Best Case Thinking

In my years of training Harvard students to answer case questions; I’ve realized that the major problem many of my students had was simply getting started. Sometimes they were overwhelmed, sometimes they were nervous and sometimes they just didn’t have a clue. So in 1996, with the help of a student, I developed the Tomensen/Cosentino Case Framework. Over the years it has been successfully tested in thousands of case interviews. After hundreds of debriefings, I have redefined it, simplified it and renamed it. But the biggest change is that I turned it from a framework into a system, The Ivy Case System®.

A framework is a structure that helps you organize your thoughts and analyze the case in a logical manner. Often; however, you have to cut and paste from a number of frameworks in order to answer any single question. As I mentioned, the difference between a framework and a system is that the framework is really a tool, while a system is a process. Instead of memorizing seven individual frameworks and then trying to decide which one(s) to apply, you learn a system, which already has the tools built in.

The Ivy Case System® is a two-part system made up of five easy steps to get you going and four popular case scenarios, each equipped with a collection of ideas and questions that will help you structure the remainder of your response. If you follow through the outline I’ve given for each scenario, you can be confident that your response will be logical and cohesive. And because it is all based on business sense and common sense, you’ll find that there is nothing in there that you don’t already know... It is just organized a little differently.

The first five steps will provide you with a quick start (no long awkward pause between question and answer). They will get you five minutes into the question, give you momentum and provide you with enough information to decide which of the four scenarios (or whatever combination thereof) is most appropriate to the case question at hand.

You may want to read through the following explanation of the Ivy Case System® and then check out a practice case or two to see how the system can be applied. Then it will be time to revisit the system and learn it.

The interviewer has just finished giving you the case. Here’s what you do!

The First Five Steps

1. Summarize the question.
2. Verify the objective(s).
3. Ask clarifying questions.
4. Label the case and lay out your structure.
5. State your hypothesis.
[ 1. Summarize the Question. ]

Sometimes the question is short; “How do we increase sales at the campus bookstore?” Other times the question is long and involved and is filled with data that comes at you like a fire hose. It’s difficult to capture all that information in your notes, so the first step is to summarize the question. That way, if you missed something or wrote it down wrong, the interviewer will correct you before allowing you to move on. It puts you and the interviewer on the same page from the beginning, thus keeping you from answering the wrong question.

Summarizing the question shows the interviewer that you listened, and it fills the gap of silence between the end of their question and the beginning of your answer. Also, get into the habit of quantifying related numbers as a percentage, i.e., year-to-year comparisons or a change in stock price. If the interviewer tells you that the stock price jumped from $15 to $18, don’t say; “It jumped from $15 to $18.” Don’t say; “It jumped $3.” Tell the interviewer that it jumped 20 percent. This is the way that consultants and senior managers think and it’s how they want you to think.

[ 2. Verify the Objective(s). ]

You can bet that when a consultant first meets with a client, she always asks about objectives and goals. What are the client’s expectations, and are those expectations realistic? In the client’s mind, what constitutes success? Even if the objective of the case seems obvious, there is always the possibility of an additional, underlying objective. So you (the interviewee) should say, “One objective is to raise profits. Are there any other objectives that I should know about?” If the interviewer says, “No, higher profits is the only objective,” you just focus on the one objective. If there is an additional objective, you may need to break the case in two and tackle one objective at a time.

[ 3. Ask Clarifying Questions. ]

As we’ve said, you ask questions for three reasons: to get additional information, to show the interviewer that you’re not shy about asking questions and to turn the case into a conversation. The key is to ask broad, open-ended questions that help you narrow the information at the start, because as the case progresses, you’ll lose your “right” to ask these sweeping questions. (Reason: You may give the impression that you are trying to get the interviewer to answer the case for you.) The case scenarios will guide you in asking these questions.

[ 4. Label the Case and Lay Out Your Structure. ]

This is by far the toughest part of the process and you may want to “take a moment” to think about structure at this point. Thirty to 90 seconds of silence now may save wasted time later in the interview. You’ve decided which case scenario(s) to work with, and you have asked a few broad questions that have given you the information you need to form a logical response. Because you have studied the scenarios, you can quickly go through the bullet points in your mind and decide which are the most relevant to this particular question. You then just need to tell the interviewer how you plan to proceed. Keep in mind that you are not married to your structure. Because new information is constantly added, as well as twists and turns in the case,
your structure could either stand through the whole case, or it might become obsolete rather quickly. Basically a structure is, given the limited information you have at this moment in time, what you would analyze and in what order, to solve this problem.

Once you draw your structure, turn your notes toward the interviewer and walk him through your thought process. This brings him into the interview and makes him feel less like an interviewer and more like a client.

[ 5. State Your Hypothesis. ]

Some firms want to see you state a hypothesis during the case, preferably toward the beginning of the case. The advantages are that a hypothesis will help you ask the right questions, make your analysis more linear and force you to focus on issues that you can either prove or disprove. It also helps you identify which structure to use, thus defining the starting point. You are most likely to state a hypothesis in an interviewee-driven case. When the interviewer says, “Here’s my problem, what do I do?” the case is likely very broad and vague. This is where a hypothesis can be most helpful. During an interviewer-driven case, (where the interviewer tells you “Here’s my problem, I want you to figure out these four things; market size, profits, price, and breakeven”), a hypothesis is not necessary.

In real life, consultants can take up to two days to form their hypothesis, but you have about five minutes. So don’t worry if your hypothesis is wrong. It eliminates one possibility and allows you to restate your hypothesis and focus on another aspect of the case. Think of the process as one of elimination.

Steps 3 through 5 can be flipped around. Sometimes you will get a profit and loss case stating that “sales are up, but profits are down,” so your hypothesis then seems obvious: “Rising costs are pulling profits down.” In this case, because we will learn the P&L structure, you can lay out your structure first, state your hypothesis and then ask questions. However, there will be times when you’ll want to ask three to five questions before laying out your structure or stating your hypothesis.

