

# Principles by IUCG:

*Mastering the Case Interview*



# OVERVIEW

Case interviews challenge one to think on their feet, analyze problems, and develop creative solutions. While the Management Consulting industry has utilized this tool for decades, case interviews have infiltrated many other industries including marketing, healthcare, and investment banking. Mastering the case interview is a key skill that can separate yourself from the other hiring candidates.

## *What is a Case Interview?*

During a case interview, the applicant is given a question, situation, or challenge and is asked to resolve the situation by recommending a potential solution. The case presented is often a real business case that the interviewer has worked on during their career. Case interviews are purposely designed to increase the pressure most people feel during a traditional, behavioral interview. Interviewers want to gain access to a candidate's thought process and analytical skills. The process one utilizes to reach a solution is valued more than the sole answer.



## *Behavioral Interview*

The behavioral aspects of an interview are usually the precursor to the case interview. It is imperative that you do your research on both the company and yourself. You should be able to answer questions like:

- Why consulting?*
- Why do you want to work for our company?*
- Give me an example of a time where you took initiative.*
- Why are you a good candidate for this position?*

It is typical of interviewers to also ask candidates a **market sizing** question during the behavioral part of the interview.

# MARKET SIZING

## *What is a Market Sizing question?*

Market sizing questions ask you to make an estimate of a quantitative variable that answers a question relating to the size of a certain market. Essentially, these kind of questions ask you to make a *guesstimate*. It is important to keep in mind that the process you take is greater than the final solution.

## **EXAMPLE: HOW MANY CUPS OF WATER ARE DISPENSED PER DAY AT HAMPSHIRE DINING COMMONS?**

### *Steps*

#### **1. State your Assumptions**

- A. Acknowledge that you do not know exact figures or facts
- B. Example: “*I am going to assume that the average individual consumes 6 oz. of water with one meal.*”

#### **2. Find your Proxy**

- A. The proxy is your starting point
- B. Example: “*I am going to say there are 5,000 residents in the Southwest living area.*”

#### **3. Structure the Problem**

- A. Utilize either a **bottom-up** or **top-down** method

#### **4. Simplify and Solve**

- A. Manipulate **figures to know** into numbers that are easy to work with to make math simplifications easier

### *Methods*

#### **1. Bottom-up:** starts with a small example (something local or personal) and extrapolates up to the necessary size

Example: How many gas stations are in the United States? “Well, there are five in my town of 10,000 people...”

#### **2. Top-down:** Starts large (with an entire country or industry) and works down to the necessary size

Example: How many cell phones are sold in the United States annually? “Well, there are 320 million people in the United States....”

## ***Figures to Know***

Knowing basic demographic information about the United States can make market sizing questions easier to approach. These can act as quick starting points.

US Population: <b>320 Million</b>	Average Lifespan: <b>80 Years</b>	Age distribution: <b>4 Million</b> (for each level)
Male to Female Ratio: <b>50/50</b>	People per Household: <b>3</b>	Households in the US: <b>100 Million</b>

## **TYPES OF CASES**

### ***Written Case Study – Paper Driven***

During a written case study, you are given a set time to read, analyze, and formulate an answer to a case. After you are handed the deck of information, the interviewer may leave the room as you formulate your writing. At the conclusion of time, you will either present your conclusion to the interviewer or turn in your completed writing.

#### **STEPS**

1. Read the question first
2. Find the numbers
3. Manage your time
4. Formulate a well thought out presentation

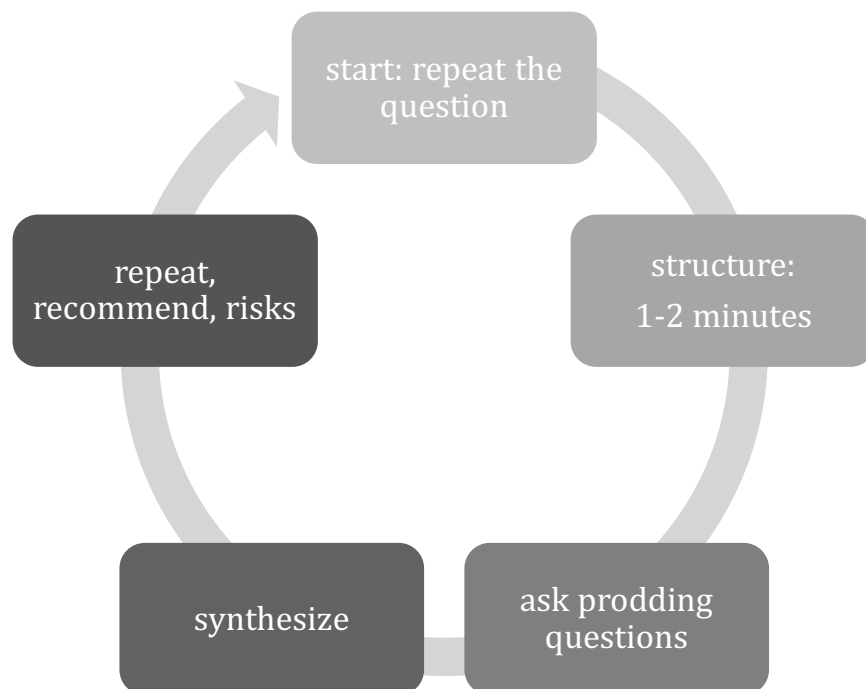
**IUCG TIP: READ THE CONCLUSION FIRST – If there is a conclusion it will summarize the key ideas and give you a reference point on what you are about to read.**

