

Ace The Case

Part 1: What, Why + The Classic Case

Agenda

- **Introduction**
 - **Ace the Case: Series**
 - **Dates + FYIs**
- **Think Business**
- **The Classic Case**
- **Framework + Strategy**
- **Challenge (optional) + Next Steps**



The Series:

DATE	TOPIC
April 3	Why, What + The Classic Case
April 9 (Tues)	Profitability + Brain-Teasers
April 23	Market Entry + Market Sizing
April 30	Market Entry + Market Sizing
Surveys Out	Repeat

FYI: This series will be repeated with new cases each time. You are welcome and encouraged to join all!

Think Business

How to demonstrate business acumen

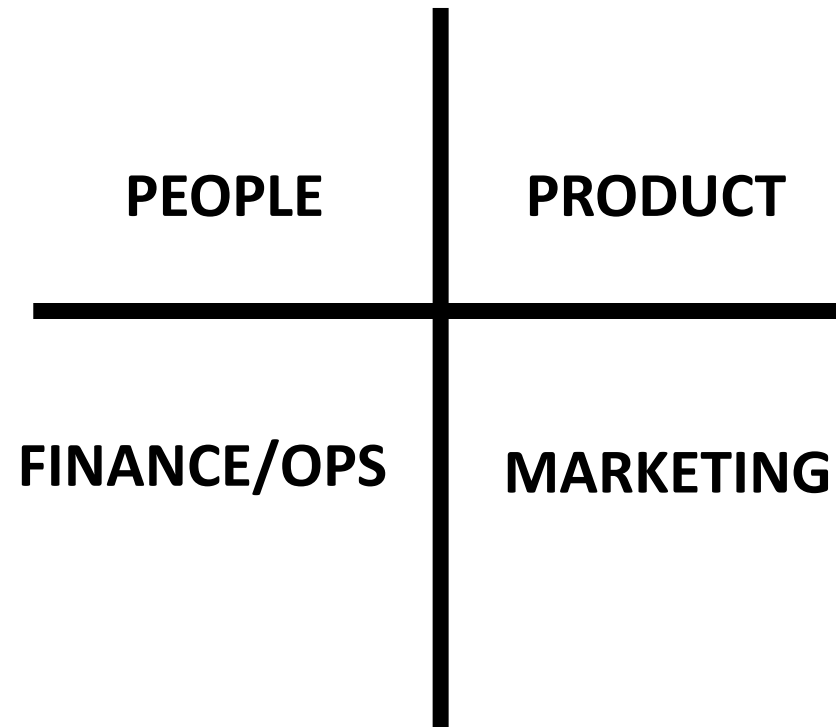


Step 1: Connect The Dots

HOW

- Problem structure + executing math are expected skillsets
- Distinguish yourself by knowing the following:
 - Understand the interrelations between industries
 - Ask intentional + strategic questions about *all* pillars of the business

Pillars of a Business



Step 2:

Current Trends + Research

HOW

- Employers will want to know that you are keeping up with current market trends
 - Watch business related networks
 - Read business related periodicals
 - Ie: Wall Street Journal, CNN Money, Finance, Fortune, Forbes etc.

Being in the know will help you connect the dots in a case interview...

Step 3:

Top Key Business Concepts



It will be expected that you are fluent in the following slide's topics as they are generally case interview topics.

KEY BUSINESS CONCEPTS CONTINUED

- Profitability

- Revenues
- Costs

- Industry attractiveness / Market issues

- Total size of the market in dollars
- Number of competitors → Minimum Efficient Scale
- Market conditions (shrinking/growing/stagnant) and associated implications

- Mergers and acquisitions

- Financials of the deal → Will it be profitable?
- Product-line synergies
- Market reaction
- Culture issues

- Marketing

- Pricing
- Placement (distribution channels)
- Product
- Promotion

STAND OUT BUSINESS KNOWLEDGE

- Other concepts that show deeper business insights
 - Labor issues
 - Implications of unionized labor and compensation (salary, benefits, etc.)
 - Long-term contracts
 - Revenue streams
 - Costs
 - Fixed vs. Variable
 - Direct vs. Indirect
 - Supply and demand issues and their effects on pricing
 - Culture and morale issues
 - Operational issues

EXAMPLE

How To See the Full Spectrum of Business Functions:

In a Case Interview, you'll need to show you can figure out the full set of implications, both direct and indirect.

Example Event:

The OPEC Nations Decide to Restrict the Supply of Oil

Workshop with a Partner:

Identify 3-5 direct and indirect implications from the example event

Think of every pillar of the business: how will this impact the consumer? The business? The government?

ie. (direct) Gas prices will increase in the US -> Oil company revenue increases

POSSIBLE OUTCOMES

- Direct: Gas prices increase in the US, oil company revenues increase
- Indirect: Sales of SUVs decrease, auto companies offer more sales/promos on SUVs
- Indirect: Airlines raise fares for air travel, some travelers chose to fly less, airline layoffs
- Indirect: Use of public transportation increases, revenues for business related to auto use decline
- Indirect: US Federal Government faces pressure, US Government may apply trade sanctions onto the OPEC nations
- Was your answer MECE?
- MECE is a term that your case interviewer will keep in the back of their mind:
 - **What it means – was the interviewer's conclusion Mutually Exclusive and Collectively Exhaustive?**