The Four Key Case Scenarios/Developing your structure

The four key case scenarios are:

1. Profit and loss
2. Entering a new market
3. Pricing
4. Growth and increasing sales

[ 1. Profit and loss ]

Question: Our client manufactures high-end athletic footwear. Sales are up but profits are down in the US. What’s going on, and how do we fix it?

Profit-and-loss questions have been the most popular type of question for the last five years. Whenever you hear the words “bottom line,” “profits,” “costs” or “revenues,” you should
immediately think: “Profits = (Revenues – Costs).” However, I’m going to change this formula to the framework or structure: \( E(P=R-C)M \). The \( E \) represents the economy, and \( M \) represents the market or the industry. You always want to look at external factors first. You want to know if this is a company problem or an industrywide problem. But first take a moment and draw your notes.

Your notes should look something like the notes above. Since you know that the structure for a P&L case is \( E(P=R-C)M \), start by spelling out your take on the current economy, especially the parts that would affect the company or the industry overall. This will show the interviewer that you know what’s going on outside the classroom. More important, it will allow you to define the economic environment in which this case is taking place. This definition step will be a huge advantage because you can then take control of the interview and reduce the number of potential surprises that the interviewer can throw at you. You can probably list off twenty things going on in the economy, but that’s not going to help. I like to go into a case with five or six economic factors in the back of my mind: three good factors and three bad. These factors include things like the unemployment rate, interest rates, the dollar’s strength in the currency market, petro prices, and consumers’ amount of disposable income. Those factors can either be good or bad depending on the economy and the case; however, they are pretty universal, so it’s good to know these things before you walk into an interview. Information about the overall economy and the market will help you decide whether the rest of the industry is having similar problems.

The \( M \) stands for the market or industry. No one is going expect you to know what’s going on in various industries. The interviewer has a lot of information to give you, but he’s not going to give it to you unless you ask for it. Ask about industry trends and competitors to determine whether they are facing the same problems as the client. How has our client been doing compared to the rest of the industry? You don’t have to go into great detail, but take some time to review the Industry Analysis section in the next chapter.

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<th>COMPANY X</th>
<th>ANALYZE PROFITS AND FIX</th>
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<td>HIGH-END ATHLETIC FOOTWEAR MANUFACTURER</td>
<td>E(P=R-C)M</td>
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<td>SALES ↑ PROFITS ↓ IN U.S. MARKET</td>
<td>HIGH UNEMPLOYMENT</td>
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<td>WHY? FIX</td>
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<td>WCS (What constitutes success?)</td>
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Going inside the parentheses is the same as going inside the company. Start by asking questions about the company:

The company: Who are they? What do they do? What are their products? (Get into the habit of writing these down so they become second nature to you.)

- Market leader?
- Size, in terms of revenues (public or privately-held)?
- Trends in growth? (Always ask for trends; three years is good.)
- Products or services? Product mix? Revenue mix and trends?
- Customer segmentation?
- What constitutes “success”? (WCS?) This is different from “meeting the objective.” If the object was to enter a new market, we can come up with a strategy for that. Most companies can enter a new market, but it’s always good to “reality test” the objective. What constitutes success? Ten percent of the market in three years might be do-able, while 10 percent of the market in one year is unlikely, but not impossible.

Review the revenue streams. Even if your hypothesis stated that costs are the problem, you need to understand your revenue streams before you can intelligently analyze the situation and cut costs. Ask, “What are the major revenue streams, and how have they changed over time?” Then, when you get to costs: “What are the major costs, both fixed and variable, and how have they changed over time?” Again, it’s always good to ask for trends: this is how consultants think, and it’s how they want you to think.

The other parts to the profit-and-loss formula are price and volume. Price and volume are interdependent. You need to find the best mix, because changing one isn’t always the best answer. If you cut prices to drive up volume, what happens to the profit and next-year sales? Do profits increase or decrease? There needs to be a balance. The reason behind the decision needs to make sense.

Once you have an understanding of the market and the company you’ll need to come up with some solutions to raise profits — that, after all is the objective. The first thing you want to do is ask for a moment to write down your thoughts. Start with headings, revenue-based strategies and cost-based strategies. You do this for several reasons: It shows the interviewer that you are well-organized and thinking ahead. It’s also easier to come up with ideas when you are looking at a heading instead of a blank sheet of paper. And it keeps you from co-mingling your ideas. Dividing ideas into short-term and long-term solutions is also desirable, particularly if there is a time constraint to raising profits. You want to present all the revenue-based ideas first, then all the cost-based ideas. If appropriate, divide your cost-based ideas into production, labor and finance. That will show the interviewer that you are well organized and thinking ahead. For cost-based ideas review 21 Ways to Cut Costs on page 59.

Keep in mind that the interviewer has probably given this case ten times. He knows every possible answer you can think of, and he’s grown impatient with the answers. There’s a good chance that he’ll cut you off as soon as he knows where you’re headed. This can be tough, because when you are in a pressure situation and you get cut off, it’s difficult to drop that thought and come up with something new. Indeed, in my own experience, I know when I cut
students off in mid-thought, they tend to pretend that they didn’t hear me and keep talking. Then after I cut them off again, they panic, then scramble as their brains shut down.

Don’t let that happen to you. If you take the time to write down your answers first, and the interviewer cuts you off, just look at your notes and give him another idea. It takes a lot of the stress out of the situation and makes you look more professional.

**Questions to think about:**

**Revenues:**
1. What are the major revenue streams, and what percentage of the total revenue does each stream represent?
2. Does anything seem unusual in the balance of percentages?
3. Have the percentages changed lately? If so, why?

**Costs:**
1. Any major shifts in costs?
2. Do any costs seem out of line?
3. If we benchmarked our costs against our competitors’ costs, what would we find?

**Products**
1. With new products make sure you ask about the advantages and disadvantages. Everyone forgets to ask about the disadvantages, but oftentimes disadvantages can drive the case more than the advantages.

[ 2. Entering a New Market ]

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

Entering-a-new-market questions can be as straightforward as the one above, or they can involve mergers, acquisitions, joint ventures, starting a new business or the development of a new product. So it’s not just, “Do we enter?” but “How do we enter and what are the advantages and disadvantages of each strategy?”

