CRACK THE CASE

Crack the Case

LEVEL 1

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Agenda

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CORE SKILLS	BUSINESS CASE FLOW	PRACTICE & DRILLS

CORE SKILLS

- **90 minutes**
- Cases-what to expect
- CSAI skills
- Structuring with Block, Break & Ask
- MVM model

BUSINESS CASE FLOW

- **90 minutes**
- Crack the Case Path
- Full case with video
- Structuring, Analysis and Integration

PRACTICE & DRILLS

- **30 minutes**
- Data analysis
- Market sizing
- Mini case
- Math must haves
- Next steps

David Ohrvall

CEO, Zintervu

Wharton University of Pennsylvania

ICU 国際基督教大学 International Christian University Expanding Potential

accenture High performance. Delivered.

Equity Office

NALCO

BAIN & COMPANY

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CRACK THE CASE

INTERVIEW LOGIC

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World-Class Case Interview Training

Canada

Ivey School (UWO)
Queen's University
McGill University
U of Toronto
U of Calgary

United States

Amherst College
Berkeley Haas
Boston College
Boston University
Bowdoin College
Carnegie Mellon Tepper
Chicago Booth
Columbia
Colorado
Darden
Dartmouth Tuck
Duke Fuqua
Emory
George Washington
Georgetown
Georgia Tech
U of Georgia
HBS
Iowa
IU Kelley
Johns Hopkins
Kellogg
Maryland
Michigan Ross
Michigan State
MIT
Minnesota
Notre Dame
NYU Stern
Ohio State
Olin WUSTL
Owen Vanderbilt
Pepperdine
Rice
Smith
Stanford
SMU
Temple
UT McCombs
Texas A&M
USC Marshall
UCLA Anderson
UC Davis
UC Irvine
UNC Kenan-Flagler
U of Washington
Wharton
William & Mary
Wisconsin
Yale

Europe

IE Madrid
INSEAD
Oxford Said
Cambridge Judge
Bayes, Imperial,
Trinity Dublin,
ESADE, SDA Bocconi
HEC

Middle East

INSEAD Abu Dhabi
American University Cairo

Asia – Pacific Rim

INSEAD Singapore
National University
Singapore
Hong Kong UST
CEIBS Shanghai

CASES are EVERYWHERE

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Consulting

- Strategic decisions
- Market entry
- Profit maximization
- Declining market
- Organizational redesign

Finance

- M&A transactions
- Private equity buy-outs
- Business sell-offs
- Time value of money

Marketing

- New product
- Lagging product
- New industry
- Branding remedies

Industry

- Airlines
- Health care
- Internet/telecom
- Government
- Internal strategy

Companies emphasize different behavioral and technical elements

	Industry / Marketing	Finance	Consulting
Behavioral	• Show leadership and positive energy • Can achieve long term goals through cooperation • Play well with others	• Show grit, confidence, fight • Use insights and savvy to win BIG!!!!!! • Get along with others	• Show ability to be all things to all people • Use data to prove points and persuade • Enjoy and can lead others
Technical	• “Think through a situation . . .” • Company and business sense • Industry awareness	• Acct./Finance Basics • Logic, deal and business sense • Memorized and on the spot analytics	• Gen. business knowledge • Logic and business sense • On the spot analytical prowess

We'll be working on skills you can use in all your interview situations

	Industry / Marketing	Finance	Consulting
Behavioral	• Show leadership and **positive energy** • Can achieve long term goals through cooperation • Play well with others	• Show grit, **confidence**, fight • Use **insights** and savvy to win BIG!!!!!! • Get along with others	• Show ability to be all things to all people • Use data to prove points and **persuade** • **Enjoy** and can lead others
Technical	• **"Think through a situation . . ."** • Company and **business sense** • Industry awareness	• Acct./Finance Basics • Logic, deal and **business sense** • Memorized and **on the spot analytics**	• **Gen. business knowledge** • Logic and **business sense** • **On the spot analytical prowess**

But after today you'll need to go deeper in certain areas

	Industry / Marketing	Finance	Consulting
Behavioral	• Connect to the products • Know the role and your fit • Embrace the long-term career path	• Know firm differences • Highlight your victories • Show you are ready to sacrifice	• Know office differences • Find client-like examples • Show you can flex and deal with change
Technical	• Know the products • Know recent strategies • Know the industry	• Mental math • Capex • Cash flow • Balance sheets • DCF • Debt/equity • Working Cap • Depreciation • Goodwill	• Mental math • Growth rates • Present value • Slide reading • Break-even analysis • Market sizing math • ROI

How would you answer these business scenario questions?

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Tech

“**What information** would you need to help develop the implementation strategy?

“Talk me through the options. What is your rationale for **choosing this application**.”

“Our roll-out is **resource constrained**. What would you do first?”

“How would you determine if this product is worth **turning into an app**?”

How would you answer these business scenario questions?

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Marketing

"Walk me through a **favorite marketing campaign** and why you liked it."

"Let's think through how to **increase overall brand awareness**."

"Let's **evaluate the roll-out** of our holiday scent air freshener. Should we do it next year?"

"Using the **4P's framework**, let me know how you would market a new line of high-end headphones."

How would you answer these business scenario questions?

Finance

“Let’s walk through **a recent acquisition**. Name one that recently happened, what you think went well, and what should have done differently.”

“I’ll give you a million dollars. How **would you invest it and why**? What kind of return would you expect to get?”

“If you had to advise on a **merger between two food companies**, what would you want to know?”

“Think through **the trade-off** between these two investments.”

How would you answer these business scenario questions?

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Consulting

"Our client is **facing declining profits**. Should they shut down two of their five plants."

"A global beer company is looking at **acquiring** several smaller craft beer companies. **Should they do it**?"

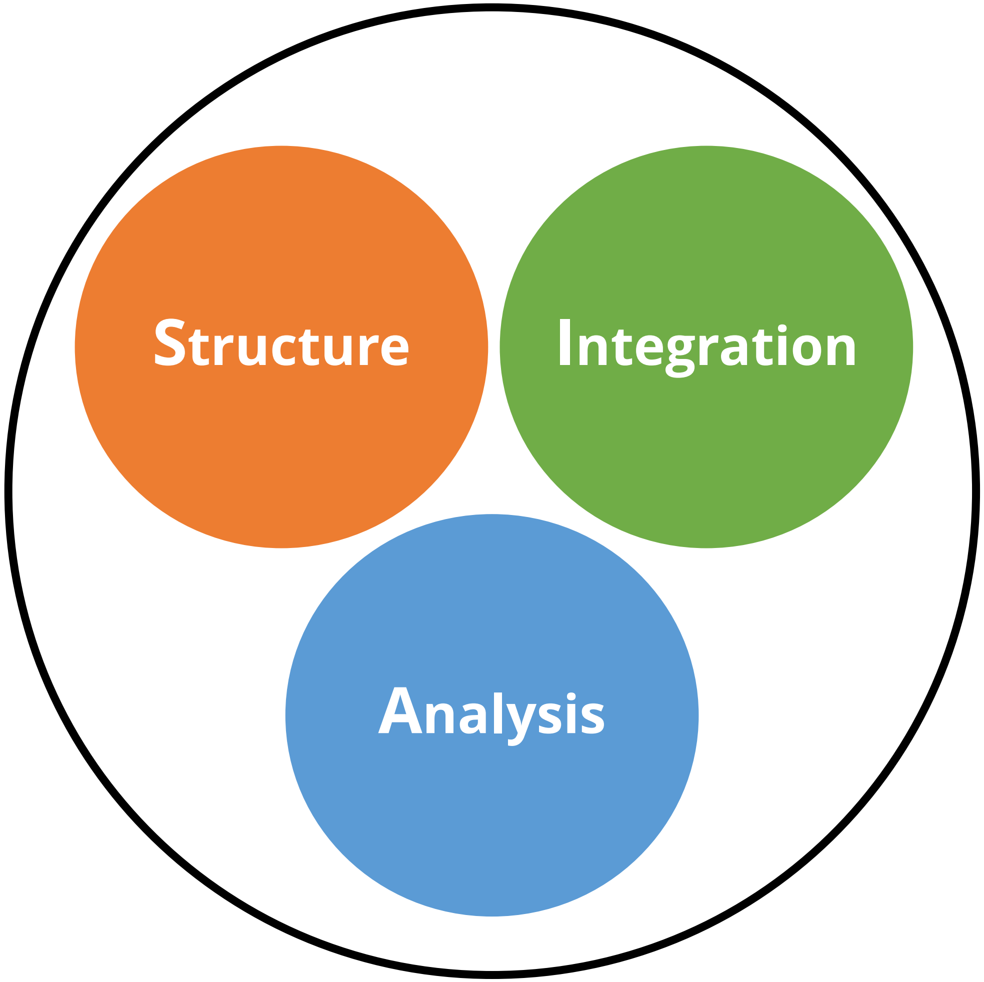
"We are working with a company who is facing increasing competition from **private label pretzels**. What should they do?"

participate

think long term

be serious,
have fun!

Cases test four key skills



COMMUNICATION

Be Answer First!

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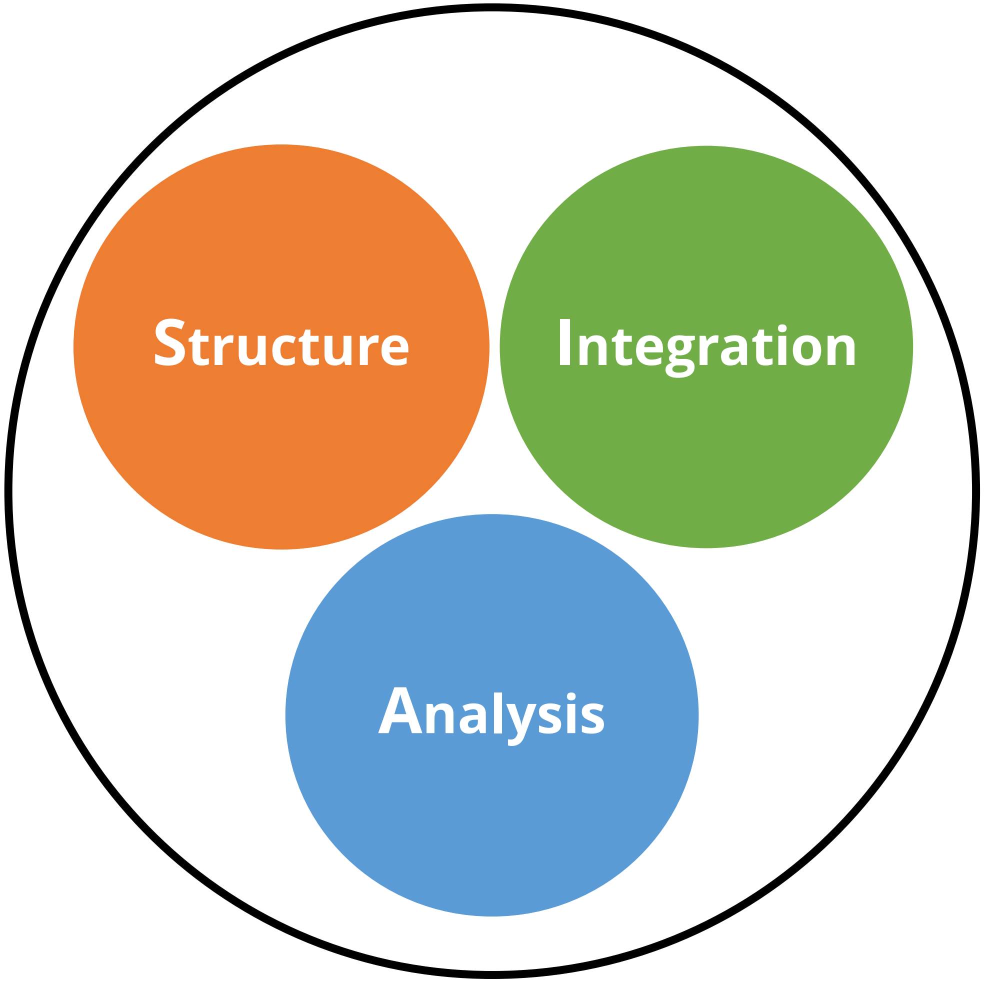
- Bring the main point to the front
- Use data to engage your interviewer
- Apply Answer First to speed up your case communication

