

Case interview preparation

March 15, 2016



What We Will Cover Today

- Background information on case interviews
- Case interview advice / Tips & tricks
- Case interview example
- Question & Answers From The Audience

Background information on case interviews

- Format for the majority of management/strategy consulting firms (and *all* of the most prestigious firms)
- Tests capabilities in quantitative analysis, situation assessment, and communication (*not* necessarily esoteric business/accounting knowledge)
- Often combined with more traditional fit/personality interviews (do *not* forget general rules for interviewing)
- Many options for practicing, e.g.:
 - Consulting company websites
 - Business school consulting clubs
 - Guide books
 - Consultant friends and former colleagues

Case interview advice / Tips and tricks

- **Listen & take notes.** Information is always given for a reason.
- **Summarize what you've heard.** If the interviewer gives a lot of information, recount the main points to ensure you're thinking about the case correctly
- **Structure your answers and your approach.** For example, "I would want to investigate 3 areas..." vs. just jumping into an answer
- **Constantly communicate your thinking.** Treat your interviewer as a colleague/partner in trying to solve the case
- **Learn some business "basics."** Market size, market share, margins, growth potential, revenues, fixed costs, marginal costs, etc.
- **Don't memorize frameworks.** However, know the components of profit (what drives profitability and business performance)
- **Be comfortable with hypothesizing.** Drive the investigation forward while testing your reasoning with your interviewer
- **Conclude with succinct communication.** Use the elevator exercise

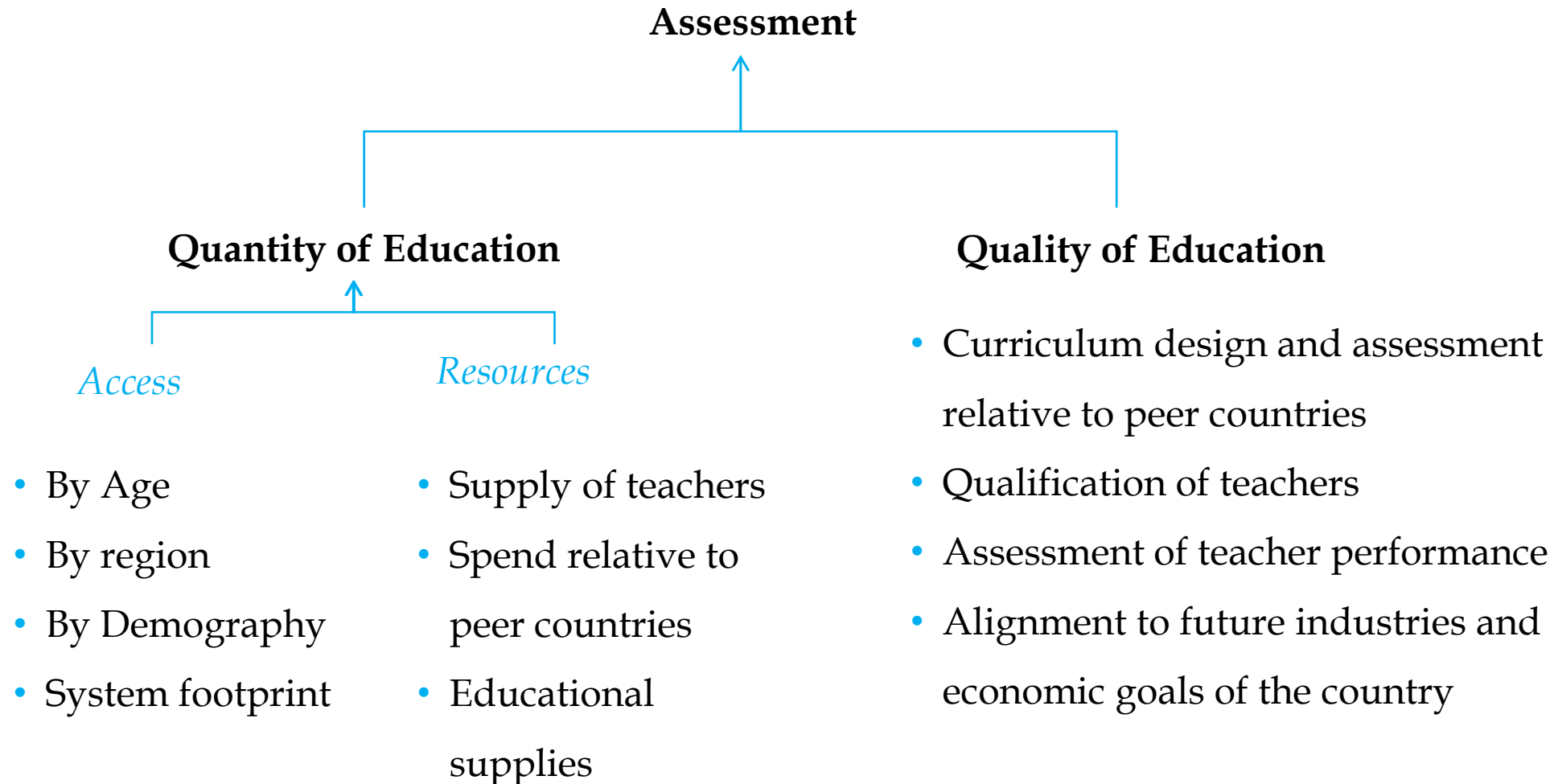
Case interview example – Loravia Education