Your notes might include something like the following: covering the company, the current market and how best to enter the market.

Step 1: Start off with questions about the company.
   - Why does the company want to enter this market?
   - What are its revenue streams and trends?
   - What is its product mix?
   - What are its costs and how have they changed over time?
   - What makes up its customer segmentation?
   - What constitutes success? (How much market share is required and in what time frame?)

Step 2: Determine the state of the current and future market.
   - What is the size of the current market?
   - What is the growth rate? (Ask for trends.)
- Where is the industry in its life cycle? (Stage of development: Emerging? Mature? Declining?)
- Who are the customers and how are they segmented?
- What role does technology play in the industry and how quickly will it change?
- How will the competition respond?

Step 3: Investigate the market to determine whether entry makes good business sense.
- Who are our competitors, and what size market share do they have?
- How do its products differ from ours?
- How will we price our products or services?
- Are substitutions available?
- Are there any barriers to entry? Examples might include capital requirements, access to raw materials, access to distribution channels and government policy.
- Are there barriers to an exit? How would we exit if this market sours?
- What are the risks? (For example, market regulations or technology.)

Step 4: If we decide to enter this market, we need to figure out the best way to become a player. There are three major ways to enter a market.
- Start from scratch and grow organically.
- Acquire an existing player from within the industry.
- Form a joint venture/strategic alliance with another player with a similar interest. What can both sides bring to the venture?

Analyze the pros and cons of each strategy. This is sometimes called a cost-benefit analysis. You can use this whenever you are trying to decide whether to proceed with a decision.

Your notes might look something like this.

| COMPANY Z |
| HAIR PRODUCT MANNY |
| WANTS TO ENTER |
| SUNSCREEN MKT |

ENTER? Y OR N |

ENTER MKT Y OR N |

COMP Z (PUB / PRIV) |
WHY ENTER? |
REVENUES > TRENDS |
PRODUCT MIX > TRENDS |
COSTS > TRENDS |
CUST SEGMENT |

WCS (What constitutes success?)

CURRENT MKT |
• SIZE |
• GROWTH RATE (TRENDS) |
• CUSTOMER SEGMENTATION |

MAJOR PLAYERS, MKT SHARE, STRENGTHS & WEAKNESSES |
PRODUCT DIFFERENTIATION |
BARRIERS TO ENTRY / BARRIER TO EXIT |

HYPOTHESIS: ENTERING MKT WILL |
↑ PROFITS & ↑ BRAND |

START FROM SCRATCH |
ACQUISITION |
JOINT VENTURE |

COST-BENEFIT ANALYSIS OF EACH
M&A

Many questions about entering a new market are also merger and acquisition questions. The two most important factors about a merger are whether it increases shareholder value and whether the two cultures will mesh well. Cultural mismatch is the biggest reason why mergers either fail or don’t live up to their potential.

Here are some key points about an M&A question.

- If the buyer is a private equity firm, ask not only, “Why do they want to buy the company?” but, “What else do they own?” Many students forget to ask this and they miss out on the countless synergies among portfolio companies.
- If the M&A involves one company acquiring another, ask not only “Why?” but also, “What other products do they sell?” The acquisition needs to make good business sense.
- Other reasons to purchase
  - Increase market access, boost the brand and increase market share.
  - Diversify the company’s holdings.
  - Pre-empt the competition from acquiring the company.
  - Inherit management talent.
  - Obtain patents or licenses.
  - Gain from synergies, cost savings, cultural integration and the expansion of distribution channels.
  - Gain tax advantages.
  - Increase shareholder value.
- Due diligence. Research the company and industry.
  - What kind of shape is the company you’re looking at in?
  - How secure are its markets, customers and suppliers?
  - How is the industry doing overall? And how is the company doing compared to the industry? Is it a leader in the field?
  - What are the margins like? Are they high-volume, low-margin, or low-volume, high-margin?
  - How will competitors respond?
  - Are there any legal reasons why we can’t or shouldn’t acquire the target company?
  - Are there technology risks?

[ 3. Pricing Strategies ]

Question: Company S is coming out with a new tablet. How should they price it?

Pricing questions can sometimes be a stand-alone question, but just as often part of a larger case. Investigate the company and its objective; learn about the product or service, and the competition; and then pick a pricing strategy.
Step 1: Investigate the company. How big is it? What products does it have, and is it a market leader in this field? **More important, what is its pricing objective: profits, market share or brand positioning**? Is it in charge of its own pricing strategies, or is it reacting to suppliers, the market and competitors?

Step 2: Investigate the product. How does it compare to that of the competition? Are there substitutions or alternatives? Where is the product in its growth cycle? Is there a supply-and-demand issue at work?

Step 3: Determine a pricing strategy. There are three main pricing strategies to think about: competitive analysis, cost-based pricing and price–based costing.

*Once you have determined the company’s objective, you need to run through the three main pricing strategies.*

**Competitive Analysis:** Are there similar products out there? How does our product compare to the competition’s? Do we know the competitor’s costs? How are they priced? Are there substitutions available? Is there a supply-and-demand issue? What will the competitive response be? We need to take that into account.

**Cost-based Pricing:** Take all our costs, add them up and add a profit to it. This way you’ll know your break-even point.

**Price-based Costing:** What are people willing to pay for this product? If they’re not willing to pay more than what it costs you to make the product, then it might not be worth making. On the other hand, consumers may be willing to pay much more than you could get just by adding a profit margin. Profit margins vary greatly by industry. Grocery stores have a very thin profit margin, while drug companies traditionally have a large one. Also consider what your product will be worth to the buyer. Compare it to other products or services in their lives. What did they pay in those cases?

As a special note:
I don’t want you to be constrained by percentages. There is nothing wrong with a 1,800% margin if that is what the market is willing to pay. That being said, if the product is a life-saving...
heart medication for babies, think of the public relations issues you might face if word leaked out that children were dying because they couldn’t afford your drug. Use common business sense.

In short, when solving a pricing problem, you need to look at all these strategies and see where, or if, they intersect.