Create an IMPACT

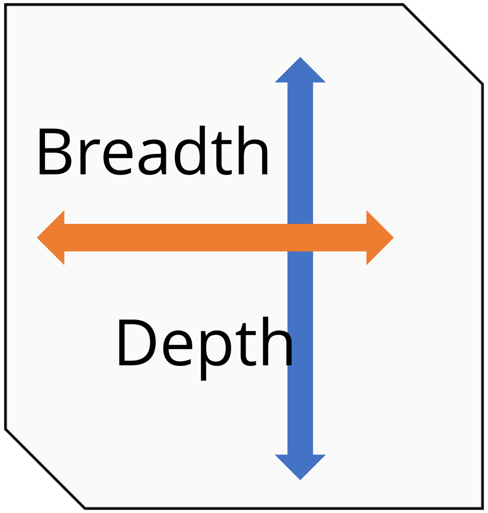
- **I**ndividual Contribution
- **M**anage or Lead
- **P**ersuasion
- **A**nalytics
- **C**hallenge or Failure
- **T**eamwork

What does structure mean?



COMMUNICATION

Structure your thoughts with breadth and depth



- **Expect your interviewer to test your breadth, “What else, what else?”**

- **Practice showing your depth of thinking with Block, Break & Ask**

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NYC Chocolate Store - Our client will open a chocolate shop in NYC.

Competitors	Financial Goals	Manufacturing	Store Operations
Direct (e.g. Godiva)	ROI ($, time to profit)	Raw materials (cocoa, sugar)	Store location
Alternatives (fudge, flowers)	Profit by product (choc v candy)	Production (on or off site)	Store hours (normal, special)
		Shelf life	Employees
What makes our product unique and will that advantage last?	What's our 6 month and 12 month profit target?	Will we use our current suppliers or need to find local ones?	What is the daily foot traffic for potential locations?

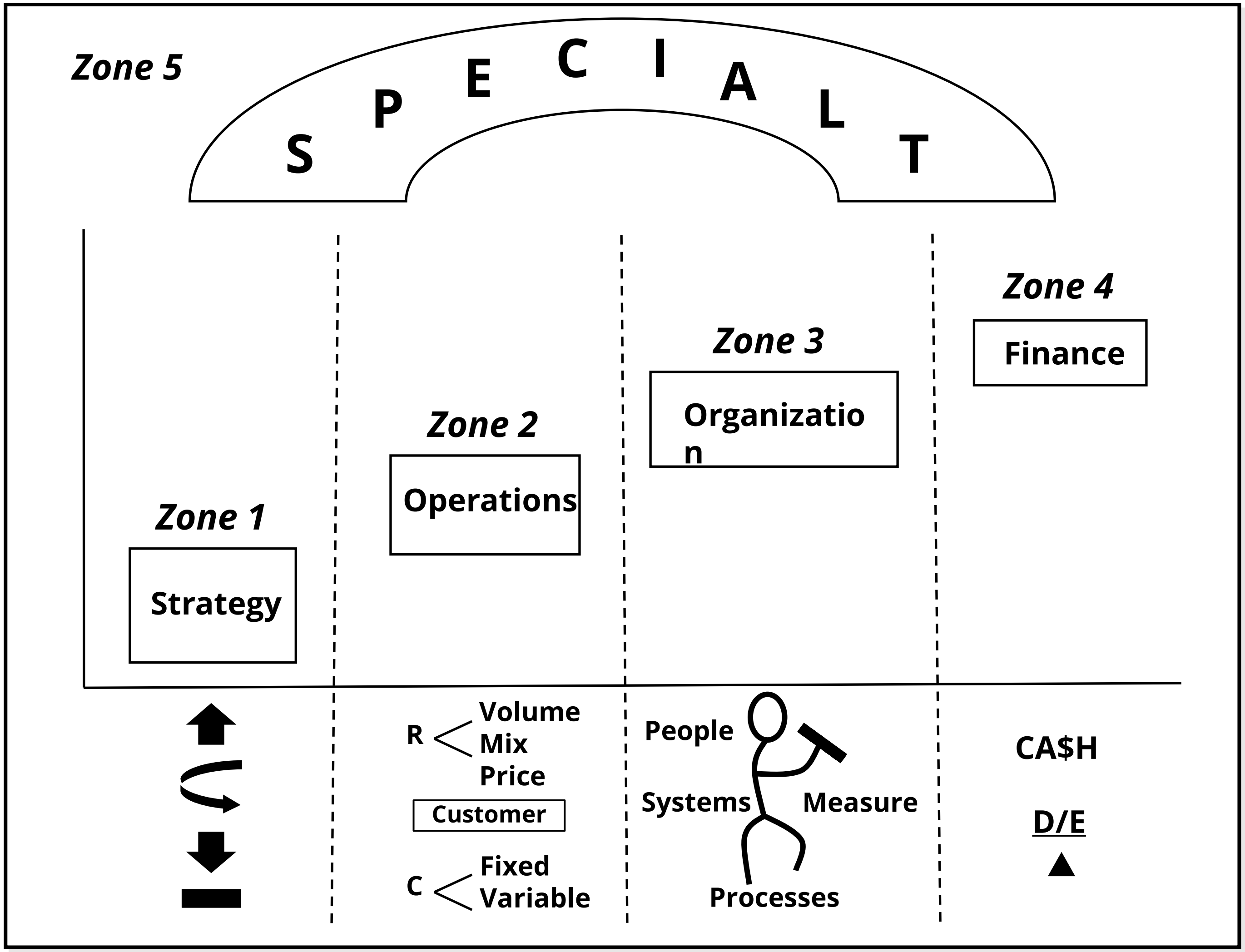
Amazon Prime - They need to ensure on-time delivery and profit.

Product Availability	Pick & Pack	Delivery
Products stocked in Amazon warehouses	Staffing levels	Ship method
Large vendors	Order size (single vs mult ships)	Load time
3rd party small sellers	Packaging materials used	Routing
Is performance worse for 3rd party sellers? Is inventory data accurate?	**Do small warehouses have faster turns than large ones?**	**How do cost & on-time performance metrics compare?** (FedEX, UPS, Amazon)

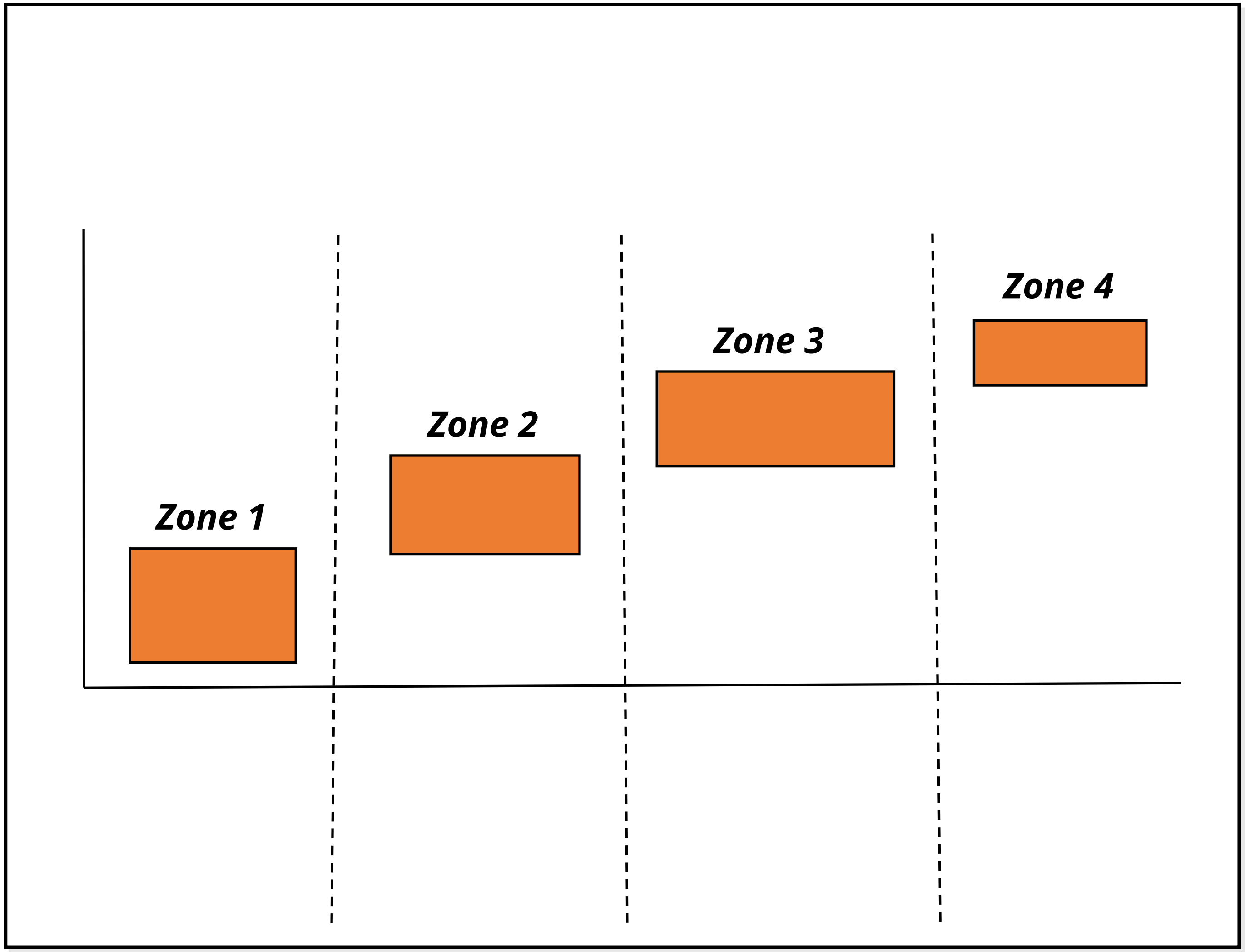
What's your objective with every case?