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Question 1: What are the issues you would want to investigate in diagnosing the condition of the current school system in Loravia?

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Question 2:

The chart on this page shows some important education-related measures for Loravia, and also for some comparison countries. Three sets of comparison countries have been used:

- In the first set are some of Loravia’s neighboring countries in Eastern Europe.
- In the second set are some of the most developed economies in Europe.
- Finally, in the third set are some countries that have similar sized economies to Loravia on a per person basis (similar GDP per capita).

What can you observe from this chart?

	Students per school	Students per teacher	Government spending on education per student (US\$)	Average international-assessment score
Loravia	500	18	5,000	41
Close neighbors				
Neighbor A	400	16	3,000	38
Neighbor B	700	20	4,000	43
Neighbor C	800	20	5,500	48
Developed EU economies				
Developed A	500	21	8,000	54
Developed B	350	23	8,500	55
Developed C	400	20	9,000	53
Similar economies				
Similar A	600	22	3,500	45
Similar B	500	20	4,000	44
Similar C	300	19	4,500	46

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Question 3:

One of the clients at the Loravian Department of Education mentions the example of neighbor country C, which outperforms all of Loravia's economic peers and neighbors in the international assessment. She believes that the more concentrated school structure in this country is a big reason for its better outcomes in the international assessment. She suggests that having larger, less fragmented schools allows for more effective selection and training of teachers, leading to improved education outcomes for the students.

What would be the reduction in the total number of schools in Loravia if it were to reach the same average school size as Neighbor C?

Case interview example – Loravia Education

Assumptions:

- 15% of Loravia's population currently attends school (only supplied if asked)
- 500 Students per school current (from table)

Number of school children = $[15\%] * [20MM] = 3MM$

Schools in Loravia = $[3MM] / [500 \text{ students per school}] = 6K$

To replicate Neighbor Country C:

Schools in Loravia to replicate Country C = $[3MM] / [800 \text{ students per school}] = 3,750 \approx 4K$

Approximately 2,000 schools would need to be close or 33% of schools

> *Does this seem reasonable?*

Although some consolidation of schools may be possible in certain areas, a wholesale restructure could be counterproductive, given that many students and teachers would now have to travel much longer distances to school.

This could generate other problems such as staff shortages or poor attendance, and could create much higher financial burden on the government and families.

Question 4:

Based on the issues and information discussed so far, what further issues would you want to investigate as part of the diagnostic of the current education system in Loravia?

Q&A Session – any questions?

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