**NB:** Pricing questions become more difficult/interesting when you get a case about partition pricing — meaning that you charge separately for things like delivery, shipping, installation and warranties, versus bundling everything into one price. If you run an airline, do you advertise lower ticket prices and charge for baggage or do you advertise that bags fly for free and charge a higher ticket price? If you’re a large electronics store, do you include free delivery and installation on the 70-inch HDTV at a higher price? Or do you charge a lower price for the television (knowing that consumers comparison shop on the Internet even while they’re standing in your store) and charge separately for delivery and installation (knowing that most consumers can’t get a 70-inch television into their car, never mind set it up at home). One solution might be to look at industry norms: “Do my competitors offer free shipping?” If you don’t consider industry norms: you might very well be at a disadvantage when people comparison shop.

I teach at 50 schools a year. Any price I quote includes my speaking fee and my travel expenses, combined. My competitor charges a fee and charges travel expenses separately. My thought is that my pricing strategy makes it easier for both the school and me because I don’t have to collect, copy and submit a travel report with receipts to the school’s accounts payable department. It’s just one flat fee. That way I get paid sooner and don’t need to wait for my credit card bill to submit my plane ticket cost. I already have an idea what my expenses will be, and that allows the school to budget in advance, which is what they like. With my way there are no surprises. So whose way is right? Well, the norm in consulting is to charge a fee plus expenses. That might work well when you have Apple as a client, but not when a client is a cash-strapped university.
4. Growth and Increasing Sales

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

Your notes might look like this...

Hypothesis: By lowering its prices, BBB can increase its sales to become the largest distributor.

Increasing sales or growing the company is not the same as increasing profits. In the former case, you are less interested in costs. Still, you want to have an understanding of the company and its objective, its products and the industry. Increasing sales can mean increasing volume, increasing revenues or both.

Step 1. Learn about the company and its size, resources and products.

Step 2. Investigate the industry: Is it growing and how is the client growing compared to the industry? Are the clients’ prices in line with its competitors’?

Increase volume:

- Expand the number of distribution channels.
- Increase product line through diversification of products or services (particularly with products that won’t cannibalize sales from existing products).
- Analyze the segments of the business that have the highest future potential.
- Invest in a marketing campaign.
- Acquire a competitor (particularly if the question is about increasing market share).
- Adjust prices (lower them to increase volume and raise them to decrease demand or increase profits).
- Create a seasonal balance. Increase sales in every quarter — if you own a nursery, sell flowers in the spring, herbs in the summer, pumpkins in the fall and Christmas trees and garlands in the winter.
Another way for a company to grow is to find niches in developing industries with high barriers to entry. There will be less competition and more notice if someone is trying to enter.

## Key Questions for Additional Scenarios

Following is a quick review of key questions to ask and points to consider after labeling the case.

### Industry Analysis: Investigate the industry overall.
- Where is it in its life cycle? (Emerging? Mature? Declining?)
- How has the industry been performing (growing or declining) over the last one, two, five and ten years?
- How have we been doing compared to the industry?
- Who are the major players and what market share does each have? Who has the rest?
- Has the industry seen any major changes lately? These might include new players, new technology and increased regulation.
- What drives the industry? Brand, products, size, economics or technology?
- Profitability: What are the margins?

### Suppliers
- How many are there?
- What is their product availability?
- What’s going on in their market?
- How is the supply chain? Are the companies that supply you getting what the need from their suppliers?

### The Future
- Are players entering or leaving the market?
- Are any mergers or acquisitions going on?
- Are there any barriers to entry or exit?
- Substitutions: What alternatives are there?

### Developing a new product
- Think about the product.
  - What’s special or proprietary about it?
  - Is the product patented? For how long?
  - Are there similar products out there? Are there substitutions?
  - What are the advantages and disadvantages of this new product?
  - How does this new product fit in with the rest of our product line?
  - Can our sales force sell it?
- Think about market strategy.
  - How does this strategy affect our existing product line?
  - Are we cannibalizing our own sales from an existing product?
Are we replacing an existing product?
How will this strategy expand our customer base and increase our sales?
What will the competitive response be?
If we are entering a new market, what are the barriers to entry?
Who are the major players and what are their respective market shares?

Think about customers.
Who are our customers and what is important to them?
How are they segmented?
How can we best reach them?
How can we ensure that we retain them?

Funding
How is this product being funded? Does our company have the cash or is it taking on debt? And can we support the debt under various economic conditions?
What is the best allocation of funds?

Starting a new business

Starting a new business encompasses entering a new market, as well — the first step is the same. Investigate the market to determine whether entering it makes good business sense.

Who is our competition?
What market share does each competitor have?
How do competitors’ products or services differ from ours?
Are there any barriers to entry or exit?

Once we determine that there are no significant barriers to entry, we should then look at the company from a venture capitalist point of view. Would you, an outsider, invest in this start-up? Would you risk your own money? Venture capitalists don’t simply buy into an idea or product they invest in:

Management
How experienced is the management team?
What are its core competencies?
Have they worked together before?
Is there an advisory board?

Market and strategic plans
What are the barriers to entering this market?
Who are the major players and what are their respective market shares?
What will the competitive response be?

Distribution channels
What, and how many distribution channels can we rely on?
- Products and services
  - What is the product, service or technology?
  - What is the competitive edge?
  - What are the disadvantages?
  - Is the technology proprietary?
- Customers
  - Who are the customers?
  - How can we best reach them?
  - How can we ensure that we retain them?
- Finance
  - How is the project being funded?
  - What is the best allocation of funds?
  - Can we support the debt under various economic conditions?

**Competitive Response**

If a competitor introduces a new product or picks up market share, we want first to ask such questions as:

- What is the competitor’s new product and how does it differ from what we offer?
- What has the competitor done differently? What changed?
- Have any other competitors picked up market share?

Responses might include:

- Analyze our current product and redesign or repackaging.
- Acquire the competitor or another player in the same market.
- Merge with a competitor to create a strategic advantage and become more powerful.
- Copy the competitor.
- Increase our profile with a marketing and public relations campaign.

**Turnarounds**

If you get a case where the company is in trouble and you’ve been brought in to save it and turn it around, you might want to consider:

Gather information.