Maximize the Value of the Company

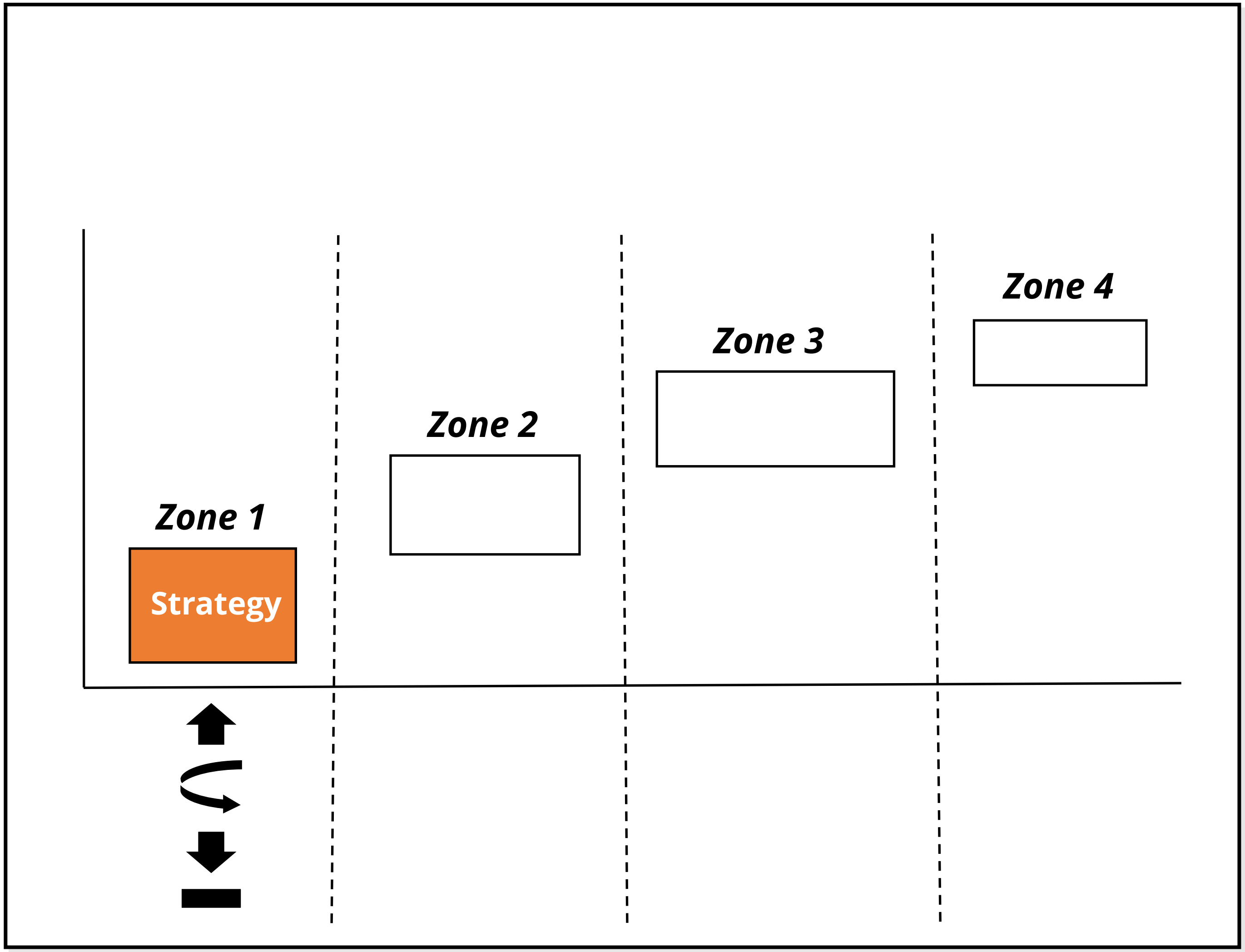
Develop a way to think about problems (MVM Model)



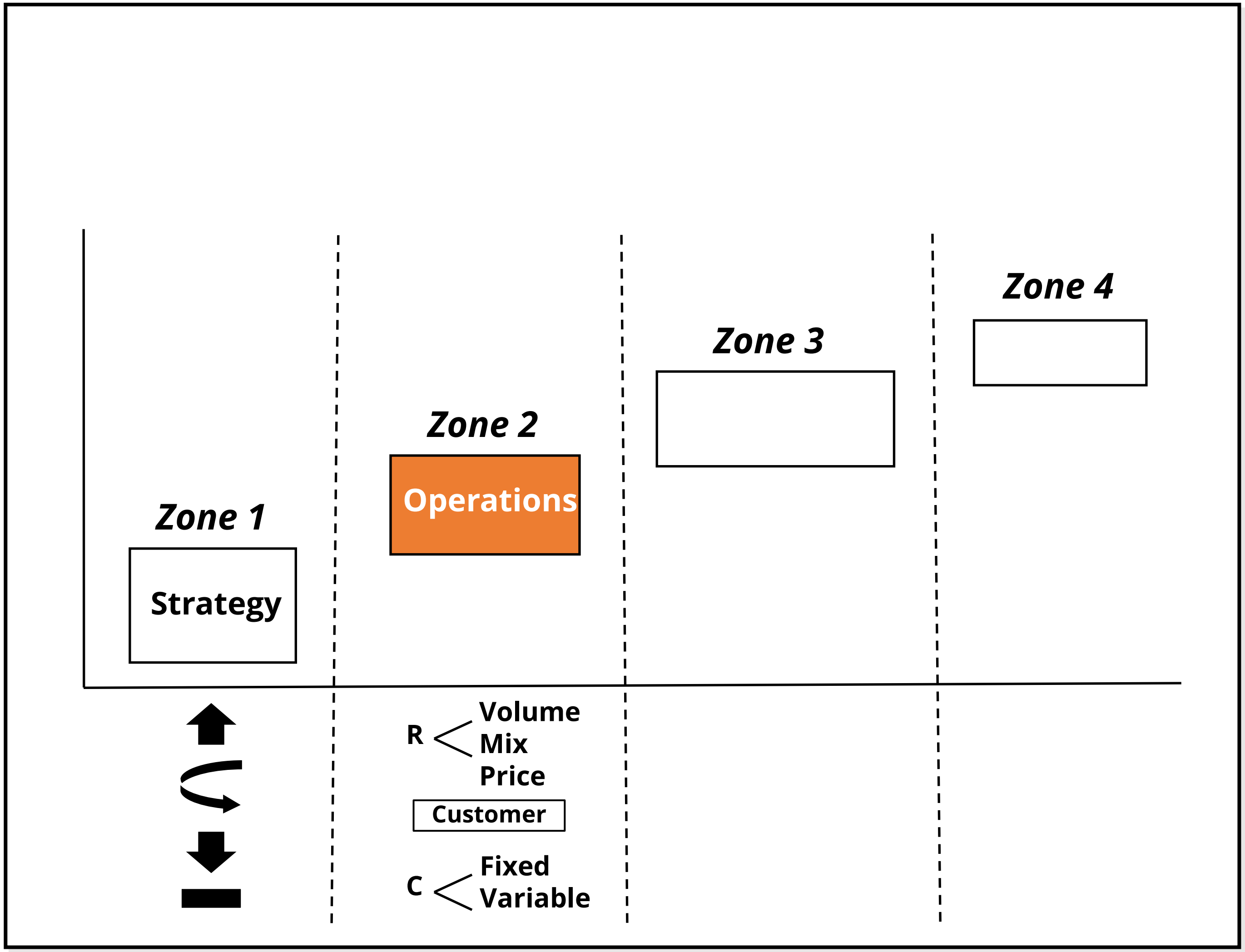
Waterfall – each zone adds value



Strategy – increase, change, shrink



Operations – revenue and cost



Organization – people, systems, processes and measurement

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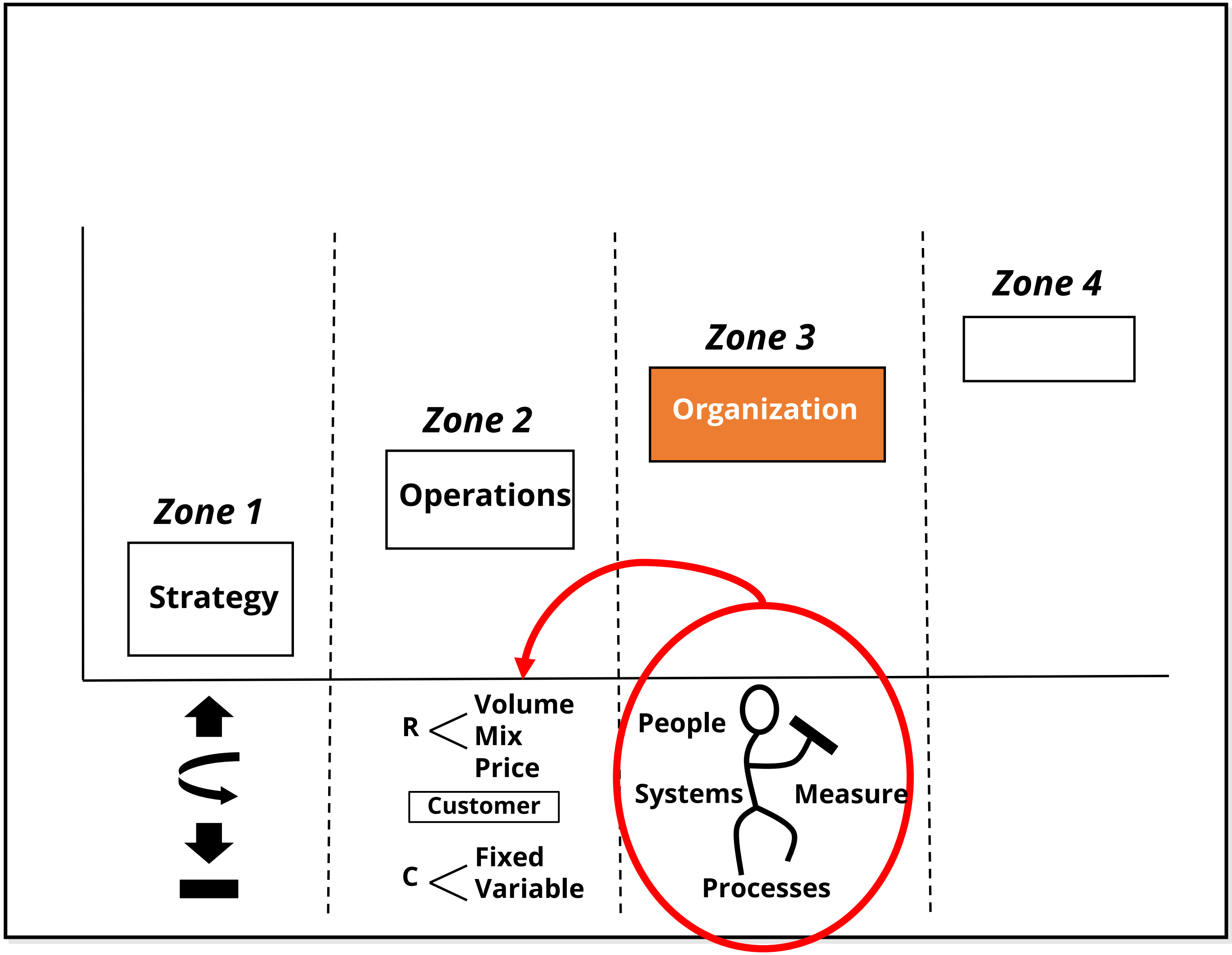
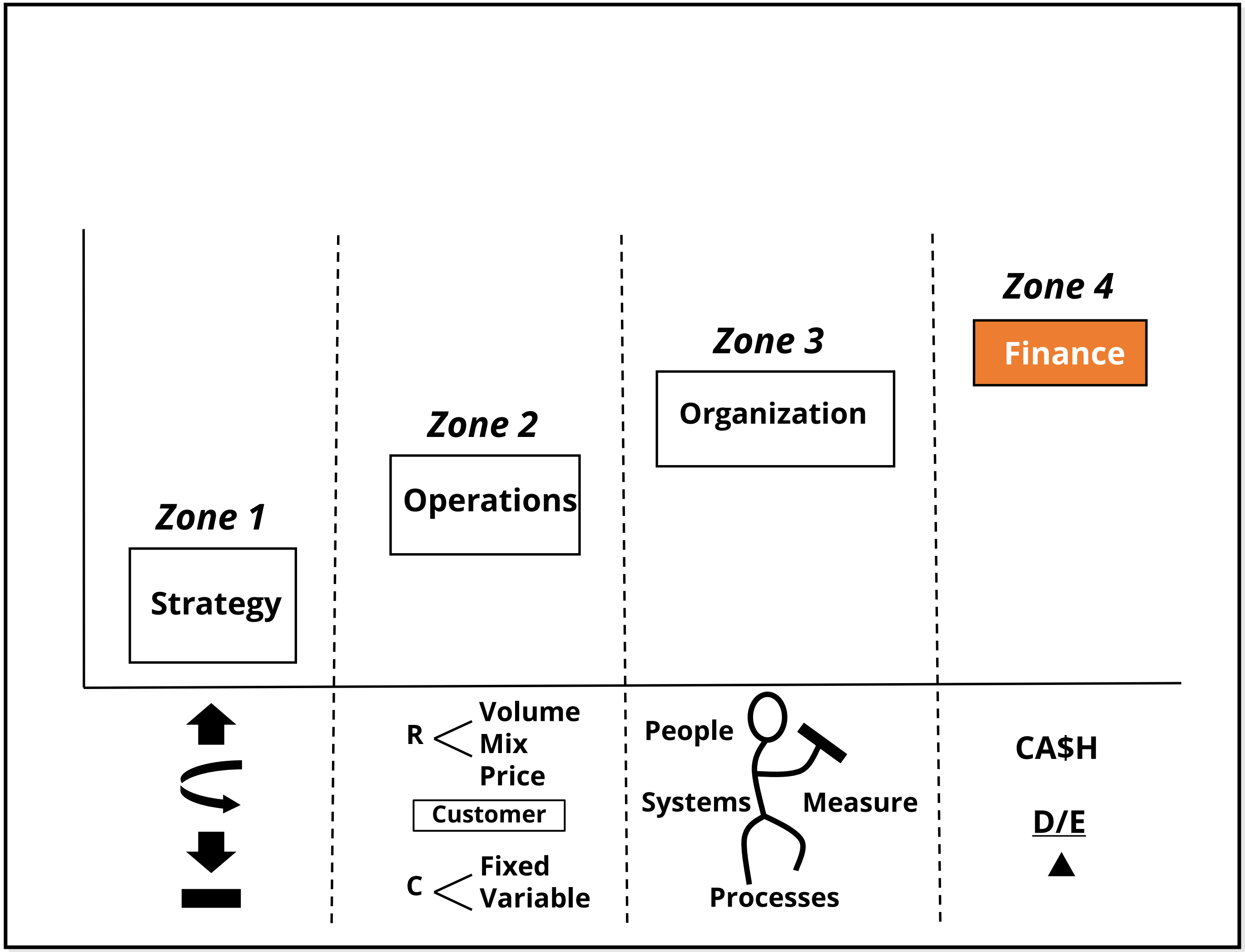


