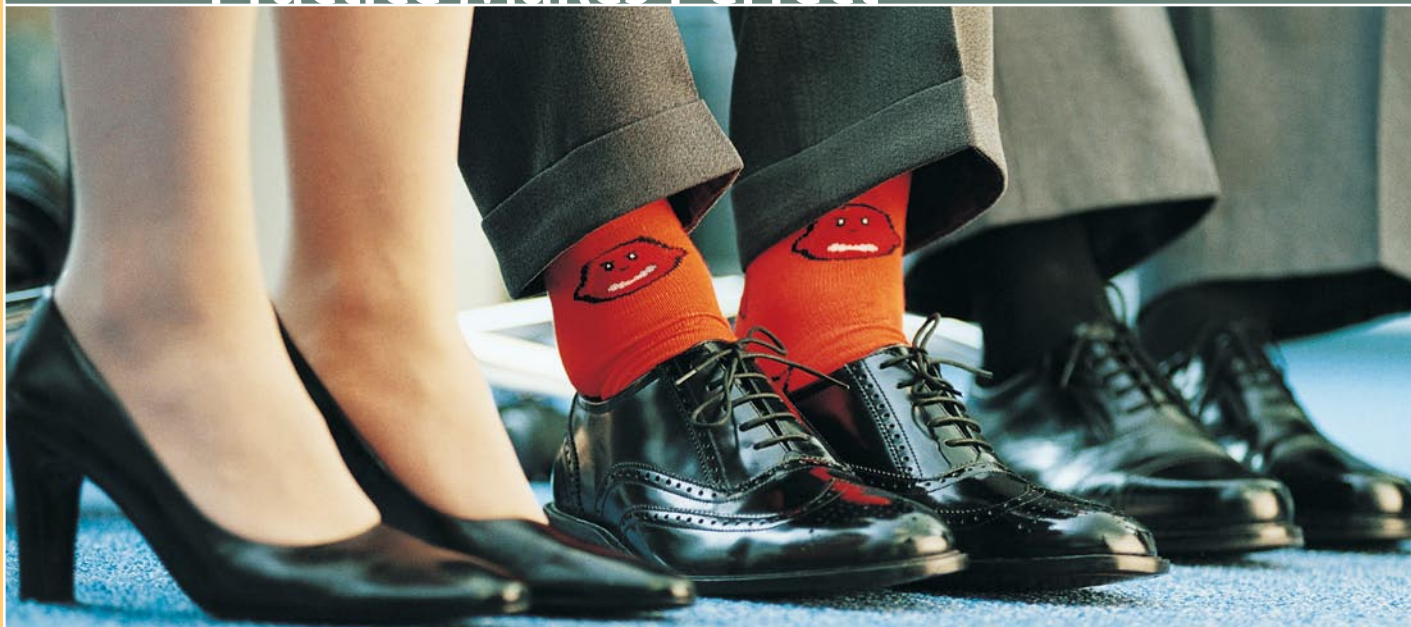


# Ace Your Case® III

## Practice Makes Perfect



## **WetFeet** Insider Guide

2nd Edition

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# Ace Your Case<sup>®</sup> II: Practice Makes Perfect

2nd Edition

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## **Ace Your Case® III: Practice Makes Perfect**

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# Ace Your Case III at a Glance

## Case-by-Case Rules

Here's a summary of the different types of cases you'll find in this report, along with some rules that should help you ace your answer.

### Market-Sizing Questions

- Use round numbers
- Show your work
- Use paper and calculator

### Business Operations Questions

- Isolate the main issue
- Apply a framework
- Think “action”

### Business Strategy Questions

- Think “frameworks”
- Ask questions
- Work from big to small

### Resume Cases

- Know your story
- Keep the Parent Test in mind
- Let your excitement shine



# The Interview Unplugged

- Overview
- The Case Interview

# Overview

When it comes to preparing for your case interviews, there's one word and one word only: practice. By now, you're spending all of your spare time thinking about why Dell is getting into printers, why the utility industry is consolidating, and how much mustard is consumed in Idaho. Your family thinks you're strange, but you're on the right track. By now, you're probably even starting to enjoy thinking about these issues. Watch out: You might be turning into a consultant.