### ***Interviewee Led Case Study***

During an interviewee led case study the interviewer gives the interviewee only a few sentences of information. You are expected to ask questions to get information that will guide your analysis and factor into your conclusions. The average interviewee led case study lasts between **30-40 minutes**. The materials you are given consists of one piece of paper and a pen.

### *Etiquette – What to do and what NOT to do*

1. **Start:** repeat the question in your own words and ask if there are any other problems that should be looked into
2. **Beginning:** Ask for 1-2 minutes to structure your thought process by utilizing a **framework**
3. **Core:** the majority of your time is going to be conversation catalyzed by your questions but keep in mind there ARE stupid questions
  - a. Do not ask the same question twice
4. **Finish:** Synthesize your answers! Connect your findings back to the core business problem
  - a. Repeat the problem you worked to solve
  - b. Give a concise recommendation and explain how you arrived at this conclusion
  - c. Mention the potential risks associated with your recommendation



**IUCG TIP: When things go wrong, stay calm and don't be afraid to ask for 30 seconds to think. If you are really stuck ask for help!**

# FRAMEWORKS

## *Profitability Framework*

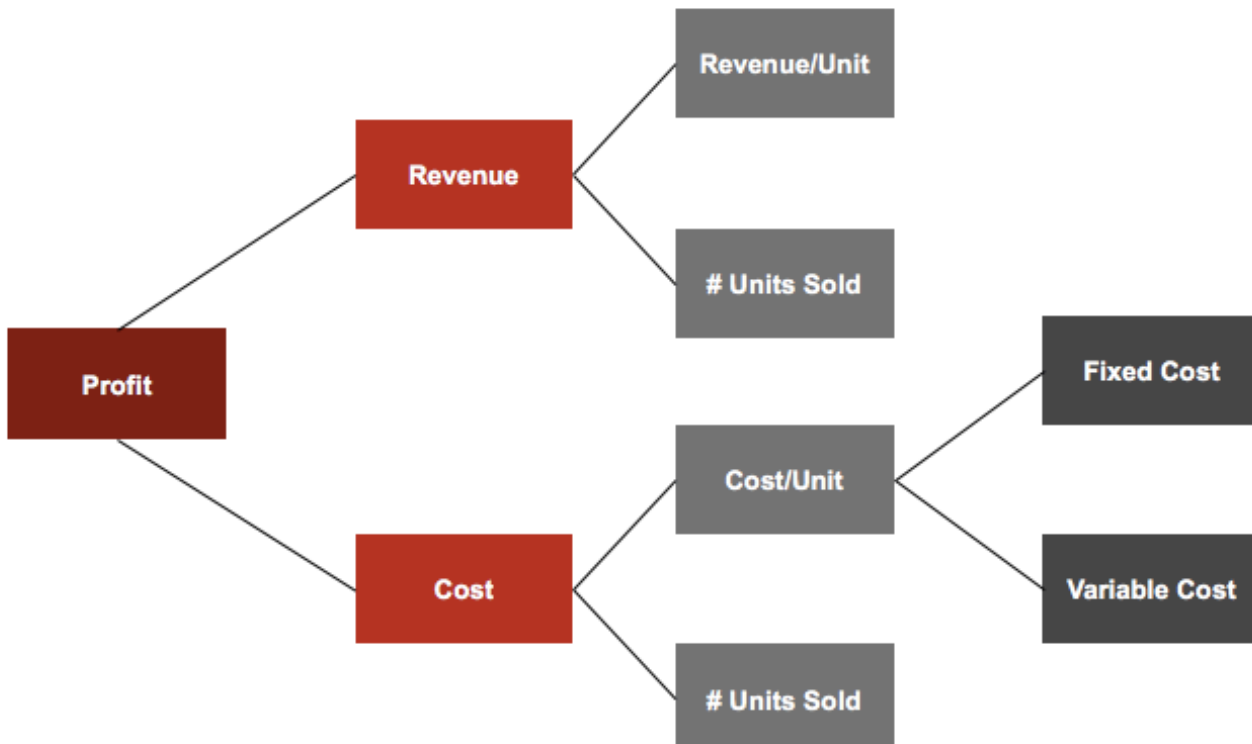
The profitability framework is one of the most popular frameworks. It is used to address a company that has problems with their bottom line. You want to understand what is mathematically driving the business problem and why this is happening. When using this framework, it is important to segment the numbers you utilize. Possible segments to explore include:

