180 Degrees Consulting

University of California, Los Angeles

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Recruitment Case Resources

WHAT IS A CASE INTERVIEW?

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A case interview is a hypothetical business situation where you solve a problem with your interviewer as if you are a consultant. It is a chance to show that you can think through difficult problems and communicate professionally.

Ex. How many bottles of ketchup are sold in the U.S. each year?
Ex. Should our client, a shoe retailer, launch a new line of handbags?
Ex. Why is our client, a music streaming service, experiencing declining profits?

5 KEY COMPONENTS TO CASING

Applicable for any type of case interview!

Your client is...

01

PROMPT

✓ Capture key information of the prompt.

✓ Confirm the details with your interviewer.

✓ Do not repeat the prompt, just the highlights.

CLARIFYING QUESTIONS

- This is an important phase to define the problem!

- Ask about goals, scope, and other unclear items such as:
  - Timeline and targets,
  - Geography and number of locations,
  - "How does product X work?" and "What is the business model?"
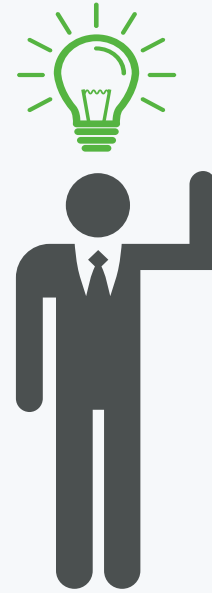
STRUCTURE THE CASE

✅ Ask for a moment (~60s) to structure the case.

✅ **Create a mutually exclusive, collectively exhaustive ('MECE') framework.** This means all the buckets/points you come up with should not overlap (mutually exclusive), and cover sufficient grounds in answering the question (collectively exhaustive).

✅ **Factors-Based Approach:** talk about the different factors to consider to solve the problem (e.g. how can company Y increase profits?)

✅ **Process Flow Approach:** break down the problem into steps and solve it (e.g. how can company Y reduce its carbon footprint?)

03

SOLVE THE CASE

✓ **Involve the interviewer:** to make this a collaborative process; validate your approach, ask for key figures, additional information, etc.

✓ Verbalize your thought process so that the interviewer knows what you are doing!

✓ **Three key components:**
  - Calculations;
  - Exhibits;
  - Brainstorming. i.e. Can you think about ways company X can increase its revenue?

✓ Always relate the insights you found back to the case, client and industry.

FINAL RECOMMENDATION

05

✓ The interviewer will ask you, "Your client walks into the room and asks for a recommendation, what would you say?" Ask for a moment (~30s) to summarize findings.

✓ Restate the question.

✓ Answer the question.

✓ Provide 2-4 supporting reasons (key figures).

✓ State some risks and next steps.

✓ Be concise, professional, confident!

CASE
WALKTHROUGH

IDENTIFYING CLARIFYING QUESTIONS

Breakdown of the important information in a case into segments.

WHO
Who are their competitors and their customer base? B2B, B2C?

01

HOW
How are they making money? What is their business model?

02

WHAT
What is their product mix?

03

INDUSTRY
Scale of the problem. Who is being affected? Scale of the issue?

04

WHERE
Where do they operate? Where are their production facilities, operations, and profits?

05

GOAL
Main goals of the company.

06

WHEN
Timeline of the issues/problem you are trying to solve - symptoms and roadmap to solving the issue.

07

METRICS
How do you measure success of this project? Y2Y? Profit? %?

08

PRESENTING THE FRAMEWORK

There are **3 common types of frameworks:** Market Sizing, Profitability, and Market Entry

- When presenting the framework, it is best to make the delivery **as structured as possible**

- "I have framed my approach into 3 main categories: A, B, and C. Taking a look within A, I've decided to split this into 1, 2, 3 …"