This guide is designed to be a companion volume to *Ace Your Case* and *Ace Your Case II*. It offers more-detailed explanations about different case types and more sample questions. We've also incorporated information from you, our customers, about what you're hearing in the cubicle. Many of our sample case questions here are based on real, live case questions that people received in their interviews last year.

For those who haven't seen our other case-interviewing guides, *Ace Your Case* discusses the consulting interview in general and offers a primer containing a number of common frameworks and B-school-type tools (watch out for the 3Cs and the 4Ps, not to mention the infamous Five Forces) that should help you attack your case questions. *Ace Your Case II* contains 15 specific case questions and detailed recommended answers.

A word about how to use this guide: We strongly recommend that you try to solve the questions first, without looking at the answers. After you've given them your best shot, go ahead and check out our recommended answers. If you find that our "good answer" differs from yours, see if there's something you can learn from our suggestions. But don't panic—there are usually

numerous ways to answer any case question. It's far more important to note the approach and the likely responses from the interviewer. As you sharpen those skills, keep thinking to yourself, "I love these case questions!" Pretty soon you'll find yourself talking like a consultant!

# The Case Interview

## Background

Many management consulting firms, especially the strategy firms (McKinsey, The Boston Consulting Group, Bain, Mercer, et al.) love to give prospective employees a problem to solve during the course of the interview. These problem-solving exercises, known generally as "case questions," are designed to help the interviewer screen candidates and determine which people really have what it takes to be a real, live, card-carrying management consultant.

Case questions come in many forms and levels of complexity. To help you get a handle on them, we have identified four different categories of questions:

1. Market-sizing questions
2. Business operations questions
3. Business strategy questions
4. Resume questions

“ ”

**Try to make the interview more of a dialogue between equals. Try to have fun.**

(Note that we are not covering the brainteaser category in this Insider Guide. Consulting firms rarely ask brainteaser questions; other types of cases give much more insight into the type of thinking that makes a good consultant.)

Each of these prototypes has certain distinguishing features, which we discuss below. In addition, our insiders recommend certain “rules of the road” that should help you successfully navigate the different types of questions. Don’t worry—you’ll never be asked to spit out a category name and serial number for the questions you receive in the interview cubicle. Nevertheless, if you can identify the type of question, you will have a better idea about how to effectively attack the problem.

## What Your Interviewer Is Seeking

It may seem as if your interviewer is using the case technique for one purpose alone: to humiliate prospective consultants. Although a few interviewers do seem to take a perverse pleasure in watching candidates writhe, this isn’t the top goal of the technique. According to insiders, case questions really do help them evaluate a candidate’s aptitude for consulting. What does that mean exactly? Whether you’re an undergrad, an MBA, or a PhD, consulting interviewers will likely depend on the case questions to check you out on the following dimensions:

- Analytical ability
- Intelligence
- Ability to not break into hives under pressure
- Common sense
- Ability to think on your feet
- Interest in problem solving

- Business intuition
- Facility with numbers
- Presentation skills
- Communication skills
- Ability to sort through information and focus on the key points
- Ability to analyze and then make recommendations based on the analysis
- Creativity
- Enthusiasm

Before you bid all your points to get an interview with name-your-consulting-firm, we recommend that you spend some time thinking about how consulting fits you. In particular, you must have good answers to two questions: Why do you want to be a consultant? And, why do you want to work for this firm?

If you have good answers to these two questions, then you're ready to start thinking about cases. We start by discussing the case interview as it relates to several categories of candidates: undergraduates, MBAs, advanced-degree candidates, and experienced hires.

### **Undergraduates**

Consulting interviewers tell us that the case questions and the expected answers for undergraduates tend to be simpler and more understandable than those for MBA students. Market-sizing questions are very popular (you will almost certainly get at least one of these), as are general business strategy problems. In the business strategy area, the companies and the topics may also seem a little more friendly; you're more likely to get a case about a beer company than about a company trying to license the latest packet-filtering technology for data encryption. Operations questions (with the exception of the ever-popular declining-profits question) are less common for undergraduates, and resume questions will more likely focus on academic or extracurricular activities than on work experiences.