- Analyze the company and industry.
  - Why is it failing? Bad products or services? Bad management? Bad economy?
  - Are our competitors facing the same problem?
  - Do we have access to capital?
  - Is the company publicly traded or privately held?
Possible actions
- Learn as much as possible about the company and its operations.
- Analyze services, products and finances.
- Secure sufficient financing, so your plan has a chance.
- Review the talent and temperament of all employees, and get rid of the “deadwood.”
- Determine short-term and long-term goals.
- Devise a business plan.
- Visit clients, suppliers and distributors, and reassure them.
- Prioritize goals and get some small successes under your belt ASAP to build confidence.
## Ivy Case System at a Glance

<table>
<thead>
<tr>
<th>Type</th>
<th>Approach</th>
<th>Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entering a New Market</td>
<td>Market</td>
<td>Competition, Market share, Comparative products and services, Barriers to entry</td>
</tr>
<tr>
<td></td>
<td>Entry</td>
<td>Start from scratch, Acquire an existing player, Form a joint venture/strategic alliance with an existing player</td>
</tr>
<tr>
<td>Industry Analysis</td>
<td>Current Industry Structure</td>
<td>Life cycle (growth, transition, maturity), Performance, margins, Major players and market share, Industry changes (new players, new technology), Drivers (brand, size, technology)</td>
</tr>
<tr>
<td></td>
<td>Suppliers</td>
<td>How many?, Product availability?, What’s going on in their market?</td>
</tr>
<tr>
<td></td>
<td>Future</td>
<td>Expanding or shrinking?, Mergers and acquisitions?, Barriers to entry or exit?</td>
</tr>
<tr>
<td>Mergers &amp; Acquisitions</td>
<td>Objectives</td>
<td>Increase market access, Diversify holdings, Pre-empt the competition, Enjoy tax advantages, Incorporate synergies, Increase shareholder value</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>Fair?, Affordable?, How to pay?, If the economy sours…?</td>
</tr>
<tr>
<td></td>
<td>Due Diligence</td>
<td>What shape is the company in? The industry?, How secure are its markets and customers?, What are the margins?, What is the best competitive response to acquisition, What are the legal issues</td>
</tr>
<tr>
<td></td>
<td>Exit Strategies</td>
<td>How long to keep it?, Divest parts of the organization?</td>
</tr>
<tr>
<td>New Product</td>
<td>Product</td>
<td>Special or proprietary?, Financing?, Patented?, Substitutions?, Advantages and disadvantages?, Place in product line?, Cannibalizing our own products?, Replacing existing product?</td>
</tr>
<tr>
<td>Type</td>
<td>Approach</td>
<td>Elements</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Market Strategy</td>
<td></td>
<td>Expansion of customer base</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prompts to competitive response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Barriers to entry</td>
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<tr>
<td></td>
<td></td>
<td>Major players and market share</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td>Who?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How to reach them?</td>
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<td></td>
<td></td>
<td>Retention — how to hold them?</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td>How funded?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Best allocation of funds?</td>
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<td></td>
<td></td>
<td>Debt viable?</td>
</tr>
<tr>
<td>Pricing Strategies</td>
<td>Pricing</td>
<td>Company objective</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competitive pricing</td>
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<tr>
<td></td>
<td></td>
<td>Cost-based pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Price-based costing</td>
</tr>
<tr>
<td>Growth Strategies</td>
<td>Assessment</td>
<td>Is the industry growing?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How are we growing compared to the industry?</td>
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<tr>
<td></td>
<td></td>
<td>Are our prices relative to competitors’?</td>
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<td></td>
<td></td>
<td>What are our competitors’ marketing and development strategies?</td>
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<tr>
<td></td>
<td></td>
<td>Which segments have the most potential?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Funding for higher growth</td>
</tr>
<tr>
<td>Strategies</td>
<td></td>
<td>Increase distribution channels.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase product line.</td>
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<tr>
<td></td>
<td></td>
<td>Invest in major marketing campaign.</td>
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<tr>
<td></td>
<td></td>
<td>Diversify products or services offered.</td>
</tr>
<tr>
<td>New Business</td>
<td>Market</td>
<td>Who is the competition?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What is their market share?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products comparison</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Barriers to entry</td>
</tr>
<tr>
<td>Cost Benefit Analysis</td>
<td></td>
<td>Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing and strategic plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Distribution channels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product</td>
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<tr>
<td></td>
<td></td>
<td>Customers</td>
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<tr>
<td></td>
<td></td>
<td>Finance</td>
</tr>
<tr>
<td>Competitive Response</td>
<td>Why?</td>
<td>New product?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competitor’s strategy changed?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other competitors’ increased market share?</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>Acquire a competitor.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Merge with competition.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Copy competitor.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hire the competitor’s management.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase profile with marketing campaign.</td>
</tr>
<tr>
<td>Type</td>
<td>Approach</td>
<td>Elements</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Increasing Sales</td>
<td>Assessment (increasing sales doesn’t necessarily mean increasing profits)</td>
<td>Growth relative to market share, Changes in market share, Customer polls, Prices competitive, Competitor’s strategies (marketing and product development)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase volume, Increase amount of each sale, Increase prices, Create seasonal balance</td>
</tr>
<tr>
<td>Reducing Costs</td>
<td>Assessment</td>
<td>Get cost breakdown, Investigate for irregularities, Benchmark competitors, Consider labor-saving technologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost analysis – Internal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Union wages, suppliers, materials, economies of scale, increased support system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost analysis – External</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Economy, interest rates, government regulations, transportation/shipping strikes</td>
</tr>
<tr>
<td>Increasing Profits</td>
<td>Revenue (E {P = R - C} M)</td>
<td>Identification of revenue streams, Percentage of total revenue of each, Unusual balance, Have percentages changed</td>
</tr>
<tr>
<td></td>
<td>Always look at external factors first.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ID fixed costs, ID variable costs, Shifts in costs, Unusual costs, Benchmark competitors, Reduce costs without damaging revenue streams</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Volume</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expand into new areas, Increase sales (volume and force), Increase marketing, Reduce prices, Improve customer service</td>
</tr>
<tr>
<td>Turnaround</td>
<td>Strategy</td>
<td>Learn about company, Review services, products, finances, Secure funding, Review talent and culture, Determine short-term / long-term goals, Write a business plan, Reassure clients, suppliers, distributors, Prioritize goals and develop some small successes for momentum</td>
</tr>
</tbody>
</table>
In this section, we will explore some supplements to the Ivy Case System. These include both other frameworks and additional tools so that you have an understanding of what else is out there. I’ve purposely limited the number of alternatives, because I’ve learned from experience that too many options can become a burden. Keep in mind that none of these frameworks or tools was specifically designed to answer case questions. It is far better to understand the underlying problems of the case and logically address those problems than to try to apply a “fix-all” framework. That being said...

