Case Interviewing Overview

Colorado College Career Center

Created in part through resources provided by Marc Cosentino

This is not a comprehensive resource! Use it as a starting point to prepare for case interviews.

Utilize the Consulting Club, the Career Center, and other resources to continue learning about case interviews and how to prepare for them.

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What are case interviews?

- Consulting case interviews are a type of job interview **used to evaluate the problem-solving and analytical skills of job candidates**

- It is most commonly used by consulting firms, but increasingly used by other industries (including finance, government, and others)

- In a case interview, the **interviewer presents the candidate with a business problem** or scenario and **asks them to analyze the situation, identify the key issues, and develop a recommended solution**.

- The candidate is expected to **ask clarifying questions**, **gather data and information**, and **apply their business knowledge and problem-solving skills to arrive at a thoughtful and actionable solution**.

- These interviews are designed to simulate the types of real-world business problems that consultants face and to assess the candidate's ability to think critically and communicate effectively.

What are recruiters/interviewers looking for?*

- Structure of thought
  - Most important!
  - How organized and rational is your approach to the problem?
- Confidence
  - How well are you able to defend your answers and commit to a recommendation?
- Communication skills
  - How well are you communicating your thought process, strategy, actions, and recommendations?
- Creativity
  - Are you able to think of innovative factors, strategies, and solutions that are still in line with the objective and client's definition of success?

- *Information from Marc Cosentino, author of Case in Point

What skills are required for case interviews?

- Communication
- Problem solving
- Critical thinking
- Mental math
- Organization

How will candidates be evaluated?*

- Analytics
  - Structured framework
  - Quantitative acumen
  - Good use of provided data

- Communication
  - Eye contact
  - Articulation
  - Listening
  - Asking probing questions
  - Note layout

- Personal
  - Enthusiasm
  - Self-confidence
  - Teamwork and Engagement
  - Logic, original thought, creativity and intellectual curiosity

*Information from
Marc Cosentino,
author of Case in Point

Types of Cases

Market Sizing and Business Cases

Market Sizing overview*

- **Market sizing = a prompt to determine the size or amount of something**
  - Can be a stand alone question or part of another case
  - Answer should be based off of logic and assumptions
    - Assumptions can be wrong, but should have a rational
  - Requires a structure (see slide 17)
  - Can ask clarifying questions
- Types of market sizing questions
  - Population based questions → questions answered by breaking down population by generation
  - Household questions → questions answered by breaking down population by income level
  - Worldwide questions → questions asking about a worldwide amount
  - Preposterous questions → absurd questions designed to test problem solving skills (not frequently asked by consulting firms)

- *Information from Marc Cosentino, author of Case in Point

Market Sizing overview, slide two*

- Population based questions → questions answered by breaking down population by generation
  - Ex: How many cups of coffee are consumed in the U.S. on a typical day?
    - Start to solve this by breaking the U.S. population into different generations and assuming about how many people in each generation drink coffee (Ex: 25% of 0-20 y/o versus 75% of 21-40 y/o, etc.)
    - Then estimate how many cups of coffee people drink in a day depending on their lifestyle

- Household questions → questions answered by breaking down population by income level
  - Ex: How many televisions are there in the U.S.?
    - Start to solve this by dividing U.S. population by income level and estimating how many TVs a family has based on income

- Worldwide questions → questions asking about a worldwide amount
  - Ex: How many pairs of shoes will be sold worldwide this year?
    - Start to solve this by picking one country and extrapolating out, considering what percentage that country account for the worldwide total (ex: the U.S. accounts for 15% of the worldwide shoe sales)
    - To solve this question in a country, divide the population by generation and estimate how many each generation buys in a year

- Preposterous questions → absurd questions designed to test problem solving skills (not frequently asked by consulting firms)
  - Ex: How many slices of pizza does it take to reach the moon?
    - There is no set strategy to solve this. Do the best you can, be flexible in your thinking, and try to have fun with it

- *Information from Marc Cosentino, author of Case in Point

Market Sizing overview, slide three*

Key numbers and estimations to memorize:

- US Population: 320 million people

- Average American life expectancy: 80 years

- Assume 80 million per 20-year generation → there are 80 million people aged 0-20, 21-40, etc.