Finance – cash, debt, equity



External Forces – connect to business drivers

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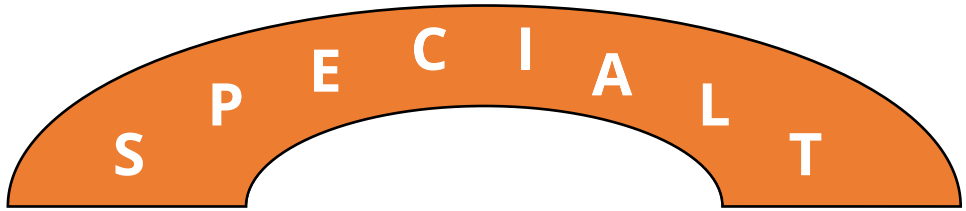
Zone 5



Suppliers	**Technology**
Public	**Legal**
Economy	**Auditing**
Competitors	**Industry**

Maximum Value Model (MVM™)

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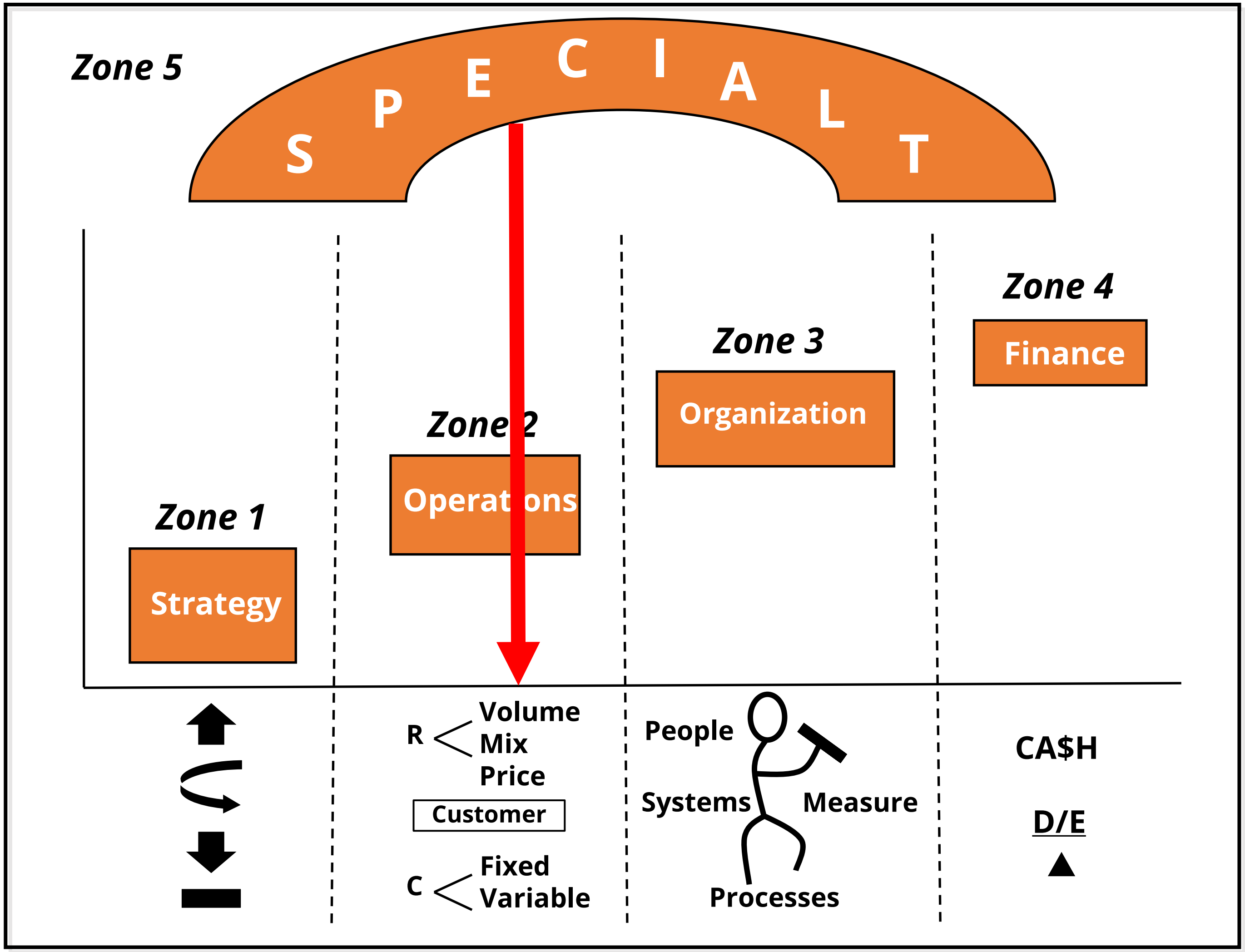

Agenda

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CORE SKILLS

- **90 minutes**
- Cases-what to expect
- CSAI skills
- Structuring with Block, Break & Ask
- MVM model

BUSINESS CASE FLOW

- **90 minutes**
- Zintervu Path
- Full case with video
- Structuring, Analysis and Integration

PRACTICE & DRILLS

- **30 minutes**
- Data analysis
- Market sizing
- Mini case
- Math must haves
- Next steps

Let’s do a case!

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Market Sizing & Estimation

- **5-10 minutes**
- How many toothbrushes are sold each year?

- ❑ Quick math
- ❑ Estimating
- ❑ Facing ambiguity
- ❑ Communicating confidently

Mini-Business Case

- **15-20 minutes**
- Help this company launch a new product.

Market sizing embedded in business case

- ❑ Estimating
- ❑ Facing ambiguity
- ❑ Communicating confidently
- ❑ Chart or equation
- ❑ Final decision

Full Business Case

- **30-40 minutes**
- Help this company expand and deal with 2 other issues.

