

# Preparing for Your Case Interview

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A.T. Kearney. Where your ideas make a difference.

*ATKEARNEY*

At A.T. Kearney we are looking for people who love to reach out. People who want to stretch their talents. People who will challenge themselves to achieve meaningful, measurable results for their clients, their firm, and themselves. People with ideas.

Your interest in a consulting career with us suggests that you may be one of those people, and we have designed our interview process so that you will have every opportunity to show it.

The A.T. Kearney interview sequence consists of two rounds. The first includes two 45-minute interviews conducted back-to-back on campus or in another convenient location. The second, which normally takes place at our nearest office, involves three 45-minute meetings with A.T. Kearney's senior people.

If you are invited to complete the full sequence, you can expect that both rounds of interviews will be a combination of case and fit interviews. This means that in addition to discussing our firm and your future with it, the A.T. Kearney consultants you meet will also present you with real-world business problems and ask you to develop solutions.

Experience shows that the applicants who are the most successful in a case interview are those who enter it with the right frame of mind and the best preparation. The following information is designed to help you achieve both.

### **Why The Case Format?**

While we look for many qualities in an applicant, the most important is his or her ability to think and communicate as we believe a successful consultant should. A case interview offers you the opportunity to demonstrate your consulting potential.

The case format is a simulation in which your interviewer, in the role of client, presents you with a complex business problem and seeks your initial recommendations for solving it. In the process of developing and conveying your ideas, you will have the chance to display many of the characteristics that make for successful consulting. These include your ability to gather and synthesize information, to postulate alternate solutions, to formulate the one with the greatest impact, and to communicate it with power and poise.

Ultimately both you and we will come out of the case interview with a better sense of your "fit" with the consulting profession in general and with A.T. Kearney in particular.

## **What To Expect**

The case format presents challenges different from those of a more conventional interview. Here, you will not only discuss your qualifications but also demonstrate them. The cases you encounter will be based in part on actual A.T. Kearney engagements or projects. They will focus on areas such as the following:

- Industry Analysis
- Market Expansion
- Profit Improvement
- Pricing Alternatives
- Investments

## **How To Succeed During Your Case Interview**

In general, the best way to approach problems like those listed above is to enter the interview as a consultant would enter a client's office or board room ready to use your imagination, gather and analyze information, arrive at solid conclusions, and communicate them persuasively. We asked for the advice of A.T. Kearney consultants who have conducted case interviews, and they offered the following:

1. ***Approach The Case Logically.*** The most important thing is to rely on what your education has trained you to do: use your logic and knowledge to identify the essence of a problem and shape a solution that will produce tangible, measurable results.
  - ***Listen and Clarify.*** The interviewer, like a real client, will offer you an initial set of facts. Be certain you understand them completely. Be certain, also, that you help the client clearly express the objectives his or her hypothetical company expects to accomplish as a result of your recommendations. In the interview, as in a real consulting situation, the client may not provide all the information you need without some probing on your part. Be prepared to ask thoughtful questions that will illuminate and fill the gaps.
  - ***Think "Top Down."*** As you analyze the information you receive, begin with the "big picture." Understand the overriding issues and use them to prioritize and organize those of lesser consequence.
  - ***Hypothesize.*** While you listen and question, begin developing alternative solutions. Continue questioning until you are confident as to which will offer the greatest potential for impact.

- **Frame.** Test your hypothesis with further questions and fine tune it based on the answers.
- **Communicate.** Present your solution in a way that is poised, clear and concise. State your assumptions and revisit them when the need arises. Be “coachable,” soliciting feedback and integrating it quickly. At the same time, be firm about the things in which you believe strongly.
- **Know Your Limits.** If things aren’t going well, don’t try to “tough it out.” Acknowledge that you are stuck, seek more information or pursue a different logical path. Remember, the simulation is designed to reflect the reality of consulting, including the fact that it can be complex and ambiguous.

2. **Think Creatively.** In the consulting profession it is not enough to be logical.