Interviewers tell us that they often provide more prompting to undergraduate candidates during the interview. In evaluating your answer to a question, only the most sadistic interviewer would expect you to regurgitate all the standard business-school terminology and techniques (after all, how else could the company justify paying MBAs the big bucks?). But beware: Rank amateurs are definitely not welcome. Thus, you must have a general understanding of basic business relationships (e.g., revenues – costs = profits), but don't get your knickers in a knot if you can't name even one of the Five Forces.

Here are a few real, live case questions fielded by our undergraduate customers:

- Your client, a tire manufacturer, is evaluating entry into a new market: the market for four-wheel-drive-vehicle tires. How do you estimate the size of the market?
- What's the weight of the Statue of Liberty?
- If a publishing company wanted to start a new interior decorating magazine, what would it have to think about?
- If you're working for General Mills, and Kellogg's introduces a frequent-buyer program, should you follow suit?

### **MBAs**

MBAs have long been the heavy hitters of the consulting workforce. As a result, the case interview reaches its most sophisticated and demanding form in the MBA interview. All types of questions—from the simple market-sizer to the gnarliest of business strategy problems—are fair game. Practically any industry or functional issue area is possible material for the case question. An MBA candidate will be expected to be familiar with a number of the standard MBA frameworks and concepts. Also, the case will possibly have a few tricky twists or turns. For example, what might seem like a pure and simple international strategy question might be complicated by an unexpected restriction related to the European regulatory environment.

Interviewers tell us that most MBAs have a polished interview technique and understand the basics of many case problems. Therefore, they look for depth in the answer (what they describe as an ability to get several levels down in the answer) and a real familiarity with business concepts. We understand that at least some recruiters like to ask resume case questions because they provide an opportunity to get more detail about the candidate's background and problem-solving experiences.

Here are a few real, live case questions fielded by our MBA customers:

- How many AA batteries are sold in Montana in a year?
- A bank wants to reduce costs and asks you for advice about closing a specific branch. What should you consider?
- A wealthy entrepreneur has just bought a baseball team, and he asks you for advice on how to show increased profits in a year. What do you suggest?
- A pharmaceutical company is considering changing its sales strategy from using a sales force with geographic territories to using specific locations. What financial analysis would you use to see if this is worthwhile?

### **Advanced-Degree Candidates (Non-MBAs)**

Although consulting firms are attracting record numbers of MBA applicants, several of the top firms have started to look beyond traditional feeder programs to identify top talent. According to WetFeet customers and recruiters, the different firms have very different approaches to advanced degree candidates. McKinsey and BCG, among others, have launched aggressive recruiting programs aimed at PhDs, MDs, JDs, and others at the top schools. In the process, some of these firms have created customized recruiting and training programs for advanced-degree candidates. Other firms continue to consider advanced-degree candidates on a case-by-case basis, often pitting them against undergraduate or MBA candidates, depending on their background.

Whether or not you enter a separate recruiting track, we understand from our customers that the format for the interviews is similar to that of undergraduate and MBA recruiting programs. In other words, expect a heavy dose of case interview questions along with the general get-to-know-you queries. One slight difference is that, in addition to seeing whether or not you can handle the substance of the case question, the recruiter will also be looking to see “if [you] can break out of the PhD box.” In other words, can you adapt to the real world and answer questions without giving too much detail?

According to WetFeet customers, case questions for advanced-degree candidates usually don’t require you to carry your own MBA toolbox. Instead, the questions may relate to previous research (your resume is usually a font of material), or they may resemble undergraduate case studies that check a person’s intuition, common sense, analytical skills, and problem-solving abilities. According to interviewers at the firms, they may be more inclined to prompt candidates with questions, and they may be satisfied with a good, solid analytical answer that doesn’t necessarily incorporate all the latest business buzzwords.