### Revenue

- Product or product line
- Region/demographics
- Distribution channel
- Type of customer: regular, new, big, small

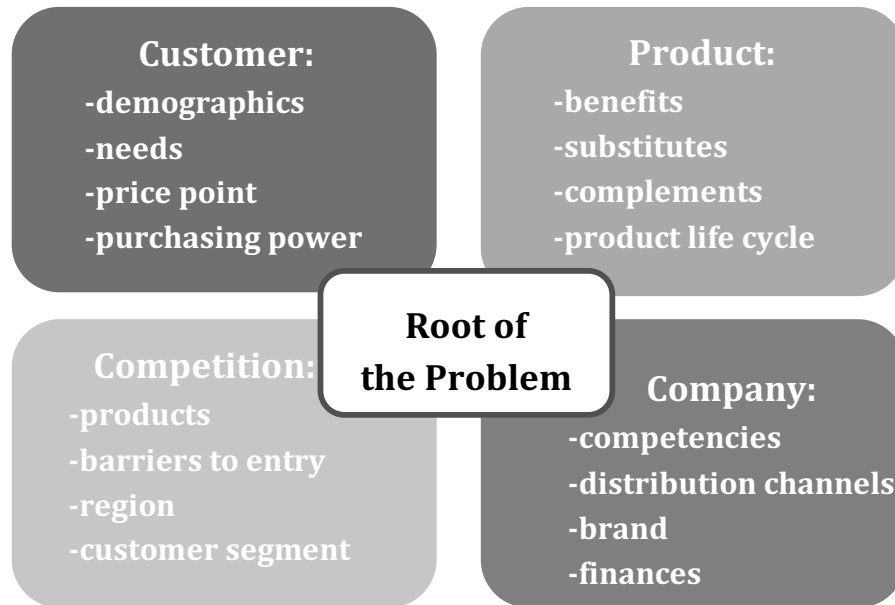
### Costs

- Fixed vs. variable
- Value chain
- Total costs, cost per unit



## ***Business Situation Framework***

This framework investigates and analyzes the company as well as the company's customers, products, and competitors. You should ask yourself questions like: who is the customer? What are the company's core competencies? What product or service are they selling? Who is the competition?



## **NEXT STEPS**

While it is important that you have general background knowledge on case interviews, delving deeper into case interview research and practicing your skills will make you a stronger candidate for the job. Here are some helpful steps you can take next:

1. **Review:** Additional reading will supplement your background knowledge of case interviews. We recommend the following books:
  - a. *Case Interview Secrets* by Victor Cheng
  - b. *Case in Point* by Marc Cosentino
2. **Practice:** the only way to improve your case interview skills is through practice! Here is what you can do:
  - a. Practice writing openings to case questions, work on your structure and apply frameworks
  - b. Grab a partner and perform live cases

- c. Market sizing questions
- d. Mental math practice:  
<https://www.caseinterview.com/math/home.php>

### 3. Research

- a. The consulting industry
- b. The company you are interviewing with
- c. Current events

## ADDITIONAL RESOURCES

### *Preparation Resources*

#### **McKinsey Interview Advice:**

[www.mckinsey.com/careers/join\\_us/interview\\_prep](http://www.mckinsey.com/careers/join_us/interview_prep)

#### **BCG Interview Advice:**

[www.careers.bcg.com/join/practice\\_cases.aspx](http://www.careers.bcg.com/join/practice_cases.aspx)

#### **Bain Interview Advice:**

<http://www.bain.com/careers/interview-preparation/index.aspx>

#### **Oliver Wyman Case Simulations:**

<http://www.oliverwyman.com/careers/entry-level/interview-preparation.html#Casesimulations>

#### **Case Interview Secrets Website:**

[www.caseinterview.com](http://www.caseinterview.com)