You will also need to be creative. With this in mind, here are some things you should try to do during your case interview:

- **Challenge Conventions.** Be willing to be different. Step outside the proverbial “box.” Resist the temptation to rely on past problem-solving approaches and, instead, allow yourself to engage in free association. At A.T. Kearney we are looking for people who can offer a new slant on old problems – that’s what we mean when we say that ours is a firm where your ideas make a difference.
- **Approach the problem from multiple directions.** Look for different ways to characterize the issues facing the hypothetical company. Consider each as a different starting point towards a potential solution. Look beyond the numbers to the products, processes, people, and politics behind them.
- **Adopt the CEO/Shareholder Perspective.** Remember, you are not simply trying to solve a problem – you’re solving it for someone’s benefit. In this case it is a CEO in his or her role as chief strategist and protector of shareholder value. Ultimately, producing results means increasing the underlying value of a company.
- **Consider Organizational and Cultural Aspects.** Think about the ways in which both a problem and its potential solution will influence the jobs, responsibilities and attitudes of the hypothetical company’s people.

The above are some of the “do’s” that will help you maintain a creative edge. Here are some of the “don’ts.”

- ***Don’t Force Your Solution to Fit a Standard Framework.*** The only things it needs to fit are the problem, the business and the objectives.
  - ***Don’t Speak Before Thinking Carefully.***
  - ***Don’t Search for a “Silver Bullet.”*** Complex problems rarely have simple solutions.
  - ***Don’t Use “Buzz Words.”*** Be simple and direct.
3. ***Send the Right Signals.*** The success of an engagement will often rest on the strength of the working partnership that develops between the consultant and client. The same is true during the case interview.

With this in mind, approach your interview not only as an audition but also as a relationship building opportunity. Maintain consistent eye contact. Engage in dialogue, not monologue. Express your ideas in ways that speak directly to the interviewer’s concerns and objectives. And be sure that your demeanor sends the right signals, demonstrating your...

- Passion for learning
- Commitment to results
- Ability to gain from adversity
- Good business acumen
- Confidence (but not arrogance)
- Poise under pressure

### **Case Types**

Above we identified six kinds of cases you may encounter in your interview. Here are examples of each as well as some of the key points you should be prepared to consider or address.

1. ***Industry Analysis.*** These are cases in which many of the most important issues will have to do with the opportunities, trends and conditions inherent in a specific industry.

### ***Examples***

- A group of investors contemplates building a 40,000 seat concert pavilion in the suburb of a major city. What factors should they consider?
- A manufacturer of automotive batteries is losing market share and profitability is eroding. What should the company do?
- A national provider of in-home health care services is considering the purchase of a regional managed care facility with 250 physicians. What factors should the client consider in making this decision?
- A leading manufacturer of automobiles is considering acquisition of a national rental car company. What factors are important in this decision?

### ***Key Points To Explore***

- Market
  - Evaluate market size and segmentation
  - Analyze product demand/trends
  - Identify customer requirements
- Competition
  - Analyze competitive economics
  - Determine levels of product differentiation, market integration, industry concentration
- Customer/Supplier Relations
  - Evaluate negotiation power
  - Identify substitutes
  - Assess vertical integration
- Barriers to Entry/Exit
  - Evaluate companies entering/exiting
  - Determine competitor reaction to new entrant
  - Analyze economics of scale
  - Predict learning curve
  - Research government regulation
- Financials
  - Identify key financials
  - Evaluate potential ROI
  - Assess risk factors of industry
  - Determine fixed and variable costs

2. **Market Expansion.** Here the emphasis is on developing strategies to increase market share or to enter a new market.

**Examples**

- A U.S. domestic express package company with both air and ground transport capability, more than \$7 billion in revenues, and strong profits is approached by a European company suggesting that they form an alliance to provide service between the U.S. and Europe. Should the client enter the international market? If so, what should the client's strategy be? Should revenues be split?
- A European manufacturer of confectionary products wants to enter the U.S. market with a premium product line. Should the client do so?
- A national retailer has approached our client, a manufacturer of fast-moving consumer products, and asked it to consider producing a private label product line for them. The manufacturer is burdened with excess manufacturing capacity, so the proposal looks attractive. What factors should management consider in making the decision?