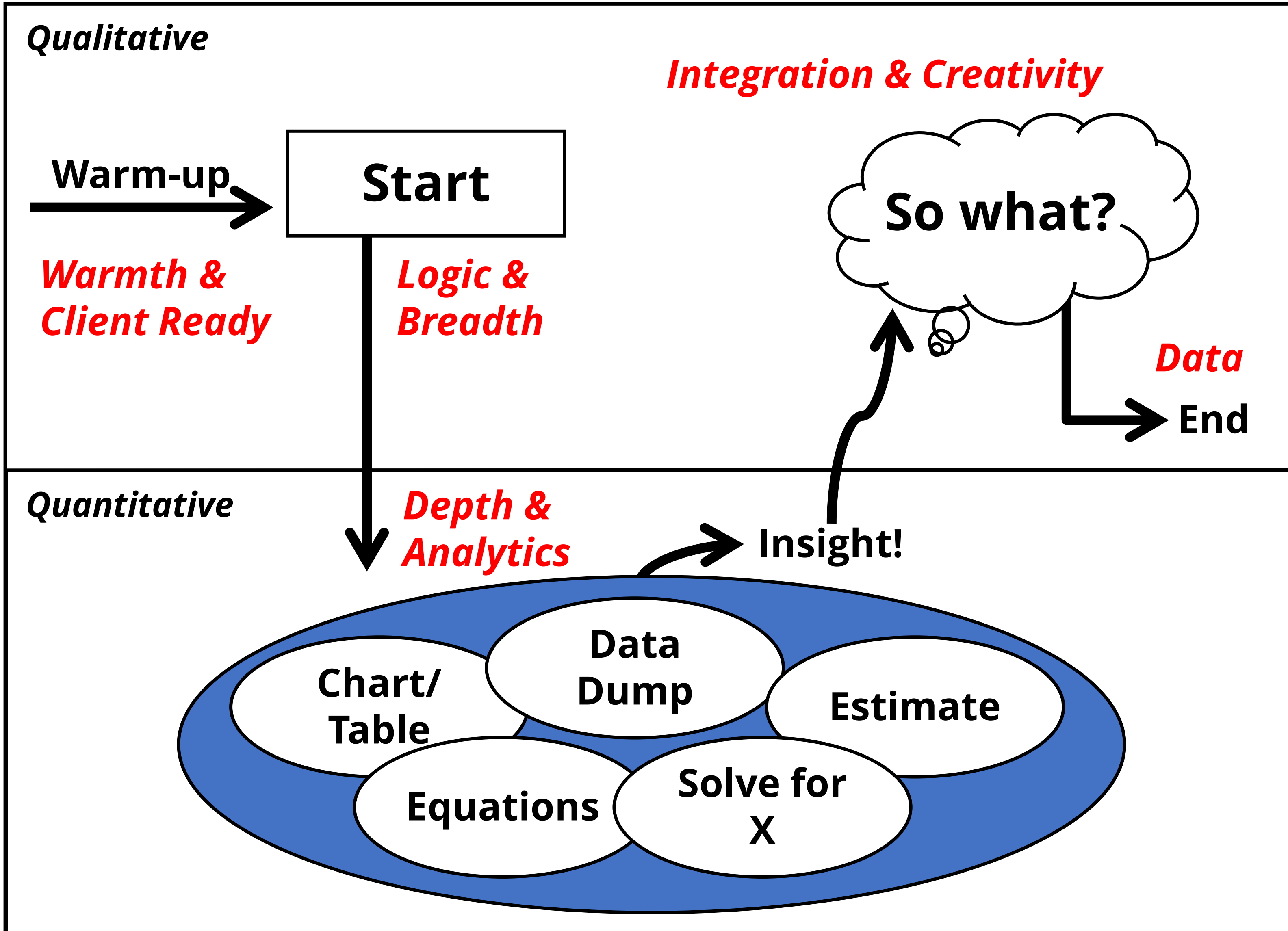
- ❑ Estimating
- ❑ Facing ambiguity
- ❑ Communicating confidently
- ❑ Many charts, equations
- ❑ More complex final decision

Most Common Business Cases

Strategy	Ops & Org	External Forces
Merge, Acquire, JV	✓Maximize Profit	Competitor Attack
✓Growth Strategy	Change Price	✓ Market Shift
✓New Product/ Bus	New Processes	
New Market (Geo)	Restructure Team	

Most cases follow a similar pattern

Zintervu Path



Full Business Case

hIQ Tea

1. Show qualitative & quant skills

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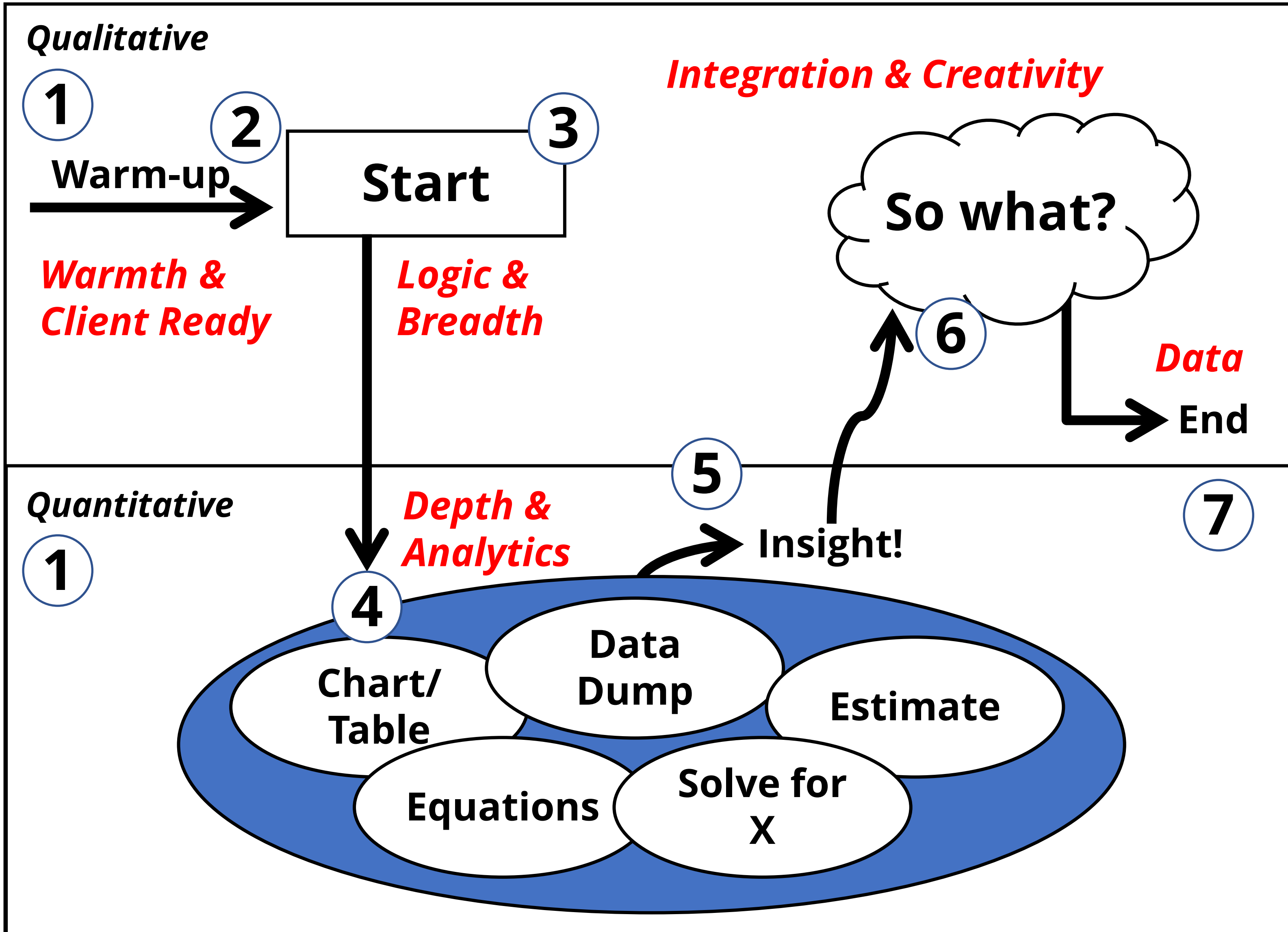
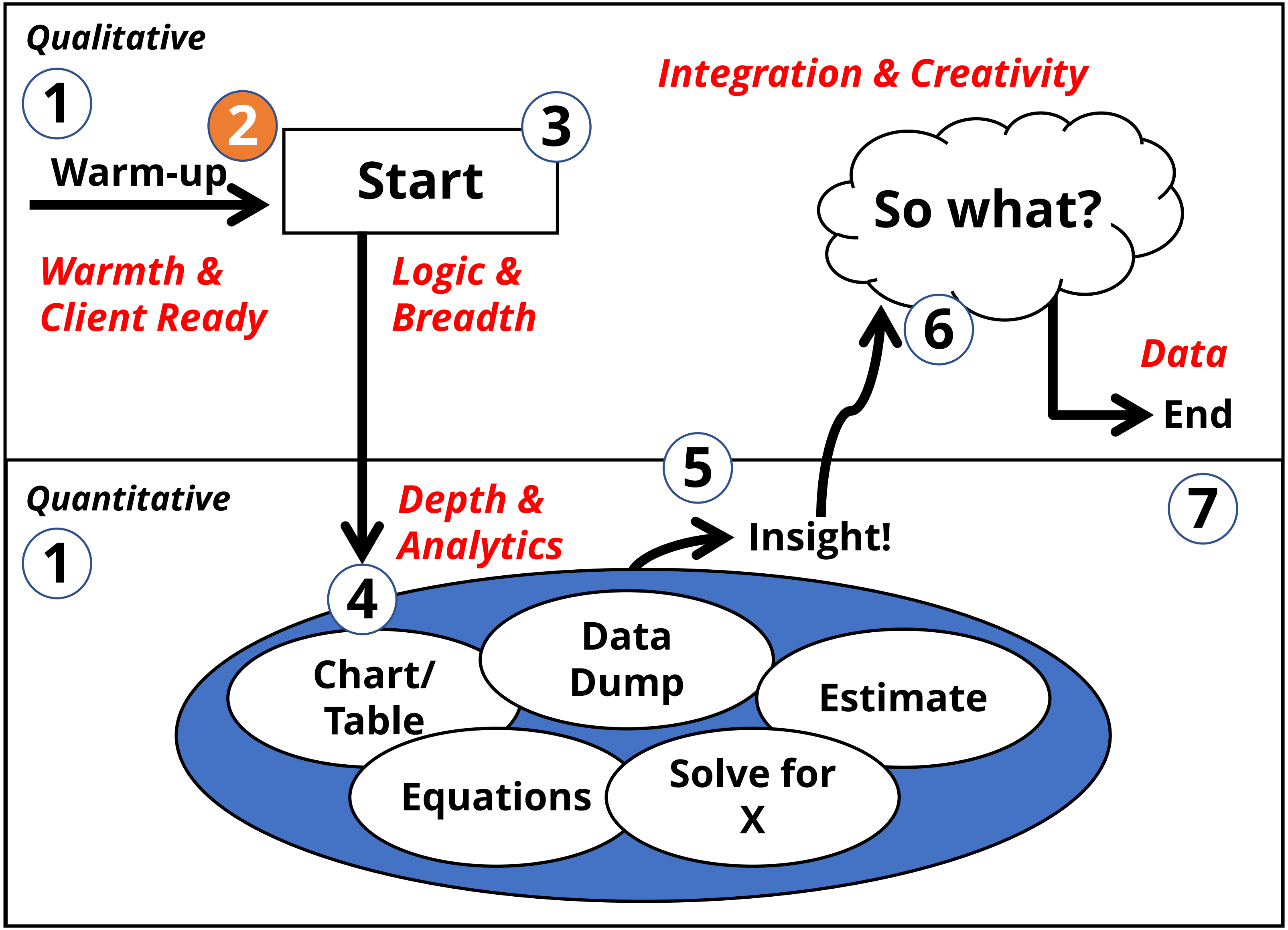


