getting cases that cover both categories and multiple scenarios.

Strategy Scenarios

Entering a new market

Developing a new product

Pricing Strategies

Operating Scenarios

Increasing sales

Reducing Costs

Improving the bottom line

Growth Strategies

Turnarounds

Mergers & Acquisitions

Starting a new business

Competitive response

Industry Analysis

Entering a New Market – Things you need to be thinking about.

Step 1: Investigate the current market to determine whether entering the market would make good business sense.

- Who is our competition?
- What size market share does each competitor have?
- How do their products/services compare to ours?
- Are there any barriers to entry? Such as government regulations, access to distribution channels, capital requirements.

Step 2: If we decide to enter the market, what is the best way?

There are three main ways to enter a market.

- Start from scratch
- Acquire an existing business
- Form a joint venture

Analyze the pros and cons of each. This is sometimes called cost-benefit analysis. You can use this whenever you are trying to decide whether or not to proceed with a decision.

THE FIVE C's and 4 P's

There are two elementary frameworks that can do the job. You're not going to blow anyone away with these, but you won't drown either. They will allow you to touch on all the main points and appear fairly well organized.

FIVE C's

Company

Costs

Competition

Four P's

Product

Price

Placement

Consumer

Promotion

Channels

http://www.casequestions.com/cases_sample.cfm

Other Tips:

- Maintain eye contact. Eye contact will help you engage the interviewer, establish rapport, and contribute to the interactivity of the interview.
- Project confidence. Your ability to work the case confidently, without getting flustered or frustrated, is key.
- Demonstrate your enthusiasm. Behaving as though you feel it's fun to tackle this kind of problem is integral to showing how well you'd fit in as a consultant or whatever position you're interviewing for. Assure your interviewer through your enthusiastic demeanor that you are exactly the kind of person he or she would enjoy working with.