**Five C’s and Four P’s**

These 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.

There are two secrets to using these frameworks. First, since every case is different, the C’s or the P’s have to be rearranged to fit the case. If you treat these frameworks like a laundry list, your answer will seem nonlinear and possibly disorganized. Second, you need to kick up some dust to conceal the fact that you’re using these frameworks. If your interviewer discovers you’re using the Five C’s or Four P’s, you might lose some points; neither of these frameworks is particularly impressive.

**Five C’s**

- **Company:** What do you know about the company? How big is it? Is it a public or private company? What kinds of products or services does it offer to its clients?
- **Costs:** What are the major costs? How have its costs changed in the past year? How do its costs compare to those of others in the industry? How can we reduce costs?
- **Competition:** Who are the biggest competitors? What market share does each player hold? Has market share changed in the last year? How do our services or products differ from the competition’s? Do we hold any strategic advantage over our competitors?
- **Consumers/clients:** Who are they? What do they want? Are we fulfilling their needs? How can we get more? Are we keeping the ones we have?
- **Channels:** Distribution channels: How do we get our product into the hands of the end users? How can we increase our distribution channels? Are there areas of our market that we are not reaching? How do we reach them?
In 1998, Wiley Press published *Perspectives on Strategy*. The book is a collection of articles and essays written by senior members of The Boston Consulting Group. One popular and useful framework is the BCG “Product Portfolio Matrix.” This matrix is designed to place a product or group of products into one of four categories while taking into account a company’s relative market share. BCG has been kind enough to let us reprint Chapter Three.

The Product Portfolio  *(Bruce D. Henderson, 1970)*

To be successful, a company should have a portfolio of products with different growth rates and different market shares. The portfolio composition is a function of the balance among cash flows. High-growth products require cash inputs to grow. Low-growth products should generate excess cash. Both kinds are needed simultaneously.

Four rules determine the cash flow of a product.
- Margins and cash generated are a function of market share. High margins and high market share go together. This is a matter of common observation, explained by the experience curve effect.
- Growth requires cash input to finance added assets. The added cash required to hold market share is a function of growth rates.
- High market share must be earned or bought. Buying market share requires an additional increment of investment.

---

• No product market can grow indefinitely. The payoff from growth must come when the growth slows, or it never will. The payoff is cash that cannot be reinvested in that product.

Products with high market share and slow growth are cash cows. Characteristically, they generate large amounts of cash, in excess of the reinvestment required to maintain share. This excess need not, and should not, be reinvested in those products. In fact, if the rate of return exceeds the growth rate, the cash cannot be reinvested indefinitely, except by depressing returns.

Products with low market share and low growth are pets. They may show an accounting profit, but the profit must be reinvested to maintain share, leaving no cash throw-off. The product is essentially worthless, except in liquidation.

All products eventually become either cash cows or pets. The value of a product is completely dependent upon obtaining a leading share of its market before the growth slows.

Low-market-share, high-growth products are the question marks. They almost always require far more cash than they can generate. If cash is not supplied, they fall behind and die. Even when the cash is supplied, if they only hold their share, they are still pets when the growth stops. The question marks require large added cash investments for market share to be purchased. The low-market-share, high-growth product is a liability unless it becomes a leader. It requires very large cash inputs that it cannot generate itself.
The high-share, high-growth product is the star. It nearly always shows reported profits, but it may or may not generate all of its own cash. If it stays a leader, however, it will become a large cash generator when growth slows and its reinvestment requirements diminish. The star eventually becomes the cash cow, providing high volume, high margin, high stability, security and cash throw-off for reinvestment elsewhere.

The payoff for leadership is very high indeed if it is achieved early and maintained until growth slows. Investment in market share during the growth phase can be very attractive if you have the cash. Growth in market is compounded by growth in share. Increases in share increase the margin. High margin permits higher leverage with equal safety. The resulting profitability permits higher payment of earnings after financing normal growth. The return on investment is enormous.

The need for a portfolio of businesses becomes obvious. Every company needs products in which to invest cash. Every company needs products that generate cash. And every product should eventually be a cash generator; otherwise, it is worthless.

Only a diversified company with a balanced portfolio can use its strengths to truly capitalize on its growth opportunities. The balanced portfolio has:

- stars whose high share and high growth assure the future
- cash cows that supply funds for that high growth
- question marks to be converted into stars with the added funds

Pets are not necessary. They are evidence of failure either to obtain a leadership position during the growth phase or to get out and cut the losses.

Michael Porter's “Five Forces” / The Structural Analysis of Industries

Michael Porter didn’t develop his “Five Forces” as a case framework. However, when you are given a case dealing with developing a new product, entering a new market or starting a new business, this framework works quite well (e.g., a regional food manufacturer is thinking of entering the gourmet toothpaste business. Should the company take the plunge?))

Please refer to Michael Porter’s bestseller Competitive Strategy for a more in-depth explanation of his “Five Forces“ model.

Porter writes that the state of competition in an industry depends on five basic competitive forces:

1. The threat of new or potential entrants. This includes new companies or acquisitions of established companies by a new player. If barriers are high or if newcomers can expect entrenchment or retaliatory measures (such as a price war) from existing competitors, then the threat of entry is low. According to Porter, barriers of entry include:
   - economies of scale
   - capital requirements
   - government policy
• switching costs
• access to distribution channels
• product differentiation
• proprietary product technology

2. Intensity of rivalry among existing competitors.

3. Pressure from substitution products, for example, sugar vs. high-fructose corn syrup and artificial sweeteners.

4. Bargaining power of buyers. Buyers compete with the industry by forcing down prices, bargaining for higher-quality or more services and playing competitors against each other — all at the expense of industry profitability.