2. Warm-up

2. Move Into the Case



2. hIQ Concept

2. hIQ Question

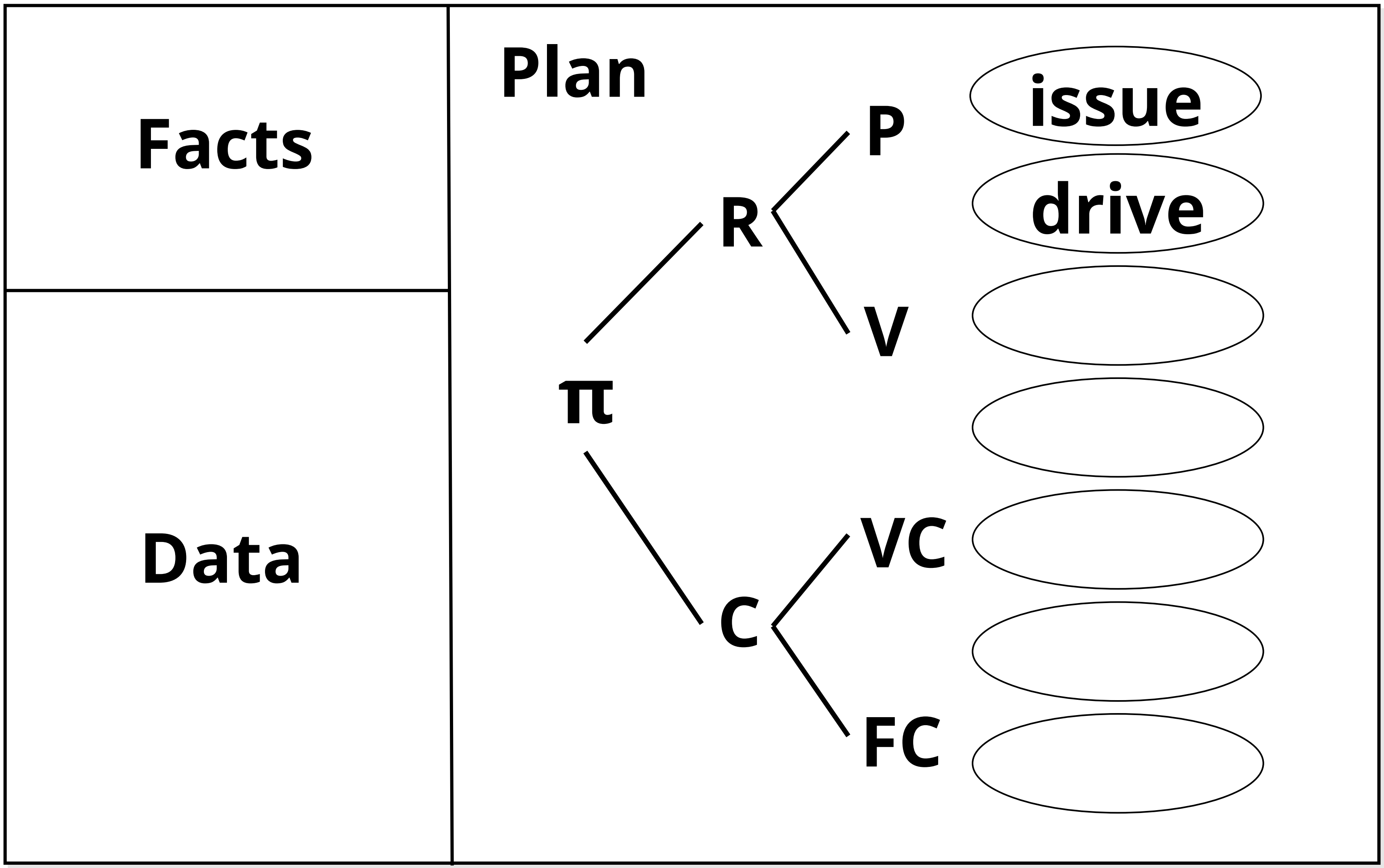
3. Recap: Situation, Complication & Task

3. Clarify, Ask for Minute, Plan

Use your plan to connect and explain

Facts	Plan
	Main Idea
	Block A · *Block B* · *Block C* · *Block D*
Data	• **Break – be case specific** • **Ask – what data matters? Be thoughtful.**

Use your plan to connect and explain



Solo Exercise

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Put together your plan!

- Prepare a Block, Break & Ask for hIQ.
- Think about 2-3 blocks.
- Be case specific with your breaks.
- Think about the data you need.

3. Create Your Plan

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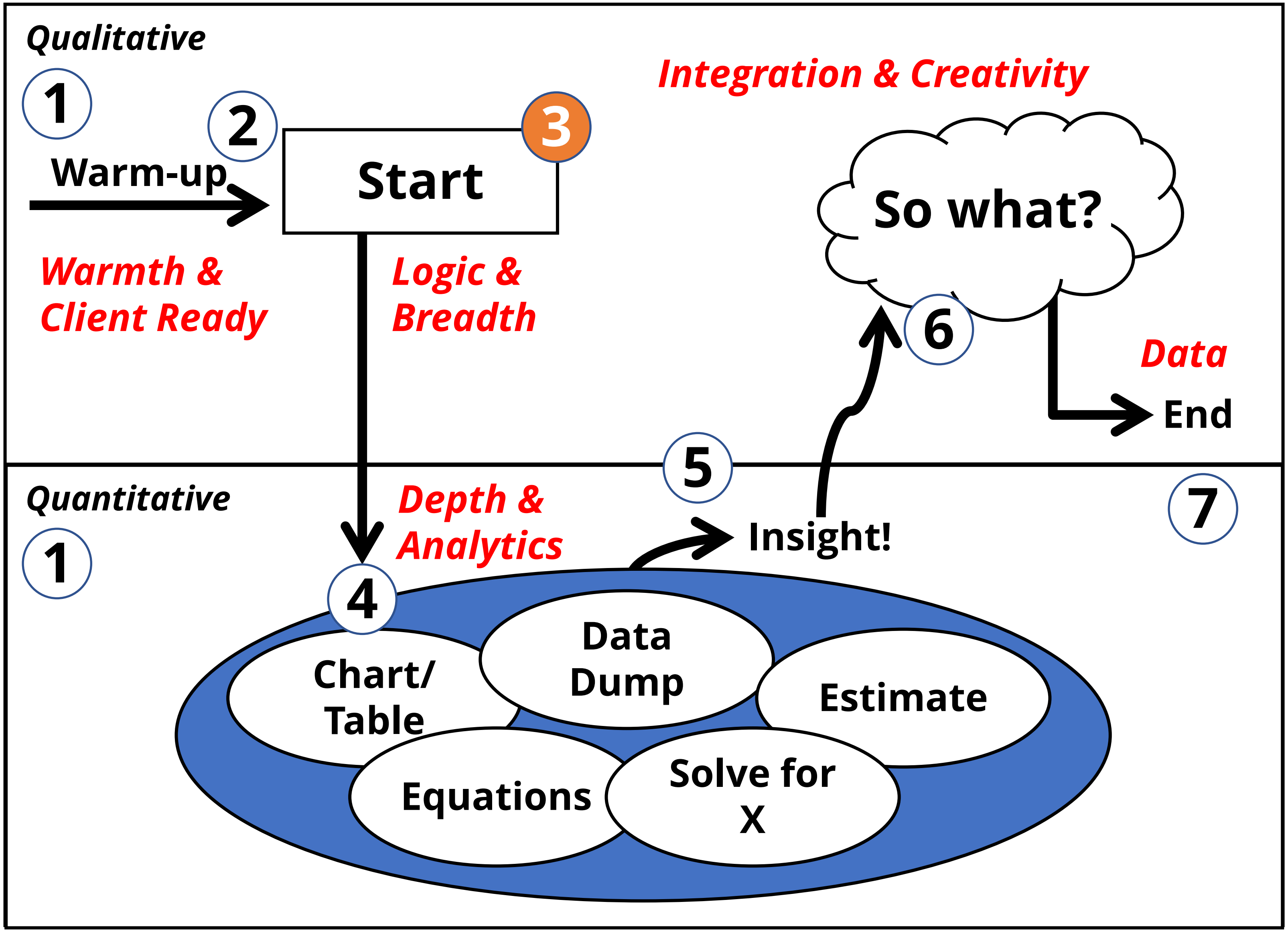

3. Present Your Plan (Option A)

3. Present Your Plan (Option B)

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3. What about your PLAN?

3. What do you MEAN?

3. What about your DATA?

4. Dive Into Data

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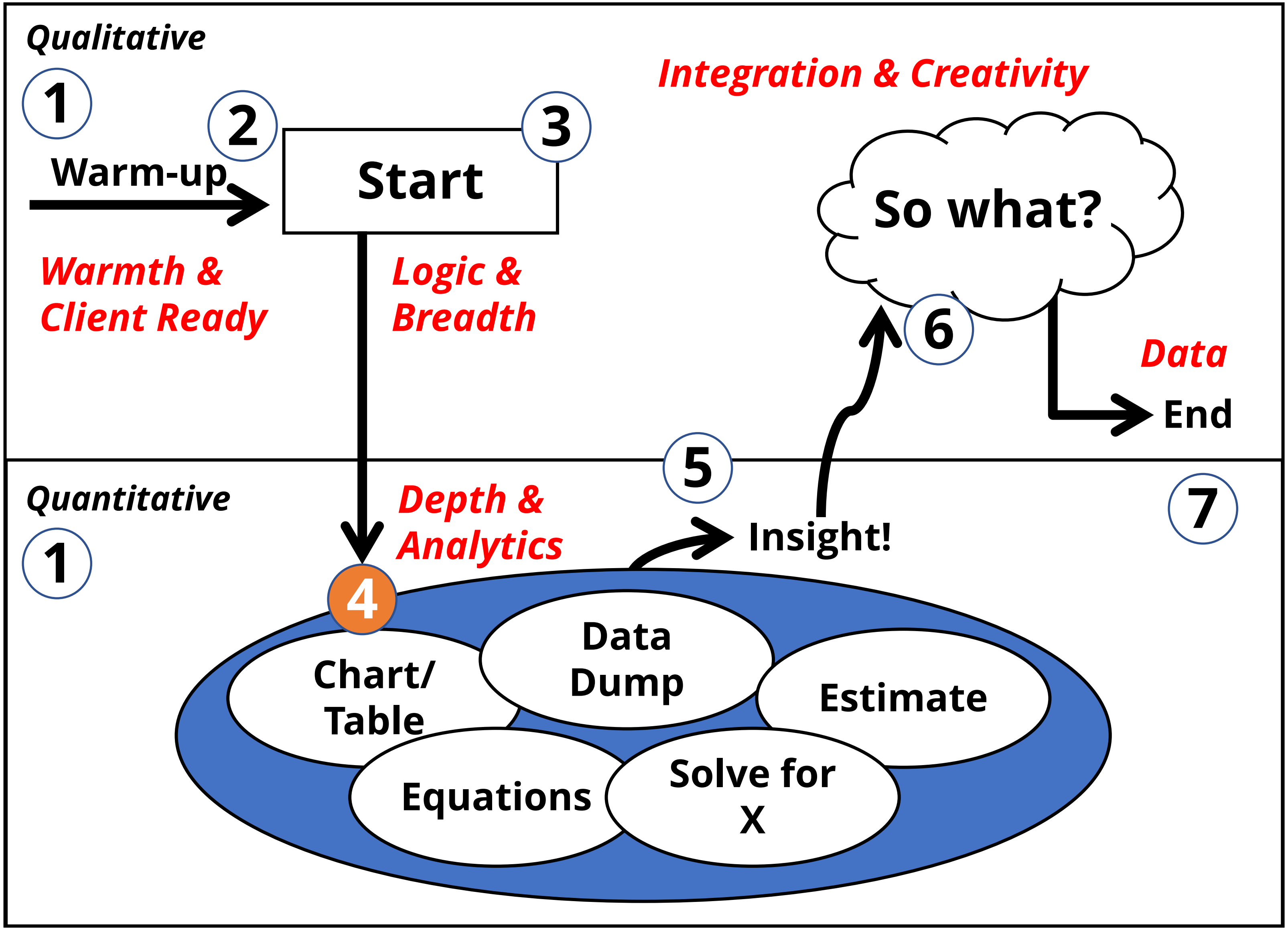