- There are 100 million US households

- U.S. Households by Income
  - 30 million high income households
  - 50 million middle income households
  - 20 million low income households

- *Information from Marc Cosentino, author of Case in Point

Business cases

- Business case = a prompt to solve a business problem experienced by a client

- Most case interviews will be a business case; this remainder of this PowerPoint will focus on Business Cases

Types of Business Cases: Interview Style

Interview*er* led versus interview*ee* led

- Interview*er* led cases refer to cases that are driver by the interviewer; the interviewer determines when information is available.

- Interview*ee* led cases refer to cases driven by the candidate; the candidate needs to respond to a broad prompt with minimal information by asking effective questions to create a structure

- Interview*ee* cases are more commonly used.

Research a company to learn more about it's interview process. Ask the Career Center for help on how to do this.

Types of Business Cases: Topics of Cases*

- **Profit and loss** → requires a review of the company's profits (P=R-C) as well as the market (M) and external (E) factors; use E(P=R-C)M to indicate that profit needs to be analyzed in context of the market and external factors

- **Entering a new market** (ex: mergers & acquisitions, new product, etc.) → requires a review of the client, the new market, and how to enter

- **Pricing** → requires an understanding of company objectives, competitors/market, supply and demand, and the different methods to price a product

- **Growing a company** → requires an understanding of revenue

- Note: even if a case doesn't fall perfectly into one of these topics, always aim to make note of the key concepts in a case

- *Information from Marc Cosentino, author of Case in Point

Types of Business Cases: Topics of Cases with Examples*

- **Profit and loss example:** Our client manufactures high-end athletic footwear. Sales are up but profits are down in Europe. What's going on, and how do we fix it?

- **Entering a new market example:** Your client, Company Z, manufactures hair products. The company is thinking about entering the sunscreen market. Is this a good idea?

- **Pricing example:** Company S is coming out with a new tablet. How should they price it?

- **Growing a company example:** BBB Electronics wants to increase its sales so it can claim it is the largest distributor of the K6 double-prong lightning rod. How can BBB reach its goal?

- *Information from Marc Cosentino, author of Case in Point

Steps of a Case

- First five steps:*
    1. Summarize the question → What is the most important information in the prompt? What numbers do you need to quantify and confirm?
    2. Verify the objectives → What is the primary goal of the case? Are there any other objectives not yet disclosed?
    3. Ask clarifying questions → What did you not understand? What additional information do you need?
        1. Clarifying questions should not advance case; rather they should establish the foundation of the case
    4. Lay out structure → What do you want to analyze and in what order? What additional questions do you have about specific parts of your structure?
    5. State hypothesis → What is your initial assessment of the problem and how to solve it?
        1. A hypothesis should be short (1-sentence) and serves as starting point; it can be changed as the case progresses

- Step six: Progress through structure

- Step seven: Provide recommendation

- Step eight: Provide a summary of case that provides very brief description of problem, the recommendation, and the thought process behind the recommendation

- *Information from Marc Cosentino, Case in Point

Structure of a case

- Structure of a case (sometimes referred to as a framework) refers to how one is organizing their strategic approach to the problem in the case
- Structures need to be tailored to the case
  - Structures can be informed by generic frameworks (such as a generic pricing framework), but cannot be exact replicas of them; more information about frameworks can be found in Case in Point by Marc Cosentino; copy is included in Consulting Club Google Drive
  - A tailored structure leads to a better strategy and demonstration of critical thinking skills
  - Structures should be created based off the information provided in the prompt and the answers to questions asked to interviewer
- Structures should also be mutually exclusive and collectively exhaustive (MECE)*
  - This means a structure should be comprehensive but is not repetitive/includes overlap in topics

- *Information from Marc Consentino, author of Case in Point

Clarifying Questions to ask about Company & Market*

Company

- Profits & Revenues For The Last 3 Years?
- Customer Segmentations
  - Characteristics?
  - Changing Needs?
  - Profits By Segment?
- Product Mix
  - Costs, Margins?
  - Differentiation?
  - Market Share?
- Production Capabilities / Capacity?
- Brand?
- Distribution Channels?
- What Constitutes Success?