- **Start from the highest level, then dive deeper**

MARKET SIZING FRAMEWORK

✅ Market sizing questions are a type of math question that can be asked as a standalone interview question or as part of a case interview
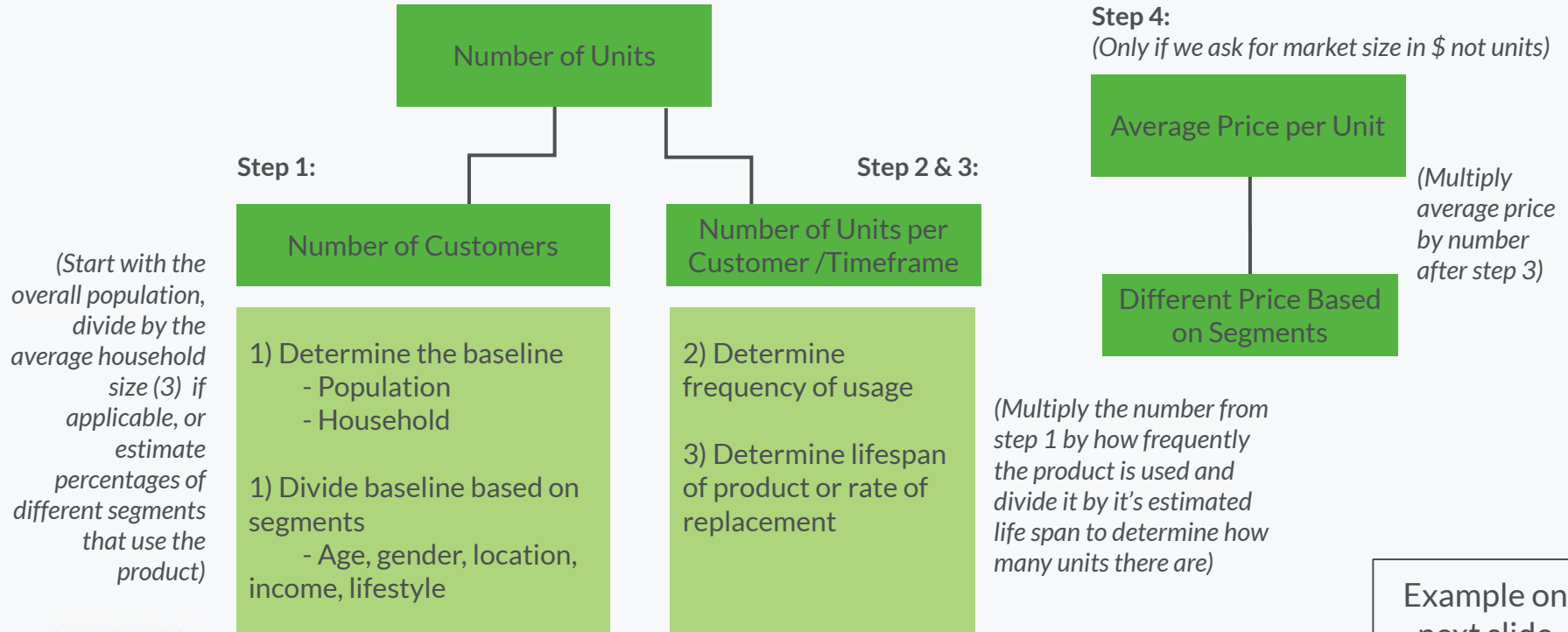
✅ All you have to work with are **logic** and **assumptions**

✅ These questions have **no right answer**; the interview is more interested in your logic and thought process

MARKET SIZING TYPE 1: DEMAND SIDE (TOP DOWN)

Number of Units

Step 1:

(Start with the overall population, divide by the average household size (3) if applicable, or estimate percentages of different segments that use the product)

Number of Customers

1) Determine the baseline
   - Population
   - Household

1) Divide baseline based on segments
   - Age, gender, location, income, lifestyle

Step 2 & 3:

Number of Units per Customer /Timeframe

2) Determine frequency of usage

3) Determine lifespan of product or rate of replacement

(Multiply the number from step 1 by how frequently the product is used and divide it by it's estimated life span to determine how many units there are)

Step 4:
(Only if we ask for market size in $ not units)

Average Price per Unit

Different Price Based on Segments

(Multiply average price by number after step 3)

Example on next slide

180DC AT UCLA

EXAMPLE CASE 1: DISHWASHERS

What is the market size for dishwashers in the US?

① # of dishwashers

# of people in the US × # of people/household × percentage of households with dishwasher
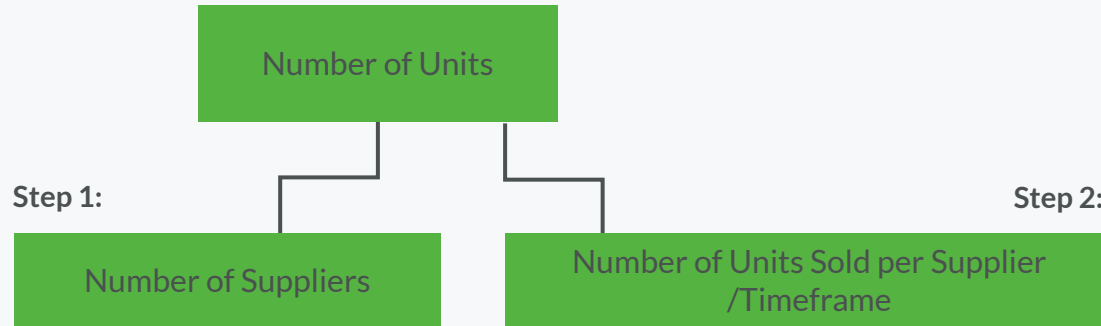
300 M   ÷ 3   × 75% = 75M