5. Bargaining power of suppliers. Forces 4 and 5 have to do with supply and demand. When there are many suppliers but few buyers, the buyers have the upper hand. When there are many buyers but few suppliers, the suppliers have the advantage.

The Value Chain

In his 1985 book *Competitive Advantage*, Michael Porter introduced the value chain. It’s a framework that follows the company’s internal product processes starting with raw materials and ending with customer purchase and service. Questioning the effectiveness and efficiencies of these steps during a case question not only shows an understanding of product flow, but can lead to relevant information to help you solve the case.

```
Raw Materials >>> Operations >>> Delivery >>> Marketing & Sales >>> Service
```

**Raw materials and inbound logistics:** receiving materials into the warehouse, relationships with suppliers, “just in time” (JIT) delivery, etc.

**Operations:** processing raw materials into product through the use of capital equipment and labor

**Delivery:** warehousing and distribution channels

**Marketing and Sales:** marketing strategy, identification of customer base and the cost of customer acquisition, sales force issues (e.g., commission, company car, etc.)

**Service:** customer support, customer retention (It’s cheaper to retain a customer than to go out and bring in a new one.)
While you may never have to draw up an income statement, you may be handed one in an interview and asked to analyze it. Understanding the basics of an income statement is essential for answering product and company profitability questions. How do the costs stack up? Do any numbers seem out of line or a bit high? For example, if Joe’s Shoe Company’s labor costs were $50,000 instead of $15,000, that should send off warning bells that something is wrong. Why are labor costs $50,000, or 50 percent of gross revenues?

### Joe’s Shoe Company

#### Income Statement

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenues (units x price)</td>
<td>100,000</td>
</tr>
<tr>
<td>(–) Returns and discounts</td>
<td>(5,000)</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>95,000</td>
</tr>
<tr>
<td>(–) Cost of goods sold</td>
<td></td>
</tr>
<tr>
<td>Direct labor</td>
<td>(15,000)</td>
</tr>
<tr>
<td>Direct material costs</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Overhead</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Delivery costs</td>
<td>(5,000)</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>60,000</td>
</tr>
<tr>
<td>(–) Selling, general and admin.</td>
<td>(20,000)</td>
</tr>
<tr>
<td>(–) Depreciation</td>
<td>(5,000)</td>
</tr>
<tr>
<td><strong>Operating Profits</strong></td>
<td>35,000</td>
</tr>
<tr>
<td>(–) Interest expense</td>
<td>(3,000)</td>
</tr>
<tr>
<td><strong>Profit before Taxes</strong></td>
<td>32,000</td>
</tr>
</tbody>
</table>
An Aristotelian Framework

Aristotle’s book *The Rhetoric and the Poetics of Aristotle* was really the first case question interview prep book. His book is about persuasion and, after all, that’s what we’re trying to do — persuade the interviewer that we have what it takes. Aristotle lays out a tripod (a framework) and argues that persuasion relies on the relationship between logos, ethos and pathos. As you probably remember from Philosophy 101, logos is a logical, well-reasoned argument based on facts and figures, charts and graphs. Ethos deals with the speaker’s (that’s you) personal voice and character. How likable and believable are you? In other words, fit. How would I feel if we were snowed in for nine hours at the Macedonian Chariot Station? Would you be an interesting companion? Finally there is pathos, your audience’s frame of mind. This is often tough to determine or control, but it can be massaged by incorporating logos and ethos into your answer. The point is that you need the tripod: the combination of logos, ethos and pathos to do well in a case interview. Too much logic and not enough personality results in a tipped tripod. As you prepare for your interviews, remember to concentrate on all three. It is as much about the presentation as it is about the logic.

21 Ways to Cut Costs

Many case questions will ask you to come up with ways to cut costs, and it has been my experience that students tend to struggle with this request. Below are numerous ways to cut costs in the areas of labor, production and finance. Memorize them and when they ask you, rattle off two or three in each area.

Before you answer, the *McKinsey Quarterly* reminds us to consider the company’s strategic needs and to think about the long-term consequences under a range of various economic scenarios. Do these areas “drive value” and do they help make the company “competitively distinctive”? Don’t just cut equally across the board.

**Labor**

2. Cut overtime.
3. Reduce employer 401(k) or 403(b) match.
4. Raise employee contribution to health-care premium.
5. Institute four 10-hour days instead of five 8-hour days.
6. Convert workers into owners (if they have a stake in the company they will work longer, and harder and constantly think of ways to cut costs in a way that they might not have done before).
7. Contemplate layoffs.
8. Institute across-the-board pay decreases.

5: Additional Tools & Frameworks

- **Production**
  1. Invest in technology.
  2. Consolidate production space to gain scale and create accountability.
  3. Create flexible production lines.
  4. Reduce inventories (JIT).
  5. Outsource.
  6. Renegotiate with suppliers.
  7. Consolidate suppliers.
  8. Import parts.

- **Finance**
  1. Have customers pay sooner.
  2. Refinance your debt.
  3. Sell nonessential assets.
  4. Hedge currency rates.
  5. Redesign health insurance.

---

**“If” Scenarios to Remember**

- **Sales Scenarios**
  - If sales are flat and profits are taking a header, you need to examine both revenues and costs. Always start with the revenue side first. Until you identify and understand the revenue streams, you can’t make educated decisions on the cost side.
  - If sales are flat but market share remains relatively constant, that scenario could indicate that industry sales are flat and that your competitors are experiencing similar problems.
  - If your case includes a decline-in-sales problem, analyze these three things:
    - overall declining market demand (e.g., soda sales have dropped as bottled water becomes the drink of choice)
    - the possibility that the current marketplace is mature or your product is obsolete (e.g., vinyl records give way to CDs, which give way to digital)
    - loss of market share due to substitutions (e.g., video rentals have declined because there are numerous substitutions vying for the leisure dollar, such as dining out, movie attendance, pay-per-view, Direct TV and the Internet)
  - If sales and market share are increasing but profits are declining, then you need to investigate whether prices are dropping and/or costs are climbing. However, if costs aren’t the issue, then investigate product mix and check to see if the margins have changed.