Market

- Market size, growth rate and trends?
- Lifecycle?
- Industry drivers?
- Customer segmentation(s)?
- Margins?
- Industry changes?
- Distribution channels?
- Major players & market share?
- Product differentiation?
- Barriers to entry / exit?

*Information from Marc Cosentino, author of Case in Point

Recommendation*

- **Each case should culminate with at least one recommendation to the client**
- When proposing recommendation at the end of the case, **candidates should lead with recommendation and be definitive** (no "I think" statements)
- After stating the recommendation, explain why it is the chosen recommendation
  - Remember: the recommendation needs to satisfy client and objectives; explain the recommendation so that the client is sold on recommendation
- Acknowledge risks of recommendation
- Explain next steps
  - Distinguishing short term (18-24 months) next steps from long term (24+ months) next steps is ideal
- Be prepared to defend recommendation
- Providing visuals to support recommendation is encouraged

- *Information from Marc Cosentino, author of Case in Point

Math*

- Every case requires rudimentary math skills
- All math needs to be done without a calculator
- Common math problems include:
  - Percentages / breakevens
  - Weighted averages / Return on Investment (ROI)
  - Net Present Value (NPV)
  - Multiplication/division with lots of zeros
- It is *required* to walk the interviewer through the math problem
  - Lay out formula
  - Fill in numbers
  - Calculate; verbally describe calculations as much as possible to ensure interviewer understands approach and can catch mistakes
- Before saying the answer, **asses answer to ensure it makes sense in the context of the problem**

- *Information from Marc Cosentino, author of Case in Point

Graphs*

- Graphs are frequently included in case interviews
- When presented with a graph:
  1. Review graph for the topic and how it fits in with case topic, hypothesis, and structure
  2. Describe initial observations of the graph in 2-3 sentences
  3. Analyze the graph in the context of the objective and other provided information
     a) First, ask for time to analyze graph
  4. Explain the key insights of the graph and how it's relevant to the case
     a) Begin the explanation with most important finding

- *Information from Marc Cosentino, author of Case in Point

Case Notes

- Written notes should be taken for *every case*! This is a must!
- Clear and organized case notes are *essential*
  - They help organize thoughts and strategy
  - Interviewers may ask to see notes as a part of their assessment
- Recommended case note structure on next slide

Recommended Case Note Structure

The left third of the page should be devoted to information given in prompt and questions.

The right 2/3s of the page should be devoted to the objective and notes relating to structure.

The objective(s) should be clearly written at the top so they can continually be referred to.

Write out the overall structure and then have separate sections for each component of the structure.

_____

_____

Recommendations for Case Notes

- Number each page

- Math calculations can be on separate pages, but they should be organized (meaning the thought process and how they fit into strategy is clear) and clearly labeled

- Star the most important points

- Writing notes should *not* be time intensive → utilize symbols and abbreviations (that will be easy to understand)

- Notes should be laid out in front of candidate

Reminders*

- Usually, there is no right answer
  - The goal is to provide a well-thought out answer that can be effectively defended
- Dialogue is more important than consensus
  - Communicate thought process and steps taken as much as possible; this is true for all parts of the case, including mental math
- Put yourself in client's shoes
- Deliver outcomes
- Before stating answers, double check they make sense
  - Consider if the number/answer is logical given information provided
- Quantify the relationship between numbers as percentages

- *Information from Marc Consentino, author of Case in Point

How can CC students prepare?

- PRACTICE!
  - The Career Center staff can meet to practice cases
  - The Consulting Club meetings often provide opportunities to practice
  - Use the Consulting Club GroupMe to find practice partners

- Supplement practice by watching videos and reading cases
  - Videos can be found on YouTube (ex: on the Management Consultant channel) and company websites
  - Cases (to watch, read, and practice) can be found in the Consulting Club Google Drive, on company websites, and more

- Learn and review business concepts
  - Take Principals of Financial Accounting
  - Enroll in the Career Center's Half Block Financial Modeling Wall Street Prep course