**Key Points To Explore**

- Size of market
  - Identify data sources for market size
  - Understand growth trends
- Understand competitors
  - Identify current service providers
  - Evaluate strengths/weaknesses
  - Estimate competitors' cost structures
- Analyze customer needs
  - Identify key customer segments and respective needs
  - Identify gaps in current services
  - Discuss cost-benefit trade-offs
- Understand economics
  - Project expected revenues and costs
  - Estimate capital expenditures
  - Perform sensitivity analyses

3. **Profitability Improvement.** These cases involve a complete analysis of the enterprise as well as its suppliers, customers and environment with the aim of improving its profitability.

### ***Examples***

- A U.S. subsidiary of a French spring water bottler is experiencing a drop in profits. Why?
- A Japanese automotive components (brakes, shocks, struts) manufacturer with a 12% share of the U.S. market is experiencing declining profits. Currently, 20% of its products are shipped to the U.S. from Japan and 80% are manufactured in U.S. facilities. What might be causing the decline and what actions should be taken?
- A company makes stairmasters, treadmills, etc. to sell to health clubs. How can its profits be increased?
- Your client is a consumer products company. The board wants to know if its advertising campaign for their new brand of chips has been successful. How would you evaluate the campaign's performance?

### ***Key Points To Explore***

- Costs
  - Fixed and variable
  - Labor costs
  - Suppliers
  - Materials
  - Plant utilization
  - Quality
  - Economies of scale
  - Distribution
- Customers
  - Price sensitivity
  - Segmentation
  - Cost-benefit trade-off
- Competition
  - Pricing
  - Capacity
  - Basis of differentiation
- Channels
  - Relative leverage
  - Market segmentation
  - Strategy

4. ***Pricing.*** With these cases, the focus is on developing alternate pricing models and evaluating their potential impact on the business.

### ***Examples***

- Your client is a concert pavilion. Revenues at performances are declining. Given that the concert pavilion's goal is to maximize exposure while covering costs, what should be done?
- An inventor of a new athletic shoe wants to know: (1) what the market is for his goods; and (2) how to produce them. What steps should be taken?
- How should a major retailer determine prices in its electronic and appliance service business?

### ***Key Points To Explore***

- Identify the type of market
  - Monopoly
  - Oligopoly
  - Perfect competition
- Consider the issues
  - What the market will bear
  - Long-term effects of pricing decisions
  - How the competition will respond to changes in pricing
  - The elasticity of demand
  - Consumer sensitivity to price changes
  - Methods to create price discrimination
  - The use of strategic tactics such as creating "loss leaders" or "traffic builders"

5. ***Investment.*** Here the consultant is asked to project the consequences, both short-term and long, of a major acquisition or a large-scale capital expansion.

### ***Examples***

- A German manufacturer of consumer products would like to develop a manufacturing facility in Poland to meet Eastern Europe's growing demand for its products. What factors should the company consider?
- A Midwest-based pharmaceutical company is considering opening distribution warehouses on the West Coast to handle the growing Western territory. What factors should it consider?
- An automotive manufacturer is considering consolidating three of its East Coast assembly plants into one location. What factors should it consider?

- A company that makes chocolate and confectionery products is considering acquiring a regional soft drink manufacturer. Are the distribution synergies sufficient to justify the acquisition?

***Key Points To Explore***

- Sustainability of products in segment
- Market size and dynamics
- Competitive position
- Product differentiation and standards
- Price dynamics
- Distribution of costs

**Final Thoughts**

We look forward to meeting you and exploring your potential as an A.T. Kearney consultant. If you have any questions about interviewing with A.T. Kearney, we would be pleased to answer them.