The Classic Case: Profitability



WHAT IT IS

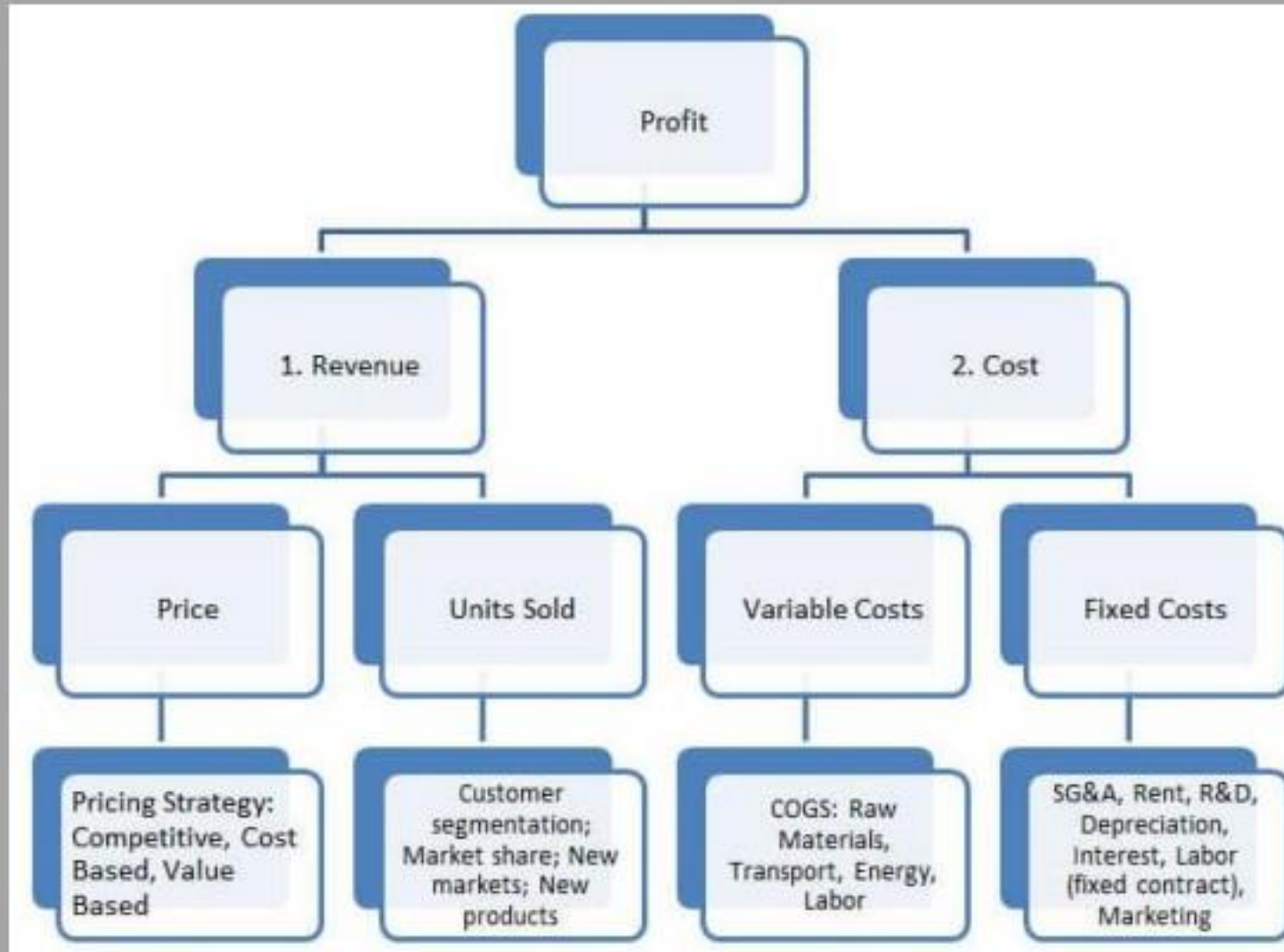
**Profitability Cases Are
The Most Common
Case Type**

AND:

- **The #1 reason companies contact consulting firms**
- **Profitability cases help to solve financial obstacles**
- **Can make/break your reputation**

WHAT WE LEARN: The Issue Tree

https://www.youtube.com/watch?v=GTo3N_afZW0



EXAMPLE CASE

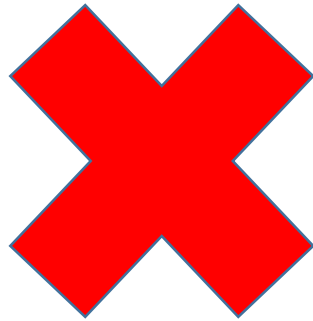
A client owns a chain of restaurants in the Northwestern United States, and is concerned about declining profitability in one of the locations.

What can she do to restore profitability?

What are your first 2 steps?

CONSULTANT'S STRATEGY

1. Ask/acknowledge the business model first (or, do your research before hand)
2. Make a step by step plan **BEFORE** the issue tree.



*"The first thing I'd like to do is examine the reason for the profit decrease, I'll do that by asking you a variety of questions and follow-ups to ensure my approach is **mutually exclusive and collectively exhaustive** (mece)...Once I determine the root cause I will present 2-3 solutions to recover profits..."*



Challenge (optional) + Next Steps

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- Take the example case (noted)
 - By utilizing an issue tree, determine the root cause
 - Email me the root cause and **3 possible solutions**
 - The first email with reasonable solutions to me will receive a gift card to Poor Richards
 - Winner will be revealed at next week's workshop

You've determined the following information from your
Issue Tree:

- The restaurant has not experienced a drop in foot traffic
- The average spend per guest has dropped from \$70 to \$55
- A theater has recently opened down the street

A client owns a chain of restaurants in the Northwestern United States, and is concerned about declining profitability in one of the locations.

What can she do to restore profitability?

***The Top 3 Consulting Firms:**

- Receive 200,000 Applications/Year
- Resumes; Approx. 4,000/Week (800/day)
- Offer: 500/year (average)

MAKE YOURSELF STAND OUT!



QUESTIONS
+
CONTRIBUTIONS