- **Profit Scenarios**
  - If profits are declining because of a drop in revenues, concentrate on marketing and distribution issues.
• If profits are declining because of rising expenses, concentrate on operational and financial issues — i.e., COGS (cost of goods sold), labor, rent and marketing costs.
• If profits are declining, yet revenues have gone up, review:
  • changes in costs
  • any additional expenses
  • changes in prices
  • the product mix
  • changes in customers’ needs

Product Scenarios
• If a product is in its emerging growth stage, concentrate on R&D, competition and pricing.
• If a product is in its growth stage, emphasize marketing and competition.
• If a product is in its mature stage, focus on manufacturing, costs and competition.
• If a product is in its declining stage, define niche market, analyze the competition’s play or think exit strategy.

Pricing Scenarios
If you lower prices and volume rises, and then you are pushed beyond full capacity, your costs will shoot up as your employees work overtime, and consequently your profits will suffer.

Prices are stable only when three conditions are met:
• The growth rate for all competitors is approximately the same.
• The prices are paralleling costs.
• The prices of all competitors are roughly of equal value.

The volume (the amount that you produce) and the costs are easier to change than the industry price levels, unless all parties change their prices together (e.g., airline tickets or gas prices).

The perfect strategy for the high-cost producer is one that convinces competitors that market shares cannot be shifted, except over long periods of time. Therefore, the highest practical industry prices are to everyone’s advantage — meaning that price wars are detrimental and everyone will profit more by keeping prices high.

General tips
• How the Internet affects the company should be in the back of your mind in every case.
• How the economy affects the company should be in the back of your mind in every case.
• How the competition — both internal to the industry and external (substitutions) — affects the company should be in the back of your mind in every case.

** Ibid., p.27.
5: Additional Tools & Frameworks

### Business Case Tips

- If you ever get a case that you have already heard, as tempting as it might be to answer it, your best strategy is to tell the interviewer. Interviewers usually know when someone has heard a case. You tend to do things too quickly and your thought process is different. It is hard to reenact discovery.

- 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.

- Ask for numbers. If the numbers aren’t an important part of the case, the interviewer will more than likely tell you not to focus on them.

- 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 (see p. 31).

- Interact with the interviewer as much as possible. Remember, it should be a conversation.

A final word before you tackle the cases.

**Peer Advice.** Here’s advice from some students who had just gone through the process. They all received offers from BCG, McKinsey or both.

“As you go through the math portion of the case, think out loud. Let the interviewer know what is going through your mind. If you are unsure of what to say, pretend the interviewer is on the telephone and you are explaining it to her over the phone.”

“For me, one of the unexpected challenges of final round interviews was their sheer length. After five hours of intense interviews, I felt like a slouching, mumbling mess with any spark of creativity long since extinguished, and I was far more likely to make simple mistakes. Before the last couple of interviews on any given day, take a few minutes, and pause to reenergize. Splash water on your face, grab another cup of coffee, take a brisk walk up and down the hallway. Do anything that keeps your brain awake and your personality alive during that final stretch.”

“Motivation: Students in non-business disciplines who are looking to land a job in consulting must be able to justify their motivation for the transition. The interview process is expensive and time-consuming for firms, and interviewers are looking for clear, logical answers that will convince them of a candidate’s seriousness. Additionally, candidates must be prepared to discuss how consulting fits into their long-term professional goals. Because firms recruiting outside business schools could easily fill their incoming classes entirely with business school students, the burden is greater for non-MBAs.”

“Preparation: Preparing for interviews in consulting should not be limited to practicing cases. Interviews also include discussions of experiences in various environments, such as ambiguity and rancor, as well as questions related to leadership and teamwork. The candidate must be prepared not only to discuss these subjects, but also to answer subsequent questions which..."
Interviewers will ask to uncover various layers of the topic in addition to the candidate’s personality. For preparation, one should practice with a group of friends. This setting, along with the resulting constructive feedback, will help one anticipate the string of questions that will inevitably be asked and improve one’s communication skills. Sound preparation will give one the confidence needed during the actual interview — confidence that will create a positive impression with the interviewer. After all, while the interviewer is there to assess whether the candidate is able to structure a problem well, he or she is also judging whether or not the candidate can be put before a client."

“In preparing stories for various settings, candidates must identify and select the most appropriate anecdotes. It is unnecessary for every story to portray the candidate as a hero. A failure through which one learned about one’s weaknesses can be just as effective, if not more. Conversely, an experience through which one strengthened a skill or developed a new skill through perseverance will score well. Fabricating an event, however, will result in certain doom, as interviewers are adept at digging deeper into an issue and determining gaps or untruths. Therefore, a successful candidate must select and prepare honest stories that provide insight into one’s personality.”

“The Ivy Case System was like a roadmap. As soon as I got a question, I was immediately able to identify what type of question it was and what types of questions to ask to tease further information out of the interviewer. This is the advantage the Ivy Case System gives you. Then, having Porter’s Five Forces and the Five Cs is also useful in your toolkit.”

With regards to interviewing abroad: “Make sure you know what types of projects the country office is involved in. For example, offices in China are doing many ‘market entry’ projects. So it is important to understand the varieties and complexities surrounding ‘entering a new market’ and to practice those types of cases.”

“Go through the interview process without second guessing how you’re doing. It only handicaps your performance. Prepare and then let the cards fall. Be confident. It’s impossible to know what the interviewer is thinking. They may do things intentionally to throw you off. Don’t let the little things, like screwing up a math problem, upset you.”

Practice, practice, practice!

Practice online interactive cases at:

www.apd.mckinsey.com: click on “Interview Prep.”
www.bain.com/bainweb/join_bain/join_bain_overview.asp: click on “Case Interview.”