Check out these case questions fielded by our advanced-degree customers:

- How many windows are there in Mexico City?
- Question for someone who had majored in international relations: Why have missiles with MIRVed warheads caused the most trouble in arms-control discussions?
- An automobile insurance company has asked you to tell it why it has been experiencing a decline in profits.
- American Express has hired you to help it increase the profitability of the Amex Green Card. What do you advise doing?

## Experienced Hires

If you are seeking to join a consulting firm from industry, or from another consulting firm, your interviewing experience may differ from that described in this report. According to WetFeet customers, experienced-hire candidates may or may not face a battery of case questions. There is no hard-and-fast rule, but it seems as though people with more experience (10-plus years), and people who have already worked for a name-brand consulting firm, are relatively unlikely to face a case as part of their review process. In contrast, people who have worked in industry for a few years and who are seeking to enter at a middle level are likely to go through a process similar to that used for MBAs (i.e., expect lots of cases). In particular, if you are changing careers (e.g., moving from nonprofit work to consulting) and not signing on as an industry authority, you'll probably be scrutinized for your consulting aptitude—as demonstrated by your ability to field case questions.

Typical case questions faced by our experienced-hire customers include:

- Your client is a struggling telecom firm. How would you turn it around?
- Your client is a U.S.-based company that sells telephones by mail. Mail sales of telephones are a small portion of the company's overall business, and sales are below average for mail-order sales of appliances. Should the client continue to sell phones in this way? If so, how should it make the operation more profitable?
- Specific questions related to their area of expertise.

## Company-Specific Variations

As you enter the ring with consultants from a variety of firms, you'll probably notice differences in the questions you receive, as well as the style and approach of the case interview. More often than not, these differences derive from the differences in the personalities and experiences of your interviewers. However, several firms have developed their own approach to the case interview. One variation involves giving a candidate a written case prior to the interview and asking him or her to prepare to discuss the case in detail during the interview. We understand that PricewaterhouseCoopers has given preprinted cases to candidates the night before an interview. Monitor Company has used a similar technique in which the candidate will be given materials before the interview. Monitor has also used a group interview technique that requires competing candidates to work with each other to solve a problem.

One other thing to keep in mind: Recruiters suggest that you would be wise to keep the firm's reputation and areas of strength in mind as you launch into your case answer. Firms that are known for a particular type of work are likely to be more sensitive to those issues in the case questions they give. For example, if you're interviewing with Towers Perrin, you shouldn't be surprised to find a "people issue" somewhere in the case. If you're talking with Deloitte Consulting, keep "operations" in mind as you craft an answer—and don't talk about how it's important to work only with the company's top management. And, if you're interviewing with Bain, remember how much importance the company attaches to "measurable results" and "data-driven" analysis.

# Case-by-Case Rules

- Market-Sizing Cases
- Business Operations Cases
- Business Strategy Cases
- Resume Cases

# Market-Sizing Cases

## Overview

Consultants love to ask market-sizing questions. Not only are they easy to create, discuss, and evaluate, they are also highly representative of an important type of work done by consultants. In their simplest form, market-sizing cases require the candidate to determine the size of a particular market (hence the name). In the real world, this information can be especially helpful when gauging the attractiveness of a new market. In the interview context, a market-sizing question might be pitched in an extremely straightforward format (e.g., “What is the market for surfboards in the United States?”). Or it may be disguised as a more complex question (e.g., “Do you think Fidelity should come out with a mutual fund targeted at high-net-worth individuals?”) which requires the respondent to peel away the extraneous detail in order to identify the market-sizing issue at the core. In a more highly developed variation, the interviewer might ask a strategy or operations case question that requires the respondent to do some market-sizing in order to come up with an appropriate recommendation.

## The Scorecard

Market-sizing questions allow the interviewer to test the candidate’s facility with numbers, powers of analysis, and common sense. For example, if you were asked to size the surfboard market, you would need to make basic assumptions about the market. (How many people surf? How many boards does a typical surfer dude own? How often will he or she get a new one? Are there other big purchasers besides individual surfers? Is there a market for used boards?) You