# of people in the US × percentage employed × percentage of employed with dishwashers

300 M   ÷ 2   × 50% ÷ 100 = 0.8M

×

② frequency of usage   1 dishwasher /usage

÷

③ lifespan   10 years

If asked for number in $ units, **Step 4** would be to multiply the number of dishwashers from 3 by the average price of dishwashers

MARKET SIZING TYPE 2:   SUPPLY SIDE (BOTTOM UP)

Number of Units

Step 3:
(Only if we ask for market size in $ not units)

Average Price per Unit

(Multiply average price by number after step 3)

Step 1:

Number of Suppliers

(How many employees are selling the product? Ex: registers)

Step 2:

Number of Units Sold per Supplier /Timeframe

1) Determine maximum capacity
    - Based on factors such as number of cashiers, seats, ticket booths

2) Determine utilization based on different segments
    - Varies between weekday/weekend, peak/non peak hours, summer/winter, urban/rural

(Multiply the number from Step 1 by how many units are sold per supplier. You can determine this by looking into maximum capacity and peak hours)

Example on next slide

EXAMPLE CASE 2: BLAZE PIZZA

How many pizzas does the Blaze Pizza at Court of Sciences sell in a given day?

# of units

(1)

# of registers
2 registers

(2)

# of pizzas sold per hour

$2 \times (30 \times 1.1 \times 4 + 15 \times 1.1 \times 5) = 429$

peak hours

non-peak hours

# of customers/ hour/register
30 customers

# of pizza/ customer
1.1 pizza

# of hours
4

# of customers/ hour/register
15 customers

# of pizza/ customer
1.1 pizza

# of hours
5
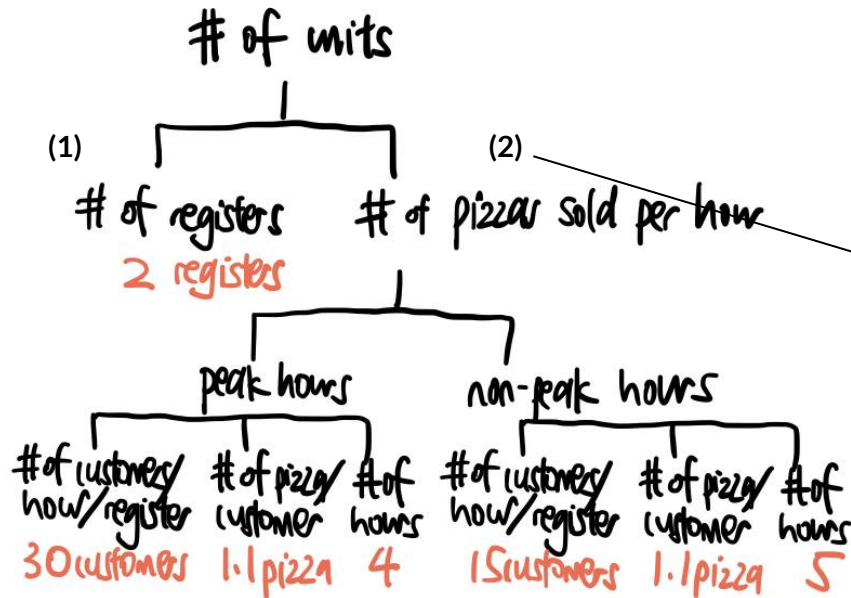
If asked for number in $ units, **Step 3** would be to multiply 429 by the average price of pizza

PROFITABILITY FRAMEWORK

✓ Whenever you hear the words "bottom line" or "profits", you should immediately think: **profit = (revenue - costs) * volume**

✓ In this type of case, you are essentially answering either 1) why is a company not maximizing profit, or 2) how can a company maximize its profit

✓ So, you can start building your framework by asking yourself: is it a revenue or cost problem?

✓ If this is identified in the clarifying questions, focus on either revenue or cost; if this is not identified, ask for more information to **diagnose the situation** as you are moving forward with the case

MARKET ENTRY FRAMEWORK
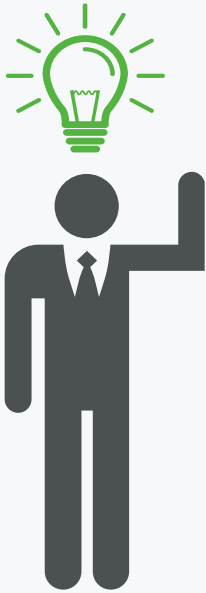
✓ In a market entry case, candidates will be asked if a company/service/product should **expand into a new market**, including new regions or new customer segment

✓ Benefits, risks, and short term long term profitability should all be accounted

✓ The interview is primarily interested in how a candidate would **analyze information** to determine if an expansion into a new market would be beneficial or harmful to the client – and why

ANALYZING **EXHIBITS**

The complexity of the exhibit will determine how much time the interviewer will give you to think about it. Most of the time, the exhibits are relatively simple, so you will not be given as much time.