4. Talk Thru the Data (A)

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5. Find Insights

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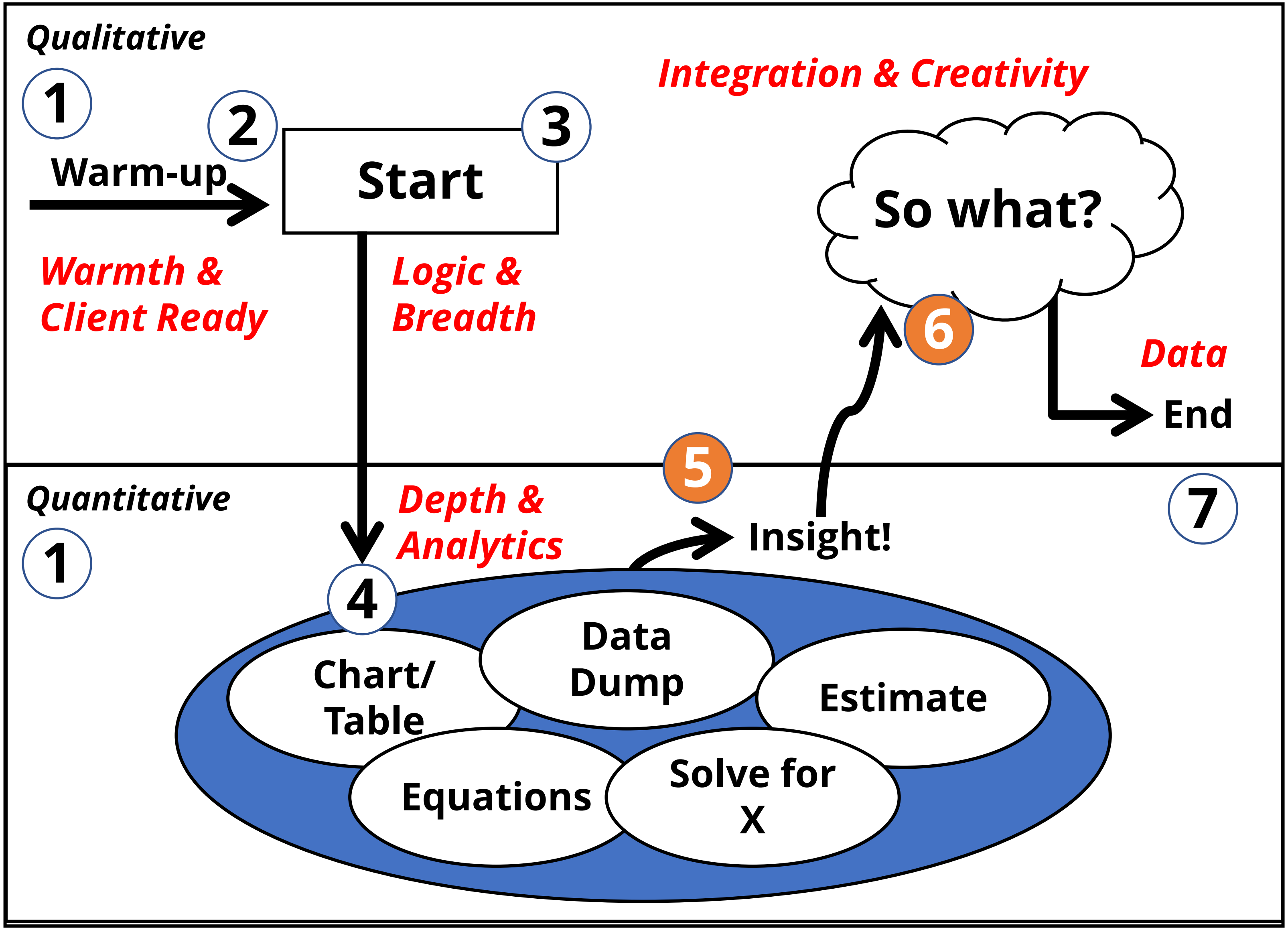
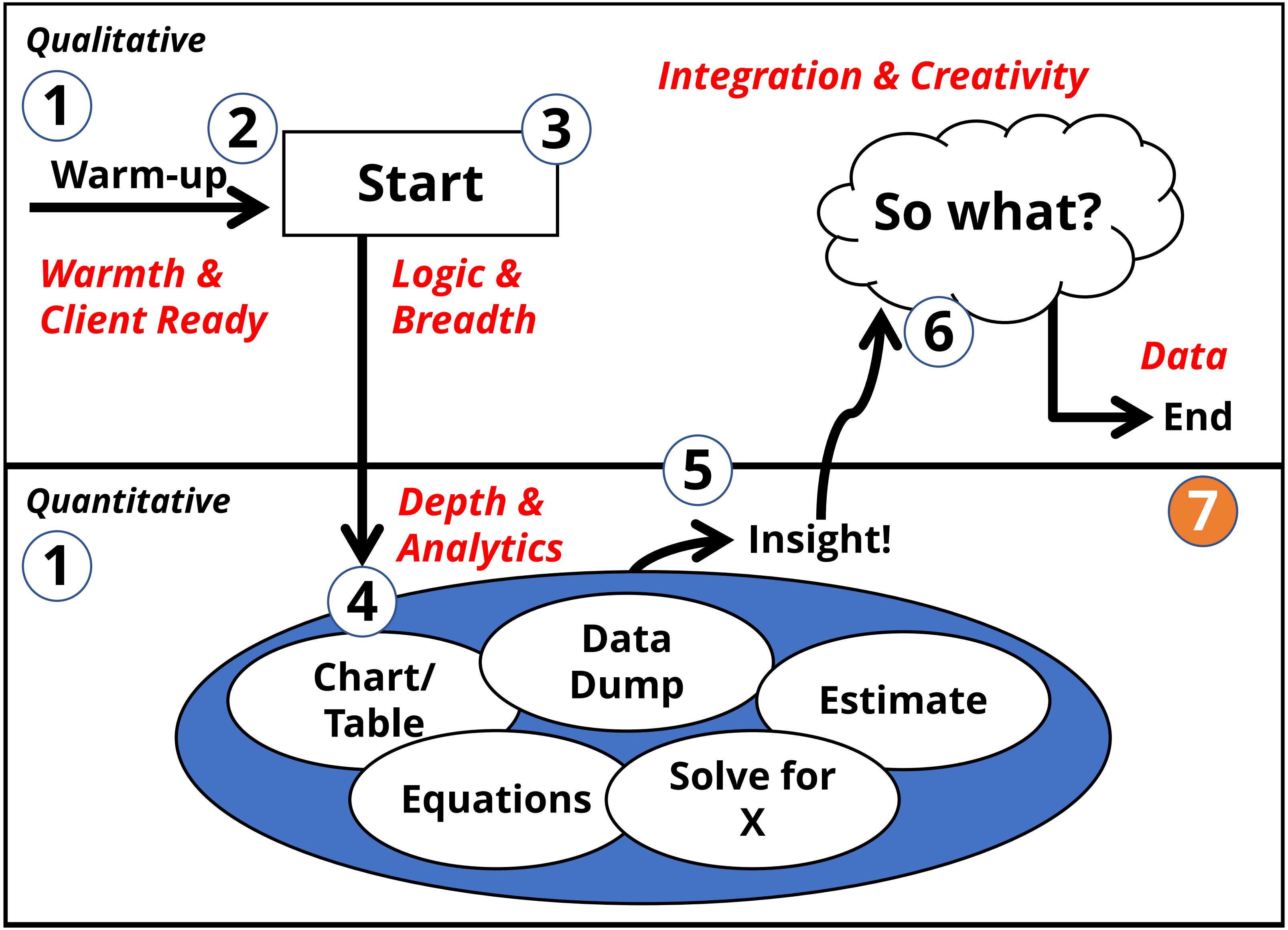


5. Find Insights (B)

5-6. Use Data

7. Integrate and Wrap-up

7. Integrate and Wrap-up



Recap

- **Interviewers can be:**
  - **Demanding**
  - **Tricky**
  - **Confusing**
  - **Chatty**
- **Let’s practice thinking on our feet and doing quick math**

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PRACTICE & DRILLS

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Let’s do some analysis

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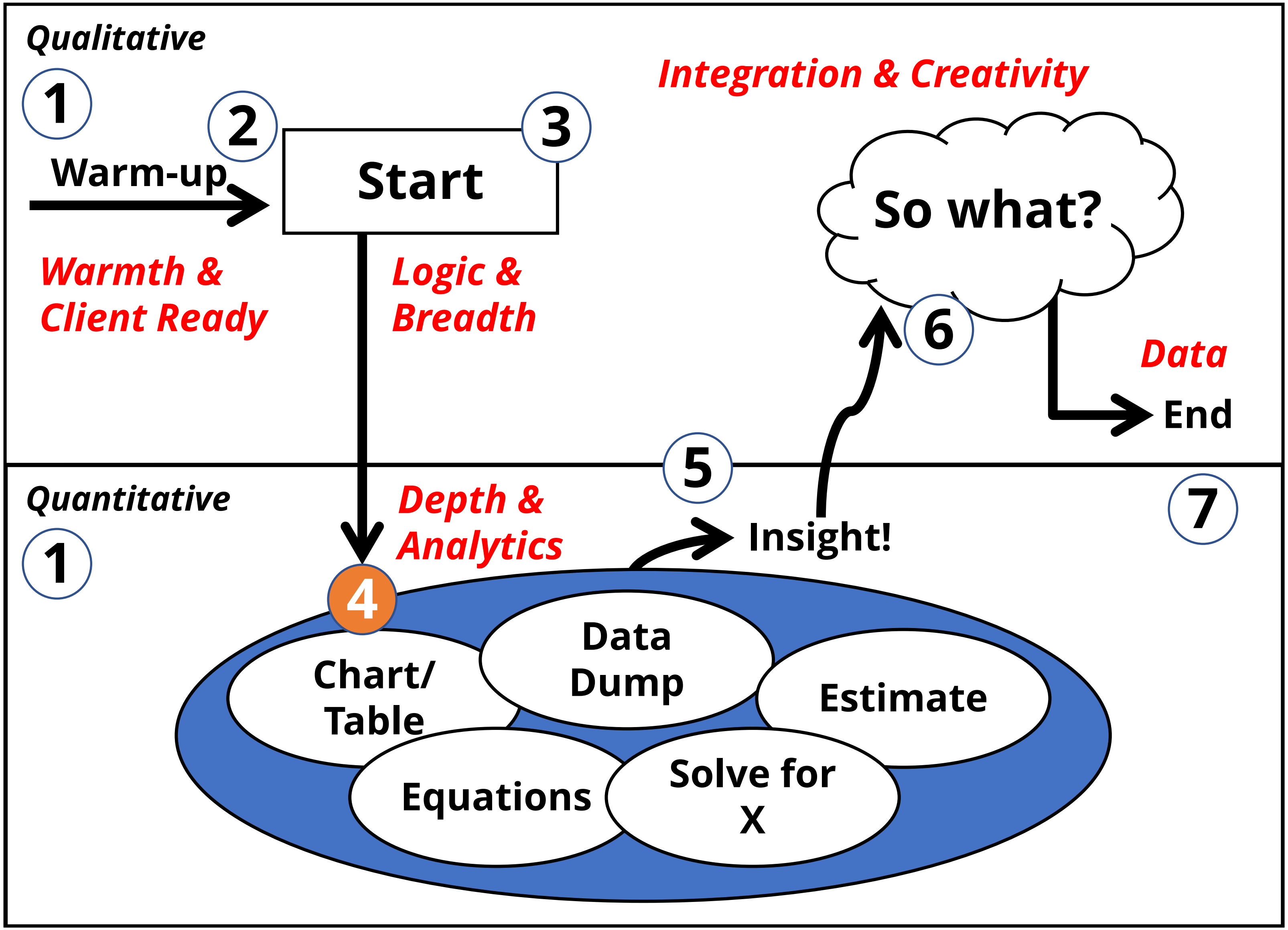

Let's do a case!

