Case Interview Preparation

Oregon Consulting Group
What is a Case Interview?

In the most general sense, a case interview is the analysis of a business question. Case interviews are used in a variety of industries, though most prominent in consulting interviews.

There are generally two types of case interviews that consulting firms will use:

1. Quantitative assessments
2. Hypothetical situations
Types of Case Interviews

1. Quantitative Assessments
   ○ These questions assess a candidate’s analytical and mathematical skills
   ○ Two main types:
     i. Mathematical questions
     ii. Estimation

2. Hypothetical Situations
   ○ These are generally a hypothetical business problem given to a candidate to assess their ability to problem solve and break down an issue
   ○ Two main formats:
     i. Candidate led
     ii. Interviewer led

The OCG may test the candidate with a quantitative assessment and/or hypothetical situation.
Purpose

The Oregon Consulting Group uses a 30-minute case interview to primarily test a candidate’s analytical and problem-solving skills. The case interview also tests:

- Energy
- Attention to detail
- Organization
- Flexibility
- Intelligence
- Communication

At many consulting firms, such as these, the case interview is the deciding factor for job candidates.
Problem Solving in Cases

Cases are an extended problem solving process. You’re given a problem and tasked with proposing a solution.

How you approach the problem is everything — show the interviewer that you solve problems in a mutually exclusive, collectively exhaustive way.

Key Considerations:

- Think through the assumptions you make — are they logical?
- Make informed hypotheses throughout the case and test them as you go
- Structure is crucial
Communication in Cases

Effective communication in cases is a combination of structured thought and personal expression.

Key Considerations:

1. Think quickly, speak slowly

2. Provide a window into your logic
   1. Explain how you will solve a problem, then solve it. Helps with clarity for listener, accuracy.
   2. Some speculation (hypothesizing) is good. Shows intuition, drives inquisition.
   3. Vocalize insights (ah-ha moments). Demonstrates ability to add value.

3. Summarize and draw conclusions
   1. Start with the answer (so what). Allows listener to follow your logical thread, no surprises.
   2. Number the reasons. Helps with clarity and engagement, demonstrates thoughtfulness.
   3. Be concise.
MECE in a Case Interview

In a case interview, the interviewer will only give a very general sense of the problem or issue the company is facing. These could include:

1. Why are our profits falling?
2. How can we grow our market share?

When attempting to solve problems such as these, it is important to determine the possible root cause of the problem.

MECE is a method that allows for this to be done.
Techniques

When preparing for the case interview, an understanding of MECE is very important.

- MECE is used in the OCG as a way to break down problems, whether in a case scenario or during client projects.
- **Mutually Exclusive, Collectively Exhaustive**

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**Mutually Exclusive:**
No overlap of information

**Collectively Exhaustive:**
Problem is fully described and covers all necessary information
Below is an example of how to break down profit under MECE.

1. Break down into revenue and expenses, which do not overlap so they are mutually exclusive, and they are the two elements of profit so they are collectively exhaustive.
2. Use this logic to further break down profit into more elements.

In this simple example, since no information about the company is known, this is as far as we can go down. If we were to know specifics about a company’s revenues and expenses, this tree would need to be much larger to be collectively exhaustive.
Quant. Assessment Example

How many people are playing a saxophone in the world right now?

Breaking down this problem requires many assumptions. It is important to use logical assumptions and a MECE approach.

1. A top-down approach is probably the easiest in this situation. Let’s start by saying there are roughly 7 billion people in the world.

*We need to determine how many, of the 7 billion, are currently playing a saxophone.*
How many people are playing a saxophone in the world right now?

With a top-down approach, we’re starting big and working our way down to a small number. With that in mind, it would be reasonable to next make an assumption of how many people around the world play an instrument.

2. Of the 7 billion people in the world, let’s assume that 5%, or 1/20 people, play an instrument. That gives us 350 million people.
Quant. Assessment Example

How many people are playing a saxophone in the world right now?

We now know how many people around the world play an instrument. We should now determine what percentage of instrument players play saxophone.

3. Of the 350 million people who play instruments, let’s assume that 1% of them play the saxophone regularly. Some may play it exclusively and some may play it in combination with other instruments, but on average, 1% play it regularly. So, we now have 3.5 million saxophone players.
How many people are playing a saxophone in the world right now?

Lastly, not all saxophone players are playing right now. It’s fair to assume that each saxophone player practices/plays for 1 hour (on average) every other day. This is equivalent to 30 minutes per day, or 1/48 of the day.

4. Assuming that at any time, 1/48 of saxophone players are playing saxophone, we just need to make this final calculation to get our answer. Let’s round up to 1/50 to make the calculation easier. 1/50 of 3.5 million gives us 70,000 people playing saxophone in the world right now.
Hypothetical Situation Example

A waffle company is experiencing profitability problems.

Break this down to find out what could be the potential causes of their profitability problems.

1. Draw out an issue tree that is MECE, as seen earlier
Hypothetical Situation Example

A waffle company is experiencing profitability problems.

2. Explore each element of the problem.

Questions may include:
● Have they changed their price recently?
● Have their costs changed recently?
● How have sales changed recently?

These questions allow you to better understand the issue, and the interviewer can provide you with information that was not previously given.
Hypothetical Situation Example

A waffle company is experiencing profitability problems.

3. Based off the interview’s responses, continue to ask further questions.

If the interviewer says, “Sales have dropped recently” in response to your questions, further questions can be asked to find the ultimate problem
- Did a new competitor enter the market recently?
- Have they altered their product recently?
- Have there been any changes within the overall economy?
Hypothetical Situation Example

A waffle company is experiencing profitability problems.

4. Draw final conclusions and present recommendation to the interviewer.

The interviewer reveals that recently the company made changes to their product. Based off this information, you can draw a conclusion of their profitability problem.

- “The recent product change has caused a decrease in sales because the changes do not appeal to the consumers in the market.”

Using this conclusion, present a recommendation for the company going forward. An example could be:

- “Since the recent product change, sales have decreased because consumers do not like the new product. I would suggest conducting market research to determine what consumers are looking for in the products and adjusting the product to meet consumers needs in order to increase sales back to the original levels.”
Other Tips

In addition to understanding MECE, below are recommendations of other business-related concepts to understand.

- Understand the difference between revenue and profit
- Be able to differentiate customers, competition, the company’s capabilities and the product(s) they sell

For additional practice resources, here are some ideas.
- Google search
- managementconsulted.com
- preplounge.com
- mconsultingprep.com