1) Give your initial thoughts!
   a) **Describe** what the graph depicts
   b) Point out the numbers that **immediately stand out** to you
2) **Break down the key question** out loud and confirm your thoughts with the interviewer
3) **Ask for information** that you might need **AFTER getting confirmation** that you're on the right track
4) **Contextualize** the info/number!!
   a) Is this good/bad for the situation?
   b) What are some considerations/assumptions made to get here

03 How would the client's profits change if we succeed in doubling Getaway Airlines' market shares in their four major destinations?

Getaway Airlines' sales metrics, 2019

Type	Top Markets	Number of passengers of Getaway Airlines, k	Market share*, %
Hub	Minneapolis, MN	1,300	7.3%
Destination	Las Vegas, NV	270	1.2%
Destination	Los Angeles, CA	140	0.5%
Destination	Portland, OR	140	1.5%
Destination	Fort Myers, FL	130	2.6%
Destination	Other	1,200	0.1%

MASTERING CASE MATH

There are **three key factors** to being good at case math - communication, mental math/speed, and having a basic understanding of economics. But **anyone can master it** with enough practice!

1) Communication
   a) Start from a **top down approach** similar to how you would **communicate your structure**
   b) You can ask for some time if the math is slightly complex **AFTER talking through your steps and getting confirmation** that you are on the right track

2) Mental Math/Speed
   a) Use **shortcuts** like round numbers, factor decomposition, and percentage tricks! (elaborated on slide Slide 4 of Market Sizing PDF)

3) Economics
   a) Understanding concepts like supply and demand, price elasticity, economies of scale, break-even analysis, SWOT analysis, and market structure can make the case a lot easier!

MASTERING BRAINSTORMING

There are generally **2 main ways** that make it easier to come up with ideas (this depends on the question and what they are asking you to brainstorm):

1) Use **pre-existing structures** as a starting point (**3Cs, 4Ps etc.**), or **general casing structures** (profit structure and brainstorm in each bucket).
   a) NOTE: while these pre-existing frameworks are good to fall back on, successful candidates present frameworks that are more personalized to the prompt and client's needs.
2) Break it down **based on the kind of problem** that you are being presented with
   a) i.e. **supply chain** - break it down into different parts of a supply chain depending on the industry.

What are we generally looking for?
- Ability to **structure** your ideas
- How **creative** you are
- Your **business acumen**

Best Practices:
- Reach for **7-8 ideas**
- It is better to **take a minute** and come up with 7-8 structured ideas than give 2-3 average ideas without much creativity right off the bat
- Always present your structure before stating your ideas

DELIVERING THE FINAL RECOMMENDATION

Recommendation

Reasoning

Risks

Next Steps

Directly answer the question **first**.
This also shows a top-down approach.

2-3 reasons, pulling in any relevant values/ideas that you calculated before.

2-3 risks, which can either have been previously mentioned or not mentioned at all.

2-3 next steps, which are usually risk mitigation strategies.

GENERAL TIPS & TRICKS

DEVELOP A SHORTHAND

Take efficient and quick notes by abbreviating and using symbols (ex: arrows).

BRING PEN AND PAPER

Bring a pen and paper to the interview so that you can keep organized notes.

CONNECT WITH YOUR INTERVIEWERS

Bring a sense of personal connection to the case and your interview.

BE CONVERSATIONAL

Be calm and talk your interviewers through your thought process.

ASK QUESTIONS

Don't be afraid to ask clarifying questions throughout the case.

ADDITIONAL CASING GUIDES AND WALKTHROUGHS

We've prepared additional guides and walkthroughs of the three most common types of case interview questions.

1

MARKET SIZING

https://drive.google.com/file/d/1rpUxq36o5ynHuazezm3k6xc9zcb2-Bef/view?usp=sharing

2

MARKET ENTRY

https://drive.google.com/file/d/1gHj6iWBynct--zRltBzYU7lEkyclpekk/view?usp=sharing
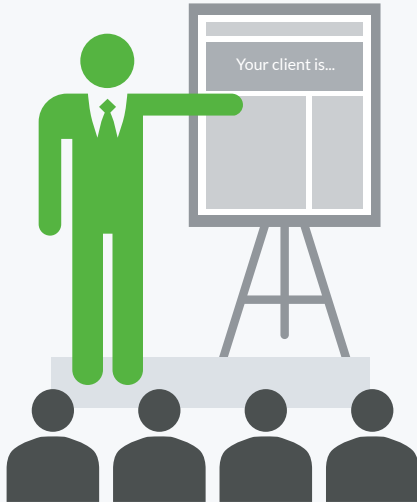
3

PROFITABILITY

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