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Market Sizing & Estimation	Mini-Business Case	Full Business Case
▪ **5-10 minutes**	▪ **15-20 minutes**	▪ **30-40 minutes**
▪ How many toothbrushes are sold each year?	▪ Help this company launch a new product.	▪ Help this company expand and deal with 2 other issues.
❑ Quick math ❑ Estimating ❑ Facing ambiguity ❑ Communicating confidently	❑ Estimating ❑ Facing ambiguity ❑ Communicating confidently ❑ Chart or equation ❑ Final decision	❑ Estimating ❑ Facing ambiguity ❑ Communicating confidently ❑ Many charts, equations ❑ More complex final decision

Market sizing embedded in business case

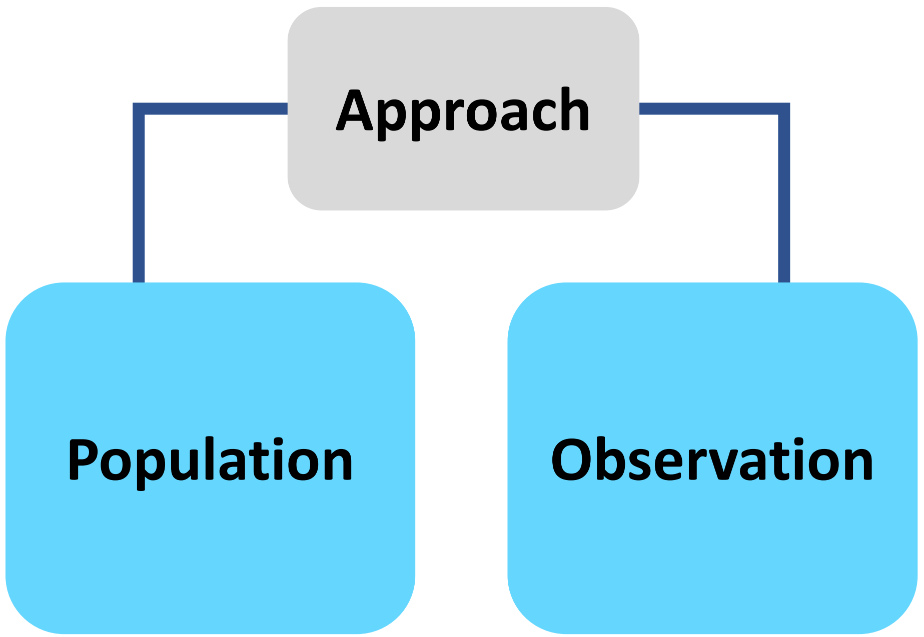
You need to SPEAK

Market Sizing/ Estimation Cases

- Counting
  - # of toothbrushes sold regularly
- Measuring
  - How many square feet of windows are in Seattle
- Usage
  - How fast do consumers go through a bottle of hair spray?

Comfort with ambiguity

Market Sizing Options



SPEAK is a guide

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S tate your assumptions

P ick your metrics

E stimate quickly with round #s

A ssess your approach and answer

K eep exceptions and next steps in mind

Starbucks: 16k stores in US. 60% company owned, 40% licensed. How many cups annually?

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S tate your assumptions

- US population of 330M, approx. 80% are adults (18+): 260M
- Daily coffee drinkers: 2/3 of adults
- Daily coffee drinkers who only drink coffee brewed at home or at work: 60%
- Daily coffee drinkers who purchase coffee outside home/work: 40%
- Assume 1 cup per day purchased.
- Starbucks' market share of purchased coffee: 50% (Competitors include Dunkin' Donuts, 7-11 stores, Peet's Coffee and similar smaller chains, and independent coffee shops.)

P ick your metrics and approach

- % of coffee drinkers who purchase outside home/work.
- SB’s market share of coffee purchased outside home/work.

E stimate quickly and with round #s

- 260M adults x 2/3 daily drinkers = 170M daily drinkers
- 170M daily drinkers x 40% purchase outside home/work = 68M daily purchases
- 68M daily purchases x 50% SB market share = 34M cups purchased at SB
- 34M x 350 days – 12B drinks purchased at SB US stores per year

A ssess your approach and answer

- With 16,000 stores, 12B drinks is about 750K drinks per store, 2K per day, and 135 drinks per hour (15 hr/day). Seems a little high. Some hours of the day are slower than others, e.g. morning vs afternoon.

If SB market share is 30%, answer changes to 20M x 350 days = approx. 7B drinks purchased.

- % of daily coffee drinkers in USA could be a little high, and SB market share of 50% could be too high.
- Estimate does not include occasional coffee drinkers, e.g. 1-2x per week.

K eep exceptions and next steps in mind

- Are more customers drinking at home & at work? Single cup brewing machines (K-cups) are growing in popularity.
- Compare population approach with observational approach.

Starbucks: 16k stores in US. 60% company owned, 40% licensed. How many cups annually?

S tate your assumptions

- 30 customers per hour, or 1 every 2 minutes
- Stores open 15 hours/day on average

P ick your metrics and approach

- Customers per store per day

E stimate quickly and with round #s

- 30 coffee customers per hour, assume 1 cup per customer
- 30 cups x 15 business hours = 450 cups per day
- 450 cups x 350 days = 150K cups per year per store
- 150K cups x 16,000 retail stores = 2.4B cups in USA

A ssess your approach and answer

- Hours of the store and number of customers could all be high. Some hours in the day have fewer orders (e.g. morning versus afternoon).

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K eep exceptions and next steps in mind

- Do stores with a drive-thru have higher traffic and sales than stores without drive-thru? Should we make different assumptions for the two types?
- Do company-owned stores have higher traffic than licensed stores?
- Compare observational approach with population approach.

Partner Practice

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Practice with 1 partner

Interviewer:

- Give the case question and then go quiet
- Don’t help too much, let the candidate work through the problem

Candidate:

- Remember to SPEAK
- Explain your logic and show your work

After 5 minutes, stop, give brief feedback and switch. Do 2 of the 3 cases.

Recap

Market
Sizing

- **Work on the mechanics and explaining your logic**
- **Neaten up your notes and go faster over time**
- **Do 15 market sizing case to build confidence**

Let’s do a case!

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Market Sizing & Estimation

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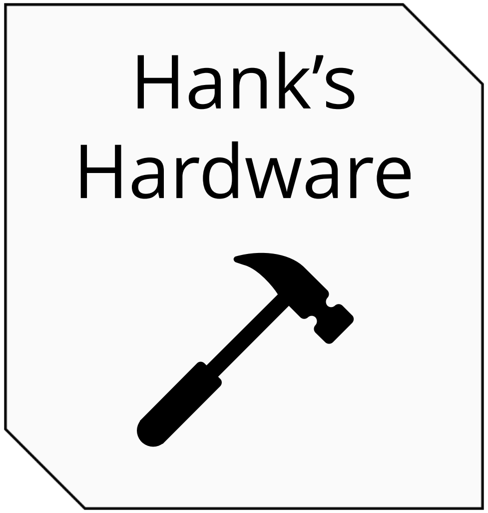
Mini-Business Case

Hank's Hardware

Recap

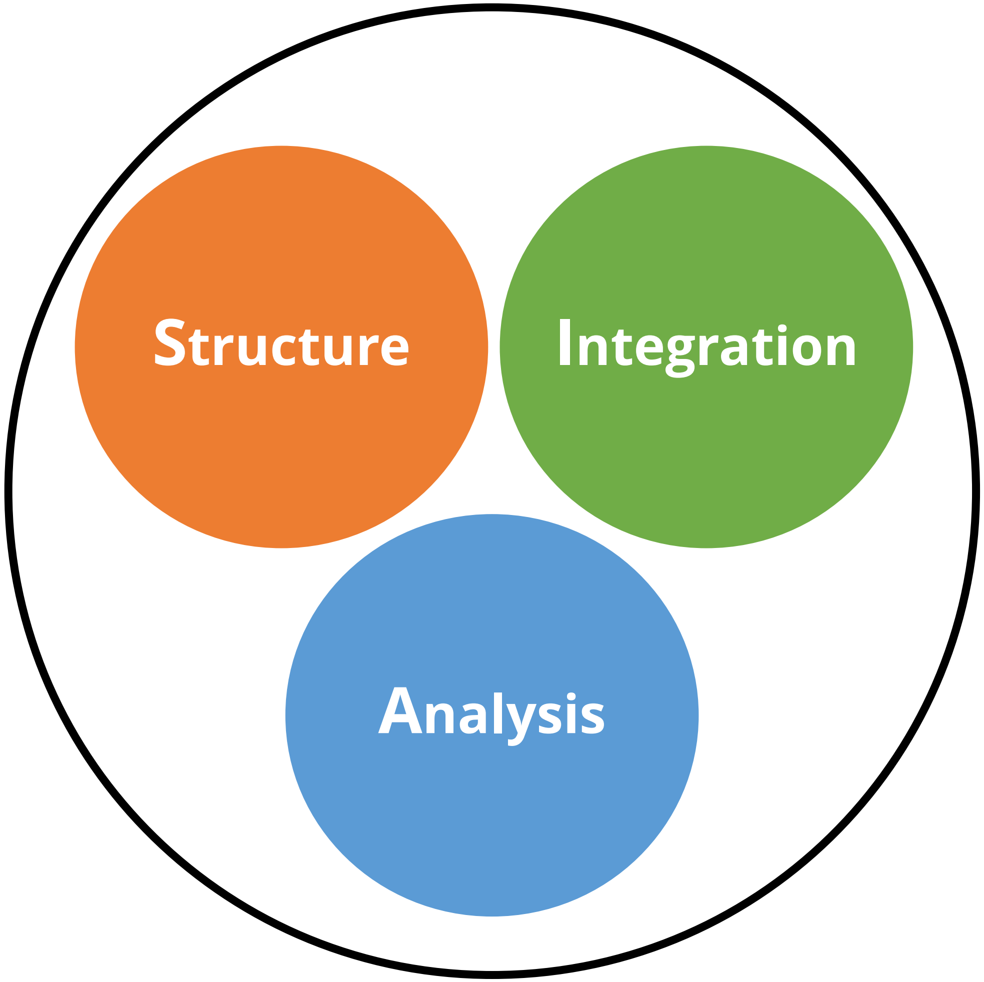


- **Profit cases can have several layers**
- **Explain your logic, even when you think it's obvious**
- **Show breadth with your recommendation**

Math Must Haves

1. Estimating / Mental Math
2. Profit Equation (magazine drills!)
3. Break-even
4. Projected Growth Rate
5. Return on Investment / ROI

Cases test four key skills



COMMUNICATION

Zintervu

David Ohrvall

CEO, Zintervu

davidohrvall